

5 November 2018

## GREENCROSS ENTERS INTO SCHEME IMPLEMENTATION AGREEMENT

- Greencross Limited ('Greencross') has entered into a Scheme Implementation Agreement ('SIA')<sup>1</sup> with Vermont Aus Pty Ltd an entity owned by funds managed by TPG Capital Asia and TPG Growth ('TPG') to acquire 100% of Greencross shares
- \$5.55 per share ('Scheme Consideration', reduced to the extent of any Permitted Dividend) by way of a Scheme of Arrangement ('Scheme'), with equity alternatives
- The Scheme Consideration represents a premium of 44.5% to the Greencross 1 month volume weighted average price ('VWAP') up to 9 October 2018<sup>2</sup> and an acquisition multiple of ~10x FY18A EV / EBITDA<sup>3</sup>
- The payment of a fully-franked Permitted Dividend of up to \$0.21 per share on or shortly before the implementation date of the Scheme is currently being reviewed by Greencross<sup>4</sup>
- Greencross directors unanimously recommend the Scheme subject to an Independent Expert's Report concluding that the Scheme is in the best interests of Greencross shareholders and there being no Superior Proposal
- The Scheme is subject to a number of conditions which must be satisfied before the Scheme is implemented. Greencross shareholders do not need to take any action at the present time

### Overview of the Scheme

Under the terms of the Scheme, Greencross shareholders will be entitled to receive \$5.55 per share, subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

The Scheme Consideration represents:

- a 44.5% premium to the 1 month VWAP of \$3.84 (up to and including 9 October 2018, being the last closing price prior to the announcement that Greencross had received proposals);<sup>2</sup>
- a 34.1% premium to the undisturbed closing price of Greencross shares on 9 October 2018 of \$4.14;
- an implied equity value of \$675 million and enterprise value of \$970 million;<sup>5</sup> and
- implied acquisition multiples of ~10x FY18A EV / EBITDA<sup>3</sup> and ~14x FY18A EV / EBIT<sup>6</sup>.

Those shareholders who are able to realise the full benefit of franking credits will receive up to \$5.64 value per share in respect of the Scheme (assuming that the full Permitted Dividend is paid), which represents a 46.9% premium to the 1 month VWAP of Greencross shares.<sup>1</sup> Whether a shareholder will be able to capture the full benefit of the franking credits will depend on their individual tax circumstances.

<sup>1</sup> Capitalised terms have the meaning given to them in the SIA, unless otherwise defined in this document.

<sup>2</sup> 1 month VWAP of A\$3.84 from 10 September to 9 October 2018.

<sup>3</sup> Based on Greencross underlying FY18 EBITDA of A\$97.6 million.

<sup>4</sup> The Scheme Consideration will be reduced by the amount of any Permitted Dividend paid by Greencross.

<sup>5</sup> Implied diluted equity value of A\$675 million based on the Scheme Consideration of A\$5.55 per share multiplied by current shares on issue of 120,463,450 shares and 1,166,680 unlisted performance rights. Enterprise value includes Greencross net debt of A\$268.2 million and minority interests of A\$26.3 million as at 30 June 2018.

<sup>6</sup> Based on Greencross underlying FY18 EBIT of A\$71.1 million.

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## Greencross Board unanimously recommends the Scheme

In the absence of a Superior Proposal and subject to an Independent Expert's Report concluding that the Scheme is in the best interests of Greencross shareholders, the Board of Greencross unanimously recommends that Greencross shareholders vote in favour of the Scheme. Subject to those same qualifications, all directors intend to vote all the Greencross shares held or controlled by them in favour of the Scheme.

The Board of Greencross makes no recommendation in relation to the equity alternatives.

Greencross chairman, Mr Stuart James said: "In reaching our conclusion that the Scheme is in the best interests of shareholders, the Board has considered a number of alternatives, including standalone value creation opportunities and alternative proposals from other potentially interested parties. Upon assessing the alternatives before it, the Board has unanimously concluded that the Scheme is a compelling option which realises attractive value for our shareholders."

TPG's Head of Australia and New Zealand, Mr Joel Thickers said: "We are pleased to have reached unanimous agreement with the Greencross Board on this proposal. Under private ownership the Greencross business, brands and products will continue to grow and provide world-class services to the increasing number of pet lovers in Australia and New Zealand."

TPG is a leading global private investment firm founded in 1992 with over US\$94 billion of assets under management. Mr James said, "as a former investor in Petbarn, supporting the growth of the business from 69 stores to over 298 stores and clinics, we are confident that TPG will continue to support the ongoing success of the business."

The Greencross Board highlights the following positive features of the Scheme:

- **Attractive premium:** a 44.5% premium to the 1 month VWAP of \$3.84 (up to and including 9 October 2018);<sup>2</sup>
- **Attractive acquisition multiples:** the cash consideration of \$5.55 per share represents ~18x FY18A P/E, ~14x FY18A EV / EBIT and ~10x FY18A EV / EBITDA;<sup>7</sup>
- **Certainty of value:** the cash consideration provides Greencross shareholders with certainty of value and the opportunity to realise their investment for cash; and
- **Limited conditionality:** the Scheme is subject to limited conditions and is not subject to financing or due diligence.

## Equity alternatives

Under the Scheme, equity alternatives are proposed which would enable Greencross shareholders to retain an indirect interest in the business.

Subject to certain conditions, Greencross shareholders will have the option to elect to receive the \$5.55 per share Scheme Consideration<sup>8</sup> in the following ways:

- a) **All Cash Consideration:** \$5.55 in Cash Consideration per Greencross share; or
- b) **Mixed Consideration Option 1:** Shareholders can elect to receive the Cash Consideration of \$5.55 per share in exchange for 50% of their Greencross shares and Class B shares in Vermont Aus Holdco Pty Ltd (ACN 626 842 135 ('Holdco')) for the remainder of their Greencross shares, subject to the qualifications below; or

<sup>7</sup> Based on Greencross underlying FY18 NPAT of A\$37.2 million, underlying FY18 EBIT of A\$71.1 million and underlying FY18 EBITDA of A\$97.6 million.

<sup>8</sup> Reduced to the extent of any Permitted Dividend.

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- c) **Mixed Consideration Option 2:** Shareholders can elect to receive the Cash Consideration of \$5.55 per share in exchange for 25% of their Greencross shares and Class B shares in HoldCo for the remainder of their shares, subject to the qualifications below.

Paragraphs (b) and (c) above are subject to the following qualifications:

- the mixed consideration options will only operate if elections made would result in Greencross shareholders holding, in aggregate, at least 1.5% of the total issued capital of HoldCo on the implementation of the Scheme. In the event this criterion is not satisfied, all Greencross shareholders will receive the all cash consideration; and
- if elections made would result in Greencross shareholders holding, in aggregate, more than 15% of the total issued capital of HoldCo on the implementation of the Scheme, then the Scaleback Mechanism applies to ensure that the total number of Class B shares does not exceed 15% of the total shares on issue in HoldCo.

Greencross shareholders that receive Class B shares in HoldCo will become parties to the HoldCo shareholders agreement, a term sheet of which is included as an Annexure to the SIA.

#### **Details of the SIA**

The implementation of the Scheme is subject to a number of conditions including the approval of Greencross shareholders and the Court, no prescribed occurrences, material adverse change or breach of warranty in relation to Greencross, the counterparty to the joint venture in respect of Animates NZ Holdings Limited giving its written consent to the change of control of Greencross, as well as the approval of the Foreign Investment Review Board.

TPG has advised Greencross that it expects Vermont Aus Pty Ltd to fund the cash component of the Scheme consideration through equity committed by certain funds managed or advised by TPG, and third party financing. The Scheme is not conditional on Vermont Aus Pty Ltd securing the funds.

The SIA contains customary exclusivity provisions including no shop, no talk restrictions and a notification obligation, subject to Greencross' directors fiduciary obligations, and a matching right. The SIA also details circumstances under which Greencross may be required to pay TPG a reimbursement fee equivalent to 1% of the equity value implied by the Scheme Consideration.

Full details of the conditions to the Scheme and other agreed terms are set out in the SIA, a copy of which is attached to this announcement.

#### **Indicative timetable and next steps**

Greencross shareholders do not need to take any action at the present time.

The Scheme booklet containing information relating to the Scheme, the Independent Expert's Report on whether the Scheme is in the best interests of Greencross shareholders, the reasons for the directors' unanimous recommendation and details of the Scheme meeting is expected to be mailed to Greencross shareholders in early CY2019.

It is expected that Greencross shareholders will have the opportunity to vote on the Scheme at a Scheme meeting to be held in late 1Q CY2019. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in 1H CY2019.

These dates are indicative and subject to change.

Macquarie Capital (Australia) Limited and Allier Capital are acting as financial advisers to Greencross and Clayton Utz as legal adviser.

**For further information contact:**

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**About Greencross**

Greencross is Australasia's leading integrated pet care company.

With 250 retail stores, operating under the brand names of Petbarn and City Farmers in Australia and Animates in New Zealand, Greencross is Australasia's leading specialty pet care retailer. In addition to selling pet food and accessories, Greencross offers a wide range of pet services including grooming, dog washing, pet insurance, puppy training, dog walking, pet minding and pet adoption.

As well as selling pet food and accessories through its store network, Greencross has a fast growing online business which enables its customers to order online and have products delivered to their home or to pick up in store using click and collect.

Greencross also owns and operates the largest network of veterinary practices in Australasia with more than 160 GP vet clinics (including 56 in-store vet clinics) and over 30 specialist and emergency hospitals.

**About TPG**

TPG is a leading global alternative asset firm founded in 1992 with more than US\$94 billion of assets under management and offices in Austin, Beijing, Boston, Dallas, Fort Worth, Hong Kong, Houston, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, San Francisco, Seoul, and Singapore. TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit, and public equity. TPG aims to build dynamic products and options for its investors while also instituting discipline and operational excellence across the investment strategy and performance of its portfolio. For more information, visit [www.tpg.com](http://www.tpg.com).

**ENDS**

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# Scheme Implementation Agreement

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Target

Vermont Aus Pty Ltd  
Bidder

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# Scheme implementation agreement

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## Date

**Parties**

**Greencross Limited ACN 119 778 862** of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (**Target**)

**Vermont Aus Pty Ltd ACN 626 845 510** of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**Bidder**)

## Background

- A. Bidder proposes that it will acquire all of the Target Shares pursuant to a scheme of arrangement under section 411 of the Corporations Act between Target and the holders of Target Shares.
- B. Target has agreed to propose the Scheme and issue the Explanatory Memorandum at the request of Bidder, and Target and Bidder have agreed to implement the Scheme on the terms and conditions of this agreement.

## Operative provisions

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### 1. Definitions and interpretation

#### 1.1 Definitions

In this agreement:

**Aggregate Cash Consideration** means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

**Aggregate Scrip Consideration** means the aggregate number of HoldCo Shares payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

**All Cash Consideration** means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

**Animates JV** means the joint venture in respect of Animates NZ Holdings Limited.

**ARH JV** means the joint venture in respect of Veterinary Holdings Pty Ltd.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in section 12 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

**Bidder Announcement** means, if applicable, an announcement by Bidder, a draft of which has been provided to Target on or before the date of this agreement.

**Bidder Board** means the board of directors of Bidder.

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**Bidder Group** means Bidder and each of its Subsidiaries.

**Bidder Indemnified Parties** means Bidder and its Related Bodies Corporate and their respective directors, officers and employees.

**Bidder Information** means such information regarding Bidder Group, HoldCo and the Scheme Consideration that is provided by or on behalf of the Bidder Group or HoldCo to Target or the Independent Expert:

- (a) to enable the Explanatory Memorandum to be prepared and completed in compliance with all applicable laws;
- (b) to enable applications for regulatory approvals to be made; and
- (c) otherwise in compliance with Bidder's obligations under clause 4.4.

**Bidder Warranties** means the warranties made by Bidder set out in clause 12.1.

**Bonus Payment** has the meaning given in paragraph (k)(vi) of the definition of Target Prescribed Occurrence.

**Business Associates Program** means the program established by the Target Group to enable veterinarians, practice managers and other employees of veterinary clinics operated as part of the Target Group to share in the financial performance of the veterinary clinics in which they work, including by investing into those clinics and sharing in the profits of those clinics.

**Business Day** means a day which is a "Business Day" within the meaning given in the Listing Rules.

**Cash Consideration** means an amount of \$5.55 for each Scheme Share minus the actual amount of the Permitted Dividend that is declared and paid per Scheme Share.

**Change of Control Rights** has the meaning given in clause 6.2.

**Class B Share** means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Constitution and HoldCo SHA.

**Competing Proposal** means a proposed transaction or arrangement (whether by way of takeover, share acquisition, scheme of arrangement, reverse takeover, synthetic merger, capital reconstruction, acquisition of assets, dual listed structure, or otherwise) which, if implemented substantially in accordance with its terms, would result in a Third Party:

- (a) directly or indirectly acquiring or having a right to acquire, or obtaining an economic interest in all or a substantial part of the business, assets or undertakings of the Target Group;
- (b) acquiring Control of the Target Group;
- (c) directly or indirectly acquiring a Relevant Interest in any Target Shares, as a result of which the Third Party will have Relevant Interests in 20% or more of the Target Shares in aggregate; or
- (d) otherwise directly or indirectly acquire, or merge with, Target.

**Condition** means each condition specified in clause 3.1.

**Confidentiality Agreement** means the Mutual Confidentiality Agreement between Target and Bidder dated 20 September 2018.

**Control** has the meaning given in the Corporations Act.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Court** means the Supreme Court of New South Wales or such other court of competent jurisdiction as Target and Bidder agree in writing.

**Debt Commitment** means the financing commitments pursuant to the Debt Commitment Letters.

**Debt Commitment Letters** means the executed commitment letters and accompanying term sheets from certain banks or other financial institutions addressed to Bidder and dated on or about the date of this agreement.

**Debt Documents** means definitive agreements related to the Debt Financing and the Debt Commitment Letters.

**Debt Financing** means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letters.

**Deed Poll** means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as Target and Bidder agree in writing.

**EBITDA** means earnings before interest, tax, depreciation and amortisation, in accordance with the accounting policies and practice applied by Target as at the date of this agreement, excluding all costs and expenses incurred by Target associated with the Scheme Process and the Scheme, including all fees payable to external advisers of Target.

**Effective** means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Election** means a Mixed Election Option 1 or a Mixed Election Option 2.

**Election Date** means 7.00pm on the date which is at least three Business Days prior to the Record Date or such other date as agreed between Bidder and the Target in writing.

**Election Form** means the form of election under which a Target Shareholder is offered the opportunity to make an Election.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means the date 6 months after the date of this agreement or such other date agreed in writing between Target and Bidder.

**Equity Commitment Letters** means the binding, executed commitment letters provided before the date of this agreement addressed to Bidder and agreed to and accepted by Bidder.

**Exclusivity Period** means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the date this agreement is terminated in accordance with its terms; and
- (c) the Implementation Date.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of this agreement and to be dispatched to the Target Shareholders.

**Fairly Disclosed** has the meaning given in clause 1.4(j).

**Financing Arrangements** has the meaning given to that term in clause 12.4(a)(x).

**First Court Date** means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**FY18 Accounts** means the consolidated audited financial statement of Target Group for the year ended 30 June 2018.

**HoldCo** means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).

**HoldCo Constitution** means the constitution of HoldCo.

**HoldCo SHA** means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo on substantially those terms set out in the term sheet in Annexure C to this agreement.

**HoldCo Share** means a fully paid Class B Share in the capital of HoldCo to be provided to Scheme Shareholders under the Scheme.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

**Impugned Amount** has the meaning given in clause 10.8.

**Independent Expert** means the independent expert to be engaged by Target to express an opinion on whether the Scheme is in the best interests of the Target Shareholders.

**Independent Expert's Report** means the report (including the initial report and any update, revision, amendment, addendum or supplementary reports to it) prepared by and from the Independent Expert for inclusion in the Explanatory Memorandum, stating whether or not, in the opinion of the Independent Expert, the Scheme is in the best interests of the Target Shareholders and setting out the reasons for that opinion.

**Ineligible Foreign Shareholder** means a Scheme Shareholder whose address shown in the Target Share Register at 7.00 pm on the Record Date is a place outside Australia and its external territories unless Bidder determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when the Scheme becomes Effective.

**Insolvency Event** means in relation to an entity:

- (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of the entity being appointed;
- (c) a court making an order for the winding up of the entity;
- (d) an administrator of the entity being appointed;

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- (e) the entity ceasing, or threatening to cease to, carry on a substantial part of the business which is material to it and its Related Body Corporates, taken as a whole, as at the date of this agreement;
- (f) the entity being or becoming unable to pay its debts when they fall due;
- (g) the entity executing a deed of company arrangement; or
- (h) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property of the entity.

**Joint Venture** means each of the following entities:

- (a) ARH JV;
- (b) Pet Mart Limited;
- (c) Pet Smart Limited;
- (d) Animates JV; and
- (e) any Subsidiary of any of the entities listed in (a) to (d) above,

(together, the **Joint Ventures**).

**Joint Venture Agreements** means the constitutions, governing documents and other agreements relating to the Joint Ventures which are contained in the Target Due Diligence Material.

**Listing Rules** means the official listing rules of the ASX.

**Material Adverse Change** means an event, occurrences, change, matter, thing or condition which individually or when aggregated with other such events, occurrences changes, matters, things or conditions has had, or could reasonably be likely to have the effect of:

- (a) a diminution in the consolidated annual EBITDA of the Target Group, taken as a whole, by at least \$15,000,000; or
- (b) a diminution in the net assets of the Target Group by \$50,000,000 or more,  
compared to the amounts provided for in the FY18 Accounts, other than an event, occurrence or matter:
  - (c) to the extent that it was Fairly Disclosed in the Target Due Diligence Materials;
  - (d) to the extent that it was fully and Fairly Disclosed in documents that were publicly available prior to the date of this agreement from public filings of Target with ASX;
  - (e) relating to costs and expenses incurred by Target associated with the Scheme Process, including all fees payable to external advisers of Target and the funding of the same, to the extent such amounts are Fairly Disclosed in the Target Disclosure Letter;
  - (f) comprising or resulting from a change in any applicable law, accounting standards or policies of a Regulatory Authority after the date of this agreement;
  - (g) comprising or resulting from any change or disruption to, or fluctuation in, general, economic, business or political conditions, including any change to in foreign exchange rates, interest rates or commodities prices, any change or disruption to,

or fluctuation in, existing financial markets, or any act of terrorism, war or natural disaster or the like, in Australia or elsewhere;

- (h) expressly required or permitted by this agreement or the Scheme (including the payment of the Permitted Dividend); or
- (i) acknowledged or consented to in writing by Bidder, including any consequences of such event, occurrence, change, matter, thing or condition.

**Maximum Cash Consideration** means a cash amount equal to the Cash Consideration Value multiplied by the total number of Scheme Shares.

**Maximum Scrip Threshold** means 15% of the total issued capital of HoldCo as at the Implementation Date.

**Minimum Scrip Threshold** means 1.5% of the total issued capital of HoldCo as at the Implementation Date.

**Mixed Consideration Option 1** means:

- (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 1.

**Mixed Consideration Option 2** means:

- (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of 75% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 2.

**Mixed Election Option 1** means an election by a Target Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Target Shareholder.

**Mixed Election Option 2** means an election by a Target Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Target Shareholder.

**Permitted Dividend** means a dividend in an amount not exceeding \$0.21 per Target Share paid by Target to Target Shareholders between the date of this agreement and Implementation Date (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of the Target being in deficit after the payment of the dividend).

**Permitted Encumbrance** means an encumbrance granted by:

- (a) a Joint Venture after the date of this agreement over assets of the relevant Joint Venture not exceeding \$2,000,000 (in aggregate in relation to all Joint Ventures);
- (b) any Target Company in the ordinary course of business over its assets not exceeding \$1,000,000 (in aggregate), including title retention arrangements; or
- (c) to secure any indebtedness incurred in respect of any Transaction contemplated by this agreement (including, but not limited to, the payment of the Permitted Dividend

or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter).

**Policy** means the Target Group directors and officers insurance policy in effect at the date of this agreement.

**PPSR** means the register of security interests maintained in accordance with the *Personal Property Securities Act 2009* (Cth).

**Recommendation** has the meaning in clause 7.1(a)(i).

**Record Date** means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

**Regulator's Draft** has the meaning given in clause 4.3(h).

**Regulatory Authority** means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

**Regulatory Guides** means all regulatory guides published by ASIC and in force at the date of this agreement.

**Regulatory Review Period** means the period from the date on which Target provides the Regulator's Draft to ASIC in accordance with clause 4.3(h) to the date on which ASIC provides a letter indicating whether or not it proposes to appear to make submissions, or will intervene to oppose the Scheme, when the application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

**Related Body Corporate** has the meaning given in section 50 of the Corporations Act.

**Relevant Interest** has the meaning given in the Corporations Act.

**Representatives** means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

**Scaleback Mechanism** means the scaleback mechanism set out in clause 5.8.

**Scheme** means a scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders substantially in the form set out in Annexure A or in such other form as Target and Bidder agree in writing.

**Scheme Consideration** means (depending on the Election and subject to the Scaleback Mechanism and the terms of the Scheme):

- (a) All Cash Consideration;
- (b) Mixed Consideration Option 1; or
- (c) Mixed Consideration Option 2.

**Scheme Meeting** means the meeting of Target Shareholders to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Share** means a Target Share on issue as at the Record Date.

**Scheme Shareholder** means each person registered in the Target Share Register as the holder of the Scheme Shares as at the Record Date.

**Scrip Consideration** such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Permitted Dividend that is declared and paid per Scheme Share.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Security Interest** has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

**Share Registry** means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Superior Proposal** means a bona fide written Competing Proposal, which in the determination of the Target Board, acting in good faith and in order to satisfy what the Target Board reasonably considers, after having received legal advice from external legal counsel, to be its fiduciary or statutory duties would, if it is completed substantially in accordance with its terms, be more favourable to Target Shareholders (as a whole) than the Transaction, taking into account all aspects of the Competing Proposal, including but not limited to:

- (a) the value and type of the consideration payable to Target Shareholders under the Competing Proposal and the Tax consequences related to payment of that consideration (as compared to the consideration available under the Transaction);
- (b) the conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal; and
- (c) the likely timing required to implement or complete the Competing Proposal.

**Target Announcement** means an announcement by Target a draft of which has been provided to Bidder on or before the date of this agreement.

**Target Board** means the board of directors of Target.

**Target Due Diligence Material** means the information and documents disclosed or made available by or on behalf of the Target Group to Bidder and its Representatives, before 8.00am on the date of this agreement, in the online data room established for the purpose of this Transaction, the index for which is attached to the Target Disclosure Letter.

**Target Disclosure Letter** means the letter executed by Target and given to Bidder immediately before execution of this agreement.

**Target Group** means Target and each of its Subsidiaries.

**Target Indemnified Parties** means Target and its Related Bodies Corporate and their respective directors, officers and employees.

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**Target Information** means all information included in the Explanatory Memorandum, other than the Bidder Information, the Independent Expert's Report and any other report or letter issued by a Third Party.

**Target Long Term Incentive Plan** means the Long Term Incentive Plan operated by Target.

**Target Payment** means \$6,750,000 (excluding GST).

**Target Performance Rights** means performance rights in respect of Target Shares issued pursuant to the Target Long Term Incentive Plan or the Target Short Term Incentive Plan.

**Target Prescribed Occurrence** means the occurrence of any of the following events:

- (a) Target converts all or any of its securities into a larger or smaller number of securities;
- (b) Target or another member of the Target Group (other than a wholly-owned Subsidiary of Target) resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (c) Target or another member of the Target Group (other than a wholly-owned Subsidiary of Target):
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any member of the Target Group issues shares, or grants an option or a performance right over its shares or agrees to make such an issue or grant such an option or a performance right (other than in satisfaction of Target Performance Rights referred to in clause 8(b));
- (e) any member of the Target Group issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities;
- (f) any member of the Target Group agrees to pay, declares or pays a dividend or any other form of distribution of profits or return of capital to its members other than the declaration and payment by a member of the Target Group of the Permitted Dividend or a dividend where the recipient of that dividend is Target or a wholly-owned Subsidiary of Target;
- (g) any member of the Target Group disposes of, or agrees or dispose of, the whole, or a substantial or material part, of its business, assets or shares or acquires any assets comprising material part, of its business, assets;
- (h) any member of the Target Group creates, or agrees to create, any Encumbrance over, or declares itself the trustee of, any part of its business or property securing an indebtedness or performance of an obligation exceeding \$1,000,000, other than in respect of any transaction contemplated by this Agreement (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter);
- (i) an Insolvency Event occurs in relation to any member of the Target Group;
- (j) Target or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it;

- (k) any member of the Target Group:
- (i) increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the employment arrangements with, any of its directors or executives;
  - (ii) accelerates the rights of any of its directors or executives to benefits of any kind (other than any vesting of performance rights granted by the Target before the date of this agreement); or
  - (iii) pays or agrees to pay a director or executive a termination payment (including a 'golden parachute'),
- other than:
- (iv) as provided for in the Target's redundancy policy or an existing employment or services agreement;
  - (v) any vesting or termination of Performance Rights in accordance with this agreement;
  - (vi) the payment of cash incentives or bonuses of up to \$1.5 million (in aggregate) to existing executives of the Target Group (**Bonus Payment**); or
  - (vii) as required by law,
- (l) any member of the Target Group enters into, or resolved to enter into, a transaction with any related party of the Target (other than a related party that is a member of the Target Group), as defined in section 228 of the Corporations Act,
- other than an event:
- (m) required by law or Regulatory Authority;
  - (n) permitted or required to be undertaken or procured by the Target Group pursuant to the Transaction Documents;
  - (o) in accordance with the terms of:
    - (i) the Business Associates Program; or
    - (ii) the Joint Venture Agreements,
 including the payment by or to a Target Group entity (including any dividend or distribution) or the issue of any shares of other securities or the granting of any Encumbrance over any assets;
  - (p) to which Bidder has provided its prior written consent;
  - (q) Fairly Disclosed in the Target Due Diligence Material or the Target Disclosure Letter; or
  - (r) Fairly Disclosed in any announcement to the ASX made by Target or any document lodged with ASIC that is publicly available prior to the parties entering into this agreement.

**Target Share Register** means the register of members of Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

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**Target Shareholder** means a person who is registered in the Target Share Register as a holder of Target Shares.

**Target Shares** means fully paid ordinary shares in the capital of Target.

**Target Short Term Incentive Plan** means the Short Term Incentive Plan operated by Target.

**Target Warranties** means the warranties made by Target set out in clause 12.4.

**Tax** means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax (including royalty withholding tax), impost or withholding obligation of whatever nature, whether direct or indirect, (including any tax payable under a country's foreign source income attribution or anti-tax-deferral rules) by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction but excluding any stamp duty payable on any transfer of the Target Shares.

**Tax Conditions** means a condition imposed by the Treasurer under section 74(2) of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in the form of the conditions in the "Taxation Conditions of Certain No Objection Decisions" issued by the Treasurer on 3 May 2016 (or any other replacement or substitute taxation conditions that may be issued by the Treasurer from time to time).

**Third Party** means a person other than Bidder, Target, or their respective Related Bodies Corporate.

**Timetable** means the indicative timetable in relation to the Scheme set out in Schedule 1, or such other indicative timetable as Target and Bidder agree in writing.

**Transaction** means the acquisition by Bidder (or a Subsidiary of Bidder) of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

**Transaction Documents** means:

- (a) this agreement;
- (b) the Scheme; and
- (c) the Deed Poll.

**Transaction Implementation Committee** means a committee to be made up of:

- (a) representatives of each of Target and Bidder;
- (b) representatives from each of the legal advisers of Target and Bidder; and
- (c) such other persons as the parties may agree from time to time.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**Voting Intention** has the meaning in clause 7.1(a)(ii).

## 1.2 Best and reasonable endeavours

Any provision of this agreement which requires a party to use best endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation to:

- (a) pay any money or to provide any financial compensation, or any other incentive to or for the benefit of any person in the form of an inducement or consideration except for payment of:

- (i) any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
- (ii) immaterial expenses or costs, including costs of advisers,

to procure the relevant thing (except, in each case, in circumstances that are commercially onerous or unreasonable in the context of this agreement); or

- (b) commence or defend any legal action or proceeding against any person,

except, in each case, where that provision expressly specifies otherwise and, for the avoidance of doubt, that party will not breach the relevant provision requiring the use of best or all endeavours where the party does not procure that the thing is performed or occurs or does not occur as a result of matters outside the control or influence of the party.

### 1.3 Business Day

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this agreement expressly specifies otherwise.

### 1.4 Interpretation

In this agreement headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;

- (j) a reference to an event, matter or circumstance being "**Fairly Disclosed**" to a party means disclosed to that party or any of its Representatives in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Transaction and experienced in business similar to any business conducted by the Target Group (if disclosed by Target) or the Bidder Group (if disclosed by Bidder), to identify the nature and scope of the relevant event, matter or circumstance on the Target Group or the Bidder Group (as applicable);
- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (m) a reference to a date or time is to that date or time in Sydney, Australia; and
- (n) this agreement (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

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## 2. Obligations in relation to Scheme

### 2.1 Target to propose Scheme

- (a) Target agrees to propose the Scheme on and subject to the terms and conditions of this agreement.
- (b) Bidder agrees to assist Target to propose the Scheme on and subject to the terms and conditions of this agreement.

### 2.2 Bidder may elect a Subsidiary

- (a) Target agrees that Bidder may elect, under this clause 2.2, a wholly-owned Subsidiary of Bidder to acquire all of the Target Shares under the Scheme by giving written notice to Target of that relevant Subsidiary of Bidder on or before the First Court Date.
- (b) Bidder warrants that if it elects a wholly-owned Subsidiary to acquire all of the Target Shares pursuant to clause 2.2(a), Bidder and the wholly-owned subsidiary will both enter into the Deed Poll and Bidder will continue to be bound by this agreement and the Confidentiality Agreement.
- (c) For the avoidance of doubt, Bidder warrants that if it elects a wholly-owned Subsidiary to acquire all of the Target Shares pursuant to clause 2.2(a), it will ensure the wholly-owned subsidiary completes the acquisition in accordance with the terms of this agreement and the Deed Poll.

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## 3. Conditions precedent

### 3.1 Conditions

Subject to this clause 3, the Scheme will not become Effective and the obligations of the parties to implement the Scheme (including under clause 4), are not binding, until each of the conditions listed in the first column of the following table are either satisfied or waived in accordance with clause 3.5:

Condition	Right to benefit & waive	Responsibility to satisfy
<p>(a) <b>(FIRB approval)</b> before 5.00 pm on the Business Day before the Second Court Date, the Treasurer has either:</p> <p>(i) provided written notice that there is no objection under the <i>Foreign Acquisition and Takeovers Act 1975</i> (Cth) to the Scheme, being either unconditional or subject only to:</p> <p style="margin-left: 40px;">A. Tax Conditions; or</p> <p style="margin-left: 40px;">B. conditions which are reasonably acceptable to Bidder; or</p> <p>(ii) become precluded from exercising any power to make an order under the <i>Foreign Acquisition and Takeovers Act 1975</i> (Cth) in relation to the Scheme.</p>	None	Bidder
<p>(b) <b>(No Material Adverse Change)</b> no Material Adverse Change occurs or becomes known to the Target between the date of this agreement and 8.00am on the Second Court Date.</p>	Bidder	Target
<p>(c) <b>(No restraint)</b> no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing any of the transactions contemplated by this agreement is in effect as at 8.00 am on the Second Court Date.</p>	Target and Bidder	Target and Bidder
<p>(d) <b>(Animates JV)</b> by 8.00am on the Second Court Date, the counterparty to the Animates JV has given (and has not withdrawn) its consent in writing to the change of control which will occur as a result of the Transaction either without qualification or on terms and conditions which are acceptable to Bidder, acting reasonably.</p>	Bidder	Target and Bidder
<p>(e) <b>(Target Prescribed Occurrence)</b> no Target Prescribed Occurrence has occurred or becomes known to Bidder between the date of this agreement and 8.00 am on the Second Court Date;</p>	Bidder	Target
<p>(f) <b>(Target Shareholder approval)</b> Target Shareholders approve the Scheme by the majorities required under section</p>	None	Target and Bidder

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	411(4)(a)(ii) of the Corporations Act;		
(g)	<b>(Court approval)</b> the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;	None	Target and Bidder
(h)	<b>(Target Warranties)</b> at all times on and before 8.00 am on the Second Court Date, the Target Warranties are true and correct in all material respects as at the time they are given; and	Bidder	Target
(i)	<b>(Bidder Warranties)</b> at all times on and before 8.00 am on the Second Court date, the Bidder Warranties are true and correct as at the time they are given.	Target	Bidder
(j)	<b>(Employee incentive arrangements)</b> Target has taken all necessary steps by 8.00 am on the Second Court Date to ensure that all outstanding Target Performance Rights vest or lapse before the Record Date, as contemplated by clause 8.	Bidder	Target

### 3.2 General obligations in relation to Conditions

Without prejudice to any other obligations of the parties under this agreement, in respect of any given Condition:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition, that party must use its best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require);
- (b) if both parties are specified in the third column of a table in clause 3.1 opposite that Condition, both parties must, to the extent that it is within their respective control or influence, use their best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require); and
- (c) each party must, to the extent that it is within its respective control or influence, use its best endeavours to procure that there is no occurrence that would prevent the Condition being satisfied.

### 3.3 Obligations in relation to regulatory approvals

Without limiting clause 3.2, to the extent that clause 3.2 requires a party to use best endeavours to procure that a regulatory approval is obtained, that party must:

- (a) as soon as practicable prepare and lodge, each notice or application required to be given by that party for the purposes of procuring that the regulatory approval is obtained and take all procedural steps it is responsible for as part of such approval process, including responding to requests for information at the earliest practicable time, and use best endeavours to obtain such approvals as soon as practicable after the date of this agreement;

- (b) keep the other party informed of progress in relation to each such regulatory approval and of any material matters raised by, or conditions or other arrangements proposed by, or to, any Regulatory Authority which relate to any such regulatory approval; and
- (c) provide copies of all material documents provided to and received from each relevant Regulatory Authority in relation to each such regulatory approval (including before the date of this agreement), on a confidential basis, to the other party,

provided that:

- (d) in relation to subparagraph (d), the party applying for the approval may withhold or redact information or documents if and to the extent that they are confidential to a Third Party;
- (e) nothing in this clause 3.3 or any other provision of this agreement requires a party to disclose materially commercially sensitive information to the other party; and
- (f) where any information or document is withheld or redacted for the reasons set out in subparagraph (g) and (h), the party applying for the approval must provide the other party with as much detail about the relevant information or document (and any other relevant circumstances) as is reasonably possible without disclosing information or documents that are confidential to a Third Party or materially commercially sensitive to the disclosing party.
- (g) subject to clause 3.1(a), nothing in this clause 3.3 or any other provision of this agreement requires a party to agree to any conditions or to provide any written undertakings to a Regulatory Authority which are not reasonably acceptable to that party.

The other party must provide the applicant for a regulatory approval with all assistance and information reasonably requested by the applicant in connection with the application for and obtaining the approval.

### 3.4 Notice in relation to satisfaction of Conditions

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) in relation to any Condition, promptly notify the other party in writing upon becoming aware of the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; and
- (c) in relation to any Condition, promptly notify the other party in writing of a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied and where a party is entitled to waive that Condition upon receipt or delivery of such a notice (as applicable) that party must notify the other party in accordance with clause 3.5 as soon as possible, (in any event before 5.00 pm on the Business Day before the Second Court Date) as to whether the party waives the breach or non-fulfilment of the Condition resulting from the occurrence or event.

If there occurs a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied, the parties will consult in good faith for 5 Business Days to determine whether an alternative solution can be agreed.

### 3.5 Waiver of Conditions

- (a) A Condition is only for the benefit of:
- (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, that party; or
  - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, both parties.
- (b) A Condition may be waived and may only be waived:
- (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, by that party by written notice to the other party; or
  - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, by written agreement between the parties.
- (c) The Conditions in clauses 3.1(a), (f) and (g) cannot be waived.
- (d) A party entitled to waive or to agree to waive a Condition under this clause 3.5 may do so in its absolute discretion subject to the provision of written notice to the other party.
- (e) Any waiver of a Condition by a party who is entitled to do so pursuant to clause 3.5(b) is only effective if such waiver is given on or prior to 8.00 am on the Second Court Date.
- (f) A party that waives or agrees to waive a Condition is not prevented from bringing a claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.
- (g) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
- (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
  - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

### 3.6 Termination on failure of Conditions

- (a) If any event occurs which would, or in fact does, prevent a Condition in clause 3.1 being satisfied by the date specified for its satisfaction in this agreement and that Condition is not waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, the parties must consult in good faith to:
- (i) determine whether the Transaction may proceed by way of alternative means or method;
  - (ii) change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by Target and Bidder (being a date no later than 5 Business Days before the End Date);
  - (iii) extend the relevant date to a date no later than 5 Business Days before the End Date; or

- (iv) extend the End Date.
- (b) If the parties are unable to reach an agreement under clause 3.6(a), within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that Condition is waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, either party may terminate this agreement without liability (except under clause 10, if applicable) to the other party because of that termination, unless the relevant occurrence or the failure of the Condition to be satisfied, or of the Scheme to become Effective, arises out of a breach by the terminating party.
- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination, on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement except for those rights and obligations which accrued prior to termination.
- (d) If the Condition in clause 3.1(f) (Target Shareholder approval) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition in clause 3.1(f) (Target Shareholder approval) is deemed to be satisfied for all purposes.

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## 4. Implementation of Scheme

### 4.1 Scheme

- (a) Target must propose a Scheme to Target Shareholders, pursuant to which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration subject to and on the terms and conditions set out in this agreement.
- (b) Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed).

### 4.2 Timetable

Each party must:

- (a) use its best endeavours;
- (b) commit reasonable necessary resources; and
- (c) procure that its officers and advisers work in good faith and in a timely and cooperative fashion with the other party,

to perform its obligations as set out in this clause 4 in accordance with the Timetable.

### 4.3 Target's obligations

Target must take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable after the date of this agreement in accordance with the Timetable and, in particular, Target must:

- (a) **(Explanatory Memorandum)** as soon as practicable after the date of this agreement, prepare the Explanatory Memorandum (excluding the Bidder Information and the Independent Expert's Report) in accordance with all applicable laws and in particular the requirements of the Corporations Act, the Listing Rules and the Regulatory Guides;
- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Explanatory Memorandum (other than the Bidder Information and the Independent Expert's Report);
- (c) **(Directors' Recommendation)** include a statement in the Explanatory Memorandum and the Announcement setting out (on the basis of statements made to Target by each Target director) the Recommendation and Voting Intention of each of the Target directors in accordance with clause 7.1;
- (d) **(Review of Bidder Information)** as soon as practicable after receiving a draft of the Bidder Information pursuant to clause 4.4(a), review and provide comments on the form and content of the Bidder Information to Bidder and liaise with Bidder to finalise the Bidder Information for inclusion in the Explanatory Memorandum;
- (e) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (f) **(Provide draft Explanatory Memorandum to Bidder)** provide drafts of the Explanatory Memorandum (including, to the extent available, the Independent Expert's Report no later than 2 Business Days prior to provision of the Regulator's Draft (as defined below) to ASIC) to Bidder, consult with Bidder in relation to the content of those drafts, (acting reasonably and in good faith) take into account any comments from Bidder and its Representatives on those drafts and obtain prior written approval from Bidder for the form and content in which the Bidder Information appears in the Explanatory Memorandum (accepting that any review of the Independent Expert's Report by Bidder is to be limited to review for factual accuracy of those parts that include information relating to Bidder and Target makes no representation as to the extent to which the Independent Expert will receive or consider those comments);
- (g) **(Approval of draft Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the draft Explanatory Memorandum to be provided to ASIC for its review;
- (h) **(ASIC review)** as soon as reasonably practicable provide an advanced draft of the Explanatory Memorandum (**Regulator's Draft**) to ASIC, for its review and approval for the purposes of section 411(2) of the Corporations Act, and to Bidder and:
- (i) liaise with ASIC as necessary during the Regulatory Review Period; and
  - (ii) keep Bidder reasonably informed of any matters raised by ASIC in connection with the Explanatory Memorandum or the Scheme and use reasonable endeavours to consult with Bidder to resolve any such matters;
- (i) **(Section 411(17)(b) statement)** apply to ASIC for the production of:
- (i) a letter stating that ASIC does not intend to appear before the Court on the First Court Date; and
  - (ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

- (j) **(Court documents)** consult with Bidder in relation to the content of the documents required for the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith comments on, and suggested amendments to, those documents from Bidder and its Representatives;
- (k) **(First Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting;
- (l) **(Approval of Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the Explanatory Memorandum for registration with ASIC and dispatch to Target Shareholders;
- (m) **(Register Explanatory Memorandum)** request that ASIC register the explanatory statement included in the Explanatory Memorandum in relation to the Scheme be registered in accordance with section 412(6) of the Corporations Act;
- (n) **(Dispatch and compliance with Court orders)** take all reasonable steps necessary to comply with the orders of the Court including, as required, dispatching the Explanatory Memorandum to Target Shareholders, provided that, before dispatch, Target must obtain the written consent of Bidder to the inclusion of Bidder Information in the Explanatory Memorandum, in the form and context in which it appears (such consent not to be unreasonably withheld or delayed);
- (o) **(Update Explanatory Memorandum)** until the date of the Scheme Meeting, promptly update the Explanatory Memorandum if it becomes aware of:
- (i) any information that is required to be disclosed to Target Shareholders in the Explanatory Memorandum under any applicable law, which has not already been disclosed to Target Shareholders; or
  - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,
- and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions.
- (p) **(Convene Scheme Meeting)** convene and hold the Scheme Meeting to seek the Target Shareholder's agreement to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act.
- (q) **(Court approval application)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and subject to all other Conditions (other than the Condition in clause 3.1(g)) being satisfied or waived in accordance with this agreement, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (r) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act.
- (s) **(Promotion)** participate in efforts reasonably requested by Bidder to promote the merits of the Scheme, including meeting with key Target shareholders or Bidder shareholders at the reasonable request of Bidder and providing Bidder with such

information and assistance that Bidder reasonably requests to enable it to promote the merits of the Scheme;

- (t) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Bidder by 5.00 pm on the Business Day prior to the Second Court Date;
- (u) **(Lodge copy of Court order)** if the Scheme is approved by the Court, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act before 5:00pm on the Business Day on which such office copy is received (or such later date as is agreed between the parties in writing);
- (v) **(ASX listing)** not do anything to cause the Target to cease to be admitted to the ASX or the Target Shares to cease continue to be quoted for trading (and not permanently suspended) on ASX, until the close of business on the Business Day after the Implementation Date;
- (w) **(Implementation of Scheme)** if the Scheme becomes Effective:
  - (i) apply to ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date;
  - (ii) close the Target Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
  - (iii) provide to Bidder, or procure that the Share Registry provides to Bidder, all necessary information about the Scheme and the Scheme Shareholders that Bidder reasonably requires in order for Bidder to provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme;
  - (iv) subject to Bidder paying the Scheme Consideration in accordance with its obligations under clause 5, on the Implementation Date (or as soon as practicable thereafter) register all transfers of Scheme Shares to Bidder in accordance with the Scheme; and
  - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme, in accordance with all applicable laws and regulations; and
- (x) **(Other things necessary)** promptly do all other things contemplated by or reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

#### 4.4 Bidder's obligations

Bidder must take all steps reasonably necessary to assist Target to implement the Scheme as soon as is reasonably practicable after the date of this agreement in accordance with the Timetable and, in particular, Bidder must:

- (a) **(draft of Bidder Information)** prepare and provide to Target a draft of Bidder Information as soon as reasonably practicable after the date of this agreement and consult with Target in relation to the content of drafts of Bidder Information and (acting reasonably and in good faith) take into account any comments from Target and its Representatives on those drafts;

- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to Bidder Information;
- (c) **(final form of Bidder Information)** provide to Target the Bidder Information in a form appropriate for inclusion in the Explanatory Memorandum;
- (d) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (e) **(assistance with Explanatory Memorandum)** promptly provide all assistance and information reasonably requested by Target or its Representatives in connection with the preparation of the Explanatory Memorandum (including any supplementary disclosure to Target Shareholders) and any documents required to be filed with the Court in respect of the Scheme;
- (f) **(review Explanatory Memorandum)** review the drafts of the Explanatory Memorandum provided by Target and provide comments on those drafts promptly and in good faith;
- (g) **(Approval of Bidder Information)** as soon as reasonably practicable after receipt of the draft Explanatory Memorandum from Target, and in any event, before a draft of the Explanatory Memorandum is lodged with ASIC, and again before the Explanatory Memorandum is dispatched to Target Shareholders, confirm in writing to Target:
- (i) Bidder's consent to the inclusion of the Bidder Information in the Explanatory Memorandum in the form and context in which it appears in the Explanatory Memorandum; and
  - (ii) the accuracy and completeness of the Bidder Information, in the form and context in which it appears in the Explanatory Memorandum, including that it is not misleading or deceptive in any material respect and does not contain any material omission and is in a form appropriate for dispatch to the Target Shareholders (subject to the approval of the Court);
- (h) **(Update the Bidder Information)** until the date of the Scheme Meeting, promptly inform Target if it becomes aware of:
- (i) any information that is required to be disclosed to Target Shareholders in the Bidder Information under any applicable law, which has not already been disclosed to Target Shareholders; or
  - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,
- and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions.
- (i) **(promote merits of Transaction)** participate in efforts reasonably requested by Target to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Target Shareholders at the reasonable request of Target;
- (j) **(Deed Poll)** by no later than the Business Day prior to the First Court Date, execute the Deed Poll and deliver the executed Deed Poll to Target;

- (k) **(Representation)** procure that, if requested by Target, it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act, at which, through its counsel and, if requested by the Court, Bidder will undertake to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (l) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause (g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Target by 5:00 pm on the Business Day prior to the Second Court Date;
- (m) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration on the Implementation Date in accordance with clause 5 and the terms of the Scheme and Deed Poll; and
- (n) **(Share transfer)** if the Scheme becomes Effective, accept the transfer of the Scheme Shares as contemplated by clause 4.3(w)(iv) and execute any instruments of transfer required to effect the transfer of the Scheme Shares; and
- (o) **(Other things necessary)** promptly do all other things contemplated by or reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

#### 4.5 Dispute as to Explanatory Memorandum

If, after a reasonable period of consultation, the parties, each acting reasonably and in good faith, are unable to agree on the form or content of the Explanatory Memorandum, then:

- (a) if the disagreement relates to the form or content of Bidder Information (or any information solely derived from, or prepared solely in reliance on, Bidder Information), Target will, acting in good faith, make such amendments to that information in the Explanatory Memorandum as Bidder may require (acting reasonably and in good faith); and
- (b) if the disagreement relates to the form or content of the Target Information (or any information solely derived from, or prepared solely in reliance on, information provided by or on behalf of Target, or extracted from announcements made by Target to ASX regarding the Target Group), Target will, acting in good faith, decide the final form of that information in the Explanatory Memorandum.

#### 4.6 Reconstitution of Target Board

With effect on and from the Implementation Date, but subject to Bidder having provided the Scheme Consideration in accordance with this agreement, Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of Target those persons nominated by Bidder in writing to Target, subject to those persons being appointed having provided to Target duly executed consents to act as directors of the relevant companies; and
- (b) procure that all Target directors and the directors of each subsidiary of Target (other than, in each case, those appointed pursuant to clause 4.6(a)) resign from the Target Board and the board of each subsidiary of Target,

in each case, in accordance with the Target constitution, the Corporations Act and the Listing Rules.

#### 4.7 Responsibility statement

The Explanatory Memorandum will contain a responsibility statement to the effect that:

- (a) Bidder is responsible for the Bidder Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, Target will not be responsible for any Bidder Information and will disclaim any liability for Bidder Information appearing in the Explanatory Memorandum; and
- (b) Target is responsible for the Target Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, Bidder will not be responsible for any Target Information and will disclaim any liability for Target Information appearing in the Explanatory Memorandum.

#### 4.8 Removal of Target from official list of ASX

If directed by Bidder in writing, Target must take all steps necessary for Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date, and any one or more of Target and Bidder must satisfy any conditions reasonably required by ASX for it to act on that request.

#### 4.9 Court representation

- (a) Bidder is entitled to separate representation at all Court proceedings relating to the Scheme at its own cost; and
- (b) Target must support any application by Bidder for leave of the Court to be represented, or the separate representation of Bidder, at any hearing held by the Court in relation to the Scheme whether following a request by Target or otherwise.

#### 4.10 Appeal process

- (a) If the Court refuses to make orders directing Target to convene the Scheme Meeting or approving the Scheme, Target and Bidder must:
  - (i) consult with each other in good faith as to whether to appeal the Court's decision; and
  - (ii) appeal the Court's decision (and Bidder must provide, or procure that a nominee of Bidder provides, all reasonable assistance), except to the extent that:
    - A. the parties agree otherwise; or
    - B. an independent senior counsel advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this agreement (and such termination will be in accordance with termination event in clause 14.2(a) or 14.3(a) (as applicable)).

#### 4.11 HoldCo documentation

The parties must use their best endeavours to work together in good faith from the date of this agreement to finalise and agree the form and terms of the following as soon as possible after the date of this agreement but in any event by 8.00am on the First Court Date:

- (a) the HoldCo SHA;

- (b) the HoldCo Constitution; and
- (c) documents ancillary to the HoldCo SHA, HoldCo Constitution or which are customary and reasonable to facilitate the Transaction.

## 5. Scheme Consideration

### 5.1 Bidder undertakings in relation to Scheme Consideration

Bidder undertakes to Target (in the Target's own right and separately as trustee for each of the Scheme Shareholders) that, if the Scheme becomes Effective, in consideration for the transfer to Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Bidder will:

- (a) accept that transfer;
- (b) provide, or procure the provision to, each Scheme Shareholder the Scheme Consideration in accordance with:
  - (i) subject to clause 5.2 and any application of the Scaleback Mechanism, any Election made by that Scheme Shareholder as contemplated by clause 5.3;
  - (ii) clause 5.4 and 5.5; and
  - (iii) the terms of the Scheme;
- (c) on the Implementation Date:
  - (i) pay, or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Aggregate Cash Consideration; and
  - (ii) subject to clause 5.2, procure the allotment of the Aggregate Scrip Consideration to applicable Scheme Shareholders (subject to any applicable scaleback in accordance with the Scaleback Mechanism),

in each case in accordance with the terms of the Scheme.

### 5.2 Minimum Scrip Number not reached

If the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold:

- (a) Bidder is not required to:
  - (i) comply with any valid Elections; or
  - (ii) issue any Scrip Consideration to any Scheme Shareholders;
- (b) each Scheme Shareholder who gives a valid Election will be entitled to receive the All Cash Consideration for the Scheme Shares they hold; and
- (c) Bidder must, instead of complying with clauses 5.1(b) and 5.1(c)(ii), by no later than 12 pm on the Implementation Date, pay or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Maximum Cash Consideration and will, by doing so, satisfy its obligations under clauses 5.1(b) and 5.1(c)(ii).

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### 5.3 Election mechanism

- (a) Each Target Shareholder (other than Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with the Scheme to the extent any Target Shareholder who makes an Election qualifies as a Scheme Shareholder.
- (b) Target must ensure that the Explanatory Memorandum is accompanied by an Election Form.
- (c) The Election Form must state to the effect that:
- (i) subject to clause 5.3(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form before the Election Date;
  - (ii) an Election will apply to all of the Target Shares of the Target Shareholder as at the Election Date;
  - (iii) once made, an Election may be varied, waived or revoked before the Election Date by notice in writing to the Target; and
  - (iv) in the manner considered appropriate by Bidder and the Target (acting reasonably), a Target Shareholder who holds one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Target Shares (subject to providing to Bidder and the Target any substantiating information they reasonably require), and if it does so will be treated as a separate Target Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Election Date, it holds fewer Target Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to any such separate Election (and if so, which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares (or will be treated in any other manner that Bidder and the Target agrees is fair to the Target Shareholder in all the circumstances acting reasonably).
- (d) The Target must ensure that, to the extent reasonably practicable, persons who acquire Target Shares after the date of the dispatch of the Explanatory Memorandum and until the Election Date are sent an Election Form upon those persons requesting one from the Target.
- (e) In order to facilitate the issue of the Scrip Consideration (if applicable), the Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (f) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:
- (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.7 will

apply to any Target Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;

- (ii) if a Target Shareholder does not make a valid Election, that Target Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder;
- (iii) Target Shareholders who make a valid Election agree to become members of HoldCo from the Implementation Date and become bound by the HoldCo Constitution and HoldCo SHA, pursuant to the Scheme;
- (iv) Target Shareholders who make a valid Election must provide, before the Election Date, the information and documents described in the Election Form as being required by Bidder or Target; and
- (v) if the Aggregate Scrip Consideration is less than the Minimum Scrip Number, Target Shareholders who make valid Elections will receive the All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder,

and such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

#### 5.4 All Cash Consideration

- (a) If a Target Shareholder:
  - (i) is an Ineligible Foreign Shareholder; or
  - (ii) does not make a valid Election,
 that Target Shareholder will be entitled to receive the All Cash Consideration for the Scheme Shares held by them.
- (b) All Target Shareholders will receive the All Cash Consideration for the Scheme Shares held by them if the provisions of clause 5.2 apply.
- (c) Where a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent:
  - (i) where the entitlement is to half a cent or more, the fractional entitlement will be rounded up to the nearest whole cent; and
  - (d) where the entitlement is to less than half a cent, the fractional entitlement will be rounded down to the nearest whole cent.

#### 5.5 Scrip Consideration

If a Target Shareholder makes a valid Election and clause 5.2 does not apply:

- (a) the Target Shareholder will be entitled to receive the Scheme Consideration relevant to their Election (subject to the Scaleback Mechanism and the terms of the Scheme); and
- (b) if the number of HoldCo Shares to which that Target Shareholder is entitled is not a whole number:
  - (i) where the entitlement is to half a HoldCo Share or more, the number of HoldCo Shares will be rounded up to the nearest whole number; and

- (ii) where the entitlement is to less than half a HoldCo Share, the number of HoldCo Shares will be rounded down to the nearest whole number.

## 5.6 Share splitting

If Bidder and the Target are of the opinion that a number of Scheme Shareholders and/or other persons (who, to avoid doubt, may include other Scheme Shareholders) have, before the Election Date, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or which provides, an advantage by reference to the rounding as contemplated by clause 5.5(b)(i), Bidder may give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and registered address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so give, the Scheme Shareholder specifically identified in the notice will, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

## 5.7 Ineligible Foreign Shareholders

Bidder has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of the Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

## 5.8 Scaleback Mechanism

If:

- (a) the Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Date; and
- (b) the Aggregate Scrip Consideration exceeds the Maximum Scrip Threshold,

then

- (c) the Scheme Shareholder is entitled to receive Scrip Consideration as calculated in accordance with the following formula:

$$A = (B \times \text{Scrip Consideration}) \times \left(\frac{C}{D}\right)$$

where:

A = the number of HoldCo Shares to be received by the Scheme Shareholder pursuant to the Scheme;

B = if the Scheme Shareholder:

- (a) has made a Mixed Election Option 1 Election, a number equal to 50% of the Scheme Shares held by the Scheme Shareholder; or

(b) has made a Mixed Election Option 2 Election, a number equal to 75% of the Scheme Shares held by the Scheme Shareholder;

C = the number of HoldCo Shares equal to the Maximum Scrip Threshold; and

D = the Aggregate Scrip Consideration; *plus*

- (d) the Scheme Shareholder is entitled to receive the All Cash Consideration Value for:
- (i) each Scheme Share they hold; *less*
  - (ii) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.8(c) above.

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## 6. Conduct of business

### 6.1 Conduct of Target's business

- (a) From the date of this agreement up to and including the Implementation Date, Target must procure that each member of the Target Group:
- (i) conducts its businesses and operations in the ordinary and usual course and substantially consistent (subject to any applicable laws, regulations and licence conditions) with the manner in which each such business and operation is conducted prior to the date of this agreement including using all reasonable endeavours to preserve its current business organisation, the services of its current officers and its current relationship with third parties (including Regulatory Authorities, rating agencies, customers, suppliers, licensors, licensees and others having material business dealings with it);
  - (ii) conducts its businesses and operations substantially in accordance with all applicable laws and regulations;
  - (iii) uses all reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice; and
  - (iv) use all reasonable endeavours to comply in all material respects with all contracts to which a Target Group member is a party;
- (b) ensure that no member of the Target Group:
- (i) disposes of any securities, business, asset, interest in a joint venture, entity or undertaking, the value of which exceeds \$1,000,000, to any person other than another entity within the Target Group, excluding any disposal approved by the Target Board prior to the date of this agreement that has been disclosed in the Target Due Diligence Material;
  - (ii) acquires any securities, business, assets, interest in a joint venture, entity or undertaking, the price of which exceeds \$2,000,000, from another person other than another entity within the Target Group, excluding any acquisition, capital expenditure or project expenditure

approved by the Target Board that has been disclosed in the Target Due Diligence Material;

(iii) incurs any indebtedness, or provides any financial accommodation (irrespective of what form that financial indebtedness or accommodation takes), exceeding \$1,000,000 (individually or in aggregate), excluding any borrowing under its existing bank facilities or any indebtedness approved by the Target Board that has been disclosed in the Target Due Diligence Material or any indebtedness incurred in respect of any transaction contemplated by this Agreement (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter);

(iv) either:

- A. enters into a new employment contract with a potential employee of the Target Group (other than to replace an employee who has ceased to be an employee of the Target Group); or
- B. enters into a new employment contract or amend (other than as part of any annual salary review conducted in the ordinary course) an employment contract with an existing employee of the Target Group,

in respect of which the total employment costs payable to that existing or potential employee is in excess of \$150,000 per annum;

(v) enters into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this agreement;

(vi) settles any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount exceeds \$500,000;

(vii) enters into a joint venture or strategic partnership with any person where the contractually committed investment by the Target Group exceeds \$1,000,000;

(viii) makes a commitment to capital expenditure in excess of \$5,000,000 (individually or in aggregate); and

(ix) authorises, commits or agrees to do any of the matters set out above;

(c) ensure that no Target Prescribed Occurrence occurs,

except to the extent that any action undertaken by Target relates to any matter or event:

(d) that is in accordance with the terms of:

- (i) the Business Associates Program; or
- (ii) the Joint Venture Agreements,

including the payment by or to a Target Group entity (including any dividend or distribution) or the issue of any shares of other securities or the granting of any Encumbrance over any assets;

- (e) that is required to be done or procured by Target or another member of the Target Group pursuant to, or which is otherwise expressly permitted by, the Transaction Documents;
- (f) for which Bidder has provided its prior written consent (such consent not to be unreasonably withheld or delayed);
- (g) which arises as a result of court or Regulatory Authority order, injunction or undertaking or is otherwise required in order to comply with any applicable law or regulation;
- (h) which has been Fairly Disclosed to ASX prior to the date of this agreement;
- (i) which is Fairly Disclosed in the Target Due Diligence Material or the Target Disclosure Letter; or
- (j) which is in accordance with contractual rights and obligations that existed at the date of this agreement, provided such rights and obligations have been Fairly Disclosed in the Target Due Diligence Material.

## 6.2 Permitted Dividend and Bonus Payment

Target must consult in good faith with Bidder in relation to the funding of the Permitted Dividend and Bonus Payment (including to determine the most cost effective manner to fund the Permitted Dividend and Bonus Payment).

## 6.3 Change of control provisions

- (a) As soon as practicable after the date of this agreement, Target and Bidder must seek to identify all change of control or unilateral termination rights in material leases and material contracts to which Target or a Target Group member is party which may be triggered by or exercised in response to the implementation of the Transaction (**Change of Control Rights**). In respect of the Change of Control Rights under those leases and contracts:
  - (i) Target and Bidder will jointly prepare a plan detailing the steps to be taken to address the Change of Control Rights (which, among other things, will have due regard to applicable legal restrictions) and then Target will initiate contact, with Bidder's assistance including joint discussions if required, with the relevant landlords and counterparties and request that they provide any consents or confirmations required or appropriate in relation to the Change of Control Rights;
  - (ii) Target must use all reasonable endeavours to ensure that notification is made to, or consent is sought from, all counterparties to leases and contracts with Change of Control Rights identified pursuant to (a) above;
  - (iii) Target must consult with Bidder in good faith in relation to the method and content of communications with each COC Contract counterparty that is to receive a notification or request for consent;
  - (iv) Target must use its, and must procure that its directors and employees use their, all reasonable endeavours to diligently procure consents from counterparties to COC Contracts in the manner contemplated by the terms of the relevant COC Contract and in accordance with arrangements agreed under clause 6.3(a)(i);
  - (v) Bidder must not contact any landlords or counterparties without Target present or without Target's prior written consent (which is not to be unreasonably withheld or delayed);

- (vi) Target must cooperate with, and provide reasonable assistance to, Bidder to obtain such consents or confirmations in respect of the Change of Control Rights as expeditiously as possible, including by promptly providing any information reasonably required by counterparties in relation to change of control consents and making representatives available, where necessary and reasonable, to meet with landlords or counterparties to deal with issues arising in relation to the matter;
- (vii) Bidder must take all reasonable action necessary to comply with any reasonable requirement of the landlords and counterparties that are necessary to obtain the relevant consents or confirmations in respect of the Change of Control Rights, including providing any information reasonably required and providing any bank guarantees or such other forms of guarantee or securities as landlords and counterparties may reasonably require on terms and conditions substantially the same as the existing arrangements and make officers and employees available, where necessary and reasonable to meet with any landlords or counterparties to deal with any issues arising in relation to the matter; and
- (viii) if Target has used all reasonable endeavours as required by this clause 6.2, a failure by a Target Group member to obtain any Third Party consent or confirmation, or the exercise of a termination right, will not constitute a breach of this agreement by Target.
- (b) Nothing in this clause 6.2 or any other provision of this agreement requires Bidder to agree to any new conditions or to provide any new guarantees or security to a COC Contract counterparty which are not reasonably acceptable to Bidder.

#### 6.4 Access

- (a) Between the date of this agreement and the Implementation Date, Target must use reasonable endeavours to provide Bidder and its officers and advisers with reasonable, non-disruptive access during normal business hours and on reasonable notice to Target's officers and senior executives, as well as any documents, records and other information of the Target, which Bidder reasonably requires for the purposes of:
- (i) understanding the Target's financial position (including its cash flow and working capital position), trading performance and management control systems (including information technology and data);
  - (ii) implementation of the Scheme;
  - (iii) preparing for carrying on the business of the Target Group following implementation of the Scheme; and
  - (iv) any other purpose which is agreed in writing between the parties.
- (b) Nothing in this clause 6.4 requires Target to provide Bidder or its advisers with any document, record or information:
- (i) concerning Target's directors' consideration of the Transaction; or
  - (ii) which would breach any obligation of confidentiality to any third party or any applicable privacy law.
- (c) The parties acknowledge and agree that nothing in this clause 6.4 requires Target to provide any document, record or information that is different or in addition to the

documents, records or information Target provides to its Board and senior executive in the usual and ordinary course.

- (d) Target will provide reasonable assistance to Bidder for the purposes of satisfying Target's obligations under this clause 6.4, but nothing in this clause 6.4 requires Target to provide access to its people, documentation or information or to take any other action which would significantly disrupt the usual and ordinary course of Target's business and operations.

## 6.5 Transaction Implementation Committee

- (a) The parties must establish a Transaction Implementation Committee as soon as reasonably practicable after the date of this agreement and work together in good faith to consult with each other and plan to:
  - (i) implement the Transaction in accordance with this agreement; and
  - (ii) ensure the smooth transition of the management of the business and the affairs of the Target Group to Bidder following the implementation of the Scheme, including to coordinate the matters set out in this clause 6.
- (b) At meetings of the Transaction Implementation Committee, the Target must report to the Bidder on the quantum of Transaction costs it has incurred (as against the estimate of those Transaction costs which has been Fairly Disclosed in the Target Disclosure Letter). Such reports must be provided at least fortnightly.

## 6.6 Existing financing and security

- (a) The Target must cooperate with, and undertake all steps reasonably required or requested in connection with any repayment of existing debt of the Target Group as may be required in connection with the Transaction, including:
  - (i) liaising with Bidder in good faith in relation to the using of the existing cash reserves of the Target for this purpose;
  - (ii) issuing prepayment notices in relation to existing Target Group debt facilities and closing out any hedging positions;
  - (iii) using all reasonable endeavours to procure deeds of release, discharges of real property mortgages and registrations on the PPSR from secured parties in relation to any security interest granted by a member of the Target Group in favour of that party and procuring the return of any title documents held by a secured party.
- (b) Bidder agrees to reimburse the Target for reasonable fees, costs and expenses reasonably incurred in complying with this clause 6.6 on provision of written evidence of the payment of such fees, costs and expenses.

## 6.7 Bidder financing obligations

- (a) Bidder must use commercially reasonable efforts (including enforcing its rights under the Debt Commitment Letters) to obtain the proceeds of the Debt Financing on the terms and conditions described in the Debt Commitment Letters on or prior to the Implementation Date, including by using reasonable efforts to:
  - (i) maintain in effect the Debt Commitment Letters;
  - (ii) negotiate definitive agreements with respect to the Debt Financing on other terms which do not:

- For personal use only
- A. reduce the aggregate amount of the Debt Financing such that the aggregate funds available to Bidder on the Implementation Date would not be sufficient to satisfy Bidder' obligations hereunder; or
  - B. impose new or additional conditions precedent (other than conditions precedent that have already been satisfied at the time they are so added) or adversely modify any existing conditions precedent to the receipt of the Debt Financing; and
- (iii) satisfy on a timely basis all conditions precedent to funding of the Debt Financing.
- (b) Bidder must give Target prompt written notice of:
    - (i) any termination or repudiation of the Debt Commitment Letters of which Bidder has knowledge; or
    - (ii) any breach or default of any of the Debt Commitment Letters by any party thereto of which Bidder has knowledge that could reasonably be expected to materially and adversely affect the ability or likelihood of Bidder to consummate the transactions contemplated by this deed in accordance with the Timetable.
  - (c) Bidder will not, without the prior written consent of Target:
    - (i) permit any material amendment or modification to, or any waiver of any provision or remedy under any of the Debt Commitment Letters which is materially prejudicial to the Bidder's ability to comply with its obligations under this agreement, the Scheme and the Deed Poll; or
    - (ii) terminate any of the Debt Commitment Letters.
  - (d) Notwithstanding anything in this clause 6.7, the Bidder may in its sole discretion reduce the amount of Debt Financing under "Facility A" (as that term is defined in the Debt Commitment Letters) provided that the Bidder furnishes to the Target one or more additional equity commitment letters (on the same terms as the Equity Commitment Letters) for the amount of the relevant reduction in Debt Financing, provided that any such funds have sufficient funds to pay such relevant amounts.
  - (e) In the event that any portion of the Debt Financing becomes unavailable, regardless of the reason, Bidder will:
    - (i) promptly notify Target of such unavailability and the reason, and
    - (ii) use reasonable efforts to obtain alternative debt financing (in an amount sufficient, when taken together with the available portion of the Debt Financing, to perform its obligations hereunder) from the same or other sources, and on terms which do not include any conditions to the consummation of such alternative financing that are more onerous than the conditions contained in the Debt Commitment Letters.

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## 7. Recommendation, intentions and announcements

### 7.1 Target Board Recommendation and Voting Intention

- (a) Target must ensure that the Target Announcement and the Explanatory Memorandum state that each Target director:

- (i) recommends that Target Shareholders vote in favour of the resolution to approve the Scheme (**Recommendation**); and
- (ii) intends to cause any Target Shares in which they have a Relevant Interest to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),

which statements must not be qualified in any way other than by words to the effect of “in the absence of a Superior Proposal” and “subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of Target Shareholders”.

- (b) Notwithstanding any other provision of this agreement, the parties acknowledge and agree that each Target director may, in each Target director's absolute discretion, as part of the Recommendation and Voting Intention:
  - (i) recommend the Cash Consideration and the Scrip Consideration;
  - (ii) recommend the Cash Consideration only and make no recommendation in respect of, or recommend against, the Scrip Consideration;
  - (iii) make no recommendation at all in relation to whether Target Shareholders should elect to receive the Scrip Consideration,

and, for the avoidance of doubt, Target will not have failed to comply with its obligations under this clause 7 merely because any one or more of the Target directors acts in accordance with clause.

- (c) Bidder acknowledges that, subject to the other terms of this agreement, each Target director may publicly (or otherwise) withdraw, change or in any way qualify their Recommendation or Voting Intention if:
  - (i) there is a Superior Proposal; or
  - (ii) the Independent Expert concludes in the Independent Expert's Report (either in the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of the Target Shareholders.

## 7.2 Confirmation

Target represents and warrants to Bidder that each Target director has confirmed, and Target must use its reasonable endeavours to ensure that each Target director maintains, and does not withdraw, change or in any way qualify their Recommendation or Voting Intention, other than in the circumstances referred to in clause 7.1(c)(i) or 7.1(c)(ii).

## 7.3 Announcements

- (a) Immediately after the execution of this agreement:
  - (i) Target must issue the Target Announcement to the ASX; and
  - (ii) Bidder must issue the Bidder Announcement.
- (b) Subject to clause 7.3(c), any further public announcement or public disclosure made by Target or Bidder in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll, the Scheme, may only be made in a form approved by Target and Bidder in writing (acting reasonably). Each party must use all reasonable endeavours to provide such approval as soon as practicable and such approval must not be unreasonably withheld, conditioned or delayed.

- (c) Where the Target is required by applicable law, Listing Rules or the requirements of any Regulatory Authority to make any announcement or to make any disclosure in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll, the Scheme, it may do so to the extent legally required and only then after it has used all reasonable endeavours, to the extent practicable in the circumstances, to notify and consult with the other party prior to making the relevant announcement or disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

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## 8. Performance Rights

As at 8.00 am on the Second Court Date, Target must put in place arrangements so that, subject to the Scheme becoming Effective:

- (a) all Target Performance Rights outstanding as at the date of this agreement will either vest or have lapsed before the Record Date; and
- (b) the number of Target Performance Rights that will vest by no later than the Record Date will not exceed 1,166,680.

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## 9. Exclusivity arrangements

### 9.1 No existing discussions

- (a) Target represents and warrants that, other than the discussions with Bidder and its Representatives in respect of the Transaction, as at the date of this agreement, it is not currently in negotiations or discussions in respect of any Competing Proposal with any person and it has not directed any of its Representatives to commence or continue any such negotiations or discussions (whether directly or indirectly).
- (b) From the date of this agreement, Target must promptly enforce the terms of any confidentiality agreement entered into with any person (other than Bidder or its Representatives) in relation to any Competing Proposal in the 12 months before the execution of this agreement, and must promptly request, or must procure that the relevant Target Group company requests, the return or destruction of the Target Group's confidential information in accordance with the terms of that confidentiality agreement, and terminate their access to the Target Group's confidential information under that confidentiality agreement.

### 9.2 No shop

During the Exclusivity Period, Target must not, and must ensure that its Representatives do not, except with the prior written consent of Bidder, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any inquiry, expression of interest, offer, proposal, negotiations or discussions by or with any Third Party in relation to, or that may reasonably be expected to lead to a Competing Proposal, or communicate any intention to any person to do any of those things.

### 9.3 No talk and no due diligence

Subject to clause 9.4, during the Exclusivity Period, Target must not, and must ensure that its Representatives do not, except with the prior written consent of Bidder, directly or indirectly:

- (a) enter into, continue or participate in any negotiations or discussions with, or accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding with, any Third Party in relation to, or which may reasonably be expected to lead to a Competing Proposal; or

- (b) make available to any Third Party, or permit any Third Party to receive, any non-public information relating to any member of the Target Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal, or a proposal which may reasonably be expected to lead to a Competing Proposal (including without limitation providing such information for the purposes of the conduct of due diligence investigations in respect of the Target); or
- (c) communicate to any person an intention to do anything referred to in this clause 9.3.

#### 9.4 Limitation to no talk and no due diligence

Target, its Related Bodies Corporate and their Representatives may undertake any action that would otherwise be prohibited by clauses 9.3 and 9.5 in relation to an actual, potential or proposed bona fide Competing Proposal which:

- (a) was not solicited by it and was not otherwise brought about as a result of any breach by it of its obligations under this clause 9;
- (b) is or is reasonably likely to be a Superior Proposal; and
- (c) the Target Board, acting in good faith and after having considered written advice from the Target Board's external legal advisers, determines that not undertaking that act would be likely to involve a breach of the Target directors' fiduciary or statutory duties.

#### 9.5 Notification of approaches

During the Exclusivity Period, Target must promptly notify Bidder in writing as soon as reasonably practicable, and in any event within 24 hours, if it, or any of its Representatives, receives or becomes aware of any:

- (a) approach or proposal, whether written or otherwise, made to Target or any of its Representatives in connection with a bona fide Competing Proposal received by Target or its Representatives, including the fact that such approach or proposal has been made or Competing Proposal has been received, the identity of the party making the approach or proposal (and if different, details of the proposed bidder or acquirer) and the material terms and conditions of the Competing Proposal; or
- (b) provision by Target or any of its Representatives of any non-public information relating to Target or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of the person formulating, developing or finalising a current or future a bona fide Competing Proposal.

#### 9.6 Matching right

During the Exclusivity Period:

- (a) Target must use reasonable endeavours to procure that none of its directors publicly recommend a Competing Proposal, unless:
  - (i) Target has provided Bidder with written notification of the material terms and conditions of the Competing Proposal; and
  - (ii) Target has given Bidder at least two Business Days after the provision of the information referred to in paragraph 9.6(a)(i) to provide an irrevocable offer to Target that is more favourable as a whole to Target

Shareholders than the terms of the relevant Competing Proposal (**Bidder Counter Proposal**).

- (b) Target must use reasonable endeavours to procure that its directors, within 72 hours of receiving the Bidder Counter Proposal, consider any Bidder Counter Proposal in good faith and, if the Target directors determine, acting in good faith and having taken the advice from its legal and financial advisers, that the terms and conditions of the Bidder Counter Proposal taken as a whole are more favourable to Target Shareholders than those of the relevant Competing Proposal, Target and Bidder must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Bidder Counter Proposal as soon as reasonably practicable, and Target must use reasonable endeavours to procure that each of its directors makes a public statement recommending the Bidder Counter Proposal to Target Shareholders.

## 9.7 Normal provision of information

Nothing in this clause 9 prevents Target from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority;
- (c) providing information to its auditors, advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information to its advisers acting in that capacity in connection with the Transaction or a Competing Proposal;
- (e) providing information to be required to be provided by law, Listing Rules or any Regulatory Authority; or
- (f) making presentations to brokers, portfolio investors, analysts and other Third Parties in the ordinary course of business or for the purposes of promoting the Transaction.

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## 10. Reimbursement of Costs

### 10.1 Background to Target Payment

- (a) The parties each acknowledge that, if they enter into this agreement and the Scheme is subsequently not implemented, Bidder will incur significant costs, including those set out in clause 10.4.
- (b) In these circumstances, Target has agreed that provision be made for the payment outlined in clause 10.2, without which Bidder would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Target and the Target Board believe, having taken advice from their advisers, that the implementation of the Scheme will provide benefits to Target Shareholders and that it is appropriate for Target to agree to the payment referred to in clause 10.2 in order to secure Bidder's participation in the Transaction.

### 10.2 Target Payment

Target must pay the Target Payment to Bidder if:

- (a) during the Exclusivity Period, any of the Target directors withdraws or adversely revises their Recommendation, unless:

- (i) the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Target Shareholders; or
  - (ii) Target is entitled to terminate this agreement pursuant to clause 14.3(b)(i) and has given the appropriate termination notice to Bidder;
- (b) a Competing Proposal is announced or made before the the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party or an Associate of that Third Party:
- (i) completes a Superior Proposal; or
  - (ii) acquires a Relevant Interest in more than 50% of the Target Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control Target or acquires substantially all of the assets of Target; or
- (c) Bidder becomes entitled to terminate this agreement under clauses 14.2(b)(i) and Bidder terminates this agreement on the basis of such entitlement.

### 10.3 Timing

- (a) A demand by Bidder for payment of the Target Payment under clause 10.2 must:
- (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account into which the party is to pay the Target Payment.
- (b) Target must pay the Target Payment into the account nominated by Bidder, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Bidder is entitled under clause 10.2 to the Target Payment.

### 10.4 Basis of Target Payment

The Target Payment has been calculated to reimburse Bidder for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by Bidder and Bidder's employees, advisors and agents in planning and implementing the Transaction,

and the parties agree that:

- (e) the costs actually incurred by Bidder will be of such a nature that they cannot all be accurately ascertained;

- (f) the Target Payment is a genuine and reasonable pre-estimate of those costs; and
- (g) both parties have received advice from their respective legal advisors on the operation of this clause 10.

### 10.5 No payment if Scheme becomes Effective

No Target Payment is payable if the Scheme becomes Effective. To the extent that any amount has already been paid under this clause 10 and the Scheme becomes Effective, such amount must be immediately refunded to Target.

### 10.6 Target Payment payable once

Where the Target Payment becomes payable to Bidder under clause 10.2 and is actually paid to Bidder, Bidder cannot make any claim against Target for payment of any subsequent Target Payment.

### 10.7 Other claims

Where an amount becomes payable to Bidder under clause 10.2 and is actually paid to Bidder (or is payable, but no demand is made under clause 10.3), Bidder cannot make any claim (other than a claim under this clause 10) against Target which relates to the event that gave rise to the right to make a demand under clause 10.3, unless the claim arises from the fraud of the Target or a wilful breach by Target of this agreement.

### 10.8 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Target Payment required to be paid under clause 10.2 (**Impugned Amount**):

- (a) is unlawful;
- (b) involves a breach of directors' duties; or
- (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,

then,

- (d) the requirement to pay the Target Payment does not apply to the extent of the Impugned Amount; and
- (e) if Bidder has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

### 10.9 Regulatory Intervention

If any Regulatory Authority (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Target Payment including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this agreement to that extent; and
- (b) it will not result in a breach of this agreement or termination of the transactions contemplated by it.

## 11. Liability of directors, officers and employees

### 11.1 Liability of directors, officers and employees

To the maximum extent permitted by law, each party releases all rights against, and agrees that it will not make any claim against, the respective past or present directors, officers and employees of each of the other party and the other party's Related Bodies Corporate in relation to:

- (a) information provided to the first party in relation to the Transaction;
- (b) any breach of any representations, covenants and warranties of the other party in this agreement; or
- (c) a failure to provide information,

except to the extent that the relevant director, officer or employee has not acted in good faith or has engaged in fraud or wilful misconduct.

### 11.2 Directors and officers insurance

Bidder acknowledges that Target will:

- (a) arrange for the cover provided under the Policy for a further period until the End Date; and
- (b) by no later than the Implementation Date, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a 7 year period from the Implementation Date, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until the end of that 7 year period.

### 11.3 Obligations in relation to directors and officers insurance

From the Implementation Date, Bidder must procure that Target does not:

- (a) vary or cancel the Policy; or
- (b) unless required under the Policy, commit any act or omission that may prejudice any claim under the Policy as extended pursuant to clause 11.2(b) above.

### 11.4 Directors and officers indemnities

- (a) Without limiting any other term of this agreement, from the Effective Date for the Scheme, Bidder undertakes to Target that it will, in respect of each deed of indemnity, access and insurance (**Relevant Deed**) made by a Target Group entity (**Relevant Entity**) in favour of a director, officer or employee of Target or its Related Bodies Corporate, whether past or present, (**Indemnified Party**) from time to time procure that:
  - (i) the Relevant Entity complies with the Relevant Deed; and
  - (ii) to the extent that the Relevant Entity ceases to exist after the Implementation Date, each Indemnified Party has the benefit of a deed from Bidder on terms no less favourable to the Indemnified Party than those contained in the Relevant Deed as at the Effective Date.
- (b) This clause 11.4 applies to the maximum extent permitted by the Corporations Act and will be read down accordingly.

## 11.5 Compliance with law and benefit

- (a) Clause 11.1 is subject to any restriction under the Corporations Act and will (if and to the extent required) be read down accordingly.
- (b) The parties agree that:
  - (i) Target holds the benefit of this clause 11 to the extent it relates to each of Target, its Related Bodies Corporate and their respective past or present directors, officers and employees as trustee for them, and, as such, each such Target Indemnified Party may enforce this clause 11 against Bidder; and
  - (ii) Bidder holds the benefit of this clause 11 to the extent it relates to each Bidder Indemnified Party as trustee for them, and, as such, each such Bidder Indemnified Party may enforce this clause 11 against Target.

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## 12. Representations, warranties and indemnities

### 12.1 Representations and warranties by Bidder

Bidder represents and warrants to Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that:

- (a) on each date from the date of this agreement until (and including) the Second Court Date:
  - (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
  - (ii) the execution and delivery by Bidder of the Transaction Documents to which Bidder is party has been properly authorised by all necessary corporate action and Bidder has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
  - (iii) the Transaction Documents to which Bidder is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:
    - A. the constitution or equivalent constituent documents of Bidder or any of its Subsidiaries; or
    - B. any writ, order or injunction, judgment, law, rule, obligation or regulation to which Bidder or any of its Subsidiaries is party, or by which Bidder or any of its Subsidiaries is bound; and
  - (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authority approvals are required to be obtained by Bidder Group in order for it to execute and perform the Transaction Documents to which it is a party;
- (b) on each date from the date of this agreement until (and including) the Implementation Date, no Insolvency Event has occurred in relation to Bidder or any other member of the Bidder Group, nor has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (c) on the First Court Date and the Second Court Date:

- (i) Bidder Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Target and the Target Indemnified Parties have relied on that information for the purposes of considering and approving the Target Information in the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
- (ii) Bidder Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides), and includes all information regarding Bidder, its Related Bodies Corporate and the Scheme Consideration that is required by the Corporations Act, Regulatory Guides and Listing Rules to be included in the Explanatory Memorandum;
- (iii) Bidder Information (other than to the extent that it consists of information relating to the Target Group that was provided by or on behalf of Target, or has been extracted from announcements made by Target to the ASX regarding the Target Group) in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
- (iv) Bidder has complied with its obligations under clause 4.4(h); and
- (v) all information provided by or on behalf of Bidder to the Independent Expert is not misleading or deceptive in any material respect and does not contain any material omission and has been prepared and provided in good faith and on the understanding that the Independent Expert have relied on the information for the purposes of preparing the Independent Expert's Report;
- (d) on each date from the date of this agreement until (and including) the Implementation Date, neither Bidder nor any of its associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an associate of that Target Shareholder) would be entitled to receive consideration for their Target Shares different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal;
- (e) on each date from the date of this agreement until (and including) the Implementation Date, neither Bidder nor any of its associates has any agreement, arrangement or understanding with any director, officer or employee of Target relating in any way to the Transaction or operations of Target after the Effective Date;
- (f) as at 8:00am on the Second Court Date, Bidder will have sufficient cash amounts (whether from internal cash resources or external or external financial commitments, or a combination of both) available to it on an unconditional basis (other than conditions relating to the approval of the Court and related procedural matters or documentary requirements which, by their terms or nature, can only be satisfied or performed after the Second Court Date), to ensure that the Scheme Consideration is paid to Scheme Shareholders in accordance with the terms of this agreement, the Scheme and the Deed Poll;
- (g) on issue, each HoldCo Share will be fully paid and free from all Encumbrances;
- (h) on both the First Court Date and on the Implementation Date, the HoldCo SHA will include provisions to apply on and from the Implementation Date which are substantially in accordance with those set out in the term sheet contained in Annexure C, provided that the HoldCo SHA may have additional provisions which,

to the extent that they are material for disclosure in relation to the HoldCo Shares, will also be disclosed in the Bidder Information;

- (i) the Equity Commitment Letters have each been duly executed by the parties to them and constitute legally binding obligations on those parties that are enforceable in accordance with their respective terms, and the Equity Commitment Letters have not been terminated;
- (j) each Debt Commitment Letter:
  - (i) is a true and complete copy executed by all parties thereto;
  - (ii) has not been terminated, modified or rescinded, and no event has occurred which with notice, lapse of time or both, would result in a default under that Debt Commitment Letter;
  - (iii) is enforceable in accordance with its terms and Bidder is not in default thereunder;
  - (iv) provides a Debt Commitment of an amount sufficient (when aggregated with the amounts available under the Equity Commitment Letters) to satisfy all of Bidder's payment obligations under this deed, as and when those payment obligations become due, including paying the Scheme Consideration on the Implementation Date and any expenses of Bidder in connection with the consummation of the transactions contemplated hereby, and for any proposed repayment or refinancing of any outstanding indebtedness of the Target Group in connection with the transactions contemplated hereby (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment); and
- (k) any statement of opinion or belief contained in Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief.

## 12.2 Bidder warranty certificate

Bidder must provide to Target by 8.00am on the Second Court Date a certificate signed by a director of Bidder and made in accordance with a resolution of the Bidder Board stating, as at that date, that the representations or warranties given by Bidder in clause 12.1 remain true and correct or, if any such representation or warranty is not true and correct as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or incorrect.

## 12.3 Bidder indemnity

- (a) Bidder acknowledges and agrees that in entering into this agreement Target and the Target Indemnified Parties have relied on the Bidder Warranties.
- (b) Bidder indemnifies Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Bidder Warranties.

## 12.4 Representations and warranties by Target

Target represents and warrants to Bidder (on its own behalf and separately as trustee for each of Bidder Indemnified Parties) that:

- (a) on each date from the date of this agreement until (and including) the Second Court Date:

- (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (ii) the execution and delivery by Target of the Transaction Documents to which Target is party has been properly authorised by all necessary corporate action and Target has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
- (iii) the Transaction Documents to which Target is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:
- A. the constitution or equivalent constituent documents of Target or any of its Subsidiaries; or
  - B. any writ, order or injunction, judgment, law, rule, obligation or regulation to which Target or any of its Subsidiaries is party, or by which Target or any of its Subsidiaries is bound; and
- (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authority approvals are required to be obtained by the Target Group in order for Target to execute and perform the Transaction Documents to which it is a party;
- (v) as far as the Target is aware, it has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and as at the date of this agreement is not withholding any information (other than the fact of its discussions and negotiations with Bidder relating to the Transaction and the subject matter of this agreement) from ASX under Listing Rule 3.1A that has not been fully and fairly disclosed in the Target Due Diligence Material;
- (vi) the Target has prepared, compiled and made available to Bidder and its Representatives the Target Due Diligence Material in good faith and has not intentionally:
- A. withheld from the Due Diligence Material any information in its possession which is not already in the public domain; and
  - B. which would reasonably be expected to be material to the financial position or financial performance of business of the Target Group;
- (vii) as far as Target is aware, the Target Group has all material licences, permits and approvals necessary for it to conduct its business in the manner in which it is conducted as at the date of this agreement and is in material compliance with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign Regulatory Authorities having jurisdiction over them, where non-compliance would or would reasonably be likely to, have a material adverse financial impact on the Target Group as a whole;
- (viii) as at the date of this agreement there are 120,463,450 Target Shares on issue, and Target has not issued (and is not required to issue) any other securities or instruments or rights which are still outstanding (or may become outstanding) and which may convert to Target Shares other than the 1,166,680 Target Performance Rights referred to in clause 8(b);

- (ix) it has disclosed in good faith in the Target Disclosure Letter the amount of the total costs of the Target Group incurred in relation to the Transaction which are paid or payable to Third Parties;
- (x) no outstanding calls or demands have been made under, or in respect of, any of the financing or security arrangements to which any member of the Target Group is a party or by which any member of the Target Group (or any assets thereof) is bound (such arrangements being the **Financing Arrangements**);
- (xi) there is no existing or unremedied material breach of, nor any material default, event of default, cancellation event, review event, prepayment event or similar material event currently subsisting under, any Financing Arrangements;
- (xii) there is no material change to the accounting policies which apply to a member of the Target Group (other than any change in policy required by a change in the accounting standards applicable to the Target Group as at the date of this agreement);
- (b) on the First Court Date and the Second Court Date:
- (i) the Target Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Bidder and the Bidder Indemnified Parties have relied on that information for the purposes of considering and approving the Bidder Information in the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
- (ii) the Target Information (as well as any Bidder Information to the extent that it consists of information relating to the Target Group that was provided to Bidder by or on behalf of Target, or has been extracted from announcements made by Target to the ASX regarding the Target Group) does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission; and
- (iii) the Target Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides);
- (c) on the Implementation Date, there are no Encumbrances (other than Permitted Encumbrances) over all or any of the Target Group's present or future assets or revenues;
- (d) on each date from the date of this agreement until (and including) the Implementation Date, no Insolvency Event has occurred in relation to Target, nor has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this agreement; and
- (e) any statement of opinion or belief contained in Target Information is honestly held and there are reasonable grounds for holding the opinion or belief.

## 12.5 Qualification of Target Warranties

The Target Warranties and the indemnity under clause 12.7, are subject to matters which:

- (a) expressly required or permitted by this agreement or the Scheme;

- (b) have been Fairly Disclosed in the Target Due Diligence Material, Target Disclosure Letter or Target's announcements to the ASX regarding the Target Group prior to the date of this agreement;
- (c) would be disclosed in a search of ASIC records in relation to Target prior to the date of this agreement; or
- (d) are within the actual knowledge of Bidder or its Representatives.

Any representations and warranties given pursuant to clause 12.4, subject to Target's awareness, knowledge or belief are given by reference to the actual awareness, knowledge or belief of Simon Hickey and Lucas Barry.

## 12.6 Target warranty certificate

Target must provide to Bidder by 8.00am on the Second Court Date a certificate signed by a director of Target and made in accordance with a resolution of the Target Board stating, as at that date, that the representations or warranties given by Target in clause 12.4 remain true and correct or, if any such representation or warranty is not true and correct as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or incorrect.

## 12.7 Target indemnity

- (a) Target acknowledges and agrees that in entering into this agreement Bidder and the Bidder Indemnified Parties have relied on the Target Warranties.
- (b) Target indemnifies Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Target Warranties.

## 12.8 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 12.

## 12.9 Status of representations and warranties

Each representation and warranty in this clause 12:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

## 12.10 Status and enforcement of indemnities

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

## 12.11 Timing of representations and warranties

Each representation and warranty made or given under clauses 12.1 or 12.4 is given at the date of this agreement, the date the Explanatory Memorandum is dispatched to Target Shareholders and as at 8.00 am on the Second Court Date, unless that representation or warranty is expressed to be given only at a particular time, in which case, it is given only at that time.

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## 13. Confidentiality and communications

### 13.1 Confidentiality Agreement

Each party acknowledges and agrees that they continue to be bound by the Confidentiality Agreement after the date of this agreement in respect of all information received by it from the other party on, before or after the date of this agreement and that the terms of this agreement will prevail over the terms of the Confidentiality Agreement to the extent of any inconsistency.

### 13.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

### 13.3 Disclosure on termination of agreement

The parties agree that, if this agreement is terminated under clause 14, any party may disclose:

- (a) the fact that this agreement has been terminated, where such disclosure is required by the Listing Rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed; and
- (b) the fact that this agreement has been terminated to ASIC.

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## 14. Termination and remedies

### 14.1 Limited termination events

This agreement may only be terminated by either party in the circumstances contemplated by clauses 14.2 and 14.3, or if the parties agree in writing to terminate this agreement.

### 14.2 Termination by Bidder

Bidder may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Target if:
  - (i) Target is in material breach of any of clause of this agreement, (including the Target Warranties or in relation to a Target Prescribed Occurrence), provided that Bidder is only entitled to terminate if it has given notice to Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day one Business Day before the Second Court Date) from the time such notice is received by Target; or

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- (ii) any Target director publicly changes or withdraws their Recommendation or Voting Intention or publicly recommends a Competing Proposal, for any reason, whether or not permitted to do so under this agreement.

### 14.3 Termination by Target

Target may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Bidder if:
  - (i) as at the time before 8.00 am on the Second Court Date, Bidder is in material breach of any clause of this agreement (including the Bidder Warranties) provided that Target is only entitled to terminate if it has given notice to Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day one Business Day before the Second Court Date) from the time such notice is received by Bidder; or
  - (ii) a majority of Target directors publicly change or withdraw their Recommendation or Voting Intention or publicly recommend a Competing Proposal, for any reason, whether or not permitted to do so under this agreement; or
  - (iii) the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Target Shareholders, and does not change or withdraw those statements or recommendations once made.

### 14.4 Effect of termination

If this agreement is terminated:

- (a) the provisions of this agreement shall cease to have effect except for the provisions of clauses 1, 10, 11, 13, 14.4, 14.5 and 15 to 17 (inclusive), 19.1 to 19.6 (inclusive), 19.8 to 19.11 (inclusive) and 20 which will survive termination; and
- (b) subject to any rights or obligations arising under or pursuant to those clauses referred to in clause 14.4(a) which will survive termination, no party shall have any rights against or obligations to any other party under this agreement, except for those rights and obligations accrued prior to termination of the agreement.

### 14.5 Termination

Where a party has a right to terminate this agreement, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this agreement.

### 14.6 Remedies

The parties acknowledge that damages may not be a sufficient remedy for breach of this agreement. Specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this agreement by any party, notwithstanding the ability of the other party to terminate this agreement or seek damages for such a breach or threatened breach or to demand payment of the Target Payment or Bidder Payment (as the case may be).

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## 14.7 Target's limitation of liability

Notwithstanding any other provision of this agreement and other than in the case of fraud or wilful default, the maximum liability of Target to Bidder under or in connection with this agreement will be the amount of the Target Payment and no further damages, fees, expenses or reimbursements of any kind will be payable by Target under or in connection with this agreement.

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## 15. Notices

### 15.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing and in English;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
  - (i) if to Target:
 

Address:	Unit 6, Eastern Valley Way, Chatswood, NSW 2067
Email:	shickey@gxLtd.com.au
Attention:	Simon Hickey
  - (ii) if to Bidder:
 

Address:	Level 31, 101 Collins Street 101 Collins Street Melbourne VIC 3000
Email:	jthickins@tpg.com
Attention:	Joel Thickins

with a copy in each case to:

Email:	pcook@gtlaw.com.au rbassil@gtlaw.com.au
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- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must state that the email is a communication under this agreement; and
- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address, of the addressee, in accordance with this clause 15.1.

## 15.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of delivery by hand) on delivery; and
- (d) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 15.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

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## 16. GST

### 16.1 Interpretation

- (a) Except where the context suggests otherwise, and subject to clause 16.1(b), terms used in this clause have the meanings given to those terms by the *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time).
- (b) "Input tax credit" has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* and a reference to an input tax credit entitlement of an entity includes an input tax credit for an acquisition made by that entity but to which another member of the same GST group is entitled.
- (c) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause.
- (d) Any consideration for a supply that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to that supply for the purpose of this clause.

### 16.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

### 16.3 GST payable

- (a) If GST is payable in relation to a taxable supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must, subject to clause 16.1(d), pay an additional amount to the Supplier equal to the amount of that GST at the same times as other consideration is to be provided for that supply.

- (b) No payment of any amount pursuant to clause 16.3(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) Where additional amounts are payable between parties to this agreement pursuant to clause 16.3(a), amounts so payable, to the extent they are equivalent in amount, shall be set off against each other as if paid and each party shall be obliged only to provide the tax invoice referred to in clause 16.3(b) no later than the time at which any consideration is to be first provided for that supply.
- (d) If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 16.3(a) then the Supplier must promptly issue an adjustment note to the Recipient and will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 16.3(a).

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## 17. Non-resident CGT withholding

If Bidder is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the Australian Taxation Office (**ATO**) in respect of the acquisition of Target Shares from any foreign resident entities (with the meaning given in section 14-210 of Subdivision 14-D) that hold an indirect Australian real property interest (for the purposes of section 14-200(1)(c)(ii) of Subdivision 14-D) (**10% Holders**), Bidder is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to such 10% Holders and remit such amounts to the ATO. The aggregate sum payable to those 10% Holders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those 10% Holders.

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## 18. Entire agreement

The Transaction Documents and the Confidentiality Agreement constitute the entire agreement between the parties in relation to their subject matter and supersede all previous agreements and understandings between the parties in relation to their subject matter.

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## 19. General

### 19.1 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

### 19.2 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

### 19.3 Assignment

- (a) Subject to clause 19.3(b) below, a party may not assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party.
- (b) Bidder may assign, grant a security interest over, novate or otherwise transfer by way of security, any of its rights or obligations under this deed to a financier or financiers (or a security agent or security trustee thereof) without the prior written consent of Target solely for the purpose of obtaining finance or providing security in connection with the Transaction.

### 19.4 Consents

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

### 19.5 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing each Transaction Document.

### 19.6 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

### 19.7 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

### 19.8 No merger

A party's rights and obligations do not merge on completion of any transaction contemplated by this agreement.

### 19.9 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

### 19.10 Stamp duties

Bidder must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause.

### 19.11 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

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## **20. Governing law, jurisdiction and service of process**

### **20.1 Governing law**

This agreement is governed by the law applying in New South Wales, Australia.

### **20.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 20.2(a).

**Schedule 1 Timetable**

<b>Event</b>	<b>Date</b>
Send Explanatory Memorandum to ASIC	Late November to early December
First Court Date	Mid December
Scheme Meeting	Late January to early February
Second Court Date	Early to mid February
Effective Date	Early to mid February
Implementation Date	Mid to late February

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**Executed** as an agreement.

**Executed by Greencross Limited ACN 119 778 862** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Full name of company secretary/director

**Executed by Vermont Aus Pty Ltd ACN 626 845 510** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Full name of company secretary/director

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**Annexure A Scheme**

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## Scheme of arrangement made under section 411 of the Corporations Act

**Parties** Greencross Limited ACN 119 778 862 of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (Target)

Each person registered as a holder of fully paid ordinary shares in the capital of the Target on the Record Date

### Background

- A. The Target and the Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, the Target has agreed to propose this scheme to Target Shareholders and each of the Target and the Bidder have agreed to take certain steps to give effect to this scheme.
- B. If the scheme becomes Effective, the Bidder or HoldCo will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this scheme, and the Bidder will acquire all Scheme Shares and Target will enter Bidder in the Share Register as the holder of the Scheme Shares with the result that Target will become a wholly owned subsidiary of Bidder.

### Operative provisions

#### 1. Definitions and interpretation

##### 1.1 Definitions

In this agreement:

**Aggregate Cash Consideration** means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

**Aggregate Scrip Consideration** means the aggregate number of HoldCo Shares payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

**All Cash Consideration** means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

**Bidder** means Vermont Aus Pty Ltd ACN 626 845 510 of Level 31, 101 Collins Street, Melbourne, Victoria 3000.

**Business Day** means a day which is a "Business Day" within the meaning given in the Listing Rules.

**Cash Consideration** means an amount of \$5.55 for each Scheme Share minus the actual amount of the Permitted Dividend that is declared and paid per Scheme Share.

**CHESS** means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX.

**Class B Share** means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Constitution and HoldCo SHA.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Court** means the Supreme Court of New South Wales or such other court of competent jurisdiction as Target and Bidder agree in writing.

**Deed Poll** means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B to the Implementation Agreement or in such other form as Target and Bidder agree in writing.

**Effective** means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Election** means a Mixed Election Option 1 or a Mixed Election Option 2.

**Election Date** means 7.00pm on the date which is at least three Business Days prior to the Record Date or such other date as agreed between Bidder and the Target in writing.

**Election Form** means the form of election under which a Target Shareholder is offered the opportunity to make an Election.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means the date 6 months after the date of this agreement or such other date agreed in writing between Target and Bidder.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of this agreement and to be dispatched to the Target Shareholders.

**First Court Date** means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**HoldCo** means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).

**HoldCo Constitution** means the constitution of HoldCo.

**HoldCo SHA** means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo on substantially those terms set out in the term sheet in Annexure C to the Implementation Agreement.

**HoldCo Share** means a fully paid Class B Share in the capital of HoldCo to be provided to Scheme Shareholders under the Scheme.

**HoldCo Share Register** means the register of members of HoldCo maintained by or on behalf of the HoldCo in accordance with section 168(1) of the Corporations Act.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

**Ineligible Foreign Shareholder** means a Scheme Shareholder whose address shown in the Target Share Register at 7.00 pm on the Record Date is a place outside Australia and its external territories unless Bidder determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when the Scheme becomes Effective.

**Listing Rules** means the official listing rules of the ASX.

**Maximum Scrip Threshold** means 15% of the total issued capital of HoldCo as at the Implementation Date.

**Minimum Scrip Threshold** means 1.5% of the total issued capital of HoldCo as at the Implementation Date.

**Mixed Consideration Option 1** means:

- (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 1.

**Mixed Consideration Option 2** means:

- (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of 75% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 2.

**Mixed Election Option 1** means an election by a Target Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Target Shareholder.

**Mixed Election Option 2** means an election by a Target Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Target Shareholder.

**Permitted Dividend** means a dividend in an amount not exceeding \$0.21 per Target Share paid by Target to Target Shareholders between the date of this agreement and Implementation Date (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of the Target being in deficit after the payment of the dividend).

**Record Date** means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

**Registered Addresses** means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the Target Share Register.

**Regulatory Authority** means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and

- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

**Representatives** means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

**Scaleback Mechanism** means the scaleback mechanism set out in clause 5.8.

**Scheme Consideration** means (depending on the Election and subject to the Scaleback Mechanism and the terms of the Scheme):

- (a) All Cash Consideration;
- (b) Mixed Consideration Option 1; or
- (c) Mixed Consideration Option 2.

**Scheme Meeting** means the meeting of Target Shareholders to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Share** means a Target Share on issue as at the Record Date.

**Scheme Shareholder** means each person registered in the Target Share Register as the holder of the Scheme Shares as at the Record Date.

**Scrip Consideration** such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Permitted Dividend that is declared and paid per Scheme Share.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Security Interest** has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

**Share Registry** means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Target Board** means the board of directors of Target.

**Target Group** means Target and each of its Subsidiaries.

**Target Long Term Incentive Plan** means the Long Term Incentive Plan operated by Target.

**Target Performance Rights** means performance rights in respect of Target Shares issued pursuant to the Target Long Term Incentive Plan or the Target Short Term Incentive Plan.

**Target Share Register** means the register of members of Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

**Target Shareholder** means a person who is registered in the Target Share Register as a holder of Target Shares.

**Target Shares** means fully paid ordinary shares in the capital of Target.

**Target Short Term Incentive Plan** means the Short Term Incentive Plan operated by Target.

**Transaction** means the acquisition by Bidder (or a Subsidiary of Bidder) of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

## 1.2 Business Days

If the day on which any act to be done under this scheme is a day other than a Business Day, that act must be done on or by the next Business Day except where this scheme expressly specifies otherwise.

## 1.3 Listing rules are law

A listing rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this scheme.

## 1.4 General rules of interpretation

In this scheme headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this scheme, and a reference to this scheme includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to an event, matter or circumstance being "**Fairly Disclosed**" to a party means disclosed to that party or any of its Representatives in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Transaction and experienced in business

similar to any business conducted by the Target Group (if disclosed by Target) or the Bidder Group (if disclosed by Bidder), to identify the nature and scope of the relevant event, matter or circumstance on the Target Group or the Bidder Group (as applicable);

- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (m) a reference to a date or time is to that date or time in Sydney, Australia; and
- (n) this agreement (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

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## **2. Preliminary matters**

### **2.1 Target**

- (a) The Target is a public company limited by shares, incorporated in Australia and registered in the State of Queensland.
- (b) The Target is admitted to the official list of ASX and Target Shares are officially quoted on the ASX.
- (c) As at 5 November 2018, the Target had the following securities on issue:
  - (i) 120,463,450 Target Shares; and
  - (ii) 1,166,680 Target Performance Rights.

### **2.2 Bidder**

The Bidder is a proprietary company limited by shares, incorporated in Australia and registered in the State of Victoria.

### **2.3 HoldCo**

HoldCo is a proprietary company limited by shares, incorporated in Australia and registered in State of Victoria.

### **2.4 Implementation Agreement**

The Bidder and the Target have agreed, by executing the Implementation Agreement, to implement this scheme (among other things).

### **2.5 Deed Poll**

The Bidder and HoldCo have agreed, by executing the Deed Poll, to perform their respective obligations under this scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

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### **3. Conditions precedent**

#### **3.1 Conditions**

- (a) This scheme is conditional on and will have no force or effect until each of the following conditions is satisfied:
- (i) all the conditions precedent in clause 3.1 of the Implementation Agreement having been satisfied or waived (other than the conditions precedent which cannot be waived) in accordance with the terms of the Implementation Agreement by 8.00am on the Second Court Date;
  - (ii) the Implementation Agreement or Deed Poll not having been terminated in accordance with its terms before 8.00am on the Second Court Date;
  - (iii) approval of this scheme by the Court under section 411(4)(b) of the Corporations Act, including with such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the Target and the Bidder, having been satisfied; and
  - (iv) the orders of the Court made under section 411(4)(b) (and if applicable, section 411(6)) of the Corporations Act approving this scheme coming into effect, under section 411(10) of the Corporations Act.
- (b) The scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date unless Target and Bidder otherwise agree in writing.

#### **3.2 Certificate in relation to conditions**

The Target and the Bidder must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not as at 8.00am on the Second Court Date all the conditions precedent in clause 3.1 of the Implementation Agreement (other than the condition precedent in clause 3.1(g)) have been satisfied or waived (other than the conditions precedent which cannot be waived) in accordance with the terms of the Implementation Agreement.

#### **3.3 Conclusive evidence**

The giving of a certificate by the Target and the Bidder under clause 3.2 will be conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

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## **4. Implementation**

#### **4.1 Lodgement of Court orders**

The Target must lodge with ASIC an office copy of any Court orders under section 411(10) of the Corporations Act approving this scheme by 5.00pm on the Business Day on which such office copy is received (or such later date as is agreed between the parties in writing).

#### **4.2 Consequences of this scheme becoming Effective**

If this scheme becomes Effective:

- (a) it will override the constitution of the Target, to the extent of any inconsistency;

- (b) the Bidder or HoldCo must (pursuant to their respective obligations under the Deed Poll) provide or procure the provision of the Scheme Consideration in the matter contemplated by this scheme;
- (c) subject to the provision of the Scheme Consideration as contemplated by clause 4.2(b), all the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date) will be transferred to the Bidder; and
- (d) the Target will enter the name of the Bidder in the Target Share Register in respect of all the Scheme Shares.

### 4.3 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by this scheme and the Bidder or HoldCo providing the Target with written confirmation of that, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or its officers as agent and attorney of the Scheme Shareholders under clause 8.5 or otherwise) by:
  - (i) the Target delivering to the Bidder a duly completed and executed share transfer form to transfer all of the Scheme Shares to the Bidder; and
  - (ii) the Bidder duly executing such transfer form and delivering it to the Target for registration; and
- (b) as soon as practicable after receipt of the transfer form in accordance with clause 4.3(a)(ii), the Target must enter the name of the Bidder in the Target Share Register in respect of all the Scheme Shares.

### 4.4 Reconstitution of Target Board

With effect on and from the Implementation Date, but subject to Bidder having provided the Scheme Consideration in accordance with this agreement, Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of Target those persons nominated by Bidder in writing to Target, subject to those persons being appointed having provided to Target duly executed consents to act as directors of the relevant companies; and
- (b) procure that all Target directors and the directors of each subsidiary of Target (other than, in each case, those appointed pursuant to clause 4.4(a) resign from the Target Board and the board of each subsidiary of Target,

in each case, in accordance with the Target constitution, the Corporations Act and the Listing Rules.

### 4.5 Suspension of trading

Suspension of trading on ASX in Target Shares will occur from the close of trading on ASX on the Effective Date.

#### 4.6 Removal of Target from official list of ASX

If directed by Bidder in writing, Target must take all steps necessary for Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date, and any one or more of Target and Bidder must satisfy any conditions reasonably required by ASX for it to act on that request.

### 5. Scheme Consideration

#### 5.1 Bidder undertakings in relation to Scheme Consideration

Bidder undertakes to Target (in the Target's own right and separately as trustee for each of the Scheme Shareholders) that, if the Scheme becomes Effective, in consideration for the transfer to Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Bidder will:

- (a) accept that transfer;
- (b) provide, or procure the provision to, each Scheme Shareholder the Scheme Consideration in accordance with:
  - (i) subject to clause 5.2 and any application of the Scaleback Mechanism, any Election made by that Scheme Shareholder as contemplated by clause 5.3;
  - (ii) clause 5.4 and 5.5; and
  - (iii) the terms of the Scheme;
- (c) on the Implementation Date:
  - (i) pay, or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Aggregate Cash Consideration; and
  - (ii) subject to clause 5.2, procure the allotment of the Aggregate Scrip Consideration to applicable Scheme Shareholders (subject to any applicable scaleback in accordance with the Scaleback Mechanism),

in each case in accordance with the terms of the Scheme.

#### 5.2 Minimum Scrip Number not reached

If the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold:

- (a) Bidder is not required to:
  - (i) comply with any valid Elections; or
  - (ii) issue any Scrip Consideration to any Scheme Shareholders;
- (b) each Scheme Shareholder who gives a valid Election will be entitled to receive the All Cash Consideration for the Scheme Shares they hold; and
- (c) Bidder must, instead of complying with clauses 5.1(b) and 5.1(c)(ii), by no later than 12 pm on the Implementation Date, pay or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme

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Shareholders, an amount in cleared funds equal to the Maximum Cash Consideration and will, by doing so, satisfy its obligations under clauses 5.1(b) and 5.1(c)(ii).

### 5.3 Election mechanism

- (a) Each Target Shareholder (other than Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with the Scheme to the extent any Target Shareholder who makes an Election qualifies as a Scheme Shareholder.
- (b) Target must ensure that the Explanatory Memorandum is accompanied by an Election Form.
- (c) The Election Form must state to the effect that:
- (i) subject to clause 5.3(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form before the Election Date;
  - (ii) an Election will apply to all of the Target Shares of the Target Shareholder as at the Election Date;
  - (iii) once made, an Election may be varied, waived or revoked before the Election Date by notice in writing to the Target; and
  - (iv) in the manner considered appropriate by Bidder and the Target (acting reasonably), a Target Shareholder who holds one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Target Shares (subject to providing to Bidder and the Target any substantiating information they reasonably require), and if it does so will be treated as a separate Target Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Election Date, it holds fewer Target Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to any such separate Election (and if so, which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares (or will be treated in any other manner that Bidder and the Target agrees is fair to the Target Shareholder in all the circumstances acting reasonably).
- (d) The Target must ensure that, to the extent reasonably practicable, persons who acquire Target Shares after the date of the dispatch of the Explanatory Memorandum and until the Election Date are sent an Election Form upon those persons requesting one from the Target.
- (e) In order to facilitate the issue of the Scrip Consideration (if applicable), the Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (f) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:

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- (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.7 will apply to any Target Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;
- (ii) if a Target Shareholder does not make a valid Election, that Target Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder;
- (iii) Target Shareholders who make a valid Election agree to become members of HoldCo from the Implementation Date and become bound by the HoldCo Constitution and HoldCo SHA, pursuant to the Scheme;
- (iv) Target Shareholders who make a valid Election must provide, before the Election Date, the information and documents described in the Election Form as being required by Bidder or Target; and
- (v) if the Aggregate Scrip Consideration is less than the Minimum Scrip Number, Target Shareholders who make valid Elections will receive the All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder,

and such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

#### 5.4 All Cash Consideration

- (a) If a Target Shareholder:
  - (i) is an Ineligible Foreign Shareholder; or
  - (ii) does not make a valid Election,
 that Target Shareholder will be entitled to receive the All Cash Consideration for the Scheme Shares held by them.
- (b) All Target Shareholders will receive the All Cash Consideration for the Scheme Shares held by them if the provisions of clause 5.2 apply.
- (c) Where a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent:
  - (i) where the entitlement is to half a cent or more, the fractional entitlement will be rounded up to the nearest whole cent; and
  - (ii) where the entitlement is to less than half a cent, the fractional entitlement will be rounded down to the nearest whole cent.

#### 5.5 Scrip Consideration

If a Target Shareholder makes a valid Election and clause 5.2 does not apply:

- (a) the Target Shareholder will be entitled to receive the Scheme Consideration relevant to their Election (subject to the Scaleback Mechanism and the terms of the Scheme); and
- (b) if the number of HoldCo Shares to which that Target Shareholder is entitled is not a whole number:

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- (i) where the entitlement is to half a HoldCo Share or more, the number of HoldCo Shares will be rounded up to the nearest whole number; and
- (ii) where the entitlement is to less than half a HoldCo Share, the number of HoldCo Shares will be rounded down to the nearest whole number.

## 5.6 Share splitting

If Bidder and the Target are of the opinion that a number of Scheme Shareholders and/or other persons (who, to avoid doubt, may include other Scheme Shareholders) have, before the Election Date, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or which provides, an advantage by reference to the rounding as contemplated by clause 5.5(b)(i), Bidder may give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and registered address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so give, the Scheme Shareholder specifically identified in the notice will, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

## 5.7 Ineligible Foreign Shareholders

Bidder has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of the Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

## 5.8 Scaleback Mechanism

If:

- (a) the Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Date; and
- (b) the Aggregate Scrip Consideration exceeds the Maximum Scrip Threshold,

then

- (c) the Scheme Shareholder is entitled to receive Scrip Consideration as calculated in accordance with the following formula:

$$A = (B \times \text{Scrip Consideration}) \times \left(\frac{C}{D}\right)$$

where:

A = the number of HoldCo Shares to be received by the Scheme Shareholder pursuant to the Scheme;

- B = if the Scheme Shareholder:
- (a) has made a Mixed Election Option 1 Election, a number equal to 50% of the Scheme Shares held by the Scheme Shareholder; or
  - (b) has made a Mixed Election Option 2 Election, a number equal to 75% of the Scheme Shares held by the Scheme Shareholder;
- C = the number of HoldCo Shares equal to the Maximum Scrip Threshold; and
- D = the Aggregate Scrip Consideration; *plus*

- (d) the Scheme Shareholder is entitled to receive the All Cash Consideration Value for:
- (i) each Scheme Share they hold; *less*
  - (ii) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.8(c) above.

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## 6. Provision of Scheme Consideration

### 6.1 Provision of Aggregate Cash Consideration

- (a) The obligation of the Bidder to provide, or procure the provision of, the Aggregate Cash Consideration to Scheme Shareholders will be satisfied by the Bidder:
- (i) paying, or procuring the payment of, before 12.00 noon on the Implementation Date, an amount in cleared funds at least equal to the Aggregate Cash Consideration into a trust account operated by or on behalf of the Target, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will be to the Bidder's account; and
  - (ii) providing the Target with written confirmation of that payment.
- (b) Within 5 Business Days after the Implementation Date and subject to compliance with clause 6.1(a) by the Bidder, the Target must pay from the account referred to in clause 6.1(a) to each Scheme Shareholder such amount of cash as is due to that Scheme Shareholder under clause 6.1(a) as Cash Consideration in respect of all that Scheme Shareholder's Scheme Shares.
- (c) The amount referred to in clause 6.1(b) must be paid by the Target doing any of the following at its election:
- (i) sending (or procuring the Share Registry to send) that amount to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the trust account referred to in clause 6.1(a); or
  - (ii) if the Scheme Shareholder has a payment direction (including a direction used for the payment of dividends) for a bank account with any Australian ADI (as defined in the Corporations Act) recorded in the Target Share Register on the Record Date, depositing (or procuring the Share Registry to deposit) that amount into that account.

- (d) The Target may cancel a cheque issued under clause 6.1(c)(i) if the cheque:
- (i) is returned to the Target; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent,

provided that, during the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder, the Target must reissue a cheque that was previously cancelled under this clause 6.1(d).

- (e) If there is any surplus in the amount held by the Target in the trust account, that surplus must be repaid by the Target to the Bidder following the satisfaction of the Target's obligations under this clause 6.1.
- (f) Subject to clause 6.1(d), in the event that a cheque is sent to the Scheme Shareholder's Registered Address by the Target for the purpose of clause 6.1(c)(i) is returned to the sender and no account has been notified for the purposes of clause 6.1(c)(ii), or a deposit into such an account is rejected or refunded, Target may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target to be held on trust by Target for the Scheme Shareholder until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of Bidder after the deduction of any costs, expenses or applicable taxes). An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Target must maintain records of the amount paid, the people who are entitled to the amounts and any transfer of the amounts.
- (g) If any amount is required under any law or by any government or any governmental, semi-governmental or judicial entity or authority to be:
- (i) withheld from an amount payable under clause 6.1(b) and paid to that entity or authority; or
  - (ii) retained by the Target out of an amount payable under clause 6.1(b),
- its payment or retention by the Target (or the Share Registry) will constitute the full discharge of the Target's obligations under clauses 6.1(b) and 6.1(c) and 6.4(b) with respect to the amount so paid or retained until, in the case of clause 6.1(g)(ii), it is no longer required to be retained.

## 6.2 Provision of Aggregate Scrip Consideration

- (a) Subject to clauses 5.2, 5.3, 5.6 and 5.7, the obligation of the Bidder or HoldCo to provide, or procure the provision of, the Aggregate Scrip Consideration to Scheme Shareholders in accordance with this scheme and the Implementation Agreement, will be satisfied by the Bidder or HoldCo procuring:
- (i) before 12.00 noon on the Implementation Date, the allotment of HoldCo Shares to each applicable Scheme Shareholder in accordance with the terms of the Scheme and the Election of that Scheme Shareholder; and
  - (ii) that the name and address of each such Scheme Shareholder is entered into the HoldCo Share Register on the Implementation Date in respect of the HoldCo Shares to which it is entitled under this scheme (either directly or through a custodian as contemplated in the HoldCo SHA).

- (b) in the case of joint holders of Scheme Shares, the HoldCo Shares to be provided under this scheme will be provided to and registered in the names of the joint holders.
- (c) If the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo, HoldCo may elect that a Scheme Shareholder who receives Scrip Consideration pursuant to this scheme will have those HoldCo Shares registered in the name of a custodian nominated by HoldCo in accordance with the terms of a custody agreement as specified by HoldCo.

### **6.3 Status of HoldCo Shares**

The Bidder or HoldCo shall procure that within 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing or stating, as applicable, the number of HoldCo Shares to be provided to the Scheme Shareholder pursuant to this scheme.

### **6.4 Joint holders**

In the case of any Scheme Shares held in joint names:

- (a) any HoldCo Shares comprised in the Scheme Consideration are to be registered in the names of the joint holders;
- (b) any cheque required to be sent under this scheme will be made payable to the joint holders and sent at the sole discretion of the Target, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 6.1(c)(ii), in which case the amount must be deposited directly to the nominated bank account of the joint holders);
- (c) any other document required to be sent under this Scheme will be forwarded at the sole discretion of the Target, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders.

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## **7. Dealings in Target Shares**

### **7.1 Dealings in Target Shares by Target Shareholders**

To establish the identity of the Scheme Shareholders, dealings in Target Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares by no later than 7.00pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received by no later than 7.00pm on the Record Date at the place where the Target Share Register is kept,

and for the purpose of establishing the persons who are Scheme Shareholders, the Target will not accept for registration nor recognise any transfer or transmission application in respect of the Target Shares received after such times or received prior to such times but not in registrable form.

## 7.2 Target Share Register

- (a) The Target must maintain the Target Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been provided to the Scheme Shareholders and the Target Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) The Target must register valid registrable transmission applications or transfers of the kind referred to in clause 7.1(b) by no later than 7.00pm on the Record Date (provided that for the avoidance of doubt nothing in this clause 7.2(b) requires the Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a Marketable Parcel).
- (c) The Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after 7.00pm on the Record Date.
- (d) From 7.00pm on the Record Date until the earlier of registration of the Bidder in respect of all Scheme Shares under clause 4.3(b) or the End Date, no Target Shareholder may deal with Target Shares in any way except as set out in this scheme and any attempt to do so will have no effect and Target may disregard any such dealing.

## 7.3 Information to be made available to the Bidder

- (a) The Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (b) As soon as practicable after the Record Date and in any event at least 2 Business Days before the Implementation Date, the Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder are available to the Bidder in the form the Bidder reasonably requires.

## 7.4 Effect of share certificates and holding statements

- (a) Each entry which is current on the Target Share Register as at 7.00pm on the Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (b) Upon the Scheme Consideration being provided to the Scheme Shareholders in accordance with this Scheme, all certificates and statements of holding for Target Shares will cease to have any effect as documents of title in respect of those shares (other than statements of holding in favour of the Bidder and its successors in title).

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## 8. General scheme provisions

### 8.1 Consent

If the Court proposes to approve this scheme subject to any alterations or conditions, the Target may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented.

## 8.2 Binding effect of the scheme

This scheme binds the Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that meeting, or voted against this scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of the Target to the extent of any inconsistency.

## 8.3 Agreement of Scheme Shareholders

Each Scheme Shareholder:

- (a) agrees to the transfer of their Target Shares in accordance with terms of this scheme and agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this scheme;
- (b) acknowledges that this scheme binds the Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against this scheme at the Scheme Meeting);
- (c) who is issued HoldCo Shares under this scheme agrees to become a shareholder of HoldCo in respect of those HoldCo Shares and to be bound by the HoldCo Constitution and the HoldCo SHA; and
- (d) who is an Ineligible Foreign Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 5.7 constitutes the satisfaction in full of its entitlement to the Scheme Consideration.

## 8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to the Target and the Bidder, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder that:
  - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder under this scheme will, on the date they are transferred to the Bidder, be fully paid;
  - (ii) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder under this scheme will, on the date they are transferred to the Bidder, be free from all Encumbrances and third party rights or interests of any kind; and
  - (iii) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to the Bidder;
  - (iv) it has no existing right to be issued any Target Shares, options exercisable into Target Shares, Target Performance Rights, Target convertible notes or any other Target securities, other than, in the case of any Scheme Shareholder who is also a holder of Target Performance Rights, the right to be issued Target Shares on the vesting of those Target Performance Rights (if applicable) before the Record Date, in accordance with their terms.
- (b) The Target undertakes that it will provide such warranty to the Bidder as agent and attorney for each Scheme Shareholder.

## 8.5 Authority given to the Target

Upon this scheme becoming Effective, each Scheme Shareholder without the need for any further act:

- (a) irrevocably appoints the Target and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
  - (i) enforcing the Deed Poll against the Bidder and HoldCo; and
  - (ii) executing any document necessary to give effect to this scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares,and the Target accepts such appointment; and
- (b) will be deemed to have authorised the Target to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement this scheme, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5(a).

## 8.6 Appointment of sole proxy

Upon the Scheme Consideration being provided to the Scheme Shareholders and until the Target registers the Bidder as the holder of all Target Shares in the Target Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed the Bidder as its attorney and agent (and directed the Bidder in such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of the Target, exercise the votes attaching to the Scheme Shares registered in their name and sign any Target Shareholders' resolutions, whether in person, by proxy or by corporate representative;
- (b) undertakes not to otherwise attend or vote at any of those meetings or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as pursuant to clause 8.6(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under clause 8.6(a) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

## 8.7 Title to Target Shares

Upon the Scheme Consideration being provided to the Scheme Shareholders and until the Target registers the Bidder as the holder of all Target Shares in the Target Share Register, the Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under the Scheme.

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## **9. General**

### **9.1 Stamp duties**

The Bidder and HoldCo must pursuant to their obligations under the Deed Poll:

- (a) pay all stamp duties and any related fines and penalties in respect of the transfer of the Scheme Shares to the Bidder and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability from a failure to comply with clause 9.1(a).

### **9.2 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this scheme is sent by post to the Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the place where the Target's Share Registry is kept.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### **9.3 Further acts and documents**

The Target must do all further acts (on its own behalf and on behalf of each Scheme Shareholder) and execute and deliver all further documents required by law or necessary to give effect to this scheme and the transactions contemplated by it.

### **9.4 No liability when acting in good faith**

Neither Target nor Bidder (nor any director, officer or secretary of any of those companies) will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

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## **10. Governing law and jurisdiction**

### **10.1 Governing law**

This scheme is governed by the law applying in New South Wales.

### **10.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this scheme; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

**Annexure B Deed Poll**

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## Deed poll dated

**By** **Vermont Aus Pty Ltd ACN 626 845 510** of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**Bidder**)

**Vermont Aus Holdco Pty Ltd ACN 626 842 135** of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**HoldCo**)

**In favour of** **Each person registered as a holder of fully paid ordinary shares in the capital of Greencross Limited ACN 119 778 862** of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (**Target**) on issue as at the Record Date (**Scheme Shareholders**)

## Background

- A. On 5 November 2018, the Target and the Bidder entered into a scheme implementation agreement (**Implementation Agreement**) to provide for the implementation of the Scheme.
- B. The effect of the Scheme will be to transfer all Scheme Shares to the Bidder in exchange for the Scheme Consideration.
- C. Each of Bidder and HoldCo enter into this deed poll to covenant in favour of the Scheme Shareholders to perform its respective obligations to provide or procure the provision of the Scheme Consideration in accordance with the Scheme.

## It is declared as follows

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### 1. Definitions and interpretation

#### 1.1 Definitions

In this deed poll:

**Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and its shareholders, in substantially the same form as set out in Annexure A to the Implementation Agreement or in such other form as Target and Bidder agree in writing.

#### 1.2 Terms defined in the Scheme

Capitalised words and phrases defined in the Scheme and not in this deed poll have the same meaning in this deed poll as in the Scheme unless the context requires otherwise.

#### 1.3 Interpretation

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme form part of this deed poll as if set out in full in this deed poll, except that references to "scheme" in those clauses will be taken to be references to "deed poll".

#### 1.4 Nature of this deed poll

The Bidder and HoldCo acknowledge that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

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## **2. Condition precedent**

### **2.1 Condition**

The respective obligations of the Bidder and HoldCo under clause 3 are subject to the Scheme becoming Effective.

### **2.2 Termination**

The respective obligations of the Bidder and HoldCo under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms prior to the Court approving the Scheme; or
  - (b) the Scheme is not Effective by the End Date,
- unless the Bidder and the Target otherwise agree in writing.

### **2.3 Consequences of termination**

If this deed poll terminates under clause 2.2, in addition to and without prejudice to any other rights, powers or remedies available to it:

- (a) the Bidder and HoldCo are released from their respective obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against the Bidder and HoldCo in respect of any breach of this deed poll which occurs before it was terminated.

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## **3. Provision of the Scheme Consideration**

### **3.1 Undertaking**

Subject to clause 2, each of the Bidder and HoldCo undertake in favour of each Scheme Shareholder:

- (a) to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) to undertake or procure the undertaking of all other actions attributed to either Bidder or HoldCo under the Scheme.

### **3.2 Status of HoldCo Shares**

The Bidder and HoldCo undertake in favour of each Scheme Shareholder that the HoldCo Shares which are provided to Scheme Shareholders in accordance with the Scheme will be duly issued, fully paid and free from any Encumbrances and will have the rights attaching to them as set out in the HoldCo SHA.

---

## **4. Warranties**

Each of the Bidder and HoldCo warrants to each Scheme Shareholder that:

- (a) it is a company properly incorporated and validly existing under the laws of the country or jurisdiction of its incorporation;

- (b) it has the legal right and full corporate power and capacity to execute, deliver and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll constitutes (or will when executed constitute) valid legal and binding obligations of it and is enforceable against it in accordance with its terms;
- (e) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
- (f) the execution, delivery and performance of this deed poll by it does not and will not result in a breach of or constitute a default under:
- (i) any agreement to which it is a party;
  - (ii) any provision of the constitution or articles of association (as applicable); or
  - (iii) any law or regulation or any order, judgment or determination of any court or Regulatory Authority by which it is bound.
- (g) as at the date of this deed poll and so far as it is aware, no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this deed poll.

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## 5. Continuing obligations

This deed poll is irrevocable and remains in full force and effect until the Bidder and HoldCo have fully performed their respective obligations under it or the earlier termination of this deed poll under clause 2.

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## 6. General

### 6.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing and in English;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
  - (i) if to Target:

Address:                      Unit 6, Eastern Valley Way, Chatswood, NSW  
2067

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Email: shickey@gxlt.com.au

Attention: Simon Hickey

(ii) if to Bidder or to HoldCo:

Address: Level 31, 101 Collins  
101 Collins Street  
Melbourne VIC 3000

Email: jthickins@tpg.com

Attention: Joel Thickins

with a copy in each case to:

Email: pcook@gtlaw.com.au  
rbassil@gtlaw.com.au

- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must state that the email is a communication under this agreement; and
- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address, of the addressee, in accordance with this clause 6.1.

## 6.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of delivery by hand) on delivery; and
- (d) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 6.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

## 6.3 Governing law

This deed poll is governed by and must be construed according to the law applying in New South Wales.

## 6.4 Jurisdiction

Each of Bidder and HoldCo irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.4(a).

## 6.5 Amendments

This deed poll may be amended only by another deed poll entered into by the Bidder and Holdco, and then only if the amendment is agreed to by the Target in writing and the Court indicates that the amendment would not preclude approval of the Scheme.

## 6.6 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

## 6.7 Further acts and documents

The Bidder and Holdco must do all further acts and execute and deliver all further documents required by law or necessary to give effect to this deed poll and the transactions contemplated by it.

## 6.8 Assignment

The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, novated or otherwise transferred without the prior written consent of the Bidder.

## 6.9 Stamp duties

The Bidder and Holdco must:

- (a) pay all stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability arising from a failure to comply with clause 6.9(a).

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**6.10 Cumulative rights**

The rights, powers and remedies of the Bidder, HoldCo and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

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Executed and delivered as a deed poll.

Executed by **Vermont Aus Pty Ltd ACN 626 845 510** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of company secretary/director

Executed by **Vermont Aus Holdco Pty Ltd ACN 626 842 135** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of company secretary/director

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## Annexure C HoldCo SHA (term sheet)

## Shareholders' Deed term sheet

## Definitions, interpretation

- 1. Defined terms** In this term sheet:
- BidCo** means Vermont Aus Pty Ltd (ACN 626 845 510).
- Board** means the board of directors of HoldCo from time to time.
- Class A Shareholder** means a holder of Class A Shares.
- Class B Shareholder** means a holder of Class B Shares.
- Class C Shareholder** means a holder of Class C Shares.
- Class A Shares** means an ordinary share in the capital of HoldCo which is designated as a Class A Share and has the rights set out in the Shareholders' Deed and the Constitution.
- Class B Shares** means an ordinary share in the capital of HoldCo which is designated as a Class B Share and has the rights set out in the Shareholders' Deed and the Constitution.
- Class C Shares** has the meaning given to that term in item 21.
- Constitution** means the constitution of HoldCo.
- Corporations Act** means the *Corporations Act 2001* (Cth).
- Greencross** means Greencross Limited (ACN 119 778 862).
- Group** means HoldCo and each of its Subsidiaries.
- HoldCo** or the **Company** means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).
- Implementation Date** has the meaning given to that term in the SIA.
- Insolvency Event** has the meaning given to that term in the SIA.
- Management Equity Plan** means the management equity plan to be established by the Company under which the Company may issue securities to managers of the Company.
- Management Shareholder** means a holder of Class C Shares.
- Scheme** has the meaning given to that term in the SIA.
- Shareholder** means a holder of Class A Shares, Class B Shares or Class C Shares in HoldCo (as the context requires).
- Shareholders' Deed** means the long form shareholders' deed to be prepared by HoldCo and the TPG Investors based on the terms of this term sheet.
- Shares** means Class A Shares, Class B Shares or Class C Shares (as the context requires).
- SIA** means the scheme implementation agreement between BidCo and Greencross dated on or about the date of this term sheet.

## Shareholders' Deed term sheet

**Simple Majority** means

- (a) in the case of Shareholders, Shareholders that together hold more than 50% of the total voting rights of all Shareholders present (in person or by proxy) at the meeting of Shareholders or sign the relevant written resolution (as the case may be and entitled to vote on the resolution concerned; and
- (b) in the case of directors, directors that together hold more than 50% of the total voting rights of all directors who attend the relevant Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution.

**Special Majority Resolution** means a majority of votes cast by Class A Shareholders.

**Subsidiary** has the meaning given to it in the Corporations Act.

**TPG Investors** means TPG Asia VII SF Pte. Ltd and TPG Growth IV SF Pte. Ltd and any other TPG funds.

- |  |  |
|--|--|
| <b>2. Objectives</b>                           | The primary objectives of the Group are to: <ul style="list-style-type: none"> <li>(a) operate, carry on and grow the business of the Group; and</li> <li>(b) maximise the sustainable value off the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with the Shareholders' Deed.</li> </ul>   |
| <b>3. Precedence of the Shareholders' Deed</b> | Where the Shareholders' Deed and the Constitution deal with the same or a similar topic differently: <ul style="list-style-type: none"> <li>(a) the Shareholders' Deed will prevail in relation to that topic to the extent of any inconsistency; and</li> <li>(b) if a Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove the difference, each Shareholder must take all necessary steps to amend the Constitution to make the Constitution consistent with the Shareholders' Deed.</li> </ul> |

## Incorporation of HoldCo

- |   |           |
|---|-----------|
| <b>4. Jurisdiction of incorporation</b> | Australia |
|---|-----------|

- |                        |   |
|------------------------|---|
| <b>5. Company type</b> | Private, unlisted company.<br>101 shares on issue as at the date of the SIA: <ul style="list-style-type: none"> <li>(a) 100 shares held by TPG Asia VII SF Pte. Ltd; and</li> <li>(b) 1 share held by TPG Growth IV SF Pte. Ltd.</li> </ul> |
|------------------------|---|

## Shares

- |                                     |   |
|-------------------------------------|---|
| <b>6. Classes, rights attaching</b> | The share capital of HoldCo will be divided into two classes of ordinary shares – Class A Shares and Class B Shares. Both classes of shares will have the following rights: <ul style="list-style-type: none"> <li>(a) one vote per share;</li> <li>(b) equal rights to dividends that the HoldCo board may declare pursuant to item 22;</li> </ul> |
|-------------------------------------|---|

## Shareholders' Deed term sheet

- (c) equal rights on an Insolvency Event; and
- (d) generally all of the rights attaching to ordinary shares.

- 7. Class A Shares** Class A Shares are only to be held by TPG.  
Fully paid ordinary shares that rank equally with each other Class A Share.  
Any Class B Share acquired by a Class A Shareholder will automatically be re-classified as a Class A Share.

- 8. Class B Shares** Class B Shares – to be offered as “Scrip Consideration” under the Scheme.  
Fully paid ordinary shares that rank equally with each other Class B Share.

## Board matters

- 9. Board Composition and voting** The Board must consist of a minimum of 4 directors and a maximum of 9 directors.  
Class A Shareholders may appoint all directors to the Board and may also appoint and remove the Chair of the Board, in both cases by written notice to HoldCo.  
The Chair will have a casting vote.  
The directors of HoldCo vote in the same proportions as the shareholdings of their appointing Shareholder(s).  
Quorum for the board of HoldCo is 2 directors. No business may be transacted at any meeting unless a quorum is present at the commencement of the meeting.  
The Board must meet at least 12 times a year (unless otherwise determined by the Board).

- 10. Board decision-making** All decisions are to be made by a simple majority of the board.

## Shareholder matters

- 11. Shareholder reserved matters** The following will require a Special Majority Resolution:
- (a) material change in the nature of the business of the Group;
  - (b) adoption or amendment of the Constitution;
  - (c) making amendments to the Shareholders' Deed that materially adversely affects the rights of Class B Shareholders (unless otherwise permitted under the terms of the Shareholder's Deed);
  - (d) variation of class rights;
  - (e) selective capital reduction or share buy-back;

## Shareholders' Deed term sheet

- (f) winding up; and
- (g) related party transactions.

**12. Voting** Each Shareholder is entitled to that number of votes which is equivalent to the number of fully paid Class A or Class B Shares it holds.

## Dealing with Shares

**13. No obligation to provide further funding** No Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.

**14. Issues of new shares** The Board may resolve to issue new Shares provided that those Shares are offered to all Shareholders pro rata to their existing shareholding. In the event that a Class B Shareholder or Management Shareholder does not take up its entitlement within the relevant acceptance period specified in the Shareholders' Deed, TPG may give notice to those Shareholders that it wishes to subscribe for the Shares not taken up by those Shareholders (in which case those new Shares will be issued to TPG as Class A Shares).

For any new issue of Shares, HoldCo must first offer any new Shares on a pro rata basis to all existing Shareholders, except in the following circumstances:

- (a) emergency funding (provided that the emergency funding is followed by an ability for Shareholders to top up their shareholding to retain their relevant proportion);
- (b) issue of shares to Class A Shareholders to provide funding to meet transaction costs in connection with the Scheme;
- (c) issue of Class B Shares in connection with the Scheme consideration;
- (d) issue of Class C Shares or other securities in connection with the Management Equity Plan (including on exercise of any options) or dividend reinvestment plan;
- (e) as consideration for a bona fide, arm's length acquisition or merger; or
- (f) in connection with an IPO.

Class A Shareholders, but not Class B Shareholders, may take up any shares not taken up by other Shareholders.

**15. Disposal and encumbrances** No disposal of shares is permitted except:

- (a) within a Shareholder's corporate group/affiliate; or
- (b) pursuant to a drag-along notice under item 16; or
- (c) pursuant to a compulsory transfer/selective buyback under the "Small Holdings" mechanism in item 20.

Management Shareholders may not deal with any of its Shares other than to transfer the Shares to an affiliate, with the consent of the Board or pursuant to a drag, tag or IPO.

## Shareholders' Deed term sheet

- 16. Drag-along rights** If the Class A Shareholder proposes to transfer/sell all or a proportion of its Shares (including by way of IPO), the Class B Shareholders will have no rights of pre-emption in respect of the shares held by the Class A Shareholders, and the Class A Shareholders may give a drag-along notice to the Class B Shareholders requiring that they also transfer all or an equivalent proportion of their Shares on the same or no less favourable terms and conditions.
- 17. Tag-along rights** If the Class A Shareholder proposes to transfer/sell all or a proportion of its Shares (including by way of IPO) and does not give a drag-along notice, the Class B Shareholders must be invited to transfer/sell all or an equivalent proportion of their Shares on the same or no less favourable terms and conditions.
- 18. IPO facilitation** The Class A Shareholder may commence an IPO process at its election.  
Where the Class A Shareholder commences IPO preparation and give notice, the Class B Shareholders must execute all documents and take all actions necessary to facilitate the IPO, including agreeing to escrow restrictions on no less favourable terms than those agreed to by the Class A Shareholder. Each Class B Shareholder will appoint the Company as its attorney to undertake all such actions on its behalf.
- 19. Non-compete** While any Class C Shareholder holds shares, they will be subject to non-compete obligations in Australia and New Zealand for a maximum period of 5 years.
- 20. Small Holdings** After a standstill period of 2 years, with respect to Small Holdings, the Company may issue a notice to Class B Shareholders with Small Holdings:
- (a) requesting the compulsory transfer of those Class B Shares to Class A Shareholders; or
  - (b) that the Company is conducting a selective share buy-back in relation to all Small Holdings,
- and all Class A Shareholders and Class B Shareholders agree to take any action and sign any document as may be required to give effect to the compulsory transfer for the selective share buy-back, as applicable. As part of the Shareholders' Deed, all Class B Shareholders will grant a power of attorney in favour of the Company for the purposes of facilitating this action.
- A **Small Holding** is a shareholding of less than \$1,000 in HoldCo (based on the value implied on the Implementation Date).

## Management Shareholders

- 21. Management Equity Plan** If the Scheme becomes effective, the Company may invite managers to participate in the Management Equity Plan and become Management Shareholders.  
Eligible managers invited to participate will be issued **Class C Shares** – being securities issued by HoldCo designated as Class C Shares.

## Other provisions

- 22. Dividend policy** Subject to applicable law and the restrictions set out in any banking documents from time to time, dividends will be payable as determined at the sole discretion of the HoldCo board from time to time.
- 23. Information** Class B Shareholders will have statutory information/access rights to books and records of HoldCo.

## Shareholders' Deed term sheet

- 24. Bare trust** The Shareholders' Deed will contain provisions to facilitate the Board's right to appoint an independent third party trustee as nominee to hold the Class B Shares and/or Class C Shares on bare trust for the relevant Shareholders so that the number of registered Shareholders in HoldCo stays below 50 members.
- The restrictions on dealing in the Shareholders' Deed will apply to dealings in a Shareholder's beneficial interest in those Shares and any dealings in the legal title to those Shares by the custodian. A Shareholder who holds their Shares beneficially will not be permitted to transfer legal title to those Shares without the consent of the Board.
- Shareholders will be entitled to receive any dividends in respect of the Shares which are held on trust.

## General

- 25. Confidentiality** Customary confidentiality provisions.
- 26. Power of attorney** The Shareholders' Deed will include a customary power of attorney granted to the Company for the purposes of actions such as the drag, tag and leaver provisions (where the Shareholder has defaulted in its obligations).
- 27. Amendment or variation** For so long as TPG is a Class A Shareholder, the Shareholders' Deed may be amended by the Board without Shareholder approval. Each party to the Shareholders' Deed is bound by any variation of the Shareholders' Deed made pursuant to this clause and notified to that party.
- 28. Governing law** Governed by NSW law.