

NetComm Wireless Scheme Booklet Released

3 May 2019 (Sydney):

NetComm Wireless Limited (**ASX:NTC, NetComm** or **Company**) is pleased to announce that the Federal Court of Australia has approved the convening of a meeting of NetComm shareholders to vote on the Scheme for the proposed acquisition by Casa Systems, Inc. (**Casa Systems**) of 100% of the equity interests in NetComm by way of a Scheme of Arrangement (**Scheme**).

Key points:

- The Independent Expert, Lonergan Edwards & Associates, has concluded that the Scheme of Arrangement (**Scheme**) for the proposed acquisition by Casa Systems, Inc. is fair and reasonable, and therefore, is in the best interests of NetComm Shareholders, in the absence of a Superior Proposal
- NetComm Directors unanimously recommend that NetComm Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in NetComm Shareholders' best interests
- The Scheme Meeting is scheduled to be held on Friday 7 June 2019.

Information relating to the Scheme, including the Notice convening the Scheme Meeting and an Independent Expert's Report, are included in the attached Scheme Booklet.

The Scheme Booklet was registered by the Australian Securities and Investments Commission (ASIC) on 3 May 2019 and is attached to this announcement. The Scheme Booklet is also available on the NetComm investor website at <https://www.netcommwireless.com/investors>. Copies of the Scheme Booklet and relevant forms will be sent to NetComm Shareholders (via their elected preference) in due course

Independent Expert Report

The Independent Expert, Lonergan Edwards & Associates (**LEA**), has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of NetComm Shareholders in the absence of a Superior Proposal. LEA's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet attached to this announcement.

The Independent Expert has assessed the full underlying value of NetComm at between \$0.85 and \$1.08 per NetComm share. The Scheme Consideration of \$1.10 cash per share is above this range.

The Independent Expert stated the following in its report:

"In our opinion, the Scheme is fair and reasonable and in the best interests of NetComm shareholders in the absence of a superior proposal."

“The Scheme Consideration of \$1.10 cash per share slightly exceeds the top end of our assessed value range for NetComm shares on a 100% controlling interest basis. Thus, in our view, NetComm shareholders are being paid an appropriate price to compensate them for the fact that control of NetComm will pass to Casa Systems if the Scheme is approved.”

Foreign Investment Review Board (FIRB) Approval

As previously confirmed, Casa Systems has received confirmation from the Australian Foreign Investment Review Board (FIRB) that the Treasurer of the Commonwealth of Australia has no objection to Casa acquiring 100% of the equity interests of NetComm, by way of the Scheme.

NetComm Board Recommendation

The NetComm Directors have carefully considered the proposal from Casa Systems and unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of NetComm Shareholders. Subject to those same qualifications, each NetComm Director intends to vote all the NetComm Shares held or controlled by them in favour of the Scheme.

Scheme Meeting

The Scheme Meeting will take place at 10:00am (AEST) on Friday, 7 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney NSW 2000.

All NetComm shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote by 10:00am (AEST) on Wednesday, 5 June 2019. Details of how to lodge a proxy vote are included on the proxy form and in the Scheme Booklet.

Indicative timetable

Event	Expected date
Dispatch of Scheme Booklet	By 8 May 2019
Scheme Meeting to vote on the Scheme	10:00am (AEST) on 7 June 2019
Second court date for approval of the Scheme	12 June 2019
Effective Date of the Scheme	13 June 2019
Record Date	7:00pm (AEST) on 18 June 2019
Implementation Date	25 June 2019

The key dates in relation to the Scheme are set out in full within the Scheme Booklet.

Amendment to Scheme Implementation Deed

The Company also advises that, at the request of the Australian Securities and Investments Commission, the Company and Casa Systems have amended the Scheme Implementation Deed to conform more

closely to the requirements of Ross Human Directions Ltd [2010] ATP 8. A copy of the amending instrument is attached to this announcement.

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About NetComm Wireless

NetComm Wireless Limited (ASX: NTC) is a leading developer of Fixed Wireless broadband, wireless M2M/Industrial IoT and Fibre and Cable to the distribution point (FTTdp / CTTdp) technologies that underpin an increasingly connected world. Our Listen. Innovate. Solve. methodology supports the unique requirements of leading telecommunications carriers, core network providers, system integrators, government and enterprise customers worldwide.

For over 35 years, NetComm Wireless has engineered new generations of world first data communication products and is now a globally recognised communications technology innovator. Headquartered in Sydney (Australia), NetComm Wireless has offices in the US, Europe/UK and New Zealand.

For more information visit: www.netcommwireless.com



24 April 2019

The Directors
Casa Systems, Inc.
100 Old River Road
Andover Massachusetts 01810
UNITED STATES of AMERICA

Dear Directors

Scheme Implementation Deed between NetComm Wireless Limited ACN 002 490 486 (NetComm) and Casa Systems, Inc. (Casa) dated 22 February 2019 (SID)


1. NetComm refers to the SID and the discussions which have taken place in relation to amendments to the SID requested by the Australian Securities and Investments Commission on 15 April 2019.
2. Capitalised terms used in this letter deed have the same meaning as in the SID, unless otherwise defined.
3. The parties agree to amend clause 14.7 of the SID with effect on and from the date of this letter deed as follows:

"The restrictions in clauses 14.3, 14.4.1 and 14.4.2 do not apply to the extent they restrict NetComm or any NetComm Director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 14) provided that the NetComm Board has determined in good faith and acting reasonably after."

4. The SID is otherwise confirmed and continues in full effect except as amended by this letter deed.
5. This letter deed is governed by the law of New South Wales.
6. This letter deed may be executed in counterparts, all of which taken together constitute one document.

Executed by the parties as a deed.

Executed by NetComm Wireless Limited ACN 002 490 486 in accordance with section 127(1) of the Corporations Act 2001 (Cth):


.....
Signature of Director

KENNETH S.P. SHERIDAN
.....
Print full name

)
)
)

.....
Signature of Director/Company Secretary

Christopher Last
.....
Print full name

For personal use only



Executed by Case Systems, Inc.

By: [Signature]
Name: JERRY GUO
Title: Chairman & CEO

For personal use only

SCHEME BOOKLET

NETCOMM WIRELESS LIMITED

ACN 002 490 486

In relation to a proposal from Casa to acquire all of your NetComm Shares by way of scheme of arrangement.

This is an important document and requires your immediate attention. You should read this document in full before you decide whether or not to vote in favour of the Scheme. If you are in any doubt about what action you should take, please consult your legal, financial or other professional advisers.

THIS SCHEME BOOKLET IS DATED 1 MAY 2019



The NetComm Directors unanimously recommend that you **VOTE IN FAVOUR** of the Scheme, in the absence of a Superior Proposal.



IMPORTANT NOTICES

GENERAL

NetComm Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in any doubt as to any action you should take, please consult your legal, financial or other professional adviser immediately.

PURPOSE OF THIS DOCUMENT

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of NetComm Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to NetComm Shareholders under Part 5.1 of the Corporations Act.

RESPONSIBILITY FOR INFORMATION

The information contained in this Scheme Booklet, other than the Casa Information and the Independent Expert's Report, has been given by, and is the responsibility of, NetComm. NetComm's advisers do not assume any responsibility for the accuracy or completeness of the NetComm Information. None of Casa, nor its directors, officers or advisers assume any responsibility for the accuracy or completeness of the NetComm Information and, to the maximum extent permitted by law, Casa will not be responsible for any NetComm Information and disclaims liability for NetComm Information appearing in this Scheme Booklet.

The Casa Information has been given by, and is the responsibility of, Casa. None of NetComm nor its directors, officers or advisers assume any responsibility for the accuracy or completeness of the Casa Information and, to the maximum extent permitted by law, NetComm will not be responsible for any Casa Information and disclaims liability for Casa Information appearing in this Scheme Booklet.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of NetComm, Casa nor their respective directors, officers and advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

ASIC AND ASX

A copy of this Scheme Booklet has been provided to ASIC under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. NetComm has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to the ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SUBSECTION 411(1) OF CORPORATIONS ACT

A copy of this Scheme Booklet has been lodged with the Court to obtain an order of the Court approving the convening of the Scheme Meeting. Orders made by the Court are made under section 411(1) of the Corporations Act.

The fact that the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Scheme Participants should vote (on this matter Scheme Participants must reach their own conclusion); or
- (b) has prepared, or is responsible for, the content of the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

NO INVESTMENT ADVICE

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any NetComm Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. NetComm Shareholders should seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

FORWARD LOOKING STATEMENTS

Certain statements in this Scheme Booklet, including statements relating to NetComm's or Casa's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of certain of these risks relating to NetComm is set out in Section 5.

Any estimates, targets or forecasts reflect certain assumptions by NetComm and/or Casa which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond NetComm's and/or Casa's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of NetComm's or Casa's future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described herein and therein.

Other than as required by law, neither NetComm nor Casa, their respective directors, officers and advisers, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. NetComm Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of Casa in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme Booklet and neither NetComm nor Casa undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward looking statements attributable to NetComm or Casa or any person acting on their behalf are qualified by this cautionary statement.

NOTICE OF SCHEME MEETING

The Notice of Scheme Meeting is at Attachment 4 to this Scheme Booklet.

NOTICE OF SECOND COURT HEARING

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any NetComm Shareholder may appear at the Second Court Hearing, expected to be held at 10.00 am (AEST) on 12 June 2019 at the Federal Court of Australia, 184 Phillip St, Sydney, NSW 2000.

Any NetComm Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on NetComm a notice of appearance in the prescribed form together with any affidavit that the NetComm Shareholder proposes to rely on.

TAX IMPLICATIONS OF THE SCHEME

Section 6 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for NetComm Shareholders who dispose of their NetComm Shares to Casa in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of each individual NetComm Shareholder.

NetComm Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

PRIVACY

NetComm, Casa and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of NetComm Shareholders, and the names of individuals appointed by NetComm Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting NetComm to conduct the Scheme Meeting and to enable the Scheme to be implemented. The personal information may be disclosed to NetComm's and Casa's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Scheme Meeting and implement the Scheme.

If the information outlined above is not collected, NetComm may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

NetComm Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside of Australia) if they wish to exercise these rights.

NetComm Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting should inform that individual of the matters outlined above. The Privacy Policy of NetComm is available at <http://www.netcommwireless.com/privacy> and contains information about how an individual may access personal information about the individual that is held by NetComm, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of the Share Registry is available at https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf and contains information about how an individual may access personal information about the individual that is held by the Share Registry, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

EFFECT OF ROUNDING

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

WEBSITES

The contents of NetComm's and Casa's websites do not form part of this Scheme Booklet and NetComm Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

QUERIES

NetComm has established a shareholder information line which NetComm Shareholders should call if they have any questions in relation to the Scheme. NetComm Shareholders should consult their legal, financial or other professional advisers before making a decision regarding the Scheme.

The telephone number for the shareholder information line is 1300 365 969 (within Australia) or +61 1300 365 969 (outside Australia), Monday to Friday (excluding public holidays), between 8.30 am and 5.00 pm (AEST).

TIMETABLE

The timetable is indicative only and all dates after the Scheme Meeting are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions. Those Conditions are summarised in Section 1.4 and set out in full in clause 3.1 of the Scheme Implementation Deed.

NetComm has the right to vary the timetable set out above, subject to the approval of such variation by Casa, the Court and ASIC where required. Any variation to the timetable set out above will be announced on NetComm's website and on the ASX.

DEFINED TERMS AND INTERPRETATION

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in section 8 of this Scheme Booklet. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded unless otherwise indicated.

All references to times in this Scheme Booklet are references to time in Sydney, New South Wales, Australia (AEST), unless otherwise stated.

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.



CONTENTS

Timetable and Key Dates	2
Letter from Chairman of NetComm	3
Frequently Asked Questions	5
1. Details of the Scheme and How to Vote	15
2. Reasons to vote for or against the Scheme	19
3. Information on NetComm	24
4. Information on Casa	31
5. Key risk factors	38
6. Australian tax implications of the Scheme	45
7. Additional Information	48
8. Glossary	57
Attachment 1 Independent Expert's Report	65
Attachment 2 Deed Poll	108
Attachment 3 Scheme of Arrangement	114
Attachment 4 Notice of Scheme Meeting	126
Attachment 5 Proxy Form	129

TIMETABLE AND KEY DATES

First Court Date	1 May 2019
Despatch of Scheme Booklet and Notice of Scheme Meeting to NetComm Shareholders	By 8 May 2019
Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received	10.00 am (AEST) on 5 June 2019
Time and date for determining eligibility of registered NetComm Shareholders to vote at the Scheme Meeting	5.00 pm (AEST) on 5 June 2019
Scheme Meeting (to be held at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000)	10.00 am (AEST) on 7 June 2019

If the Scheme is approved by NetComm Shareholders, the expected timetable for implementation of the Scheme is:

Second Court Date for approval of the Scheme	12 June 2019
Effective Date on which the Scheme comes into effect and is binding on NetComm Shareholders	13 June 2019
Court order lodged with ASIC and announcement to the ASX Last day of trading in NetComm Shares on the ASX (with NetComm Shares suspended from close of trading)	
Record Date for determining entitlements to Scheme Consideration	7.00 pm (AEST) on 18 June 2019
Implementation Date payment of Scheme Consideration to be made to eligible NetComm Shareholders	25 June 2019

All dates following the date of the Scheme Meetings are indicative only and, among other things, are subject to all necessary approvals from the Court and any other regulatory authority. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on NetComm's website at <https://www.netcommwireless.com/>.

LETTER FROM CHAIRMAN OF NETCOMM

May 2019

Dear NetComm Shareholders,

On behalf of the NetComm Board, I am pleased to provide you with this Scheme Booklet which contains information for your consideration in relation to the proposed acquisition of NetComm by Casa.

On 22 February 2019, NetComm announced that it had entered into a Scheme Implementation Deed with Casa, under which Casa agreed that it (or its wholly-owned subsidiary) would acquire 100% of the equity interests in NetComm by way of a scheme of arrangement, subject to regulatory, Court and NetComm Shareholder approvals.

If the Scheme is approved and implemented, NetComm Shareholders will receive total cash consideration of \$1.10 cash per NetComm Share, being the Scheme Consideration referred to in this Scheme Booklet. The total cash payment represents a:

- 52.8% premium to the closing price of \$0.720 per share on 20 February 2019;
- 49.8% premium to the 1-month VWAP of \$0.734¹ per share; and
- 40.9% premium to the VWAP of \$0.781² per share since NetComm announced its FY18 results on 27 August 2018.

The Scheme Consideration values NetComm's issued equity at approximately \$161.0 million³.

The Scheme Consideration represents a very tangible measure of the value to you as a NetComm Shareholder of the quality of NetComm's telecommunications technology solutions, our position in the global telecommunications industry, and our recent strong performance developing unique 4G and 5G solutions, winning and retaining key contracts.

NetComm's customers will benefit from the resultant increase in scale to deploy unique telecommunications technology solutions, as well as a broader product suite and service capability.

In addition, the Scheme is a great outcome for NetComm staff. We believe there will be excellent opportunities for our engineers to be engaged with Casa's pioneering advanced ultra-broadband 5G solutions for mobile, cable, fixed and converged service providers.

Listed on the NASDAQ, Casa had global revenue of approximately US\$300 million in the 2018 financial year and, as at the date of this Scheme Booklet, has more than 740 employees globally.

NetComm Directors' recommendation

Your NetComm Directors have carefully considered the proposal from Casa and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of NetComm Shareholders. Subject to those same qualifications, each of your NetComm Directors intends to vote all the NetComm Shares held or controlled by them in favour of the Scheme.

While the NetComm Board is confident of NetComm's ability to continue to deliver returns to NetComm Shareholders into the future, the NetComm Directors consider the proposal from Casa to be an attractive outcome for NetComm Shareholders and the reasons for their recommendation include:

- the Scheme Consideration represents an opportunity for NetComm Shareholders to realise certain immediate cash value for their NetComm Shares given the entitlement to receive 100% of the Scheme Consideration in cash;
- the Scheme Consideration represents a significant premium to recent historical trading prices of NetComm Shares;
- the cash consideration, with its substantial premium, provides certainty against the risks associated with the execution of NetComm's long term strategy which is dependent on new customer contract wins together with the inherent uncertainty of future revenue streams;

¹ VWAP based on cumulative trading volume from 21 January 2018 to 20 February 2019 (inclusive).

² VWAP based on cumulative trading volume from 27 August 2018 to 20 February 2019 (inclusive).

³ Fully diluted market capitalisation calculated based on 146.3 million shares.

LETTER FROM CHAIRMAN OF NETCOMM

- the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of NetComm Shareholders in the absence of a Superior Proposal; and
- no other party has approached NetComm since the Scheme was announced with a Competing Proposal.

Further information to assist you in determining whether to vote in favour of or against the Scheme is set out in Section 2 of this Scheme Booklet.

Independent Expert

Your NetComm Directors appointed Lonergan Edwards & Associates Limited as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of NetComm Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of NetComm at between \$0.85 and \$1.08 per NetComm Share. The Scheme Consideration of \$1.10 cash per share is above this range. A complete copy of the Independent Expert's Report is included in Attachment 1 of this Scheme Booklet.

How to vote

Your vote is important and I encourage you to vote by attending the Scheme Meeting or alternatively by completing the Proxy Form accompanying this Scheme Booklet. The Scheme requires Court approval as well as the approval of NetComm Shareholders at a Scheme Meeting to be held at 10.00 am on 7 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme so that it is approved.

Further information

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for your NetComm Directors' recommendation and the Independent Expert's Report. It also sets out some of the reasons why you may not wish to vote in favour of the Scheme.

Please read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision as to how to vote. I would also encourage you to seek independent financial, legal, taxation or other professional advice before making any voting or investment decision in relation to your NetComm Shares.

If you require any further information, please call the NetComm Shareholder information line on 1300 365 969 (within Australia) or +61 1300 365 969 (outside Australia) between 8.30 am and 5.00 pm (AEST), Monday to Friday, excluding public holidays.

I would also like to take this opportunity to thank you for your support of NetComm.

Yours sincerely,



Justin Milne

CHAIRMAN

NetComm Wireless Limited

FREQUENTLY ASKED QUESTIONS

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

QUESTION	ANSWER	SECTION REFERENCE
Scheme at a glance		
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a NetComm Shareholder and NetComm Shareholders are being asked to vote on a Scheme which, if approved, will result in Casa acquiring all NetComm Shares for the Scheme Consideration of \$1.10 cash for each NetComm Share held on the Record Date.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution that needs to be passed at the Scheme Meeting to allow the Scheme to proceed.</p>	Section 1
What is a scheme of arrangement?	A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used in Australia to undertake an acquisition of a publicly listed company.	Section 1
What is the Scheme?	On 22 February 2019, NetComm announced the proposed Scheme to the ASX. If the Scheme is approved and implemented, NetComm Shareholders who hold NetComm Shares on the Record Date will receive Scheme Consideration of \$1.10 cash for the transfer of each NetComm Share they own to Casa.	Section 1
How will the Scheme be implemented?	In order for the Scheme to be implemented, all Conditions under the Scheme Implementation Deed must be satisfied or waived (where capable of waiver), the Scheme Resolution must be approved by NetComm Shareholders at the Scheme Meeting and the Scheme must be approved by the Court.	Section 1
What is the Scheme Consideration?	If the Scheme is approved and implemented, NetComm Shareholders will receive \$1.10 cash for each NetComm Share they hold, provided they are registered in the Register on the Record Date.	Section 1

FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Scheme at a glance		
What premium is being offered?	<p>The Scheme Consideration of \$1.10 cash for each NetComm Share represents a premium of:</p> <ul style="list-style-type: none"> • 52.8% premium to the closing price of A\$0.720 per share on 20 February 2019; • 49.8% premium to the 1-month volume weighted average price (VWAP) of A\$0.734 per share; and • 40.9% premium to the VWAP of A\$0.781 per share since NetComm announced its FY18 results on 27 August 2018. 	Section 2
Is the Scheme subject to any conditions?	<p>There are a number of Conditions that must either be satisfied or waived (where capable of waiver) in order for the Scheme to be implemented. The Conditions include:</p> <ul style="list-style-type: none"> • FIRB Approval is obtained on or before the Delivery Time; • NetComm Shareholders approving the Scheme by the requisite majority; • Court approval of the Scheme; • no Material Adverse Change; and • no Share Appreciation Rights having vested at, or prior to, the Delivery Time. <p>The Scheme is subject to other standard Conditions for a scheme of this nature, which are summarised in Section 1.4.</p> <p>As at the date of this Scheme Booklet, neither NetComm nor Casa is aware of any reason why the Conditions will not be satisfied.</p>	Section 1.4
What happens if the Conditions are not satisfied or the Scheme Implementation Deed is terminated?	<p>If the Conditions are not satisfied or waived 'or' the Scheme Implementation Deed is terminated then the Scheme will not be implemented and:</p> <ul style="list-style-type: none"> • you will retain your NetComm Shares and they will not be acquired by Casa; • you will not receive the Scheme Consideration; and • NetComm will continue to operate as a stand-alone company listed on ASX. <p>Depending on the reasons for the Scheme not proceeding, NetComm may be liable to pay the NetComm Break Fee to Casa, or Casa may be required to pay the Casa Break Fee to NetComm.</p> <p>No NetComm Break Fee is payable merely because NetComm Shareholders do not approve the Scheme.</p>	Section 1 and Section 7.6
What happens if the Scheme is approved, all Conditions are satisfied and it is implemented?	<p>If the Scheme becomes Effective and you remain a NetComm Shareholder as at the Record Date, all of your NetComm Shares will be transferred to Casa, and you will receive the Scheme Consideration of \$1.10 cash for each NetComm Share you hold.</p>	Section 1

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QUESTION	ANSWER	SECTION REFERENCE
Scheme at a glance		
What do the NetComm Directors recommend?	The NetComm Directors unanimously recommend that you vote in favour of the Scheme Resolution to approve the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert's Report continuing to conclude that the Scheme is in the best interests of NetComm Shareholders. The basis for this recommendation is set out in Section 2 of this Scheme Booklet.	Chairman's Letter and Section 2
How do the NetComm Directors intend to vote?	Each of the NetComm Directors who own or control NetComm Shares at the time of the Scheme Meeting intend to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert's Report continuing to conclude that the Scheme is in the best interests of NetComm Shareholders.	Section 2 and Section 7.1.1
What is the Independent Expert's conclusion?	<p>The Independent Expert has concluded that the Scheme is in the best interests of NetComm Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, assessed that the Scheme was fair and reasonable to the NetComm Shareholders.</p> <p>The Independent Expert has estimated the full underlying value of NetComm to be in the range of between \$0.85 and \$1.08 per NetComm Share.</p> <p>The Independent Expert's Report is at Attachment 1 to this Scheme Booklet.</p>	Section 2 and Independent Expert's Report
What will happen if a Superior Proposal emerges?	<p>If NetComm receives a Competing Proposal from a third party that the NetComm Directors consider may be a Superior Proposal, there are certain steps that must be taken by NetComm in respect of that proposal, including providing Casa with the opportunity to submit a Counter Proposal within four Business Days. A summary of these steps is set out in Section 7.6.5.</p> <p>Since the announcement of the Scheme on 22 February 2019 and up to the date of this Scheme Booklet, no Superior Proposal has been received.</p>	Section 7.6.5
What are the prospects of receiving a Superior Proposal?	<p>In late 2018, NetComm approached Luminis Partners Pty Ltd to conduct a strategic review of NetComm to unlock shareholder value. As part of this review, NetComm and Luminis Partners Pty Ltd engaged with various parties. Casa was the only party to meaningfully engage as part of the strategic review, which resulted in the execution of the Scheme Implementation Deed and the announcement of the Scheme on 22 February 2019.</p> <p>Since the Scheme was announced on 22 February 2019, no Superior Proposal has emerged.</p>	Section 2

FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Scheme at a glance		
Why you might consider voting in favour of the Scheme?	<p>The NetComm Directors have described in Section 2 of this Scheme Booklet the reasons why NetComm Shareholders should vote in favour of the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • NetComm Directors unanimously recommend the Scheme and will be voting their NetComm Shares in favour of it; • the Scheme Consideration of \$1.10 cash per share represents a significant premium to NetComm's share price prior to the announcement of the proposed Scheme; • the Independent Expert has concluded that the Scheme is fair and reasonable; • the Scheme provides certainty of value as an all cash bid; • the Scheme has limited conditionality and is not subject to onerous conditions; • the cash consideration, with its substantial premium, provides certainty against the risks associated with the execution of NetComm's long term strategy which is dependent on new customer contract wins together with the inherent uncertainty of future revenue streams; • no Superior Proposal has emerged; and • brokerage charges will not apply to the transfer of Scheme Shares. 	Section 2.1
Why you might consider voting against the Scheme?	<p>The NetComm Directors have described in Section 2 of this Scheme Booklet the reasons why you may decide to vote against the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • you may disagree with the NetComm Directors recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests; • you may prefer to participate in the future financial performance of the NetComm business; • you may believe it is in your best interests to maintain your current investment and risk profile; • you may consider that there is a potential for a Superior Proposal to emerge; and • the tax consequences of transferring your NetComm Shares pursuant to the Scheme may not be optimal for your financial position. 	Section 2.2

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Scheme at a glance		
What are the risks for me if the Scheme is not implemented?	<p>If the Scheme does not proceed, and no Superior Proposal is received, then NetComm's share price is likely to fall or trade at a price below the Scheme Consideration of \$1.10 cash per NetComm Share, at least in the near term.</p> <p>You will continue to be a NetComm Shareholder and participate in the future financial performance of NetComm's business, and continue to be subject to the specific risks associated with NetComm's business and other general risks.</p>	Section 5
What happens if the Scheme becomes Effective?	<p>If the Scheme becomes Effective and the Scheme is implemented, no further action is required on the part of the Scheme Participants in order to implement the Scheme.</p> <p>Under the Scheme, NetComm is given authority to effect a valid transfer of all NetComm Shares to Casa and to enter the name of Casa in the Register as holder of all the NetComm Shares.</p>	Section 1
What should I do?	You should read this Scheme Booklet carefully and in its entirety and then vote by attending the Scheme Meeting or by appointing a proxy to vote on your behalf. Full details of who is eligible to vote and how to vote are set out in Section 1 of this Scheme Booklet.	Section 1
What you will receive under the Scheme		
Who is entitled to participate in the Scheme?	Each person who is a NetComm Shareholder as at 7.00 pm (AEST) on the Record Date will be entitled to participate in the Scheme	Section 1.9
What will I receive if the Scheme becomes Effective and is implemented?	If the Scheme is approved, becomes Effective and is implemented, NetComm Shareholders will receive \$1.10 cash per NetComm Share.	Frequently Asked Questions "What is the Scheme Consideration?" and Section 1
When will I be paid?	If you are a NetComm Shareholder on the Record Date, you will receive \$1.10 cash per NetComm Share on the Implementation Date.	Section 1
How will I be paid?	All payments will be made by direct deposit into your nominated bank account, as advised to the Share Registry. If you have not nominated a bank account, payments will be made by cheque.	Section 1

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
What you will receive under the Scheme		
What are the Australian tax implications of the Scheme?	<p>The tax implications for the Scheme Participants if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Participant.</p> <p>Section 6 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Scheme Participants who dispose of their NetComm Shares under the Scheme.</p> <p>You should consult with your tax adviser regarding the tax consequences of disposing of your NetComm Shares in accordance with the Scheme in light of current tax laws and your particular circumstances.</p>	Section 6
Will I have to pay brokerage fees?	<p>No, you will not have to pay brokerage if your NetComm Shares are acquired by Casa under the Scheme.</p> <p>If you dispose of your NetComm Shares before the Record Date, brokerage fees may be payable.</p>	
Voting to approve the Scheme		
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting will be held at 10.00 am (AEST) on 7 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000.</p>	Notice of Meeting
Am I entitled to vote at the Scheme Meeting?	<p>If you are registered as a NetComm Shareholder on the Register at 5.00 pm (AEST) on 5 June 2019, you will be entitled to attend and vote at the Scheme Meeting.</p>	Section 1
What vote is required to approve the Scheme?	<p>For the Scheme to proceed, the Scheme Resolution must be passed by:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of NetComm Shareholders present in person or by proxy and voting; and • at least 75% of the votes cast on the Scheme Resolution. <p>It is also necessary for the Court to approve the Scheme before it can become Effective.</p>	Section 1
What choices do I have as a NetComm Shareholder?	<p>As a NetComm Shareholder, you have the following choices:</p> <ul style="list-style-type: none"> • you can vote in person or by proxy at the Scheme Meeting; or • you can elect not to vote at the Scheme Meeting. 	Section 1

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Voting to approve the Scheme		
Is voting compulsory?	<p>Voting is not compulsory. However, the Scheme will only be successful if it is approved by the required majorities of NetComm Shareholders and therefore voting is important and NetComm Directors encourage you to vote.</p> <p>If the Scheme is approved, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.</p>	Section 1
How do I vote?	<p>You may vote in person by attending the Scheme Meeting to be held at 10.00 am (AEST) on 7 June 2019 at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000. Alternatively, you may vote by completing and lodging the Proxy Form. The Proxy Form can be lodged in person, by mail or online.</p> <p>You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney.</p> <p>Full details of how to vote and how to lodge a Proxy Form, corporate representative appointment or power of attorney are set out in Section 1.6 – 1.8 of this Scheme Booklet.</p>	Section 1, Notice of Meeting and Proxy Form
What happens if I do not vote, or I vote against the Scheme?	<p>If you do not vote or vote against the Scheme, the Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain a NetComm Shareholder.</p> <p>However, if the Scheme is approved and implemented your NetComm Shares will be transferred to Casa and you will receive \$1.10 cash for each of your NetComm Shares, even if you did not vote or you voted against the Scheme.</p>	Section 1
When will the result of the Scheme Meeting be known?	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX. Even if the Scheme Resolution is passed at the Scheme Meeting, the Scheme will only proceed if Court approval of the Scheme is obtained and all of the Conditions are satisfied or waived.</p>	

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Questions about Casa		
Who is Casa?	For information on Casa, please refer to Section 4 of this Scheme Booklet.	Section 4
Why does Casa wish to implement the Scheme?	<p>Casa believes that the Scheme and the acquisition of the NetComm Group will:</p> <ul style="list-style-type: none"> • create a global leader in broadband enablement space for service providers across all access technologies; • strengthen Casa's ability to meet the growing demand for increased bandwidth by communications service providers by giving it access to NetComm's complimentary product portfolio; • provide the combined group with a competitive product portfolio for new 4G architectures and 5G wireless buildouts; • diversify Casa's revenues both geographically and by product channel as well as expand Casa's customer reach. Further, NetComm will enable Casa to address the 5G fixed wireless access market; • provide Casa with the potential for generating revenue synergies from the acquisition of NetComm through cross-selling of each of Casa's and NetComm's products into a more extensive, global customer channel; and • enable both Casa and NetComm to achieve greater scale and more effectively compete with large incumbent communications infrastructure equipment vendors. 	Section 4.5

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Other		
Can I keep my NetComm Shares?	If the Scheme is implemented, all your NetComm Shares will be transferred to Casa. This will happen even if you did not vote or you voted against the Scheme.	Section 1 and Section 2
Are there any other approvals required?	<p>The Scheme must be approved by the Court in addition to being approved by the NetComm Shareholders. If the Scheme is approved by the required majorities of NetComm Shareholders at the Scheme Meeting, NetComm will apply to the Court for approval of the Scheme. The Second Court Date is expected to be on 12 June 2019 (although this may change).</p> <p>In addition, implementation of the Scheme is conditional on receipt of FIRB Approval.</p> <p>Further details of the Court approval process are set out in Section 1.14 of this Scheme Booklet.</p>	Section 1.4 and Section 1.14
Do I need to do or sign anything to transfer my NetComm Shares?	<p>No. If the Scheme becomes Effective and the Scheme is implemented, NetComm will automatically have authority to sign a transfer document on behalf of the Scheme Participants.</p> <p>You should be aware that, if you are a Scheme Participant, you will be deemed to have warranted to NetComm, and authorised NetComm to warrant to Casa on your behalf, that:</p> <ul style="list-style-type: none"> • all of your NetComm Shares are fully paid and free from all encumbrances (for example, mortgages or other Security Interests); and • you have full power and capacity to transfer your NetComm Shares to Casa. 	
What other information is available?	You should read the detailed information in relation to the Scheme provided in this Scheme Booklet.	

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FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER	SECTION REFERENCE
Other		
What if I have further questions about the Scheme?	<p>NetComm has established a NetComm Shareholder information line which NetComm Shareholders should call if they have any questions in relation to the Scheme.</p> <p>The telephone number for the NetComm Shareholder information line is 1300 365 969 (within Australia) or +61 1300 365 969 (outside Australia), Monday to Friday (excluding public holidays), between 8.30 am and 5.00 pm (AEST).</p>	

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**DETAILS OF
THE SCHEME AND
HOW TO VOTE**

1.0 DETAILS OF THE SCHEME AND HOW TO VOTE

1.1 OVERVIEW

On 22 February 2019, NetComm entered into a Scheme Implementation Deed with Casa, under which NetComm agreed to propose the Scheme to NetComm Shareholders, subject to the satisfaction or waiver of several Conditions. A copy of the Scheme Implementation Deed is attached to NetComm's ASX announcement on 22 February 2019 and available on the ASX website <https://www.asx.com.au/>. A summary of the key terms of the Scheme Implementation Deed, including the Conditions, is included in this Section 1 and Section 7.6 of this Scheme Booklet.

On 4 April 2019, Casa notified NetComm that the Scheme Shares would be acquired by Casa Communications, an indirect, wholly owned subsidiary of Casa. Casa will remain jointly and severally liable for the responsibilities of Casa Communications under the Deed Poll to pay the Scheme Consideration. Further details of the Casa structure is set out in Section 4.

1.2 KEY STEPS

The key steps to implement the Scheme are:

1. NetComm Shareholders will have an opportunity to vote to approve the Scheme at the Scheme Meeting.
2. If NetComm Shareholders approve the Scheme, and all Conditions (other than Court approval) have been satisfied or waived, NetComm will apply to the Court for approval of the Scheme.
3. If the Court approves the Scheme, NetComm will lodge with ASIC a copy of the court orders approving the Scheme. The date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of NetComm Shares on the ASX.
4. On the Implementation Date, Casa will acquire all of the NetComm Shares and will pay the Scheme Consideration.
5. After the Scheme becomes Effective, NetComm will apply for suspension of trading in NetComm Shares, followed by the removal of NetComm from the official list of ASX.

1.3 SCHEME CONSIDERATION

If the Scheme is implemented, NetComm Shareholders will receive the Scheme Consideration of \$1.10 cash per NetComm Share.

1.4 CONDITIONS OF THE SCHEME

The implementation of the Scheme is subject to the following Conditions:

- FIRB Approval is obtained on or before the Delivery Time;
- ASIC and ASX issue all authorisations and do all other things reasonably necessary to implement the Scheme at or before the Delivery Time;
- the Court approves the Scheme;
- NetComm Shareholders approve the Scheme by the required majorities;
- each of the NetComm Warranties is true and correct at all times before the Delivery Time;
- each of the Casa Warranties is true and correct at all times before the Delivery Time;
- no NetComm Prescribed Occurrence occurs before the Delivery Time;
- no orders are issued by any court, the Takeovers Panel, or other authority is in effect as at the Delivery Time that impacts on the implementation of the Scheme;
- there is no Material Adverse Change before the Delivery Time;
- there is no material change to any Material Contract (as defined in the Scheme Implementation Deed) before the Delivery Time;
- NetComm and Casa provide closing certificates at or before the Delivery Time; and
- no Share Appreciation Rights have vested at or before the Delivery Time.

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DETAILS OF THE SCHEME AND HOW TO VOTE

1.5 YOUR CHOICES AS A NETCOMM SHAREHOLDER

As a NetComm Shareholder, you have the following choices:

- you can vote at the Scheme Meeting in person, by attorney, by proxy or, in the case of corporate shareholders, by corporate representative; or
- you can elect not to vote at the Scheme Meeting.

1.6 HOW TO VOTE IN PERSON

To vote in person at the Scheme Meeting, NetComm Shareholders must attend the Scheme Meeting to be held at the offices of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, New South Wales 2000, at 10.00 am (AEST) on 7 June 2019.

A NetComm Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card upon disclosure of their name and address at the point of entry.

Persons who are attending as an attorney should bring the original or certified copy of the power of attorney to the Scheme Meeting.

Persons who are attending as corporate representative for a corporation must bring evidence of their appointment. The appointment must comply with section 250D of the Corporations Act.

An attorney or an authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment (including any authority under which it is signed), their name, and address and the identity of their appointer, at the point of entry to the Scheme Meeting.

1.7 HOW TO VOTE BY PROXY

A Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. Information setting out how you may vote by proxy is contained in the Notice of Scheme Meeting. If your Proxy Form is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).

Proxy Forms should be completed and lodged in accordance with the instructions set out on the Proxy Form.

Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than 10.00 am (AEST) on 5 June 2019 (48 hours prior to the commencement of the Scheme Meeting). Proxy Forms received after this time will be invalid.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the Scheme Meeting. The sending of a Proxy Form will not preclude a NetComm Shareholder from attending in person and voting at the Scheme Meeting. However, the constitution of NetComm specifies that the presence of a NetComm Shareholder at a meeting suspends his or her proxy's rights to speak and vote.

1.8 ELIGIBILITY TO VOTE

The time for determining eligibility to vote at the Scheme Meeting is 5.00 pm (AEST) on 5 June 2019. Only those NetComm Shareholders entered on the Register at that time will be entitled to attend and vote at the Scheme Meeting.

1.9 SCHEME RECORD DATE

Those NetComm Shareholders on the Register on the Record Date, being 7.00 pm (AEST) on the third Business Day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the NetComm Shares they hold as at the Record Date.

1.10 NO TRADING AFTER EFFECTIVE DATE

After the Scheme becomes Effective, NetComm will apply for suspension of trading in NetComm Shares. The last date for trading NetComm shares on the ASX will be the Effective Date.

DETAILS OF THE SCHEME AND HOW TO VOTE

1.11 DETERMINATION OF ENTITLEMENT TO SCHEME CONSIDERATION

For the purposes of establishing who are Scheme Participants, dealings in NetComm Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant NetComm Shares on or before the Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the Share Registry.

Subject to the Corporations Act, ASX Listing Rules and NetComm's constitution, NetComm must register transmission applications or transfers which it receives by the Record Date. NetComm will not accept for registration or recognise for any purpose any transmission application or transfer in respect of NetComm Shares received after the Record Date.

1.12 DEEMED WARRANTY ON TRANSFER OF NETCOMM SHARES TO CASA

Under the terms of the Scheme, each NetComm Shareholder is deemed to have warranted to Casa that all of their NetComm Shares will, at the date of the transfer, be fully paid and free from all encumbrances (such as mortgages and other Security Interests) and that they have full power and capacity to transfer their NetComm Shares (including any rights and entitlements attaching to those NetComm Shares) to Casa.

You should ensure that your NetComm Shares are free of all encumbrances (such as mortgages or other Security Interests).

NetComm Shareholders should be aware that, to the extent that this warranty is untrue in respect of their NetComm Shares, and their NetComm Shares are not transferred under the Scheme free from all encumbrances, they may be liable to compensate Casa for any damage caused to Casa resulting from that failure to transfer.

1.13 DEED POLL

On 26 April 2019, Casa executed the Deed Poll under which Casa agreed, subject to the Scheme becoming Effective, to pay the Scheme Consideration and acquire all Scheme Shares held by NetComm Shareholders under the Scheme. A summary of the key terms of the Deed Poll is set out in Section 7.9. A copy of the Deed Poll is also included in Attachment 2.

1.14 COURT APPROVAL

On 1 May 2019, the Court made orders that the Scheme Meeting be convened and that this Scheme Booklet be despatched to NetComm Shareholders. The orders made by the Court convening the Scheme meeting do not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

NetComm will apply to the Court for an order approving the Scheme if the Scheme is approved by the requisite majority at the Scheme Meeting. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the requisite majority.

Each NetComm Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Date.

The Corporations Act and the *Federal Court (Corporations) Rules 2000* (Cth) provide a procedure for NetComm Shareholders to oppose the approval by the Court of the Scheme. If you wish to oppose the approval of the Scheme at the Second Court Date you may do so by filing with the Court and serving on NetComm a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Date and applying to raise any objections you may have at the hearing. NetComm should be notified in advance of an intention to object. The Second Court Date is currently scheduled to be 12 June 2019, though an earlier date may be sought. Any change to this date will be notified on NetComm's website (<https://www.netcommwireless.com/>).

1.15 TAXATION IMPLICATIONS

A general guide to the Australian taxation implications of the Scheme for NetComm Shareholders is set out in Section 6 of this Scheme Booklet. Section 6 is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any NetComm Shareholder.

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2

**REASONS TO VOTE
FOR OR AGAINST
THE SCHEME**

2.0 REASONS TO VOTE FOR OR AGAINST THE SCHEME

2.1 REASONS THAT YOU MIGHT VOTE FOR THE SCHEME

2.1.1 NETCOMM'S DIRECTORS UNANIMOUSLY RECOMMEND THE SCHEME AND WILL BE VOTING THEIR NETCOMM SHARES IN FAVOUR OF IT

Each of your NetComm Directors consider the Scheme to be in the best interests of NetComm Shareholders.

Each of your NetComm Directors unanimously recommend that NetComm Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in NetComm Shareholders' best interests.

Each of your NetComm Directors will vote NetComm Shares under their beneficial ownership in favour of the Scheme in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in NetComm Shareholders' best interests.

2.1.2 THE SCHEME CONSIDERATION OF \$1.10 CASH PER SHARE REPRESENTS A SIGNIFICANT PREMIUM TO NETCOMM'S SHARE PRICE

The Scheme Consideration constitutes a:

- (a) 52.8% premium to the closing price of \$0.720 per share on 20 February 2019;
- (b) 49.8% premium to the 1-month VWAP of \$0.734 per share; and
- (c) 40.9% premium to the VWAP of \$0.781 per share since NetComm announced its FY18 results on 27 August 2018.

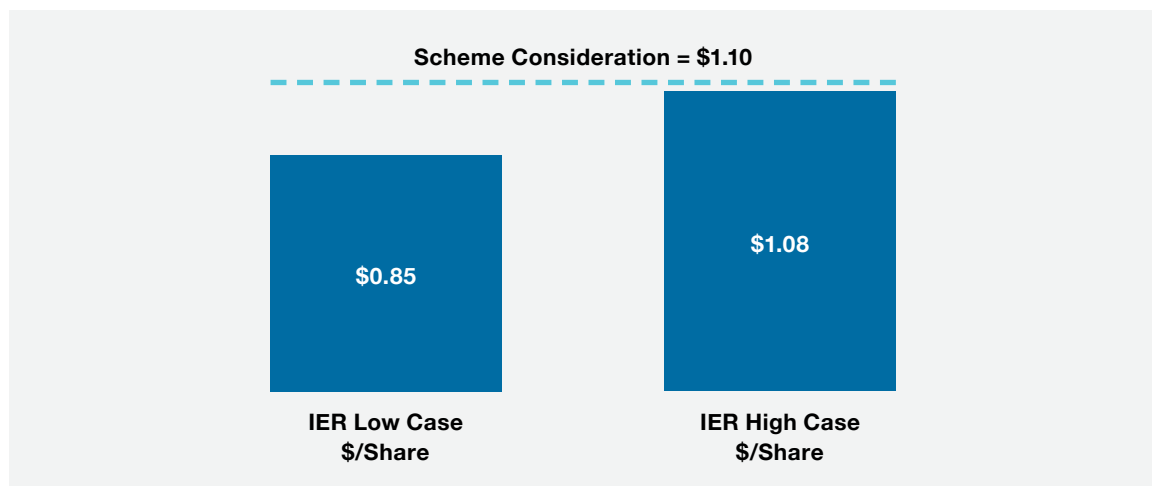


REASONS TO VOTE FOR OR AGAINST THE SCHEME

2.1.3 THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE SCHEME IS FAIR AND REASONABLE

The Independent Expert has analysed NetComm's business and the various organic growth opportunities available to it and, in light of this analysis, the Independent Expert has concluded that the Scheme is in the best interests of NetComm Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of NetComm at between \$0.85 and \$1.08 per NetComm Share. The proposed Scheme Consideration of \$1.10 cash per share is above this range.



2.1.4 CERTAINTY OF VALUE IN AN ALL CASH BID

The 100% cash consideration provides NetComm Shareholders with certainty of value and the opportunity to realise their investment in full for \$1.10 cash per NetComm Share.

In particular, the cash consideration, with its substantial premium, provides certainty against the risks associated with the execution of NetComm's long term strategy which is dependent on new customer contract wins together with the inherent uncertainty of future revenue streams.

Casa is a well-capitalised NASDAQ listed company and will fund the acquisition out of its existing cash reserves.

2.1.5 LIMITED CONDITIONALITY AND NOT SUBJECT TO ONEROUS CONDITIONS

The Scheme is only subject to the FIRB Approval and other customary conditions for transactions of this type (e.g. Court and NetComm Shareholder approval).

It is not subject to a finance condition or competition regulator approval.

If FIRB Approval is not obtained the Casa Break Fee is payable to NetComm.

2.1.6 NO SUPERIOR PROPOSAL HAS EMERGED

In late 2018, NetComm approached Luminis Partners Pty Ltd to conduct a strategic review of NetComm to unlock shareholder value. As part of this review, NetComm and Luminis Partners Pty Ltd engaged with various parties. Casa was the only party to meaningfully engage as part of the strategic review, which resulted in the execution of the Scheme Implementation Deed and the announcement of the Scheme on 22 February 2019.

Since the proposed Scheme was announced up until the last practicable date prior to finalisation of this Scheme Booklet, no Superior Proposal has emerged.

If NetComm receives a Competing Proposal from a third party, there are certain steps that must be taken by NetComm in respect of that proposal, including providing Casa with the opportunity to submit a Counter Proposal within four Business Days. A summary of these steps is set out in Section 7.6.5.

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REASONS TO VOTE FOR OR AGAINST THE SCHEME

2.1.7 BROKERAGE CHARGES WILL NOT APPLY TO THE TRANSFER OF SCHEME SHARES:

You will not incur any brokerage charges on the transfer of your NetComm Shares to Casa under the Scheme.

It is possible that such charges would be incurred if you transferred your NetComm Shares other than under the Scheme.

2.2 REASONS THAT YOU MIGHT VOTE AGAINST THE SCHEME

Although the NetComm Directors unanimously recommend that you vote in favour of the Scheme and the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NetComm Shareholders, in both instances in the absence of a Superior Proposal and, in the case of your NetComm Directors' recommendation, provided that the Independent Expert continues to conclude that the Scheme is in the best interests of NetComm Shareholders, there may be reasons which lead you to consider voting against the Scheme, including those set out below.

2.2.1 YOU MAY DISAGREE WITH THE NETCOMM DIRECTORS' RECOMMENDATION AND THE INDEPENDENT EXPERT'S CONCLUSION AND BELIEVE THAT THE SCHEME IS NOT IN YOUR BEST INTERESTS

In concluding that the Scheme is in the best interests of NetComm Shareholders, absent a Superior Proposal, the NetComm Directors and the Independent Expert are making judgements based on future trading conditions and events which cannot be predicted with certainty and which may prove to be inaccurate (either positively or negatively).

You may hold a different view from, and are not obliged to follow the recommendation of, the NetComm Directors, and you may not agree with the Independent Expert's conclusions.

2.2.2 YOU MAY PREFER TO PARTICIPATE IN THE FUTURE FINANCIAL PERFORMANCE OF THE NETCOMM BUSINESS

If the Scheme is implemented, you will no longer be a NetComm Shareholder and will forgo any benefits that may result from being a NetComm Shareholder.

This will mean that you will not participate in the future performance of NetComm or retain any exposure to NetComm's business or assets or have the potential to share in the value that could be generated by NetComm in the future. However, there is no guarantee as to NetComm's future performance, as is the case with all investments.

2.2.3 YOU MAY BELIEVE IT IS IN YOUR BEST INTERESTS TO MAINTAIN YOUR CURRENT INVESTMENT AND RISK PROFILE

You may prefer to keep your NetComm Shares to preserve your investment in a listed company with the specific characteristics of NetComm.

In particular, you may consider that, despite the risk factors relevant to NetComm's potential future operations (including those set out in Section 5 of this Scheme Booklet), NetComm may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future. You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of NetComm.

2.2.4 YOU MAY CONSIDER THAT THERE IS POTENTIAL FOR A SUPERIOR PROPOSAL TO EMERGE

It is possible that a more attractive proposal for NetComm Shareholders could materialise in the future, such as a takeover bid with a higher offer price than the Scheme Consideration.

However, as at the date of this Scheme Booklet, the NetComm Directors have not received or become aware of any Competing Proposal and have no reason to believe that a Competing Proposal will emerge.

REASONS TO VOTE FOR OR AGAINST THE SCHEME

2.2.5 THE TAX CONSEQUENCES OF TRANSFERRING YOUR NETCOMM SHARES PURSUANT TO THE SCHEME MAY NOT BE SUITABLE TO YOU

The tax consequences of the Scheme will depend on your personal situation. A general guide to the taxation implications is set out in Section 6 of this Scheme Booklet. Section 6 is expressed in general terms only, and NetComm Shareholders should consult with their own independent taxation advisers regarding the taxation implications of the Scheme.

2.3 OTHER RELEVANT CONSIDERATIONS

The Scheme may be implemented even if you vote against it

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the required majorities of NetComm Shareholders and by the Court and if the Scheme becomes unconditional. If this occurs, your NetComm Shares will be transferred to Casa and you will receive the Scheme Consideration for your NetComm Shares even though you did not vote on, or voted against, the Scheme.

Conditionality of the Scheme

Implementation of the Scheme is subject to a number of Conditions, which are summarised in Section 1.4 and set out in full in clause 3.1 of the Scheme Implementation Deed. If the Conditions are not satisfied or waived (as applicable), the Scheme will not become Effective and NetComm Shareholders will not receive the Scheme Consideration.

Costs

NetComm has incurred significant costs in preparing the proposed Scheme and revisions of that proposal to the point that it is capable of being submitted to NetComm Shareholders as a scheme of arrangement for their consideration. These costs include negotiations with Casa, retention of advisers, provision of information to Casa, facilitating Casa's access to due diligence, engagement of the Independent Expert and preparation of this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by Casa as the ultimate controller of NetComm following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges, NetComm expects to incur total costs of approximately \$1,200,000, which will be paid in the 2018/2019 financial year.

Break fees

A break fee of \$1,609,629 is payable by NetComm to Casa in certain circumstances.

A break fee of \$1,609,629 is payable by Casa to NetComm in certain circumstances.

The break fees are summarised in Section 7.6.8 and 7.6.9 and set out in full in clause 15 of the Scheme Implementation Deed.

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3

**INFORMATION
ON NETCOMM**

3.0 INFORMATION ON NETCOMM

3.1 OVERVIEW OF NETCOMM

3.1.1 OVERVIEW AND HISTORY

NetComm is a leading provider of Fixed Wireless broadband, fibre to the distribution point (**FTTdp**) and machine-to-machine (**M2M**) technologies to telecommunication carriers, core network providers, system integrators, and government and enterprise customers. NetComm also designs and manufactures⁴ residential broadband internet devices. NetComm is headquartered in Sydney and operates across Australia, New Zealand, the United States, Canada, the United Kingdom and Europe.

NetComm was established in 1982 as a manufacturer of modems, developing Australia's first dial-up modem in 1983 and was publicly listed on the ASX on 21 December 1993.

In November 1997, NetComm merged with Banksia Technology, a privately owned supplier of modems founded in 1988 by David Stewart, who took over as managing director of the merged group.

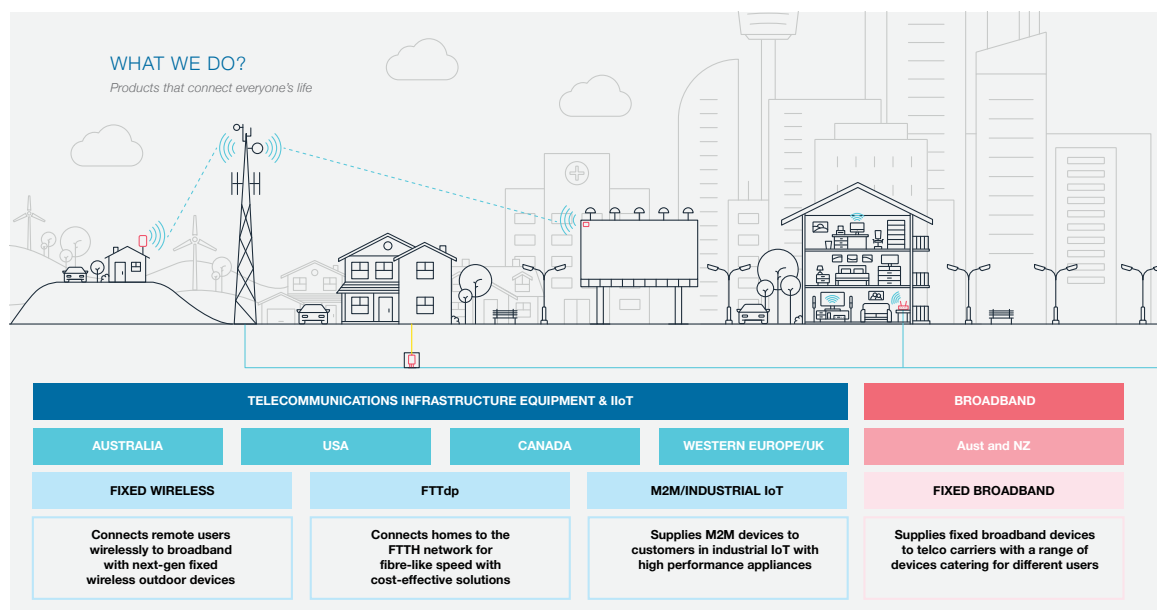
On 10 September 2008, NetComm expanded into the wireless M2M market, a subset of the Industrial Internet of Things (**IIoT**) market, following the acquisition of Call Direct Cellular Solutions.

In 2011, NetComm's operations were further expanded into Fixed Wireless broadband following Ericsson's appointment by National Broadband Network Co Ltd to build and operate its \$1.1 billion Fixed Wireless broadband network. NetComm was selected by Ericsson to provide advanced Fixed Wireless devices needed to connect rural and regional Australian households and businesses to the National Broadband Network's 2.3GHz Fixed Wireless long term evolution broadband network where land based technologies (i.e. fibre and cable) were not economical or practical. Since then, NetComm has expanded its Fixed Wireless operations internationally.

3.1.2 CURRENT OPERATIONS

A diagrammatic overview of NetComm's operations is set out below:

NetComm – operations



⁴ NetComm outsources all of the manufacturing of its products.

INFORMATION ON NETCOMM

Fixed Wireless

NetComm is a leading provider of custom engineered Fixed Wireless technology that can be scaled to deliver fast, efficient and economical broadband to rural and regional areas globally.

Fixed Wireless is a practical and economical alternative to fibre, cable and copper networks for premises located in rural, remote and other hard to reach locations that enables network operators and carriers to quickly extend robust network grade broadband connectivity with guaranteed speed and performance.

FTTdp

Fibre is one of the fastest growing types of broadband connections, with fibre-to-the-home (FTTH) networks delivering unprecedented gigabit broadband speeds via the installation of fibre from a central point directly into the customer's premises.

However, FTTH networks are time consuming and expensive to roll out due to the significant additional costs involved and the logistics of gaining access to private properties.

NetComm provides FTTdp solutions that offer a commercially viable alternative to FTTH networks, enabling network operators to deliver fast but cost effective broadband by utilising existing copper infrastructure. NetComm's FTTdp solution comprises a data processing unit which is engineered for mass installation on telegraph poles, inside sunken distribution pits or inside the basement of multi dwelling units and a network connection device that is installed inside the customer's home.

Machine to Machine (M2M) / IIoT

M2M refers to the capability for data to flow between electronic devices without the need for human interaction. Many of these devices have network connectivity, which has given rise to the Internet of Things, a global network of sensors, equipment, smart devices and applications that can collect, exchange, process and react to data in real time.

NetComm specialises in the development of industrial grade wireless or cellular broadband products and solutions for various vertical industry sectors, including transport, energy and utilities, security, surveillance, banking and mining. Netcomm also maintains longstanding M2M / IIoT partnerships with leading telecommunication carriers including Deutsche Telecom, Telstra, Verizon Wireless, AT&T and Vodafone.

Fixed Broadband

Since its establishment in 1982, NetComm's base business has been the design and manufacture of broadband internet devices, primarily for retail service providers in Australia and New Zealand who typically sell NetComm's products to consumers as part of a broadband package.

In addition to the information about NetComm in this Section 3.1, the Independent Expert's Report at Attachment 1 of this Scheme Booklet contains further detailed information on NetComm.

3.2 DIRECTORS AND SENIOR MANAGEMENT

3.2.1 NETCOMM BOARD

The current NetComm Directors are:

(a) **Justin Milne – Non-Executive Independent Director & Chairman since 7 March 2012**

Mr Milne has substantial telecommunications industry experience and is an experienced company director having served in diverse industry sectors with a multinational focus. He had an executive career in telecommunications, marketing and media. From 2002 to 2010 he was Group Managing Director of Telstra's broadband and media businesses and led Telstra's New Media businesses in China. Prior to that he was CEO of OzEmail and of MSN Australia. He is currently Chairman of MYOB, a Non-Executive Director of NBN Co Limited and Tabcorp Holdings Limited.

(b) **Stuart Black, AM – Non-Executive Independent Director since 21 March 2013**

Mr Black is a prominent Chartered Accountant and experienced Company Director. A former Managing Partner of a chartered accounting firm and a past President of the Institute of Chartered Accountants in Australia, he has extensive experience in professional services, agribusiness, financial services, manufacturing, import, distribution, IT and biotechnology. Mr Black is currently a Non-Executive Director of Australian Agricultural Company Limited, TPI Enterprises Limited and was previously a Non-Executive Director of Coffey International Limited, all ASX companies. In the not-for-profit space, Mr Black chairs the Chartered Accountants Benevolent Foundation Ltd and is a former Non-Executive Director of The Country Education Foundation of Australia Ltd. He has contributed to the accounting profession as a former Chair and Director of the Accounting Professional and Ethical Standards Board Ltd and as a past member of the International Federation of Accountants SMP/SME Committee.

(c) **Jacqueline Korhonen – Non-Executive Independent Director since 27 August 2018**

Ms Korhonen has over 30 years of experience in the IT industry. Beginning her career with IBM as an engineer, over 23 years she progressed to hold several executive positions within IBM in Australia and Asia. Since then, Ms Korhonen was CEO with Infosys Australia/NZ (a subsidiary of NASDAQ listed Infosys, a global leader in consulting, technology and outsourcing) and SMS Management & Technology (ASX listed Consulting and IT services company). Between 2016 and 2019 Ms Korhonen held the position of Vice President, Asia Pacific for Cognitive Technologies at IBM, which includes areas such as Blockchain, Artificial Intelligence, Data/Analytics, Robotics, IoT and Process Outsourcing. Ms Korhonen has been appointed independent Non-Executive Director of MLC Life Insurance and holds degrees in Science and Engineering (Hon) from the University of Sydney, is a graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.

(d) **David Spence – Non-Executive Independent Director since 22 May 2017**

Mr Spence has extensive network communications technology experience in building satellite, wireless and fibre networking businesses as well as working with large global networking and carrier companies. He is Chairman of Discovery Ag, and was the non-Executive Chairman of Vocus Group Limited and Chairman of Paypal Australia and founder and Chairman of the National Narrowband Network. Mr Spence was the CEO of Unwired Limited from 2003 to 2009, the Company that pioneered wireless broadband to households in Australia.

(e) **David Stewart – Non-Executive Director since 23 December 2017**

Mr Stewart founded Banksia Technology Pty Limited in 1988 and successfully managed the company as a fast growing and highly profitable business. In 1996, he instigated the successful takeovers of a number of his competitors including NetComm Wireless Limited, which was completed in November 1997. Mr Stewart assumed the role of Managing Director of the merged entity and retired from the NetComm Board in December 2016 upon stepping down as CEO. Mr Stewart re-joined the Board in December 2017 and remains the single largest shareholder of NetComm. Mr Stewart is also a Director of ASX listed Beam Communications Holdings Limited.

(f) **Ken Sheridan – Director since 20 December 2010: CEO and Managing Director 24 February 2017 to 22 February 2019; Executive Director since 22 February 2019**

Mr Sheridan is a Chartered Accountant with over 35 years' experience in senior management in major corporations in Australia and Asia. He spent 11 years with KPMG before he moved into the commercial sector where he held several CFO roles with large multinational companies in Australia and Asia including three years as Finance Director of a top 10 Malaysian listed consumer goods company. Mr Sheridan was the Group CFO for Tenix, one of Australia's largest private companies. In the 6 years prior to joining NetComm, Mr Sheridan was Managing Director and major shareholder of Acelero Pty Ltd, a human resources software company. At NetComm Mr Sheridan held the roles of CFO, Chief Strategy Officer and finally CEO and Managing Director prior to his resignation from the CEO role on 22 February 2019.

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INFORMATION ON NETCOMM

3.2.2 NETCOMM DIRECTORS INTENTIONS

If the Scheme is implemented, the NetComm Board will be reconstituted by directors appointed by Casa. It will be the responsibility of the reconstituted NetComm Board to determine its intentions as to:

- the continuation of the business of NetComm;
- any major changes, if any, to be made to the business of NetComm; and
- the future employment of the present employees of NetComm.

The current intention of Casa in relation to these matters is set out in Section 4.

If the Scheme is not implemented, the current intention of the NetComm Board is to continue the operations of NetComm in the ordinary course as a stand-alone entity listed on the ASX.

3.2.3 NETCOMM SENIOR MANAGEMENT

The current senior managers of NetComm are:

Steve Collins	Interim Chief Executive Officer
Chris Last	Chief Financial Officer
Timo Brouwer	Chief Operating Officer
Adrian Macarthur-King	Chief Engineering Officer
Gillian Davie	Chief People Officer
Els Baert	Director – Marketing & Comms

3.3 CAPITAL STRUCTURE

As at the date of this Scheme Booklet, there were 146,329,906 NetComm Shares on issue.

As at the date of this Scheme Booklet, there were 2,250,000 Share Appreciation Rights issued to NetComm executives under the NetComm LTIP. None of the Share Appreciation Rights have vested in accordance with their terms. These Share Appreciation Rights will lapse upon implementation of the Scheme. Further information in relation to the Share Appreciation Rights is included in Section 7.1.4.

INFORMATION ON NETCOMM

3.4 FINANCIAL INFORMATION

NetComm – statement of financial position ⁽¹⁾			
	30 Jun 17	30 Jun 18	31 Dec 18
	\$m	\$m	\$m
Debtors and prepayments	27.8	35.2	26.6
Inventories	17.2	18.9	39.3
Creditors, accruals and provisions	(34.1)	(45.6)	(50.6)
Net working capital	10.9	8.5	15.3
Plant and equipment	11.9	11.2	12.4
Intangible assets / goodwill	25.4	33.3	36.5
Deferred tax assets (net)	8.0	7.3	8.7
Employee benefits	(2.6)	(3.0)	(3.3)
Other	–	(0.3)	(0.3)
Total funds employed	53.5	56.9	69.3
Cash and cash equivalents	22.1	27.3	17.4
Interest bearing liabilities	(0.1)	–	–
Net cash	22.1	27.3	17.4
Net assets attributable to NetComm shareholders	75.6	84.2	86.7

Note:

1 Rounding differences exist.

NetComm – statement of financial performance ⁽¹⁾			
	FY17	FY18	1HY19
	Audited	Audited	Audited
	\$m	\$m	\$m
Revenue	107.6	181.7	94.3
Other income	–	–	–
Total revenue	107.6	181.7	94.3
Change in inventories	5.7	1.6	20.5
Raw materials consumed	(76.2)	(115.8)	(79.0)
Employee benefits	(21.6)	(30.3)	(16.8)
Other expenses	(12.0)	(16.7)	(10.7)
Operating expenses	(104.0)	(161.2)	(86.0)
EBITDA	3.6	20.5	8.3
Depreciation expense	(2.8)	(4.3)	(2.6)
Amortisation of intangibles ⁽²⁾	(5.7)	(7.0)	(4.8)
EBIT	(4.9)	9.2	0.9
Net finance income / (expense)	0.6	0.0	0.0
Profit / (loss) before tax	(4.2)	9.3	0.9
Income tax benefit / (expense)	2.4	(1.3)	1.4
Profit / (loss) after tax	(1.8)	8.0	2.3
<i>Revenue growth</i>	26.4%	68.9%	6.5%
<i>EBITDA growth</i>	(41.1%)	472.3%	(9.6%)
<i>EBITDA margins</i>	3.3%	11.3%	8.8%
<i>EBIT margins</i>	(4.5%)	5.1%	0.9%

Note:

1 Rounding differences exist.

2 Primarily relates to capitalised product development costs and software.

INFORMATION ON NETCOMM

NetComm – segment performance ⁽¹⁾			
	FY17	FY18	1HY19
	Audited	Audited	Audited
	\$m	\$m	\$m
Revenue:			
Broadband	21.3	25.2	10.7
TIE / IloT ⁽²⁾	86.3	156.5	83.6
Total	107.6	181.7	94.3
Revenue mix:			
Broadband	19.8%	13.8%	11.3%
TIE / IloT ⁽²⁾	80.2%	86.2%	88.7%
Total	100.0%	100.0%	100.0%
EBIT:			
Broadband	(0.4)	1.3	(0.8)
TIE / IloT ⁽²⁾	(4.5)	8.0	1.7
Total	(4.9)	9.2	0.9
EBIT margins			
Broadband	(1.9%)	5.0%	(7.5%)
TIE / IloT ⁽²⁾	(5.2%)	5.1%	2.0%
Total	(4.5%)	5.1%	0.9%

Note:

- 1 Rounding differences exist.
- 2 Telecommunications Infrastructure Equipment & IloT (TIE / IloT).

3.5 MATERIAL CHANGES IN NETCOMM'S FINANCIAL POSITION

To the knowledge of the NetComm Directors, and except as disclosed in Section 3.4 of this Scheme Booklet, the financial position of NetComm has not materially changed since 31 December 2018, being the date of NetComm's HY2019 financial results.

3.6 NETCOMM'S PUBLICLY AVAILABLE INFORMATION

NetComm is a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act, and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require NetComm to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market. NetComm has an obligation under the Listing Rules (subject to some exceptions) to notify the ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of NetComm Shares. Pursuant to the Corporations Act and the Listing Rules, NetComm is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the NetComm Directors and an audit or review report, respectively. Copies of each of these documents and the ASX notifications can be obtained free of charge on the NetComm website at <https://www.netcommwireless.com/> or by visiting the ASX website at <https://www.asx.con.au/asx/statistics/announcements.do>.

ASIC also maintains a record of documents lodged with it by NetComm and these may be obtained from the ASIC website at www.asic.gov.au.

Additionally, copies of documents lodged with ASIC in relation to NetComm may be obtained from or inspected at an ASIC service centre. Please note ASIC may charge a fee in respect of such services. The following documents are available for inspection free of charge prior to the Scheme Meeting and during normal business hours at the registered office of NetComm (being Level 5, 18-20 Orion Road, Lane Cove, New South Wales 2066):

- NetComm's company register;
- NetComm's constitution; and
- NetComm's annual reports for FY2015, FY2016, FY2017 FY2018 and for HY2019.

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4

**INFORMATION
ON CASA**

4.0 INFORMATION ON CASA

4.1 INTRODUCTION

The information contained in this Section 4 has been prepared by Casa. The information concerning Casa and the Casa Group and the intentions, views and opinions contained in this Section 4 are the responsibility of Casa. NetComm and its officers and advisers do not assume any responsibility for the accuracy or completeness of the information in this Section 4.

4.2 OVERVIEW OF THE CASA GROUP'S OPERATIONS

The Casa Group is a provider of converged broadband technology solutions that enable mobile, cable and fixed network service providers meet the growing demand for gigabit bandwidth and services.

Casa, the parent company of the Casa Group, is a corporation incorporated in Delaware, United States, the common stock of which trades on the NASDAQ under the symbol 'CASA'. As at 31 March 2019, Casa had a fully diluted market capitalisation of approximately US\$694,161,094 with global revenue in the 2018 financial year of approximately US\$300 million.

The Casa Group provides products and services that help service providers cost-effectively deliver and manage broadband network connectivity. The Casa Group's suite of distributed and virtualised solutions for fixed and mobile 5G ultra-broadband networks are engineered for performance, flexibility and scale which give service providers the ability to dynamically increase network speed, add bandwidth capacity, introduce new services for consumers and enterprises, reduce network complexity as well as operating and capital expenditures.

The Casa Group has created a software-centric, multi-service portfolio that enables a broad range of core and access network functions for fixed and wireless networks. These networks share a common set of core and access network functions that enable network services such as subscriber management, session management, transport security and radio frequency management. The Casa Group's Axyom software platform allows each of these network functions to be provided and controlled by a distinct segment of software, which can be integrated or combined together in a building block-style fashion with the segments of software responsible for each network function. This allows the Casa Group to offer network architectures that can be efficiently tailored to meet each customer's specific requirements, both as they exist at the time of initial implementation and as they evolve over time.

While the Casa Group initially focused on developing solutions for cable service providers, due to its founders' experience in the cable industry, the commonalities between fixed and wireless network architectures allowed the Casa Group to expand its solutions into the wireless market as cable service providers have increasingly sought to add wireless capabilities to their service offerings.

The Casa Group offers a scalable solution that can meet the evolving bandwidth needs of its customers and their subscribers. The Casa Group's first installation in a service provider's network frequently involves deploying its broadband products in only a portion of the provider's network and with only a fraction of the capacity of the Casa Group's products enabled at the time of initial installation. Over time, the Casa Group's customers have generally expanded the use of Casa's solutions to other areas of their networks to increase network capacity. Capacity expansions are accomplished either by deploying additional systems or line cards, or by our remote enablement of additional channels through the use of software. Sales of additional line cards and software-based capacity expansions generate higher gross margins than the Casa Group's initial hardware-based deployments.

Commercially deployed in over 70 countries, the Casa Group currently serves more than 450 Tier 1 and regional service providers worldwide who deliver broadband services to millions of subscribers. Notable customers include Charter/Time Warner Cable, Rogers and Mediacom in North America; Televisa/IZZI Mexico, Megacable Mexico and Claro Telmex Colombia in Latin America; Liberty Global, Vodafone and DNA Oyj in Europe; and Jupiter Communications and Beijing Gehua CATV Networks in Asia-Pacific. If the Scheme is implemented, NetComm will become a part of the Casa Group.

As at the date of this Scheme Booklet, the Casa Group employs more than 740 employees globally.

INFORMATION ON CASA

4.3 CASA'S BOARD OF DIRECTORS

As at the date of this Scheme Booklet, the Casa Board comprises the following members:

4.3.1 JERRY GUO – CHAIRMAN OF THE CASA BOARD

Mr Guo, the founder of Casa, has served as the Casa Group's president and chief executive officer and as the chairman of the Casa Board since the incorporation of Casa in 2003.

Prior to founding Casa, Mr Guo served as the Vice President of Broadband at River Delta Networks, which was acquired by Motorola in 2001 and prior to that, Mr Guo was a research scientist at Bell Laboratories' research division.

Mr Guo holds a PhD degree in electrical engineering from the University of Wisconsin Madison and an MS degree in optical instruments from the Department of Precision Instruments at Tsinghua University.

4.3.2 LUCY XIE – SENIOR VICE PRESIDENT OF OPERATIONS

Ms Xie has served as the Casa Group's senior vice president of operations since 2011 and as a member of the Casa Board since 2003. From 2003 to 2011, Ms Xie served as chief financial officer and vice president of operations of the Casa Group.

Prior to joining Casa, Ms Xie held various accounting, finance and management positions at Raytheon, a US defence contractor and industrial corporation, and Lucent Technologies, a telecommunications equipment company. Ms Xie has also served as the vice chairman and a board member of the Asia-America Chamber of Commerce.

Ms Xie holds an MBA degree in accounting from Fairleigh Dickinson University.

4.3.3 WEIDONG CHEN – CHIEF TECHNOLOGY OFFICER

Mr Chen has served as chief technology officer of the Casa Group since 2004 and as a member of the Casa Board since 2010.

Prior to joining Casa, Mr Chen served as a software manager at Motorola, a multinational telecommunications company from October 2001 to November 2003.

Mr Chen holds a PhD degree in physics from the University of Pennsylvania.

4.3.4 BRUCE R. EVANS – DIRECTOR

Mr Evans has been a member of the Casa Board since 2010.

Since 1986, Mr Evans has served in various positions with Summit Partners, a growth equity and venture capital investment firm (and a substantial shareholder of Casa), including most recently as Chairman of the Summit Partners' Board of Managers. Mr Evans is also currently a director of Analog Devices, a public company which designs and manufactures high-performance semiconductor products, as well as several private companies.

Mr Evans previously served as a director of more than a dozen public companies, including, from May 2012 to November 2014, FleetCor Technologies, a provider of fuel cards and workforce payment products and services. In addition, Mr Evans is Chairman of the Vanderbilt University Board of Trust.

Mr Evans holds a BE degree in mechanical engineering and economics from Vanderbilt University and an MBA degree from Harvard Business School.

4.3.5 BILL STYSLINGER – DIRECTOR

Mr Styslinger has been a member of the Casa Board since 2012.

Prior to joining the Casa Board, Mr Styslinger served as chairman, president and chief executive officer of SeaChange International, a provider of multiscreen video software and services, from its inception in July 1993 until his retirement in December 2011. Mr Styslinger was also previously a member of the board of directors of Omtool, a provider of enterprise client/server facsimile software solutions.

Mr Styslinger holds a BS degree in Engineering Science from the State University of New York at Buffalo.

4.3.6 JOSEPH S. TIBBETTS, JNR – DIRECTOR

Mr Tibbetts has been a member of the Casa Board since November 2017.

From March 2017 to March 2018, Mr Tibbetts served as the interim chief financial officer of Acquia Corporation, a provider of cloud-based, digital experience management solutions. Prior to that, Mr Tibbetts served as the senior vice president and chief financial officer of the Publicis.Sapient unit of Publicis Group SA, from February 2015, when Publicis acquired Sapient Corporation, to September 2015, as well as senior vice president and global chief financial officer for Sapient Corporation from October 2006 to February 2015. Mr Tibbetts was formerly a partner with Price Waterhouse LLP.

Mr Tibbetts currently serves on the board of directors of Vivint, Inc., a provider of home automation equipment and services, Vivint Solar, Inc., a provider of home solar energy solutions, and Carbon Black, Inc., a publicly traded provider of next generation endpoint security solutions.

Mr Tibbetts holds a BS in business administration from the University of New Hampshire.

4.3.7 DANIEL S. MEAD – DIRECTOR

Mr Mead has been a member of the Casa Board since March 2018.

Mr Mead has served on the board of directors of Syniverse Holdings, Inc., a publicly traded business services company in the mobile communications industry, since December 2016 and, for over thirty-five years, has served in various leadership roles at Verizon Communications and its predecessor companies, including serving from October 2010 to July 2015 as the chief executive officer and president of Verizon Wireless and from October 2009 to October 2010 as the chief operating officer and executive vice president of Verizon Wireless.

Mr Mead was also one of the founding senior executives of Verizon Wireless in July 2000. Mr Mead served as the chairman of the Cellular Telecommunications & Internet Association, or CTIA, from July 2013 until December 2014 and served as a member of the boards of directors of the CTIA from September 2010 until March 2015 and of Vodafone Omnitel from September 2009 until October 2010. Mr Mead also served on the Board of Trustees at Pennsylvania State University from July 2014 to July 2017, including as chairman of its Finance and Capital Planning Committee.

Mr Mead has a BS in quantitative business analysis and finance from Pennsylvania State University and an MBA from Pennsylvania State University.

4.3.8 MICHAEL T. HAYASHI – DIRECTOR

Mr Hayashi has been a member of the Casa Board since December 2018.

Mr Hayashi served as a Partner at Jinsei 2.0 Consulting, a technology and business consulting services firm focusing on the cable industry, from April 2015 to December 2017. Prior to his work at Jinsei, Mr Hayashi spent more than twenty years at Time Warner Cable, Inc., a cable television service provider, and most recently served as the Executive Vice President, Architecture, Development and Engineering from 2010 to March 2015. Mr Hayashi previously served at Time Warner as Senior Vice President, Advanced Engineering and Subscriber Technologies from 2000 to 2010 and as Vice President, Advanced Engineering from 1993 to 2000. He has served on the board of directors of Espial Group Inc., a publicly-traded software development company, since April 2015 and previously served on the board of directors of Mindspeed Technologies, Inc., a semiconductor supplier, from August 2005 until its acquisition by MACOM Technology Solutions Holdings, Inc. in December 2013.

Mr Hayashi has a BS in engineering from Harvey Mudd College and an MBA from The Ohio State University.

INFORMATION ON CASA

4.3.9 SUSANA D'EMIC – DIRECTOR

Ms D'Emic has been a member of the Casa Board since December 2018.

Ms D'Emic served as the Executive Vice President and Chief Financial Officer of Time Inc., a leading multi-platform media and content company, from November 2016 to April 2018. Previously, Ms D'Emic was Senior Vice President, Controller and Chief Accounting Officer of Time Inc. from October 2013 to November 2016. Prior to that, Ms D'Emic was with Frontier Communications, a provider of phone, internet and video services to rural towns and cities across the country, where she served as Senior Vice President, Controller and Chief Accounting Officer from April 2011 until October 2013.

Ms D'Emic also served as Senior Vice President, Controller and Chief Accounting Officer at Trusted Media Brands, Inc. (then Reader's Digest Association, Inc.), where she served in a number of finance roles from January 1998 until April 2011. Before joining Reader's Digest, she held various positions with Kraft Foods International and Colgate-Palmolive Company and was an audit manager with KPMG (then KPMG Peat Marwick).

Ms D'Emic is a Certified Public Accountant and has a BS in accounting from The State University of New York at Binghamton.

4.4 OVERVIEW OF CASA

Casa Communications, a wholly owned subsidiary of Casa, is an Australian proprietary company incorporated in 4 April 2019. Currently, the sole purpose of Casa Communications will be to finance, acquire and hold all of the NetComm Shares if the Scheme is implemented. Casa Communications does not currently conduct any other activities.

Casa Communications was initially capitalised by its sole shareholder, Casa Technologies Pty Ltd ACN 632 730 020, which is itself a wholly owned subsidiary of Casa. Casa Technologies Pty Ltd was initially capitalised by Casa.

Casa Communications' directors as at the date of this Scheme Booklet are:

- Scott Bruckner;
- Lucy Xie; and
- Joseph Zahra.

Casa Communications is a subsidiary member of an Australian income tax consolidated group, which was formed by its direct parent and head of such income tax consolidated group, Casa Technologies Pty Ltd ACN 632 730 020.

4.5 RATIONALE FOR PROPOSED ACQUISITION OF NETCOMM

NetComm represents a strong strategic fit for the Casa Group. NetComm is an innovative and agile organisation that has led the global development of fixed wireless and distribution point broadband solutions. The Casa Board believes that, if the Scheme is implemented and NetComm becomes a wholly-owned subsidiary of Casa, the Scheme will create a global leader in the rapidly growing broadband enablement space for service providers across all access technologies. With complementary product portfolios, the combination of the Casa Group and the NetComm Group (**Combined Group**) will strengthen the Casa Group's ability to meet the growing demand for increased bandwidth by communications service providers around the world. Moreover, it positions the Combined Group with a broad, highly competitive product portfolio for new 4G architectures and 5G wireless buildouts.

The acquisition of NetComm will also diversify the Casa Group's revenues both geographically and by product channel as well as expand the Casa Group's customer reach with the addition of several new Tier 1 global communications services provider customers. NetComm also adds fixed wireless products to the Casa Group's portfolio, enabling the Casa Group to address the large 5G fixed wireless access market. Ultimately, the acquisition of NetComm has the potential to deliver meaningful benefits through the merger of two complementary, culturally aligned organisations.

Finally, Casa sees potential for generating revenue synergies from the acquisition of NetComm through cross-selling of each of the Casa Group's and the NetComm Group's products into a more extensive, global customer channel. In this manner, Casa believes that the acquisition will enable both the Casa Group and the NetComm Group to achieve greater scale and thereby more effectively compete with large incumbent communications infrastructure equipment vendors.

4.6 FUNDING ARRANGEMENTS FOR THE SCHEME CONSIDERATION

The Scheme Consideration will be paid 100% in cash.

Under the terms of the Deed Poll, Casa has undertaken, in favour of each Scheme Participant, to pay the Scheme Consideration into a trust account held by NetComm for the benefit of the Scheme Participants no later than the Business Day before the Implementation Date.

If the Scheme is implemented, Scheme Participants will be entitled to receive the Scheme Consideration of \$1.10 cash per Scheme Share. Casa estimates that it will need approximately \$161 million to satisfy its payment obligations under the Scheme. As at 31 December 2018, Casa had US\$265,349,341 of total cash and cash equivalents.

Casa, through itself or one or more of its subsidiaries, will provide Casa Communications with sufficient funds to purchase all of the Scheme Shares upon the terms and subject to the conditions in the Scheme Implementation Deed to complete the Scheme.

4.7 INTENTIONS IF THE SCHEME IS IMPLEMENTED

This Section 4.7 sets out the current intentions of Casa in relation to:

- the continuation of the operations and business of the NetComm Group, including any redeployment of significant assets of the NetComm Group;
- changes to the NetComm Board and management team;
- the future employment of the present employees of the NetComm Group; and
- the delisting of NetComm from ASX.

The statements in this Section 4.7 regarding Casa's intentions are based on information concerning the NetComm Group and the general business environment which are known to Casa as at the date of this Scheme Booklet. Final decisions regarding these matters will be made in the light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this Section 4.7 are statements of current intention only and may change as new information becomes available or circumstances change.

4.7.1 OPERATIONS

If the Scheme is implemented, Casa intends to continue to operate the NetComm Group's business as a going concern. While certain central functions are anticipated to be combined and centralised within the Casa Group's existing business, Casa is committed to protecting and enhancing investments in NetComm products.

If the Scheme is implemented, Casa intends to conduct a review of the NetComm Group's business to verify Casa's understanding of the information, facts and circumstances concerning the business, assets, strategies and operations of the NetComm Group as at the date of this Scheme Booklet. Casa will then work with the NetComm management team to determine how to further develop the business of the NetComm Group (as part of the Casa Group's business operations) in order to maximise operating performance, continue to grow revenue and profitability, and enhance global reach for the NetComm Group's products.

4.7.2 NETCOMM BOARD

If the Scheme is implemented, Casa will replace the members of the NetComm Board and the boards of the NetComm Group Members with nominees of Casa (who are yet to be identified).

4.7.3 MANAGEMENT TEAM

Casa expects there to be significant value and knowledge in the existing management team of the NetComm Group. Casa plans to draw on the expertise of the existing management team of NetComm to ensure that the businesses and cultures are integrated and operated effectively, if the Scheme is implemented.

Following the general operational review described in Section 4.7.1 above, Casa may combine and centralise certain roles within the NetComm management team with those in the broader Casa Group.

INFORMATION ON CASA

4.7.4 EMPLOYEES

Casa views NetComm employees as an integral part of, and key to the success of, the NetComm Group's business. Definitive plans in relation to the broader employee base of the NetComm Group have not yet been determined and will be developed during integration planning. Casa will evaluate the future management and administrative requirements of the NetComm Group following completion of the general operational review described in Section 4.7.1 above. In cases where particular roles may no longer be required, Casa will attempt to identify opportunities for alternative employment within the Casa Group, including with NetComm. It is also possible that certain positions may become redundant. NetComm employees in roles which are no longer required would become redundant in compliance with applicable legislative or contractual requirements and be paid any redundancy amounts in accordance with their legal entitlements as at the date of their redundancy.

4.7.5 DELISTING

As noted in Section 4.7 above, if the Scheme is implemented, Casa intends to apply to ASX for the removal of NetComm from the official list of ASX.

4.8 CASA'S INTERESTS IN NETCOMM SHARES

4.8.1 INTEREST IN NETCOMM SHARES

As at the date of this Scheme Booklet, Casa has no interest in NetComm Shares.

4.8.2 DEALING IN NETCOMM SHARES IN PREVIOUS FOUR MONTHS

None of Casa or any of its associates has provided, or agreed to provide, consideration for any NetComm Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

4.8.3 BENEFITS TO HOLDERS OF NETCOMM SHARES

During the four months before the date of this Scheme Booklet, none of Casa or any of its associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to:

- (a) vote in favour of the Scheme; or
- (b) dispose of NetComm Shares,

where the benefit was not offered to all NetComm Shareholders.

4.8.4 BENEFITS TO NETCOMM OFFICERS

None of Casa and its associates will be making any payment or giving any benefit to any current officers of NetComm as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

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5

KEY RISK FACTORS

5.0 KEY RISK FACTORS

NetComm Shareholders should be aware that there are a number of risks, both general and specific, associated with the Scheme.

Additional risks and uncertainties not currently known to NetComm may also have a material adverse effect on NetComm's financial and operational performance and the information set out in this Section 5 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting NetComm.

The NetComm Board considers, however, that it is appropriate for NetComm Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, general and specific, which could materially adversely affect the future operating and financial performance of NetComm, the value of NetComm Shares and any future dividends paid by NetComm.

If the Scheme is implemented, NetComm Shareholders will receive the Scheme Consideration of \$1.10 cash for each NetComm Share held by them at the Record Date, and from implementation of the Scheme they will cease to be NetComm Shareholders and will no longer be exposed to the risks set out in this Section 5.

You should carefully consider the risk factors discussed in this Section 5, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

5.1 RISKS RELATED TO THE SCHEME

5.1.1 IMPLEMENTATION OF THE SCHEME IS SUBJECT TO SEVERAL CONDITIONS THAT MUST BE SATISFIED OR WAIVED

The Scheme is subject to several Conditions which are contained in clause 3.1 of the Scheme Implementation Deed. Please refer to Section 1.4 of this Scheme Booklet for further information regarding the Conditions to the Scheme. There can be no certainty, nor can NetComm or Casa provide any assurance, that these Conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, several of the Conditions are beyond the control of NetComm or Casa, including, but not limited to, approval of the Scheme by the required majorities of NetComm Shareholders, and required regulatory and third party approvals and consents.

5.1.2 THE SCHEME IMPLEMENTATION DEED MAY BE TERMINATED BY NETCOMM OR CASA IN CERTAIN CIRCUMSTANCES

Each of NetComm and Casa has the right to terminate the Scheme Implementation Deed in certain circumstances. Please refer to Section 7.6 of this Scheme Booklet for further information regarding the termination of the Scheme Implementation Deed. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either NetComm or Casa before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, there is no assurance that NetComm will be able to find a party willing to provide equivalent or greater consideration for NetComm Shares than the Scheme Consideration.

5.1.3 THE SCHEME MAY NOT RECEIVE COURT APPROVAL

The Court may not approve the Scheme, either at all or in the form proposed, or the Court's approval of the Scheme may be delayed. In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, the Court will take the change into account in deciding whether it should approve the Scheme. If there is a material change of sufficient importance so as to materially alter the Scheme, there is a risk that the Court may not approve the Scheme on the Second Court Date.

KEY RISK FACTORS

5.1.4 TAX CONSEQUENCES FOR NETCOMM SHAREHOLDERS

If the Scheme is implemented, there will be tax consequences for NetComm Shareholders that may include tax being payable on any gain on the disposal of NetComm Shares.

The tax treatment may vary depending on the nature and characteristics of each NetComm Shareholder and their specific circumstances. Accordingly, NetComm Shareholders should seek professional tax advice in relation to their particular circumstances. For further information about the general Australian tax consequences of the Scheme, please refer to Section 6.

5.1.5 IMPLICATIONS FOR NETCOMM AND NETCOMM SHAREHOLDERS IF THE SCHEME IS NOT IMPLEMENTED

If the Scheme is not approved at the Scheme Meeting, or approved by the Court, or the other Conditions (which are summarised in Section 1.4 and set out in full in clause 3.1 of the Scheme Implementation Deed) are not satisfied or waived (if permitted):

- (a) NetComm Shareholders will not receive the Scheme Consideration;
- (b) NetComm Shares will not be transferred to Casa (and will be retained by NetComm Shareholders);
- (c) NetComm will continue to operate as a stand-alone entity, and remain listed on the ASX;
- (d) NetComm Shareholders will continue to be exposed to the benefits and risks associated with an investment in NetComm on a stand-alone basis (please refer to Sections 5.2 and 5.3 below for further details about these risks); and
- (e) the amount which NetComm Shareholders will be able to realise for their investment in NetComm Shares may be uncertain. If the Scheme is not implemented and in the absence of a Superior Proposal, the NetComm Directors believe that it is likely that the price of NetComm Shares will fall from current levels.

In addition, some circumstances which cause the Scheme not to proceed may result in the payment of the NetComm Break Fee by NetComm to Casa, or the Casa Break Fee by Casa to NetComm. NetComm Shareholders failing to approve the Scheme will not trigger payment of the NetComm Break Fee. The break fees (including the circumstances in which they may be payable by either NetComm or Casa) are summarised in Section 7.6 and set out in full in clause 15 of the Scheme Implementation Deed.

5.2 GENERAL RISKS

5.2.1 GENERAL EQUITY MARKET RISKS

As an entity with listed ordinary shares on the ASX, the market price of NetComm Shares is influenced by a variety of general business cycles and economic and political factors in Australia, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government fiscal, monetary and regulatory policy in relevant jurisdictions and changes to accounting or financial reporting standards.

5.2.2 ECONOMIC CONDITIONS

Economic conditions, both domestic and global, may affect the performance of NetComm. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, insurance market conditions, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of NetComm and may result in material adverse impacts on the business and operating results of NetComm.

5.2.3 SHARE MARKET CONDITIONS

There are risks associated with an investment in financial products quoted on a stock exchange. Share price movements could affect the value of any investment in NetComm.

The performance of NetComm and the price at which NetComm Shares may trade on the ASX may be determined by a range of factors. These include movements in the local and international equity and bond markets and general investor sentiment in those markets, recommendations by brokers

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KEY RISK FACTORS

and analysts, inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, the announcement of new technologies and changes in the supply of and demand for relevant stocks. Certain of these factors could affect the trading price of NetComm Shares, regardless of operating performance.

5.2.4 LIQUIDITY AND REALISATION RISK

There may be few or many potential buyers or sellers of NetComm Shares on the ASX at any time. This may affect the volatility of the market price of NetComm Shares. It may also affect the prevailing market price at which shareholders are able to sell their NetComm Shares.

5.2.5 TAXATION RISKS

A change to the current taxation regime may affect NetComm and NetComm Shareholders. Personal tax liabilities are the responsibility of each individual investor in NetComm. NetComm is not responsible for taxation or penalties incurred by investors in NetComm.

5.3 RISKS TO NETCOMM IF THE SCHEME DOES NOT PROCEED

5.3.1 NETCOMM SHAREHOLDERS WILL NOT RECEIVE THE SCHEME CONSIDERATION

If the Scheme is not implemented, NetComm Shareholders will retain their NetComm Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, NetComm will continue to operate its business. In those circumstances, NetComm Shareholders will continue to be exposed to the risks and benefits of owning NetComm Shares.

5.3.2 TRANSACTION COSTS WILL BE INCURRED

If the Scheme is not implemented, NetComm's transaction costs of approximately \$1,200,000 will be borne by NetComm alone.

5.3.3 THIRD PARTY SUPPLIERS

NetComm's ability to provide services and products is highly dependent on securing components, modules, finished goods to sell, services, infrastructure and other equipment, as well as network-related and other significant support services from third party suppliers. The business of NetComm would be materially impacted if any of those suppliers were unwilling or unable to provide services as contracted or made a decision to supply services on unfavourable terms. If suppliers failed to supply the services, terminated the contracts connected with the supply of services (or allowed them to expire without renewing them) or changed terms to be less favourable than those currently offered, and NetComm was unable to arrange for the supply of replacement services from another supplier on similar terms, this change might materially impact the financial performance of NetComm.

5.3.4 COMPETITION

The industry in which NetComm operates is competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than currently available to NetComm. The market share of NetComm's competitors may increase or decrease as a result of various factors such as developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices NetComm is able to charge for its services and products, and or reduce the volume of products NetComm is able to sell, which would negatively impact the financial performance of NetComm and could materially affect NetComm's financial performance or cash flows.

5.3.5 RELIANCE ON KEY PERSONNEL

NetComm currently employs a number of key management personnel, and NetComm's future depends on retaining and attracting suitably qualified personnel. While it is not currently anticipated, one or any number of these key personnel may cease employment or engagement with NetComm.

KEY RISK FACTORS

The loss of any such key personnel could have the potential to have a detrimental impact on NetComm until the skills that are lost are adequately replaced. There is no guarantee that NetComm would be able to replace such personnel, and a failure to do so could materially affect NetComm's business, operating results and financial prospects.

5.3.6 INTELLECTUAL PROPERTY

NetComm's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. Intellectual property that is important to NetComm includes, but is not limited to, patents, designs, know-how, trademarks, domain names, its website, business names and logos. Such intellectual property may not be capable of being legally protected or actions taken to protect the intellectual property may not be adequate. It may be the subject of unauthorised disclosure or be unlawfully infringed (and NetComm may not be able to detect such unauthorised disclosure or unlawful infringement), or NetComm may incur substantial costs in asserting or defending its intellectual property rights and such actions may ultimately provide to be unfavourable or unsuccessful.

There is a risk that third parties may allege that NetComm's technology uses intellectual property derived by them or from their technology without their consent or permission. NetComm may be subject to claims which could result in disputes or litigation, which could result in liability for monetary damages, cause delays and increased costs, which could in turn have an adverse impact on the operations, reputation and financial performance of NetComm.

5.3.7 LITIGATION RISK

As with any company, NetComm is exposed to the risks of litigation which may have a material adverse effect on its financial position. This includes the risk that a third party may accuse NetComm of infringing the third party's intellectual property rights. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on financial performance.

As at the date of this Scheme Booklet, NetComm is not aware of any material contractual disputes or litigation matters in respect of NetComm, including with its customers or other third parties.

5.3.8 MAJOR SHAREHOLDER RISK

NetComm currently has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of NetComm Shares to decline.

5.3.9 REGULATORY RISKS

NetComm is subject to various laws and regulations. Amendments to current laws and regulations governing NetComm's operations, and in particular information, communication and technology laws and regulations, or more stringent implementation thereof could have a material adverse impact on NetComm and cause increases in expenses, capital expenditure or costs. Further, changes to relevant laws and regulations can give rise to periods of uncertainty which may negatively impact NetComm.

5.3.10 INSURANCE RISK

NetComm has insurance policies in place with policy specifications and insured amounts that NetComm considers appropriate for its business. Potential losses arising from events such as floods, terrorism or other similar catastrophic events, which may also include other force majeure events, may be either uninsurable or, in the judgement of NetComm, not insurable on a financially reasonable basis, or may not be insured at full replacement cost or may be subject to higher excesses/deductibles.

In the event that there are insufficient insurance arrangements in place in respect of a particular event, NetComm may be exposed to material losses that may impact its financial position or performance.

KEY RISK FACTORS

5.3.11 CASH FLOW RISK AND LIQUIDITY

NetComm's ability to service its debt and other obligations depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. NetComm's historical financial results have been, and it is anticipated that NetComm's future financial results will continue to be, subject to fluctuations. Cash flows can vary, NetComm's business will continue to be subject to fluctuations and NetComm's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations. Any inability to secure sufficient debt funding (including to refinance on acceptable terms) or to service its existing and new debt may have a material adverse effect on NetComm's financial performance and prospects.

5.3.12 TECHNOLOGY CHANGES

The information, communication and technology industries are constantly evolving with new technologies and products which could act as substitutes for the products and services offered by NetComm. In addition, the behaviours of consumers of those technologies and products are constantly evolving. There is no guarantee that NetComm can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in NetComm finding it increasingly difficult to compete in its chosen target segments. If there are new or improved products that are superior, or perceived by the market to be superior, to those of NetComm then this may adversely impact on NetComm's ability to compete in its chosen market segments. In addition, if there are changes in behaviours of consumers in the use of technologies and products (including continued increased customer demand for data and therefore bandwidth), and NetComm is not able to effectively keep up with such changes in behaviours of consumers, then it could result in NetComm finding it increasingly difficult to compete in its chosen target segments.

5.3.13 SUSTAINABILITY OF GROWTH

The continued strong growth in sales and profitability of NetComm is dependent on a number of factors, including NetComm's ability to win new customers on a profitable basis and to retain and grow revenues from existing customers. This organic growth is conditional on the continued performance of NetComm's various channels to market, the ongoing achievement of sales objectives by NetComm's sales teams and the provision of consistent high quality customer service.

From time to time NetComm may be asked to submit responses to competitive tender situations for new contracts that NetComm wishes to win, or for existing contracts that come up for renewal. There can be no guarantee that NetComm will be successful in winning such competitive tender situations, whether they are in relation to work which is already undertaken by NetComm or for work which is new to NetComm. The ability for NetComm to be competitive and win such tenders may have a material impact on the future financial performance of NetComm.

If any of these growth factors were negatively impacted and growth was impaired then the financial performance and reputation of NetComm's business would be negatively impacted.

5.3.14 RELIANCE ON KEY RELATIONSHIPS AND CUSTOMERS

NetComm's business relies on a number of business relationships and customers and is particularly reliant on its relationship with and revenue from a few key customers. While NetComm currently enjoys a strong relationship with these key customers, NetComm's financial performance may be impacted if these relationships were to deteriorate for any reason.

KEY RISK FACTORS

5.3.15 OTHER SPECIFIC RISKS

Other areas of risk faced by NetComm include:

- (a) cyber risk;
- (b) contractual risk, being the nature of the performance, payment terms and indemnity requirements in contracts with customers;
- (c) financial risks arising from fraud, regulatory breaches and bad debts; and
- (d) foreign exchange risks.

NetComm has in place what it considers are appropriate policies and procedures to help manage these risks, and NetComm continually updates and develops those policies. In addition, as a result of considering the Scheme, NetComm is exposed to risks associated with potential business distraction.

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6

**AUSTRALIAN TAX
IMPLICATIONS OF
THE SCHEME**

6.0 AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME

6.1 INTRODUCTION

The following is a general description of the Australian income tax, stamp duty and GST consequences of the Scheme (assuming it is implemented) for NetComm Shareholders who participate in the Scheme. It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian taxation law and administrative practice of the tax authorities in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a NetComm Shareholder. Taxation laws are complex and are subject to frequent change, as is their interpretation by the courts and the tax authorities. NetComm Shareholders should seek independent professional advice in relation to their own particular circumstances.

The comments set out below are relevant only to those NetComm Shareholders who hold their NetComm Shares on capital account. The description does not address the Australian tax consequences for NetComm Shareholders who:

- hold their NetComm Shares for the purposes of speculation or a business of dealing in securities (for example, shares held as a revenue asset or as trading stock);
- acquired their NetComm Shares pursuant to an employee share, option or rights plan;
- are under a legal disability;
- are temporary residents for Australian income tax purposes;
- are subject to special tax rules applicable to certain classes of entity, including partnerships, insurance companies, tax exempt entities or entities subject to the Investment Manager Regime under Subdivision 842-1 of the *Income Tax Assessment Act 1997* (Cth); or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their NetComm Shares.

This summary does not take into account the tax laws of countries other than Australia. NetComm Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

6.2 AUSTRALIAN RESIDENT SHAREHOLDERS

6.2.1 CAPITAL GAINS TAX (CGT)

Under the Scheme, NetComm Shareholders will dispose of their NetComm Shares to Casa. For NetComm Shareholders, this disposal will constitute a CGT event A1 (for Australian CGT purposes).

The time of the CGT event will be the Implementation Date.

6.2.2 CALCULATION OF CAPITAL GAIN OR CAPITAL LOSS

NetComm Shareholders should make a capital gain on the disposal of each NetComm Share to the extent that the capital proceeds from the disposal of each NetComm Share is more than its cost base at the date of disposal. Conversely, NetComm Shareholders should make a capital loss to the extent that the capital proceeds in respect of each NetComm Share is less than its reduced cost base at the date of disposal.

6.2.3 COST BASE

The cost base (or reduced cost base) of each NetComm Share should generally be the amount of money paid, or value of property given, to acquire the NetComm share and certain incidental costs acquisition and ownership.

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AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME

6.2.4 CAPITAL PROCEEDS

The capital proceeds received in respect of the disposal of each NetComm Share should be the Scheme Consideration, being \$1.10 cash per NetComm Share.

6.2.5 CGT DISCOUNT

Individuals, complying superannuation funds or trustees that have held NetComm Shares for at least 12 months prior to the Implementation Date may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of NetComm Shares by 50% in the case of individuals and trustees or by 33.3% for complying superannuation entities. For trustees, the ultimate availability of the discount for beneficiaries of the trusts will depend on the particular circumstances of the beneficiaries.

Companies that hold NetComm Shares are not eligible for the CGT discount.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

As the Scheme Consideration will be provided in cash only, no CGT roll-over will generally be available.

6.3 NON-RESIDENT SHAREHOLDERS

A NetComm Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their NetComm Shares in carrying on a business through a permanent establishment in Australia,

should be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their NetComm Shares. This is on the basis that the NetComm Shares should not constitute Taxable Australian Property, as defined for Australian income tax purposes, at the Implementation Date.

A non-resident individual NetComm Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the NetComm Shares as set out in section 6.2.

6.4 GOODS AND SERVICES TAX (GST)

NetComm Shareholders should not be liable to GST in respect of a disposal of those NetComm Shares.

NetComm Shareholders may be charged GST on any costs relating to their participation in the Scheme (such as adviser fees). NetComm Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

6.5 STAMP DUTY

No stamp duty should be payable by NetComm Shareholders in relation to the disposal of NetComm Shares to Casa under the Scheme.

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**ADDITIONAL
INFORMATION**

7.0 ADDITIONAL INFORMATION

7.1 INTERESTS OF NETCOMM DIRECTORS AND NETCOMM KEY MANAGEMENT PERSONNEL

Except as stated in this Section 7:

- there are no marketable securities of NetComm held by or on behalf of NetComm Directors as at the date of this Scheme Booklet;
- no NetComm Director holds, or has any interest in, marketable securities in Casa or any member of the Casa Group;
- there has been no dealing with any NetComm Director in any marketable securities of NetComm or Casa or other member of the NetComm Group or the Casa Group since 30 April 2019, the last practicable trading day prior to the date of this Scheme Booklet.

7.1.1 NETCOMM DIRECTORS' INTERESTS IN NETCOMM SECURITIES

As at the date of this Scheme Booklet, each NetComm Director has a Relevant Interest in the following number of NetComm securities:

Director/ entity	Number of Ordinary Securities	Percentage of outstanding NetComm Shares calculated on a non-diluted basis	Share Appreciation Rights
Justin Milne	756,651	0.52%	–
Stuart Black AM	220,000	0.15%	–
David Spence	85,000	0.06%	–
David Stewart	18,000,000	12.30%	–
Jacqueline Korhonen	26,463	0.02%	–
Ken Sheridan	680,000	0.46%	400,000 ¹

NetComm Directors who hold NetComm Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration on the same terms as all other NetComm Shareholders.

Each NetComm Director intends to vote any NetComm Shares held by or controlled by them as at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal.

7.1.2 INTERESTS IN CASA SECURITIES

No NetComm Director has a Relevant Interest in any securities in Casa or any other member of the Casa Group.

7.1.3 PAYMENTS OR OTHER BENEFITS OF NETCOMM DIRECTORS, SECRETARIES OR EXECUTIVE OFFICERS OF NETCOMM

Except as set out below or otherwise disclosed in this Scheme Booklet:

- There is no payment or other benefit that is proposed to be made or given to any NetComm Director, secretary or executive officer of NetComm (or any of its Related Bodies Corporate) as

¹ On 22 February 2019, NetComm announced on the ASX that Ken Sheridan had resigned from his position as CEO and will remain as an Executive Director of NetComm. The Company and Mr Sheridan have agreed that all SARs held by Mr Sheridan will lapse, even if the Scheme does not become Effective, by no later than 30 September 2019.

ADDITIONAL INFORMATION

compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in NetComm (or any of its Related Bodies Corporate) as a consequence of or in connection with the Scheme and no NetComm Director, or secretary or executive officer of NetComm (or any of its Related Bodies Corporate) has had or is to have the amount of any payment or benefit which may have been made to them upon their loss of office or retirement from office, materially affected by the Scheme. Mr Sheridan, on his resignation, did not receive any benefit in connection with his retirement for the purposes of Division 2 of Part 2D.2 of the Corporations Act

- The NetComm Directors do not have any other interests in a contract entered into by Casa or any other member of the Casa Group.
- There are no contracts or arrangements between a NetComm Director and any person in connection with or conditional upon the outcome of the Scheme.
- The NetComm Directors do not have a material interest in relation to the Scheme.

7.1.4 NETCOMM KEY MANAGEMENT PERSONNEL INTERESTS IN NETCOMM SHARES AND UNLISTED SECURITIES AND RIGHTS

As at the date of this Scheme Booklet, the following key management personnel hold the following number of NetComm shares and unlisted securities and rights:

Name / entity	Number of Ordinary Securities	Share Appreciation Rights	Base Price for Share Appreciation Rights
Steve Collins (including by his relatives)	144,685	200,000	\$1.76
		200,000	\$1.12
Christopher Last	10,800	200,000	\$1.76
		200,000	\$1.12
Michael Cornelius	1,606,170	100,000	\$1.76
		100,000	\$1.12
Adrian Macarthur-King	49,450	50,000	\$2.68
Gillian Davie	25,000	200,000	\$1.17
		200,000	\$1.12
Timo Brouwer	-	200,000	\$1.76
		200,000	\$1.12

SARs are issued under the NetComm LTIP. SARs vest after 3 years, subject to certain conditions (such as the employee remaining employed by NetComm at the vesting date) being met. Employees may exercise any number of vested SARs on any date during a 12 month exercise period, commencing on the vesting date. The NetComm Board has discretion as to whether the employee will receive NetComm Shares or cash (or a combination of both) upon a valid exercise. The employee will have validly exercised the SAR if the market price of NetComm Shares on the exercise date exceeds the base price of a NetComm Share (set out in the employee's SAR offer letter). In relation to all SARs issued to NetComm employees, it is unlikely that the market price of a NetComm Share will exceed the base price of a NetComm Share for the purpose of the SARs, prior to the implementation of the Scheme.

It is a Condition of the Scheme that no SARs have vested on or prior to 8.00 am on the Second Court Date.

ADDITIONAL INFORMATION

7.2 INDEPENDENT EXPERT

The Independent Expert has prepared the Independent Expert's Report at Attachment 1 of this Scheme Booklet advising as to whether, in its opinion, the Scheme is in the best interests of NetComm Shareholders.

The Independent Expert has concluded that the Scheme is "fair and reasonable", and in the best interests of NetComm Shareholders, in the absence of a Superior Proposal".

7.3 CONSENTS AND DISCLAIMERS

Each person named in this Section 7.3 as having given its consent to the inclusion of a statement or being named in this Scheme Booklet:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than those statements which have been included in this Scheme Booklet with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to their name and any statements (including any report) which have been included in this Scheme Booklet with the consent of that person.

7.3.1 INDEPENDENT EXPERT

Longergan Edwards & Associates Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- (a) be named as the Independent Expert in the form and context in which it is named;
- (b) the inclusion of the Independent Expert's Report as Attachment 1; and
- (c) the inclusion in this Scheme Booklet of statements made by the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

7.3.2 CASA

Casa has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- (a) be named in this Scheme Booklet in the form and context in which it is named; and
- (b) the inclusion in this Scheme Booklet of the Casa Information in the form and context in which it appears.

7.3.3 OTHER PERSONS

Maddocks has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as NetComm's legal adviser in the form and context in which it is named.

Luminis Partners Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as NetComm's financial adviser in the form and context in which it is named.

Link Market Services Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as NetComm's Share Registry in Australia in the form and context in which it is named.

7.4 FEES

If the Scheme is implemented, the costs incurred by NetComm in relation to the Scheme will effectively be met by Casa as the ultimate controller of NetComm following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, NetComm expects to incur total costs of approximately \$1,200,000.

ADDITIONAL INFORMATION

7.5 FOREIGN JURISDICTIONS

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. NetComm disclaims all liabilities to such persons. Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

7.6 KEY TERMS OF THE SCHEME IMPLEMENTATION DEED

NetComm and Casa entered into the Scheme Implementation Deed on 22 February 2019. The Scheme Implementation Deed sets out the obligations of NetComm and Casa in connection with the implementation of the Scheme.

A full copy of the Scheme Implementation Deed is attached to NetComm's ASX announcement on 22 February 2019 which is available from the ASX's website at <http://www.asx.com.au>.

The following is a summary only and is qualified in its entirety by the full text of the Scheme Implementation Deed. All capitalised terms used in this Section have the meaning given to them in Section 8, unless otherwise indicated.

7.6.1 CONDITIONS

The Scheme Implementation Deed is subject to a number of Conditions which are summarised in Section 1.4 and set out in full in clause 3 of the Scheme Implementation Deed.

As far as NetComm is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which will cause any of the Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is the Delivery Time.

7.6.2 CONDUCT OF BUSINESS

- (a) Subject to certain exceptions, up to and including either the Implementation Date or the date the Scheme Implementation Deed is terminated in accordance with its terms, NetComm must, and must procure that each other member of the NetComm Group conducts its business 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 its business and operations were conducted prior to the date of the Scheme Implementation Deed.
- (b) In addition, NetComm must ensure that no member of the NetComm Group:
 - (i) disposes of assets or enters into commitments above certain threshold levels set out in the Scheme Implementation Deed;
 - (ii) acquires assets above certain threshold levels set out in the Scheme Implementation Deed, other than in respect of inventory in the ordinary course of business;
 - (iii) incurs any indebtedness other than short term borrowings under existing credit facilities, subject to the requirement described in paragraph 7.6.2(c);
 - (iv) undertakes any capital expenditure, except capital expenditure budgeted for prior to the date of the Scheme Implementation Deed; or
 - (v) employs any senior employee or executive or terminate the employment of any senior employee or executive.
- (c) Finally, NetComm must carry on its business to ensure that net cash in the NetComm Group as at 30 June 2019 is not less than the Agreed Cash Balance.

ADDITIONAL INFORMATION

7.6.3 EXCLUSIVITY

(a) No Shop

During the Exclusivity Period, NetComm must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal, or communicate any intention to do any of these things.

(b) No Talk

Subject to the 'Fiduciary out' clause (described below), during the Exclusivity Period, NetComm must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (i) negotiate or enter into or participate in negotiations or discussions with any person; or
- (ii) communicate any intention to do any of these things,

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that Competing Proposal was not directly or indirectly solicited, encouraged or initiated by NetComm or any of its Related Bodies Corporate, or a person has publicly announced the Competing Proposal.

(c) Fiduciary out

The 'No Talk' restrictions do not apply to the extent they restrict NetComm or any NetComm Director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of the 'No Talk' provisions) provided that the NetComm Board has determined in good faith after:

- (i) consultation with NetComm's financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
- (ii) receiving written advice from NetComm's external Australian legal adviser practising in the area of corporate law, that failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would constitute or would be likely to constitute a breach of the fiduciary or statutory obligations of the NetComm Board.

7.6.4 NOTIFICATION OF APPROACHES

During the Exclusivity Period, NetComm must notify Casa in writing of any direct or indirect approach, inquiry or proposal made by any person to NetComm, any of its Related Bodies Corporate or any of their respective Authorised Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal.

7.6.5 CASA MATCHING RIGHT

If NetComm receives a Competing Proposal and as a result, any NetComm Director proposes to either:

- (a) change, withdraw or modify his or her recommendation of the Scheme; or
- (b) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal,

NetComm:

- (c) must use its reasonable endeavours to procure that none of its directors take any action referred to in paragraphs (a) and (b) above; or
- (d) must ensure that NetComm, any NetComm Director or any Authorised Person does not enter into any legally binding agreement, arrangement or understanding (whether legally binding or otherwise) with respect to a Competing Proposal,

until a procedure is followed that grants Casa the opportunity to submit a Counter Proposal within four full Business Days.

ADDITIONAL INFORMATION

If the NetComm Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to NetComm and the NetComm Shareholders than the Competing Proposal, then NetComm and Casa must use their best endeavours to agree the amendments to the Scheme Implementation Deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and NetComm must use its best endeavours to procure that the NetComm Directors recommend the Counter Proposal to the Shareholders and not recommend the applicable Competing Proposal.

7.6.6 REPRESENTATIONS AND WARRANTIES

The Scheme Implementation Deed contains customary and other representations and warranties by each of NetComm and Casa.

7.6.7 NETCOMM BREAK FEE

NetComm must pay Casa \$1,609,629 within 5 Business Days of receipt by NetComm of a demand for payment if:

- (a) **(withdrawal or modification of recommendation):** any NetComm Director:
 - (i) fails to support or recommend the Scheme;
 - (ii) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme,
 - (iii) makes any public statement that the Scheme is not, or is no longer, recommended or supported by them; or
 - (iv) makes any public statement to the effect that they recommend a Competing Proposal,
- (b) **(Competing Proposal):** a Competing Proposal is made or announced prior to the Second Court Date and within 12 months of the date of such announcement, a third party or an Associate or that third party:
 - (iii) completes a Superior Proposal; or
 - (iv) acquires a Relevant Interest in at least 50% of the Shares, or otherwise comes to control or acquires or obtains an economic interest in all, or a substantial part of, the business, assets or undertakings of the NetComm Group;
- (c) **(termination due to material breach):** Casa terminates the Scheme Implementation Deed under certain provisions of the Scheme Implementation Deed.

7.6.8 CASA BREAK FEE

Casa must pay NetComm \$1,609,629 within 5 Business Days of receipt by Casa of a demand for payment if the Scheme Implementation Deed is terminated because FIRB Approval is not obtained.

7.6.9 TERMINATION BY NETCOMM

The Scheme Implementation Deed may only be terminated by NetComm in the circumstances contemplated below, or if the parties otherwise agree in writing.

NetComm may terminate the Scheme Implementation Deed if:

- (a) such number of NetComm Directors as constitutes a majority of the NetComm Board:
 - (i) change, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
 - (ii) make any public statement that the Scheme is not, or is no longer, supported or recommended by them; or
 - (iii) make any public statement to the effect that they recommend a Competing Proposal, provided that
 - (iv) the action is permitted by clause 10.1.4 of the Scheme Implementation Deed due to the Independent Expert concluding that the Scheme is not in the best interests of Shareholders or a Superior Proposal arises; and

ADDITIONAL INFORMATION

- (v) if Casa is entitled or will become entitled to the Break Fee as a result of that action, that Break Fee has been paid to Casa; or
- (b) Casa is in material breach of the Scheme Implementation Deed, which has not been remedied.

7.6.10 TERMINATION BY CASA

The Scheme Implementation Deed may only be terminated by Casa in the circumstances contemplated below, or if the parties otherwise agree in writing.

Casa may terminate the Scheme Implementation Deed if:

- (a) NetComm is in material breach of the Scheme Implementation Deed, which has not been remedied;
- (b) any NetComm Director or the NetComm Board:
 - (i) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
 - (ii) makes any public statement that the Scheme is not, or is no longer, supported or recommended by them; or
 - (iii) makes any public statement that they recommend a Competing Proposal; or
- (c) where a Condition is not satisfied and the parties are unable to reach an agreement within 5 Business Days.

7.6.11 TERMINATION BECAUSE CONDITIONS ARE NOT SATISFIED

The Scheme Implementation Deed will terminate if the Conditions are not satisfied or waived by 30 September 2019 (or such later date as agreed by NetComm and Casa).

7.7 REGULATORY APPROVALS

All regulatory approvals that are Conditions to the Scheme are set out in clause 3.1 of the Scheme Implementation Deed.

7.8 ASIC RELIEF

Pursuant to rule 5.1.0.1(b) and clause 8302(h) of Schedule 8 of the Corporations Regulations 2001, the explanatory statement is required for a Scheme to set out whether, within the knowledge of the directors of NetComm, the financial position of NetComm has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with section 314 or 317 of the Corporations Act, as well as the full particulars of the changes.

ASIC has granted NetComm relief from this requirement so that this Scheme Booklet only need set out, within the knowledge of the NetComm Directors, that the financial position of NetComm has not materially changed since 31 December 2018 (being the last date of the period to which the financial statements for the half-year ended 31 December 2018 relate).

7.9 DEED POLL

Casa has entered into the Deed Poll in favour of the NetComm Shareholders under which Casa has undertaken to pay the Scheme Consideration if the Scheme becomes Effective.

The Deed Poll may be relied upon by any NetComm Shareholder despite the fact that they are not a party to it and each NetComm Shareholder appoints NetComm as its agent to enforce their rights under the Deed Poll against Casa.

The Deed Poll is at Attachment 2 to this Scheme Booklet.

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ADDITIONAL INFORMATION

7.10 OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION IN RELATION TO THE SCHEME

Except as set out in this Scheme Booklet, so far as the NetComm Directors are aware, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any NetComm Director or any director of a related entity of NetComm which has not been previously disclosed to NetComm Shareholders.

7.11 SUPPLEMENTARY INFORMATION

NetComm will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; and/or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, NetComm may circulate and publish any supplementary document including by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on NetComm's website and the ASX; and
- making a public announcement by way of press release.

ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by NetComm.

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GLOSSARY

The following is a glossary of certain terms used in this Scheme Booklet.

\$, A\$ or AUD\$	means the lawful currency for the time being of Australia.
AEST	means Australian Eastern Standard Time.
Agreed Cash Balance	means the amount agreed in writing between the parties on or about the date of the Scheme Implementation Deed.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Authorised Person	means, in respect of a person: (a) a director, officer, partner, member or employee of the person; (b) an adviser of the person; and (c) a director, officer or employee of an adviser of the person.
Business Day	means a weekday on which trading banks are open for business in Sydney, Australia provided that on that day banks are open for business in Andover, United States of America.
Casa	means Casa Systems, Inc. and where appropriate, includes Casa Communications.
Casa Board	means the board of directors of Casa.
Casa Break Fee	means \$1,609,629.
Casa Communications	means Casa Communications Holdings Pty Ltd ACN 632 732 659.
Casa Group	means Casa and each of its Related Bodies Corporate and a reference to 'a member of the Casa Group' is to Casa and/or any of its Related Bodies Corporate.
Casa Group Member	means any member of the Casa Group.
Casa Information	means the information contained in Section 4 and under the heading "Casa Information" commencing on page 30 of this Scheme Booklet.
Casa Warranties	means each warranty of Casa set out in Schedule 2 of the Scheme Implementation Deed.
CHES	means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited.

GLOSSARY

Competing Proposal	means any expression of interest, proposal, offer, 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 the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms would result in one or more Third Parties: <ul style="list-style-type: none">(a) directly or indirectly acquiring an interest in, a Relevant Interest in or becoming the holder of, 19.9% or more of the shares in any NetComm Group Member;(b) acquiring control of NetComm;(c) 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 NetComm Group; or(d) otherwise directly or indirectly acquiring, or merging with, NetComm,
Conditions	means the conditions precedent to the Scheme contained in clause 3.1 of the Scheme Implementation Deed.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Counter Proposal	has the meaning set out in clause 14.6.3 of the Scheme Implementation Deed.
Court	means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between NetComm and Casa.
Deed Poll	means the deed poll to be executed by Casa in favour of the Scheme Participants prior to the First Court Date substantially in the form of Attachment 2 (or in such other form as Casa and NetComm may agree in writing, such agreement not to be unreasonably withheld or delayed).
Delivery Time	means 8:00am on the Second Court Date.
Due Diligence Material	means: <ul style="list-style-type: none">(a) all documents and written information disclosed by, or on behalf of, NetComm and its subsidiaries (including management presentations and all written responses provided in response to written questions or requests for information) to Casa or any of its respective Authorised Persons prior to the date of the Scheme Implementation Deed for the purposes of the Scheme; and(b) all documents and information disclosed by, or on behalf of, any NetComm Group Member (including management presentations and all written responses provided in response to written questions or requests for information) contained in the Project Orion online data room maintained by Intralinks, the index for which materials have been initialled for identification by NetComm's solicitors on behalf of NetComm and by Casa's solicitors on behalf of Casa on or prior to the date of the Scheme Implementation Deed.
Effective	means 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.
Exclusivity Period	means the period on and from the date of the Scheme Implementation Deed to the earlier of:

GLOSSARY

	<ul style="list-style-type: none"> (a) the date of termination of the Scheme Implementation Deed; (b) the End Date (defined the Scheme Implementation Deed as 30 September 2019, or such later date as agreed between NetComm and Casa); and (c) the Effective Date in the Scheme Implementation Deed.
Fairly Disclosed	means an event, matter or circumstance which has been disclosed to Casa or any of its representatives in sufficient detail so as to enable a reasonable buyer experienced in transactions similar to the Scheme to identify the nature, substance and scope of the relevant event, matter or circumstance on the NetComm Group.
FATA	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
FIRB	means the Foreign Investment Review Board.
FIRB Approval	the Treasurer (or his delegate) providing written notice under the FATA stating that, in terms of Australia's foreign investment policy, the Australian Government does not object to Casa acquiring the Scheme Shares pursuant to the Scheme either unconditionally or on terms that are acceptable to Casa.
First Court Date	means the first day of hearing of an application made to the Court by NetComm for orders, 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.
GST	means a goods and services tax or similar value added tax levied or imposed under the GST Law.
GST Law	has the meaning given to it in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	<p>means the date which is 5 Business Days after the Record Date or such other date as NetComm and Casa agree in writing, provided that if such date falls on:</p> <ul style="list-style-type: none"> (a) a Monday; (b) a day that is a public holiday in the United States of America and on which commercial banks are closed in the United States of America (such day, a 'U.S. Holiday'); or (c) the day after a U.S. Holiday, <p>the 'Implementation Date' shall be the next Business Day on which none of (a), (b) or (c) apply. It is understood that the reference to a 'day' in the United States of America shall refer to the day immediately preceding the applicable day in Australia.</p>
Independent Expert	means Lonergan Edwards & Associates Limited.
Independent Expert's Report	means the report from the Independent Expert in respect of the Scheme, a copy of which is set out in Attachment 1.
Insolvency Event	<p>means, in relation to a person, any of the following:</p> <ul style="list-style-type: none"> (a) the person resolves that it be wound up or the making of an application or order for the winding up or dissolution of the person, other than where the application or order (as the case may be) is set aside within 14 days; (b) the person ceases to be able to pay its debts as and when they fall due; (c) the person enters into an arrangement, compromise or composition with, or assignment for the benefit of, its creditors or a class of them; (d) a receiver, receiver and manager, administrator, controller, provisional liquidator or liquidator is appointed to the person or the person enters into a scheme of arrangement with its creditors or is wound up; (e) court making an order for the winding up of the person;

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- (f) the person ceases, or threatens to cease, to carry on a substantial part of the business which is material to it as at the date of the Scheme Implementation Deed;
- (g) the person executes a deed of company arrangement;
- (h) the holder of a Security Interest takes any step towards taking possession of or takes possession of any assets of the person or exercises any power of sale; or
- (i) any event that is analogous or has a substantially similar effect to any of the events specified in this definition in any jurisdiction.

Listing Rules

means the official listing rules of ASX or NASDAQ (as appropriate) and as amended, waived or modified from time to time.

Material Adverse Change

means any event, occurrence, circumstance, change, matter, condition or thing which, individually or when aggregated with other such events, occurrences, circumstances, changes, matters, conditions or things, has had or would be reasonably likely to have the effect of reducing:

- (a) the consolidated net assets of the NetComm Group by at least 10% as compared to the consolidated net assets of the NetComm Group as at 31 December 2018; or
- (b) the NetComm Group's projected consolidated revenue for the financial year ended 30 June 2019 (agreed between Casa and NetComm prior to the date of this Deed) by at least 15%,

provided that any events which (i) have occurred after the date of the Scheme Implementation Deed but prior to the Delivery Time, (ii) have a positive effect on the consolidated net assets or revenue of the NetComm Group, and (iii) are the result of actions undertaken by the NetComm Group in good faith and in the ordinary course of business (and, for the avoidance of doubt, not for the sole or predominant purpose of off-setting (in whole or in part) the impact of any other event that may cause or contribute to a Material Adverse Change), are taken into account in calculating whether a threshold in paragraph (a) or (b) has been reached, and in each case other than an event, occurrence, circumstance, change, matter, condition or thing:

- (c) to the extent that it was Fairly Disclosed in:
 - (i) the Due Diligence Material; or
 - (ii) any announcement to the ASX made by NetComm prior to the date of the Scheme Implementation Deed;
- (d) expressly required or permitted to be undertaken or procured by the NetComm Group pursuant to the Transaction Documents;
- (e) within the actual knowledge, as at the date of this Deed, of any director, secretary or senior officer of Casa or a member of the Casa Group who has been involved in the assessment and/or negotiation of the transaction before the date of the Scheme Implementation Deed (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (f) relating to the costs and expenses incurred by the NetComm Group associated with the Scheme including all fees payable to external advisers of NetComm and the funding of the same, to the extent such amounts are Fairly Disclosed in the Due Diligence Material;

GLOSSARY

- (g) comprising or resulting from any change or disruption to, or fluctuation in, general economic, business or political conditions, including any change 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, but in each case excluding any such change, disruption or fluctuation having an adverse effect on the NetComm Group, taken as a whole, that is materially disproportionate as compared to the adverse effect of the relevant change, disruption or fluctuation on other participants in the industries in which the NetComm Group operates; or
- (h) acknowledged or consented to in writing by Casa, including any consequences of such event, occurrence, change, matter, thing or condition.

NASDAQ	means the NASDAQ Global Select Market
NetComm	means NetComm Wireless Limited ACN 002 490 486
NetComm Board	means the board of the NetComm Directors.
NetComm Break Fee	means \$1,609,629.
NetComm Director	means a director of NetComm.
NetComm Group	means NetComm and its Subsidiaries.
NetComm Group Member	means any member of the NetComm Group.
NetComm Information	means all written information to be included in the Scheme Booklet, and any updates to that information, which has been prepared by or on behalf of NetComm in accordance with clause 7.1.14 of the Scheme Implementation Deed, other than the Casa Information and any information solely derived from, or prepared solely in reliance on, the Casa Information.
NetComm LTIP	means NetComm's Long Term Incentive Plan approved on 18 November 2015 by ordinary resolution of the Shareholders.
NetComm Prescribed Occurrence	means the occurrence of any of the following events: <ul style="list-style-type: none"> (a) NetComm converts all or any of its securities into a larger or smaller number of securities; (b) NetComm or another NetComm Group Member (other than a wholly-owned subsidiary of NetComm) 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) NetComm or another NetComm Group Member (other than a wholly-owned subsidiary of NetComm): <ul style="list-style-type: none"> (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 NetComm Group Member issues securities, 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 from any NetComm Group Member to any other NetComm Group Member); (e) any NetComm Group Member issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities other than from any NetComm Group Member to any other NetComm Group Member; (f) any NetComm Group Member disposes of the whole, or a substantial part, of its business and property;

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GLOSSARY

- (g) any NetComm Group Member creates, or agrees to create, any Security Interest over, or declares itself the trustee of, the whole or any substantial part of its business or property securing an indebtedness or performance of an obligation;
- (h) an Insolvency Event occurs in relation to any NetComm Group Member;
- (i) NetComm or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (j) any NetComm Group Member:
- (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 (including any SARs); or
 - (iii) pays or gives, or agrees to pay or give, a director or executive a termination payment or benefit (including a 'golden parachute') or a payment or benefit upon, or in connection with, a change of control, or any other kind of bonus, compensation or benefit,
- other than:
- (iv) increase of base salary in the ordinary course as part of annual remuneration reviews consistent with past practices;
 - (v) as provided for in NetComm's redundancy policy or an existing employment or services agreement;
 - (vi) any issue or vesting of SARs except as permitted by the Scheme Implementation Deed;
 - (vii) the payment of cash incentives or bonuses to existing executives of the NetComm Group in accordance with the terms of the incentive arrangements as at the date of this Deed or as permitted under the terms of this Deed; or
 - (viii) as required by law; or
- (k) any NetComm Group Member enters into, or resolves to enter into, a transaction with any related party of NetComm (other than a related party that is a NetComm Group Member), as defined in section 228 of the Corporations Act,
- other than an event:
- (l) required by law or Authority;
 - (m) expressly permitted or required to be undertaken or procured by the NetComm Group pursuant to the Transaction Documents;
 - (n) to which Casa has provided its prior written consent;
 - (o) Fairly Disclosed in the Due Diligence Material; or
 - (p) Fairly Disclosed in any announcement to the ASX made by NetComm in the six months prior to the date of this Deed.

NetComm Share means a fully paid ordinary share issued in the capital of NetComm.

NetComm Shareholder means each person who is registered in the Register as the holder of NetComm Shares.

NetComm Warranty means each warranty of NetComm set out in Schedule 1 to the Scheme Implementation Deed.

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GLOSSARY

Notice of Scheme Meeting	means the notice of meeting relating to the Scheme Meeting, in the form of Attachment 4 to this Scheme Booklet.
Proxy Form	means the proxy form for the Scheme Meeting, in the form of Attachment 5 to this Scheme Booklet.
Record Date	means 7:00 pm on the third Business Day following the Effective Date or such other date after the Effective Date as Casa and NetComm agree in writing.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term by sections 608 and 609 of the Corporations Act.
Register	means the register of NetComm Shares kept by or on behalf of NetComm.
Scheme	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between NetComm and the Shareholders, in the form of Attachment 3, together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by NetComm and Casa.
Scheme Consideration	means the consideration to be provided to Scheme Participants under the terms of the Scheme for the transfer of their Scheme Shares to Casa.
Scheme Implementation Deed	means the Scheme Implementation Deed entered into between NetComm and Casa on 22 February 2019. A summary is set out in 7.6 and a full copy is attached a to NetComm's ASX announcement on 22 February 2019 and available on the ASX website https://www.asx.com.au/ .
Scheme Meeting	means the meeting or meetings of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act currently scheduled to occur on 7 June 2019.
Scheme Participants	means a NetComm Shareholder on the Record Date.
Scheme Resolution	means the resolution to be put to Shareholders to approve the Scheme.
Scheme Shares	means all Shares held by Shareholders as at the Record Date.
Second Court Date	means the first day of hearing of an application made to the Court by NetComm for orders 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	means: <ul style="list-style-type: none"> (a) any mortgage, pledge, lien, charge or other preferential right, trust arrangement, agreement or arrangement of any kind given or created by way of security, including a security interest (as defined in the <i>Personal Property Securities Act 2009</i>); (b) a 'security interest' as defined in section 12 of the <i>Personal Property Securities Act 2009</i> (Cth); or (c) any agreement to create or grant any arrangement described in paragraph (a) or (b).
Share Appreciation Right or SARs	has the meaning given in the NetComm LTIP.
Share Registry	means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.

GLOSSARY

Superior Proposal	means a bona fide written Competing Proposal that the NetComm Board determines, acting reasonably and in good faith and after receiving written advice from its financial and legal advisers, would, if the Competing Proposal is completed substantially in accordance with its terms, be more favourable to Shareholders (as a whole) than the Scheme, taking into account all aspects of the Competing Proposal, including but not limited to: <ul style="list-style-type: none">(a) the value and type of the consideration payable to Shareholders under the Competing Proposal and the tax consequences related to payment of that consideration (as compared to the consideration available under the Scheme);(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.
Takeovers Panel	means the panel established by Part 10 of the <i>Australian Securities and Investment Commission Act 2001</i> (Cth).
Transaction Document	means each of: <ul style="list-style-type: none">(a) the Scheme Implementation Deed;(b) the Scheme;(c) the Deed Poll; and(d) any other document which Casa and NetComm agree is necessary or desirable to be entered into for the purposes of the Scheme.
VWAP	means the volume weighted average price.

ATTACHMENT 1

INDEPENDENT EXPERT'S REPORT

The Directors
NetComm Wireless Limited
18-20 Orion Road
Lane Cove
Sydney NSW 2066

LONERGAN EDWARDS
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1 May 2019

Subject: Proposed acquisition by way of Scheme

Dear Directors,

INTRODUCTION

- 1 On 22 February 2019, NetComm Wireless Limited (NetComm or the Company) announced that it and Casa Systems, Inc. (Casa Systems) had entered into a Scheme Implementation Deed (the Agreement) under which Casa Systems would acquire 100% of the issued shares in NetComm for an offer consideration of \$1.10 cash per share.
- 2 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between NetComm and its shareholders (the Scheme) and is subject to a number of conditions customary for transactions of this type, including approval from the Australian Foreign Investment Review Board (FIRB), Court approval and approval by the shareholders of NetComm¹.
- 3 If the Scheme becomes legally effective, NetComm shareholders will receive \$1.10 for each NetComm share they hold on the Scheme Record Date (Scheme Consideration), and NetComm will become a wholly owned subsidiary of Casa Systems.
- 4 The Scheme Consideration values NetComm's issued shares at approximately \$161 million.
- 5 NetComm will request that the Court convene a meeting of NetComm shareholders. Under the *Corporations Act 2001* (Cth) (Corporations Act), the Scheme is approved by NetComm shareholders if a resolution in favour of the Scheme is passed by a majority in number of the NetComm shareholders present and voting at the Scheme meeting (in person or by proxy), and by 75% of the votes cast on the resolution. If this occurs a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all NetComm shareholders who hold NetComm shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

NETCOMM

- 6 NetComm is a leading provider of fixed wireless broadband, fibre and cable to the distribution point (FTTdp / CTTdp) and machine-to-machine (M2M) technologies to telecommunication carriers, core network providers, system integrators, and government and enterprise customers. The Company also designs and manufactures residential broadband internet devices. NetComm is headquartered in Sydney and operates across Australia, New Zealand (NZ), the United States of America (US), Canada, the United Kingdom (UK) and Europe.

CASA SYSTEMS

- 7 Casa Systems delivers solutions for fixed and mobile 5G ultra-broadband networks that enable mobile, cable and fixed network service providers to meet the growing demand for gigabit bandwidth and broadband services. Casa Systems serves more than 450 Tier 1 and regional service providers worldwide, and its

¹ Further information on the Scheme conditions precedent is set out in Section I and the Scheme Booklet.

solutions are deployed in over 70 countries. Casa Systems shares are listed on NASDAQ and had a market capitalisation of approximately US\$990 million at the date of the Scheme announcement.

PURPOSE OF REPORT

- 8 The Scheme is subject to a number of conditions precedent, including an independent expert concluding that the Scheme is in the best interests of NetComm shareholders. In addition, the Directors' recommendation of the Scheme is subject to an independent expert concluding and continuing to conclude that the Scheme is in the best interests of NetComm shareholders, and there being no superior proposal.
- 9 Accordingly, the Directors of NetComm have requested Lonergan Edwards & Associates Limited (LEA) prepare an independent expert's report (IER) stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of NetComm shareholders and the reasons for that opinion. LEA is independent of NetComm and Casa Systems and has no other involvement or interest in the proposed Scheme.

SUMMARY OF OPINION

- 10 In our opinion, the Scheme is fair and reasonable and in the best interests of NetComm shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of NetComm

- 11 We have assessed the value of NetComm shares on a 100% controlling interest basis at \$0.85 to \$1.08 per share. Whilst we have considered a number of valuation methodologies, in forming our view on value we have had primary regard to the value under a revenue multiple approach and share market trading prior to the announcement of the Scheme, adjusted for a takeover premium.

Fair and reasonable opinion

POSITION OF NETCOMM SHAREHOLDERS			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Scheme Consideration	1.10	1.10	1.10
Value of 100% of NetComm	0.85	1.08	0.97
Extent to which the Scheme Consideration exceeds the value of NetComm	0.25	0.02	0.13

- 12 Pursuant to the Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – Content of expert reports (RG 111) a scheme is “fair” if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme. This comparison for NetComm shares is shown below:
- 13 As the Scheme Consideration slightly exceeds the top end of our assessed valuation range for NetComm shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to NetComm shareholders when assessed based on the guidelines set out in RG 111.
- 14 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is “fair and reasonable” it must also be “in the best interests” of shareholders.
- 15 Consequently, in our opinion, the Scheme is also “reasonable” and “in the best interests” of NetComm shareholders in the absence of a superior proposal.

ASSESSMENT OF THE SCHEME

- 16 We summarise below the likely advantages and disadvantages of the Scheme for NetComm shareholders.

Advantages

- 17 In our opinion, the Scheme has the following benefits for NetComm shareholders:
- the Scheme Consideration of \$1.10 cash per share slightly exceeds the top end of our assessed value range for NetComm shares on a 100% controlling interest basis. Thus, in our view, NetComm shareholders are being paid an appropriate price to compensate them for the fact that control of NetComm will pass to Casa Systems if the Scheme is approved
 - the Scheme Consideration represents:

ATTACHMENT 1

- (i) a 41.0% premium above the volume weighted average market price (VWAP) of NetComm shares in the period from 27 August 2018² (being the date NetComm announced its results for FY18) to 21 February 2019 (being the last trading day before the announcement of the Scheme); and
 - (ii) a 50.7% premium above the VWAP of NetComm shares in the three month period prior to the announcement of the Scheme
- (c) furthermore, the Scheme Consideration implies an acquisition (takeover) premium which is above the average premiums paid in successful takeovers generally. We therefore consider that NetComm shareholders are being paid a reasonable share of the synergy benefits expected to be achieved by Casa Systems from the acquisition of NetComm
- (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of NetComm shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

18 NetComm shareholders should note that if the Scheme is implemented they will no longer hold an interest in NetComm. As NetComm shareholders will receive cash consideration, they will also not hold shares in Casa Systems³. NetComm shareholders will therefore not participate in any future value created by NetComm or Casa Systems over and above that reflected in the Scheme Consideration.

Conclusion

19 Given the above analysis, we consider that the advantages of the Scheme significantly outweigh the disadvantages. Consequently, in our view, the acquisition of NetComm shares by Casa Systems under the Scheme is fair and reasonable and in the best interests of NetComm shareholders in the absence of a superior proposal.

GENERAL

20 In preparing this report we have considered the interests of NetComm shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.

21 The impact of approving the Scheme on the tax position of NetComm shareholders depends on the individual circumstances of each investor. NetComm shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.

22 The ultimate decision whether to approve the Scheme should be based on each NetComm shareholder's assessment of their own circumstances. If NetComm shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that NetComm shareholders read the remainder of our report.

Yours sincerely,



Craig Edwards
AUTHORISED REPRESENTATIVE



Martin Holt
AUTHORISED REPRESENTATIVE

² Inclusive, as NetComm announced its FY18 results prior to the market opening on 27 August 2018.

³ It should be noted that Casa Systems shares are listed on NASDAQ. Shareholders can therefore acquire shares in Casa Systems should they wish to do so.

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CONTENTS

I	Key terms of the Scheme	05
	Terms	05
	Conditions	05
	Resolution	06
II	Scope of our report	07
	Purpose	07
	Basis of assessment	07
	Limitations and reliance on information	08
III	Profile of NetComm	09
	Overview	09
	History	09
	Current operations	09
	Financial performance	12
	Financial position	17
	Share capital and performance	18
IV	Industry overview	21
	Overview	21
	Australian internet services industry	21
	International telecom equipment market	22
	M2M and IIoT	24
V	Valuation of NetComm	25
	Valuation approaches	25
	DCF	25
	Capitalisation of earnings approaches	26
	Revenue multiple approach	27
	Share trading post FY19 guidance announcement	31
	Summary	33
VI	Evaluation of the Scheme	34
	Value of NetComm	34
	Value of Scheme Consideration	34
	Fair and reasonable opinion	34
	Extent to which a control premium is being paid	34
	Extent to which NetComm shareholders are being paid a share of synergies	35
	Recent share prices subsequent to the announcement of the Scheme	36
	Likely price of NetComm shares if the Scheme is not implemented	36
	Likelihood of an alternative offer	36
	Summary of opinion on the Scheme	36
	Conclusion	37
	Appendices	38
A	Financial Services Guide	38
B	Qualifications, declarations and consents	39
C	Listed company multiples	40
D	Glossary	42

I KEY TERMS OF THE SCHEME

Terms

- 23 On 22 February 2019, NetComm Wireless Limited (NetComm or the Company) announced that it and Casa Systems, Inc. (Casa Systems) had entered into a Scheme Implementation Deed (the Agreement) under which Casa Systems would acquire 100% of the issued shares in NetComm for an offer consideration of \$1.10 cash per share.
- 24 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between NetComm and its shareholders (the Scheme). If the Scheme becomes legally effective, NetComm shareholders will receive \$1.10 for each NetComm share they hold on the Scheme Record Date (Scheme Consideration), and NetComm will become a wholly owned subsidiary of Casa Systems.
- 25 The Scheme Consideration values NetComm's issued shares at approximately \$161 million.

Conditions

- 26 The Scheme is subject to the satisfaction of a number of conditions precedent, including the following which are outlined in the Agreement⁴ between NetComm and Casa Systems dated 22 February 2019:
- (a) all Australian regulatory consents and approvals (including from FIRB, ASIC and the Australian Securities Exchange (ASX)) which are necessary to implement the Scheme are received
 - (b) an independent expert issues a report which concludes that the Scheme is in the best interests of NetComm shareholders
 - (c) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act is obtained
 - (d) NetComm shareholder approval by the requisite majorities is obtained at the Scheme meeting, in accordance with s411(4)(a)(ii) of the Corporations Act
 - (e) the NetComm Warranties are true and correct in all material respects as at the time they were given
 - (f) the Casa Warranties are true and correct in all material respects as at the time they were given
 - (g) no NetComm Prescribed Occurrence occurs between 22 February 2019 and 8.00am on the Second Court Date
 - (h) no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court, the Takeovers Panel, or other Authority of competent jurisdiction, remains in effect as at the Delivery Time that prohibits, materially restricts, makes illegal or restrains the completion or implementation of any aspect of the Scheme
 - (i) no Material Adverse Change occurs or becomes known to Casa Systems or NetComm between 22 February 2019 and 8:00am on the Second Court Date
 - (j) at all times on and before the Delivery Time, each Material Contract not being void or voidable, not having been amended in any material respect without the consent of Casa Systems, and not having been breached in a material respect, terminated or rescinded and no material obligations of a counterparty to a Material Contract having been waived by NetComm, and no party to a Material Contract having given a notice to, or having indicated its intention to, terminate that Material Contract
 - (k) on or before 8:00am on the Second Court Date, NetComm provides Casa Systems with the NetComm Closing Certificate
 - (l) on or before 8:00am on the Second Court Date, Casa Systems provides NetComm with the Casa Closing Certificate (as defined in the Agreement)
 - (m) no Share Appreciation Rights have vested on or prior to 8.00am on the Second Court Date.
- 27 The above conditions are a summary of the conditions precedent only. NetComm shareholders should therefore refer to the Scheme Booklet for further information on the Scheme conditions.
- 28 In addition NetComm has agreed that during the Exclusivity Period (as set out in the Agreement) it will:
- (a) not solicit, initiate or invite enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a competing proposal
 - (b) not participate in or continue any discussions or negotiations in relation to a competing proposal or

⁴ Terms used in this paragraph are as defined in the Agreement.

ATTACHMENT 1

- which may reasonably be expected to lead to a competing proposal
- (c) not make available any non-public information to a third party to make or assess a competing proposal
- (d) notify Casa Systems promptly if it receives a competing proposal
- (e) ensure that the notification to Casa Systems is accompanied by the terms of the competing proposal including the identity of the party making the competing proposal (except where the Directors of NetComm determine that identifying that party would be likely to breach their fiduciary or statutory duties)
- (f) not enter into any agreement or arrangement in relation to or in connection with the implementation of a competing proposal or permit a NetComm Director to publicly recommend a competing proposal unless NetComm has given Casa Systems at least four business days to provide a proposal that would produce an outcome for NetComm shareholders that is at least as favourable as the outcome that would be produced by the competing proposal.

29 Certain of the exclusivity obligations described above do not apply if the NetComm Directors determine:

- (a) the proposed competing transaction is or may reasonably be expected to lead to a superior proposal; and
- (b) that compliance with the relevant exclusivity obligations would be likely to constitute a breach of the fiduciary or statutory duties owed by any of the Directors of NetComm.

30 A break fee of approximately \$1.6 million is payable by either NetComm to Casa Systems or Casa Systems to NetComm in certain circumstances as specified in the Agreement.

Resolution

31 NetComm shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.

32 Under the Corporations Act, the Scheme is approved by NetComm shareholders if a resolution in favour of the Scheme is passed by a majority in number of the NetComm shareholders present and voting at the Scheme meeting (in person or by proxy), and by 75% of the votes cast on the resolution.

33 If the resolution is passed by the requisite majorities, NetComm must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all NetComm shareholders who hold NetComm shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

II SCOPE OF OUR REPORT

Purpose

34 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations 2001 (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.

35 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.

36 Casa Systems has no current shareholding in NetComm and has no representation on the NetComm Board. Accordingly, there is no strict legal requirement under the Corporations Act or the Corporations Regulations for an IER in relation to the Scheme. However, it is both a condition precedent to the Scheme, and a qualification to the NetComm Directors' recommendation of the Scheme, that an independent expert concludes (and continues to conclude) that the Scheme is in the best interests of NetComm shareholders. In addition, as the Scheme (if approved and implemented) will result in 100% of the securities in NetComm being held by Casa Systems, RG 111 requires that we provide an opinion on whether the consideration payable under the Scheme is "fair" and "reasonable" to the shareholders of NetComm.

37 Accordingly, the Directors of NetComm have requested LEA to prepare an IER stating whether the proposed acquisition of the shares in NetComm by Casa Systems under the Scheme is fair and reasonable and in the best interests of NetComm shareholders and the reasons for that opinion.

38 This report has been prepared by LEA for the benefit of NetComm shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Notice of Meeting and Scheme Booklet to be sent to NetComm shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of NetComm shareholders.

39 The ultimate decision whether to approve the Scheme should be based on each NetComm shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

40 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.

41 RG 111 distinguishes "fair" from "reasonable" and considers:

- (a) the Scheme to be "fair" if the value of the scheme consideration is equal to or greater than the value of the securities that are the subject of the Scheme. A comparison must be made assuming 100% ownership of the target company
- (b) the Scheme to be "reasonable" if it is fair. The Scheme may also be "reasonable" if, despite not being "fair" but after considering other significant factors, there are sufficient reasons for shareholders to approve the Scheme in the absence of a superior proposal.

42 There is no legal definition of the expression "in the best interests". However, RG 111 states that a Scheme may be "in the best interests of the members of the company" if there are sufficient reasons for securityholders to vote in favour of the Scheme in the absence of a higher offer.

43 In our opinion, if the Scheme is "fair" and "reasonable" under RG 111 it must also be "in the best interests" of NetComm shareholders.

44 Our report has therefore considered:

- (a) the market value of 100% of the shares in NetComm
- (b) the value of the Scheme Consideration of \$1.10 cash per share
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)
- (d) the extent to which a control premium is being paid to NetComm shareholders
- (e) the extent to which NetComm shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction

ATTACHMENT 1

- (f) the listed market price of NetComm shares, both prior to and subsequent to the announcement of the proposed Scheme
- (g) the likely market price of NetComm securities if the proposed Scheme is not approved
- (h) the value of NetComm to an alternative offeror and the likelihood of a higher alternative offer being made for NetComm prior to the date of the Scheme meeting
- (i) the advantages and disadvantages of the Scheme from the perspective of NetComm shareholders
- (j) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

- 45 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 46 Our report is also based upon financial and other information provided by NetComm and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 47 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of NetComm shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 48 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 49 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 50 We in no way guarantee the achievability of any budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 51 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.

III PROFILE OF NETCOMM

Overview

52 NetComm is a leading provider of fixed wireless broadband, FTTdp and M2M technologies to telecommunication carriers, core network providers, system integrators, and government and enterprise customers. The Company also designs and manufactures ⁵ residential broadband internet devices. NetComm is headquartered in Sydney and operates across Australia, NZ, the US, Canada, the UK and Europe.

History

53 NetComm was established in 1982 as a manufacturer of modems, developing Australia's first dial-up modem in 1983 and was publicly listed on the ASX on 21 December 1993. In November 1997, NetComm merged with Banksia Technology, a privately owned supplier of modems founded in 1988 by David Stewart, who took over as Managing Director of the merged group. Together, the merged group had approximately 60% of the Australian modem market share. Shortly after the merger, NetComm changed its name to Sirius Technologies Limited and in 1999, developed Australia's first asymmetric digital subscriber line (ADSL) modem. In December 1999, the Company was rebranded back to NetComm to capitalise on the widespread public recognition of the NetComm brand. The early 2000s saw the demonstration of NetComm's capabilities in ADSL as the Company became an equipment supplier for a number of Australian retail internet service providers (ISP).

54 On 10 September 2008, NetComm expanded into the wireless M2M market, a subset of the Industrial Internet of Things (IIoT) market, following the acquisition of Call Direct Cellular Solutions 2003 Pty Ltd (Call Direct). Call Direct was an Australian specialist developer of industrial 3G wireless data and voice solutions for industrial and commercial applications including security, surveillance, public infrastructure, agribusiness and mining and provided NetComm with a new industrial customer base.

55 In 2011, NetComm's operations were further expanded into fixed wireless broadband following Ericsson's appointment by NBN Co Limited (NBN Co) to build and operate its \$1.1 billion fixed wireless broadband network. NetComm was selected by Ericsson to provide advanced fixed wireless devices needed to connect rural and regional Australian households and businesses to the National Broadband Network's (NBN) 2.3 gigahertz (GHz) fixed wireless long term evolution (LTE) broadband network where land based technologies (i.e. fibre and cable) were not economical or practical. Since then, NetComm has expanded its fixed wireless operations internationally:

- (a) in November 2015, NetComm announced it had signed a Master Purchase Agreement with AT&T Inc. (AT&T), one of the largest telecommunications carriers in the US, to supply fixed wireless devices required to connect households and businesses to a rural fixed wireless broadband network to be built by AT&T.
- (b) in April 2018 NetComm signed a Product Purchase agreement with Bell Canada for the supply of its Intelligent Fixed Wireless Access (IFWA) devices. Bell Canada is Canada's largest telecommunications company and will be delivering high speed broadband services to select rural communities, starting in Ontario and Quebec, using NetComm's fixed wireless technologies.

56 In November 2016, NetComm expanded its scope of services with NBN Co by signing a Master Equipment and Services Supply Agreement for the supply of 1-port and 4-port Distribution Point Units (DPU) that were specifically designed for the NBN's Fibre-to-the-Curb (FTTC) project. The DPUs are engineered for mass installation on telegraph poles or inside sunken distribution pits outside a premises and connect fibre networks to multiple households using existing copper lines.

57 Following the successful rollout of its DPUs, NetComm announced in December 2017 it had developed a Network Connection Device (NCD) for use in conjunction with its DPUs and had secured a large order from NBN Co. The NCD incorporates a Gfast⁶ and very-high-bit-rate digital subscriber line (VDSL) modem as well as a reverse power feed capability that allows the DPU to be powered from the customer's premises. The NCD is also an intelligent device allowing monitoring and diagnostics reporting on the actual line performance delivered in the premises.

58 In September 2018, NetComm extended its agreement with NBN Co to supply the next generation of DPUs known as high port count DPUs. Under the agreement, NetComm will provide both an 8-port and 16-port high port count DPU variant which will enable NBN Co to extend the FTTC network to higher density installation locations such as multi dwelling units where bundled copper lines are prevalent.

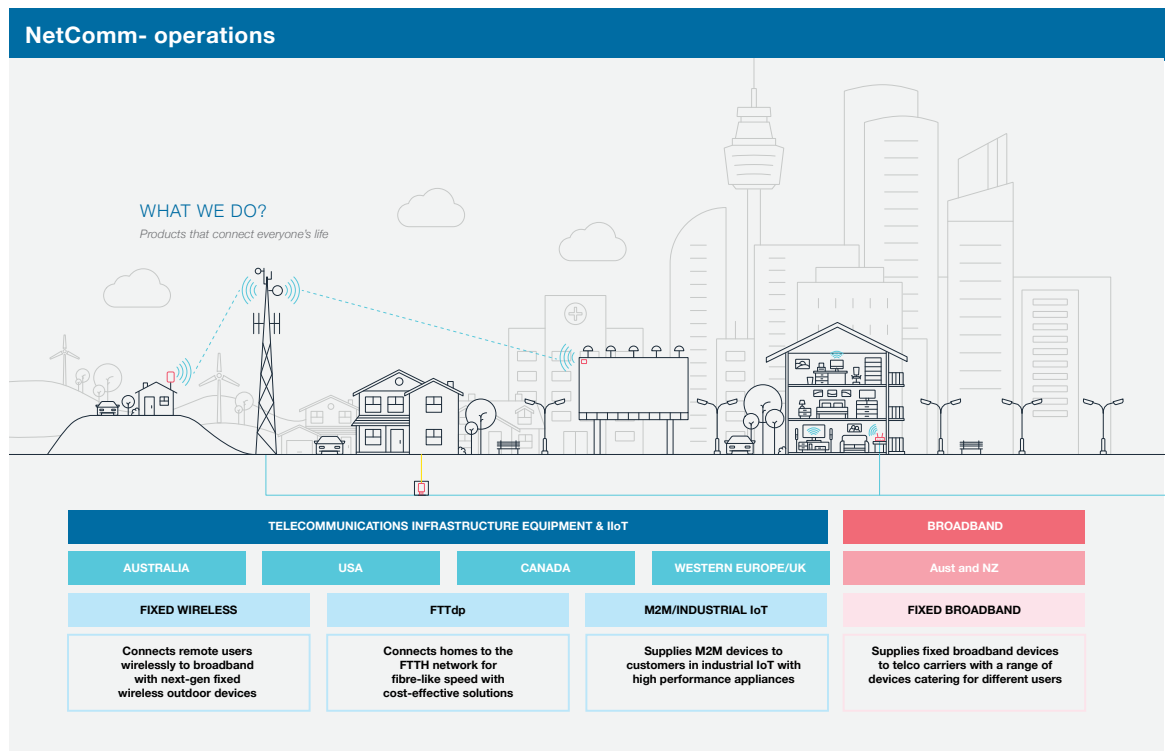
Current operations

⁵ NetComm outsources all of the manufacturing of its products.

⁶ Gfast is a digital subscriber line (DSL) protocol standard for local loops shorter than 500 metres, with performance targets between 0.1 and 1 gigabit (Gb) per second (Gbps).

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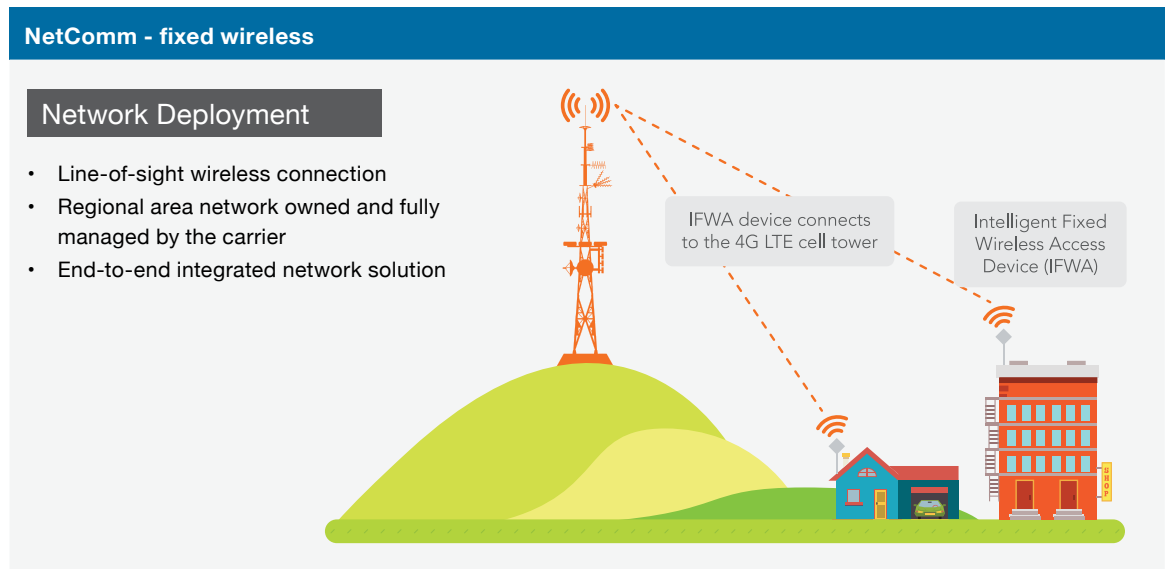
59 Established in 1982 by a small team that developed Australia's first modem, NetComm has evolved to become a leading global innovator of data communications technologies. The Company is headquartered in Sydney, employs approximately 241 staff and operates three research and development centres located in Australia and the US. A diagrammatic overview of NetComm's operations is set out below:



Fixed wireless

60 NetComm is a leading provider of custom engineered fixed wireless technology that can be scaled to deliver fast, efficient and economical broadband to rural and regional areas globally. Fixed wireless is a practical and economical alternative to fibre, cable and copper networks for premises located in rural, remote and other hard to reach locations that enables network operators and carriers to quickly extend robust network grade broadband connectivity with guaranteed speed and performance. Fixed wireless transmits data over radio signals to connect a premises to the broadband access network located as far as 14 kilometres (km) from a transmission tower.

61 NetComm provides IFWA devices that are professionally installed on the exterior of a premises to efficiently communicate with a designated base station via a line of sight wireless connection. Equipped with complex routing capabilities, a powerful integrated panel antenna and the latest generation of LTE processor with a range of band support across Australia, the US and Europe, NetComm's IFWA devices provide optimal network operational efficiency and high performance.



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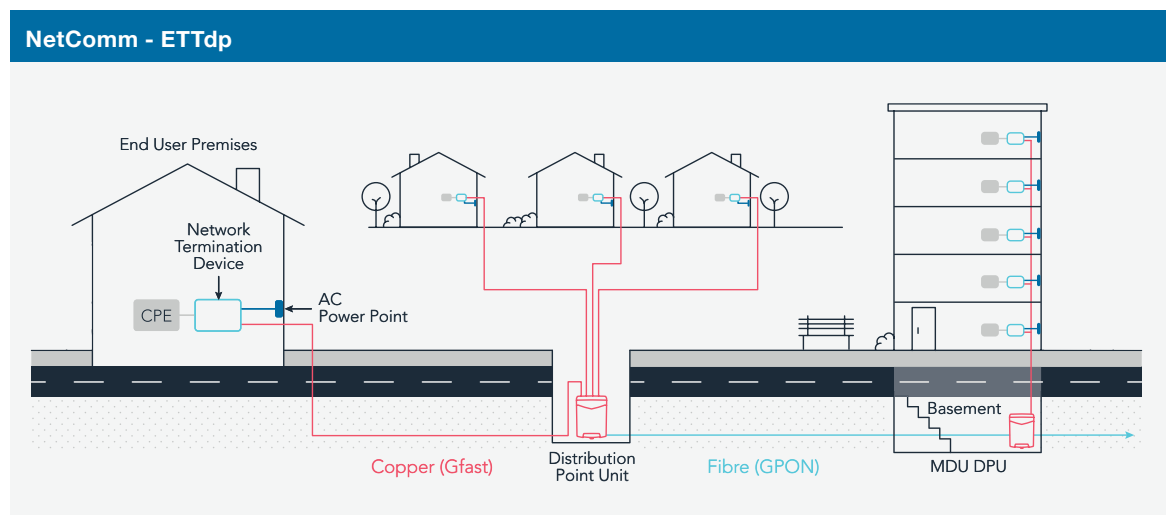
62 In addition to its IFWA devices, NetComm provides indoor units which are designed to power the IFWA device over ethernet and deliver a high speed broadband connection to the premises.

FTTdp

63 Fibre is one of the fastest growing types of broadband connections, with fibre-to-the-home (FTTH) networks delivering unprecedented gigabit broadband speeds via the installation of fibre from a central point directly into the customer's premises. However, FTTH networks are time consuming and expensive to roll out due to the significant additional costs involved (e.g. civil works, engineering resources, labour etc.) and logistics of gaining access to private property. As such, network operators require alternative solutions to bridge the gap between fibre networks and customer premises.

64 NetComm provides FTTdp solutions that offer a commercially viable alternative to FTTH networks, enabling network operators to deliver fast but cost effective broadband by utilising existing copper infrastructure. The Company's FTTdp solution comprises a DPU which is engineered for mass installation on telegraph poles, inside sunken distribution pits or inside the basement of multi dwelling units and a NCD that is installed inside the customer's home. The DPU provides a fibre to copper extension from a single distribution point up to eight premises⁷, providing superfast broadband by converting a Gigabit Passive Optical Network (GPON) signal to VDSL2 / Gfast which is relayed to the customer's premises using the existing copper infrastructure. NetComm's DPUs are ideal for the deployment of FTTdp located less than 200 metres from the customer premises and are powered remotely by the network termination device, further lowering network rollout costs.

65 NetComm's NCD incorporates reverse power feed capabilities that allows the DPU to be reverse powered equally by multiple users from the customer's premises. The NCD also incorporates a Gfast and VDSL modem and specialised software that allows for monitoring and diagnostics reporting on the actual line performance delivered to the customer's premises.



M2M / IIoT

66 M2M refers to the capability for data to flow between electronic devices without the need for human interaction. Many of these devices have network connectivity, which has given rise to the Internet of Things (IoT), a global network of sensors, equipment, smart devices and applications that can collect, exchange, process and react to data in real time.

67 NetComm specialises in the development of industrial grade wireless or cellular broadband products and solutions for various vertical industry sectors, including transport, energy and utilities, security, surveillance, banking and mining. The Company also maintains longstanding M2M / IIoT partnerships with leading telecommunication carriers including Deutsche Telecom, Telstra, Verizon Wireless, AT&T and Vodafone.

68 Using NetComm's IIoT devices to link remote assets with central data terminals or more complex back end systems over 3G / 4G networks, assets can exchange data, be monitored and even serviced across the globe in real time. Examples of the application of NetComm's M2M & IIoT products include wi-fi on buses and light rail, Global Positioning System (GPS) tracking of vehicles and equipment, wireless security cameras, digital signage and vending and ticketing machine management. In addition to its portfolio of M2M / IIoT products, NetComm also provides project based M2M services, delivering innovative and bespoke M2M solutions for specific project objectives across various industries.

7 NetComm is in the process of developing a 16-port DPU that is suited for high density locations (e.g. multi-dwelling units (MDUs)).

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Fixed broadband

69 Since its establishment in 1982, NetComm's base business has been the design and manufacture of broadband internet devices, primarily for retail service providers (RSP) in Australia and New Zealand who typically sell NetComm's products to consumers as part of a broadband package. The Company's residential broadband products include ADSL and VDSL routers, filters, wi-fi devices and powerline products which are sold under the NetComm brand.

Financial performance

70 The reported financial performance of NetComm for the four years ended 30 June 2018 (FY18) and six months to 31 December 2018 (1HY19) is set out below:

NetComm – statement of financial performance ⁽¹⁾					
	FY15 Audited \$m	FY16 Audited \$m	FY17 Audited \$m	FY18 Audited \$m	1HY19 Reviewed \$m
Revenue	74.3	85.1	107.6	181.7	94.3
Other income	-	0.1	-	-	-
Total revenue	74.3	85.2	107.6	181.7	94.3
Change in inventories	2.7	1.4	5.7	1.6	20.5
Raw materials consumed	(53.8)	(59.5)	(76.2)	(115.8)	(79.0)
Employee benefits	(9.0)	(12.2)	(21.6)	(30.3)	(16.8)
Other expenses	(7.0)	(8.7)	(12.0)	(16.7)	(10.7)
Operating expenses	(67.0)	(79.1)	(104.0)	(161.2)	(86.0)
EBITDA⁽²⁾	7.2	6.1	3.6	20.5	8.3
Depreciation expense	(0.8)	(1.0)	(3.1)	(4.7)	(2.6)
Amortisation of intangibles ⁽³⁾	(3.0)	(2.8)	(5.4)	(6.6)	(4.8)
EBIT⁽²⁾	3.4	2.3	(4.9)	9.2	0.9
Net finance income / (expense)	(0.5)	(0.1)	0.6	0.0	0.0
Profit / (loss) before tax	2.9	2.1	(4.2)	9.3	0.9
Income tax benefit / (expense)	(0.4)	(0.1)	2.4	(1.3)	1.4
Profit / (loss) after tax	2.5	2.0	(1.8)	8.0	2.3
<i>Revenue growth</i>	<i>15.1%</i>	<i>14.6%</i>	<i>26.4%</i>	<i>68.9%</i>	<i>6.5%</i>
<i>EBITDA growth</i>	<i>40.5%</i>	<i>(15.9%)</i>	<i>(41.1%)</i>	<i>472.3%</i>	<i>(9.6%)</i>
<i>EBITDA margin</i>	<i>9.7%</i>	<i>7.2%</i>	<i>3.3%</i>	<i>11.3%</i>	<i>8.8%</i>
<i>EBIT margin</i>	<i>4.6%</i>	<i>2.7%</i>	<i>(4.5%)</i>	<i>5.1%</i>	<i>0.9%</i>

Note:

- 1 Rounding differences exist.
- 2 Earnings before interest, tax, depreciation and amortisation (EBITDA). Earnings before interest and tax (EBIT).
- 3 Primarily relates to capitalised product development costs and software.

71 In addition to the above, we set out below the key financial measures by operating division:

NetComm – segment performance ⁽¹⁾					
	FY15 Audited \$m	FY16 Audited \$m	FY17 Audited \$m	FY18 Audited \$m	1HY19 Reviewed \$m
Revenue:					
Broadband	40.5	26.4	21.3	25.2	10.7
TIE / IloT ⁽²⁾	33.8	58.7	86.3	156.5	83.6
Total	74.3	85.1	107.6	181.7	94.3
Revenue mix:					
Broadband	54.5%	31.0%	19.8%	13.8%	11.3%
TIE / IloT ⁽²⁾	45.5%	69.0%	80.2%	86.2%	88.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
EBIT:					
Broadband	2.4	0.1	(0.4)	1.3	(0.8)
TIE / IloT ⁽²⁾	1.0	2.3	(4.5)	8.0	1.7
Total	3.4	2.3	(4.9)	9.2	0.9
EBIT margins					
Broadband	5.9%	0.4%	(1.9%)	5.0%	(7.5%)
TIE / IloT ⁽²⁾	3.0%	3.9%	(5.2%)	5.1%	2.0%
Total	4.6%	2.7%	(4.5%)	5.1%	0.9%

Note:

- 1 Rounding differences exist.
2 Telecommunications infrastructure equipment (TIE).

Historical results

72 As indicated above, NetComm operates across two segments:

- (a) Broadband – relates to NetComm’s fixed broadband business which supplies communication devices, that range from entry level gateways to high level performance devices that support triple play services covering high speed data transmission, multi HD / 4K IPTV⁸ and over-the-top video streaming as well as high quality Voice over Internet Protocol phone calls
- (b) TIE / IloT – comprises the Company’s fixed wireless broadband, FTTdp and M2M / IloT operations. The TIE / IloT segment also includes NetComm’s network terminating devices designed to advance global network performance, extend coverage and meet the complex demands of today’s national broadband and M2M / IloT markets.

TIE / IloT segment

73 NetComm’s TIE / IloT segment has grown to become the Company’s largest segment, accounting for some 86% and 89% of revenue in FY18 and 1HY19 respectively, with the large majority of this revenue generated from or in connection with the NBN. As stated above, Ericsson selected NetComm to provide advanced fixed

8 High definition (4,000 horizontal pixels) internet protocol television.

wireless Devices needed to connect rural and regional households and businesses to the NBN in August 2011. Revenues under this arrangement nearly doubled in FY16 and remained at similar levels in FY17, but declined in FY18 as the NBN's fixed wireless rollout passed its peak implementation phase. Fixed wireless revenues improved in 1HY19 relative to 1HY18 despite the NBN fixed wireless rollout nearing maturity which was attributable to an increased take up rate and the introduction of better performing next generation devices which the NBN intend to use for the remainder of the rollout.

74 As such, recent growth in the TIE / IIoT segment has been driven by NetComm's Master Equipment and Services Supply Agreement for 1-port and 4-port DPUs that were specifically designed for the NBN's FTTC project. While sales commenced under this agreement in FY17, the large majority of revenues under this contract were generated in FY18.

75 NetComm also announced in December 2017 that it had secured an order from NBN Co for its NCD. However, no revenue contribution from this product was reflected in FY18, with the first revenues generated in 1HY19. In addition, whilst NetComm has a number of other fixed wireless customers (e.g. AT&T, Bell Canada), revenues from these customers have been modest to date in comparison to NBN revenues.

Broadband segment

76 Broadband revenues have declined from \$40.5 million in FY15 to \$25.2 million in FY18, albeit NetComm management have advised FY15 revenue benefited from a non-repeated spike in the sales of powerline devices to a key customer. Over the six months to 31 December 2018 (1HY19), Broadband revenues declined by 20.7% in comparison to the prior comparative period which was attributable to the continued slowdown of powerline devices to a key Australian customer. Notwithstanding the general decline in segment revenues as a whole, the broadband business in NZ has achieved positive sales growth in each of FY17, FY18 and 1HY19.

EBIT

77 Despite the significant increase in revenue in each of FY16 (14.6%), FY17 (26.4%) and FY18 (68.9%), reported EBIT margins have been low. Further, NetComm incurred an EBIT loss of \$4.9 million in FY17, which reflected, inter alia, additional staff and related costs totalling some \$17.6 million compared to FY15 levels (\$4.9 million in FY16 and \$12.7 million in FY17). This additional investment in staff and infrastructure costs was considered necessary to fulfil the requirements of recently won contracts and further enhance the Company's capabilities as it pursues global opportunities.

78 In 1HY19, the Broadband segment generated an EBIT loss of \$0.8 million as a consequence of the significant decline in revenue (20.7%) while operating expenses (which are largely fixed) remained at similar levels. EBIT margins for the TIE / IIoT segment also declined in 1HY19, reflective of the lower margin sales mix (with NCD sales having a lower margin than DPUs) as well as higher operating expenses associated with the development of 5G capabilities.

FY19 outlook

79 As stated above, in December 2017, NetComm announced that it had developed a NCD for use in conjunction with its DPUs and had secured a further order from NBN Co. The initial volume commitment from NBN Co for NCDs was expected to result in minimum revenues for NetComm of \$66 million (with further growth over time). NetComm management expect this minimum revenue to be largely generated in FY19 which was on track based on revenues generated in 1HY19.

80 In April 2018, the Company signed a Product Purchase Agreement with Bell Canada for the supply of its IFWA devices. NetComm commenced deliveries under the agreement with Bell Canada in the first quarter of FY19, with full ramp up and deployment expected in subsequent years.

81 In addition to the above, NetComm management provided the following guidance for the year ending 30 June 2019 at the date of its FY18 results announcement:

"Following the substantial step up in scale in FY18, NetComm expects FY19 to be a year of consolidation to ensure a sustainable platform is in place to drive the next step change in growth expected for FY20:

- *Revenue is forecast to grow at 15-20%. This forecast growth is dampened due to a slower than expected rollout of the nbn FTTC project (as flagged by nbn) and a slower rollout of the AT&T Fixed Wireless project. This revenue has not been lost, rather it is deferred to future periods*
- *Underlying EBITDA is expected to be at a similar level to FY18, with revenue growth offset by lower margins as the sales mix changes from higher margin Australian DPU sales to lower margin NCD sales and higher near-term component costs are incurred due to global industry wide shortages*
- *Given NetComm's substantial opportunities in 5G, an investment of \$9 million is planned into 5G solutions, of which \$4 million is operating expense and \$5 million is capital expenditure*
- *After allowing for our additional 5G opex spend, reported EBITDA is forecast to be in the range of \$15 million to \$18 million with earnings skewed to the second half based on our expectations of customer ordering patterns."*

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82 On 22 February 2019, NetComm management reaffirmed that the Company was on track to meet its FY19 revenue and EBITDA guidance (provided at the date of the FY18 results announcement) and announced that earnings would be evenly balanced across 1HY19 and 2HY19 based on current expectations around customer order patterns.

Capitalised product development costs

83 NetComm undertakes significant research and development activities in relation to new and existing products. Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will generate future benefits considering its commercial and technical feasibility and its cost can be measured reliably. The expenditure capitalised consists of all directly attributable costs. Capitalised development costs are amortised from the point at which the product is ready for use and for no longer than three years. The table below sets out the capitalised development costs and amortisation over the 4.5 years ending 31 December 2018:

NetComm – capitalised product development costs ⁽¹⁾					
	FY15 Audited \$m	FY16 Audited \$m	FY17 Audited \$m	FY18 Audited \$m	1HY19 Reviewed \$m
Capitalised product development costs	4.5	6.9	12.4	14.8	7.9
Amortisation of product development costs	(3.0)	(2.8)	(5.3)	(5.3)	(4.1)
Net capitalised product development costs	1.5	4.2	7.2	9.5	3.8

Note:

1 Rounding differences exist.

84 As indicated above, NetComm has capitalised product development costs of \$46.5 million over the 4.5 years to 31 December 2018. This significantly exceeds the level of amortisation of such costs over the same period (\$20.5 million) and reflects, inter alia, NetComm's significant investment in fixed wireless and FTTdp technologies.

Capitalised contract acquisition and fulfilment costs

85 NetComm also capitalises customer acquisition and fulfilment costs when it is probable that the Company would recover those costs, the costs incurred would not have been incurred if the contract had not been directly obtained and the costs incurred directly relate to a contract or an anticipated contract that the Company can specifically identify. The table below sets out the capitalised contract acquisition costs and amortisation over the 4.5 years ending 31 December 2018:

NetComm – capitalised contract acquisition costs ⁽¹⁾					
	FY15 Audited \$m	FY16 Audited \$m	FY17 Audited \$m	FY18 Audited \$m	1HY19 Reviewed \$m
Capitalised contract acquisition costs ⁽²⁾	-	2.9	4.0	-	-
Amortisation of contract acquisition costs	-	-	(0.1)	(1.4)	(0.7)
Net capitalised contract acquisition costs ⁽²⁾	-	2.9	3.8	(1.4)	(0.7)

Note:

1 Rounding differences exist.

2 Represents the carrying value at year end. Changes between periods represents the incremental amount for the year.

ATTACHMENT 1

86 Whilst some \$2.9 million and \$1.1 million (total \$4.0 million) in customer acquisition and fulfilment costs were capitalised in FY16 and FY17 (relating primarily to the AT&T contracts), no such costs were capitalised in FY18 and 1HY19.

Operating cash flow

87 The table below sets out the operating cash flow of NetComm over the four years ending 30 June 2018 and six months to 31 December 2018:

NetComm – operating cash flow ⁽¹⁾					
	FY15 Audited \$m	FY16 Audited \$m	FY17 Audited \$m	FY18 Audited \$m	1HY19 Reviewed \$m
Operating cash flow	6.4	(2.0)	8.2	23.7	1.9
Add back:					
Finance costs paid	0.6	0.3	0.0	0.0	0.0
Income taxes paid	0.3	0.5	0.2	0.2	0.4
Operating cash flow before finance and tax	7.2	(1.2)	8.5	23.9	2.3
Acquisition of plant & equipment	(1.4)	(3.6)	(10.2)	(3.6)	(3.7)
Acquisition of intangibles ⁽²⁾	(4.5)	(7.2)	(13.1)	(14.8)	(8.2)
Free cash flow before interest and tax	1.3	(12.1)	(14.8)	5.4	(9.6)
Finance costs paid	(0.6)	(0.3)	(0.0)	(0.0)	(0.0)
Interest received	0.1	0.1	0.6	-	0.0
Income taxes paid	(0.3)	(0.5)	(0.2)	(0.2)	(0.4)
Net movement in borrowings	(1.4)	(3.3)	-	(0.1)	-
Proceeds from issue of shares (net of costs)	-	49.0	-	-	-
Net increase / (decrease) in cash	(0.9)	33.1	(14.4)	5.2	(10.0)
Cash at beginning of period	4.3	3.4	36.5	22.1	27.3
Cash at end of period	3.4	36.5	22.1	27.3	17.4

Notes

- 1 Rounding differences exist.
- 2 Predominately capitalised product development costs.

88 As indicated above, NetComm's overall cash position has generally been negative in recent periods, with the exception of FY18 which generated net cash of some \$5.2 million⁹. However, as at 31 December 2018, NetComm's cash balance has decreased to \$17.4 million, reflecting the significant increase in research and development.

9 While FY16 also generated a net increase in cash of \$33.1 million, this was attributed to \$49.0 million of cash proceeds received from the issue of shares.

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Financial position

89 The financial position of NetComm as at 30 June 2017, 30 June 2018 and 31 December 2018 is set out below:

NetComm – statement of financial position ⁽¹⁾			
	30 Jun 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m
Debtors and prepayments	27.8	35.2	26.6
Inventories	17.2	18.9	39.3
Creditors, accruals and provisions	(34.1)	(45.6)	(50.6)
Net working capital	10.9	8.5	15.3
Plant and equipment	11.9	11.2	12.4
Intangible assets / goodwill	25.4	33.3	36.5
Deferred tax assets (net)	8.0	7.3	8.7
Employee benefits	(2.6)	(3.0)	(3.3)
Other	-	(0.3)	(0.3)
Total funds employed	53.5	56.8	69.3
Cash and cash equivalents	22.1	27.3	17.4
Interest bearing liabilities	(0.1)	-	-
Net cash	22.1	27.3	17.4
Net assets attributable to NetComm shareholders	75.6	84.2	86.7

Notes

1 Rounding differences exist.

Working capital

90 NetComm's operations have historically been characterised by positive, albeit relatively low, working capital requirements with reasonably low inventory levels compared to annual sales turnover. This position has changed during 1HY19 as NetComm held significantly higher levels of inventory compared to previous years due to the requirement to procure long lead time components in advance for new product lines. This working capital trend is expected to continue in the future, noting that as NetComm diversifies its revenues in overseas markets, the collection cycle of debts will become longer.

Plant and equipment

91 The carrying value of NetComm's plant and equipment is as follows:

NetComm – plant and equipment ⁽¹⁾			
	30 Jun 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m
Development assets	5.5	5.2	6.5
Plant and equipment	4.1	3.3	3.4
Leasehold improvements	2.2	2.7	2.4
Leased plant & equipment	0.1	0.0	0.0
Plant and equipment	11.9	11.2	12.4

Notes

1 Rounding differences exist.

92 Plant and equipment is carried at historical cost less accumulated depreciation and impairment. Development assets relate to costs incurred in acquiring assets for research and development and are amortised on a straight line basis over three to six years.

Intangible assets

93 The composition of NetComm's intangible assets is shown below:

NetComm – intangible assets			
	30 Jun 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m
Goodwill	0.9	0.9	0.9
Product development costs	19.9	29.4	33.3
Contract assets	4.0	2.6	1.9
Computer software	0.6	0.4	0.4
Intangible assets	25.4	33.3	36.5

94 The majority of NetComm's intangible assets relates to capitalised product development costs. Goodwill is tested annually for impairment using the value in use method. As at 30 June 2018, a post tax discount rate of 10% was used for impairment testing.

Share capital and performance

95 As at 13 March 2019, NetComm had 146.3 million fully paid ordinary shares on issue. In addition, the Company had 2.25 million share appreciation rights (SAR) on issue at exercise prices of \$1.12 to \$2.68¹⁰:

Number	Effective date	Vesting date(1)	Base price \$
50,000	10 Oct 16	10 Oct 19	2.68
1,100,000	1 Jul 17	1 Jul 20	1.76
200,000	1 Jan 18	1 Jan 21	1.17
900,000	1 Jul 18	1 Jul 21	1.12
2,250,000			

Note:

1 SARs automatically vest three years from their date of issue. The only vesting condition is that the recipients have to remain an employee of the Company for the vesting period of three years.

10 As noted in Section I, a condition of the Scheme is that no SARs have vested on or prior to 8.00am on the Second Court Date to implement the Scheme.

ATTACHMENT 1

Significant shareholders

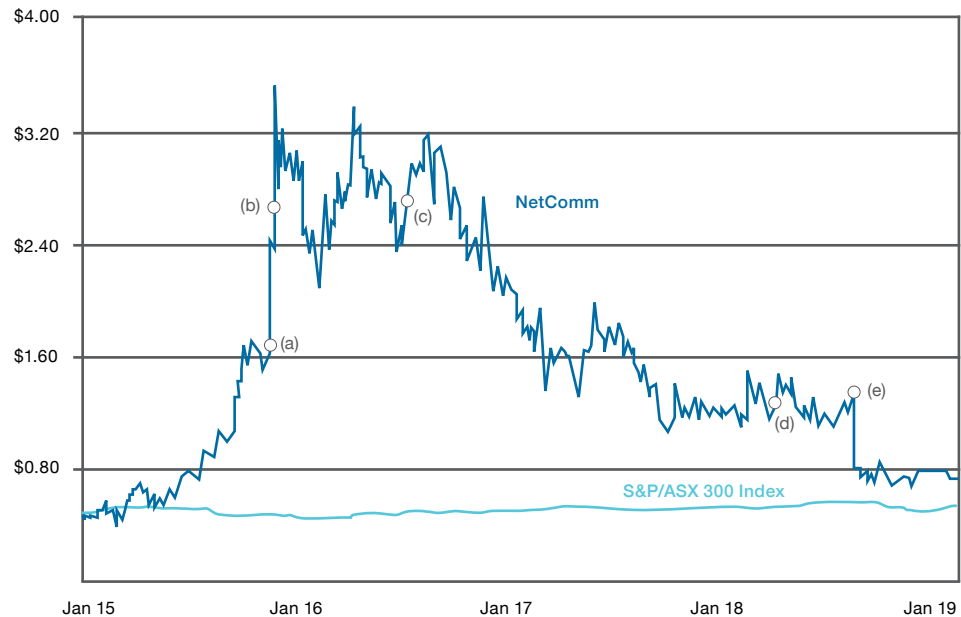
96 As at 13 March 2019 the only substantial shareholder in NetComm was Brad Industries Pty Ltd & Rooke Lane Pty Ltd & David Stewart (which held a 12.3% interest).

Share price performance

97 The following chart illustrates the movement in the share price of NetComm from 1 January 2015 to 21 February 2019¹¹:

NetComm – share price history ⁽¹⁾

1 January 2015 to 21 February 2019



Note:

1 Based on closing prices. The S&P/ASX 300 Index has been rebased to NetComm's last traded price on 1 January 2015, being \$0.48.

Source: Bloomberg.

98 We note the following with respect to the material movements in the share price of NetComm above:

- (a) **18 November 2015** – at its 2015 Annual General Meeting, NetComm announced that it was well positioned to win another fixed wireless regional broadband tender with a major telecommunications carrier in the US
- (b) **25 November 2015** – NetComm signed a Master Purchase Agreement with a major telecommunications carrier¹² in the US to supply its fixed wireless devices required to connect households and businesses to a fixed wireless broadband network which will be built by that carrier
- (c) **13 July 2016** – the Company announced it had signed a Frame Purchase Agreement with Nokia for the supply of NetComm's fixed wireless devices to Nokia in relation to their global FastMile initiative
- (d) **17 April 2018** – NetComm entered into a Product Purchase Agreement with Bell Canada for the supply of its IFWA devices
- (e) **27 August 2018** – the Company announced its results for FY18 and provided guidance for FY19. Revenue growth failed to meet market expectations and was impacted by a slower than expected rollout of the NBN FTTC project (as flagged by NBN) and a slower rollout of the AT&T fixed wireless project¹³. NetComm also announced the planned investment of \$9 million for 5G solutions (comprised of \$4 million in operating expenses and \$5 million in capital expenditure).

¹¹ Being the last trading day prior to the announcement of the Scheme.

¹² This was later disclosed as AT&T.

¹³ NetComm no longer expects any significant revenue under the Frame Purchase Agreement with Nokia.

ATTACHMENT 1

99 Over the period shown in the chart above, NetComm's share price reached peak levels in November 2015 following the announcement for the supply of fixed wireless devices to AT&T. However, since then, NetComm's share price has continued to decline, reflecting inter alia, the modest results that have been delivered from this agreement (and others such as Nokia) to date.

Liquidity in NetComm shares

100 The liquidity in NetComm shares based on trading on the ASX over the 12 month period prior to 21 February 2019¹⁴ is set out below:

NetComm – liquidity in shares						
Period	Start date	End date	No of shares traded 000	WANOS ⁽¹⁾ outstanding 000	Implied level of liquidity	
					Period ⁽²⁾ %	Annual ⁽³⁾ %
1 month	22 Jan 19	21 Feb 19	2,934	146,330	2.0	24.1
3 months	22 Nov 18	21 Feb 19	8,699	146,330	5.9	23.8
6 months	22 Aug 18	21 Feb 19	59,433	146,330	40.6	81.2
1 year	22 Feb 18	21 Feb 19	95,386	146,330	65.2	65.2

Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

101 As indicated in the table above, the implied level of liquidity in NetComm shares on an annualised basis has generally declined in recent periods (on a percentage of total shares on issue basis). Notwithstanding the lower liquidity levels in recent periods, the value of shares traded in the six months to 21 February 2019¹⁴ of \$46.7 million is significant. Accordingly, we consider it appropriate to have regard to share market trading in the company when assessing the value of equity in NetComm.

14

Being the last trading day prior to the announcement of the Scheme.

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IV INDUSTRY OVERVIEW

Overview

102 NetComm is a leading provider of bespoke global data communications technologies and related hardware. The Company also designs and manufactures residential broadband internet devices. Its operations are predominantly based in Australia, with international operations based in North America and Europe.

103 Australia’s fixed line broadband sector is currently undergoing a structural shift from Telstra’s copper network to the NBN and other next generation fibre networks, which deliver higher internet speeds to end users. As part of the Australian Government’s initiative to provide high speed broadband access to all Australian homes and businesses, the NBN has partnered with Ericsson to rollout a fixed wireless network¹⁵. Fixed wireless and fibre broadband network programs similar to the NBN are being rolled out overseas as governments worldwide mandate the provision of reliable high speed broadband services.

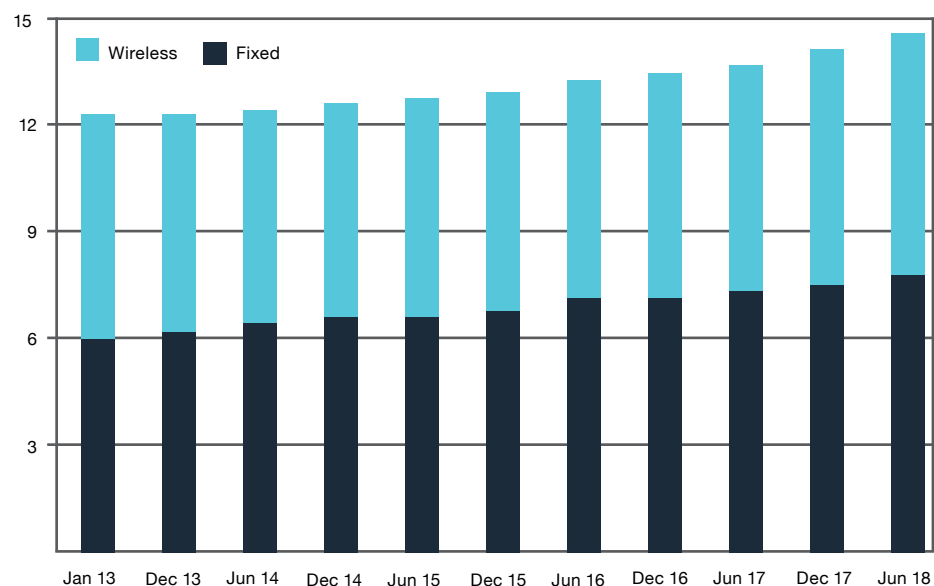
104 The introduction of 5G wireless connectivity is also on track to enable the proliferation of relatively new technologies such as the IoT. 5G networks have already been trialled in parts of Australia and are expected to provide faster speeds, reduced latency¹⁶, higher system capacity and increased device connectivity.

Australian internet services industry

105 As at 30 June 2018, there were 7.8 million fixed line and 6.9 million wireless internet subscribers in Australia, which have grown by compound annual growth rates of 5.2% (fixed line) and 1.9% (wireless) respectively over the five years to 30 June 2018.

Australian internet subscribers

Millions (half year to 30 June and 31 December)



Source: Australian Bureau of Statistics (ABS), 8153.0.

106 Whilst there are only one million less wireless internet subscribers than fixed line subscribers, it is the fixed line networks that handle 97% of data traffic in Australia. However, wireless internet technology is expected to vastly improve with the introduction of 5G services as they enable greater speeds, lower latency and higher download rates.

The NBN and fixed wireless broadband

107 On 7 April 2009, the Federal Labor Government announced the creation of a wholesale-only, open-access communications network aimed at delivering high speed broadband and telephony services across Australia. The Government formed NBN Co to carry out the project, originally planning to build a 100 megabits per second (Mbps) fibre to the premises network to cover 93% of the population, with the remaining 7% covered by satellite and wireless technology. However, a strategic review initiated by the newly elected Liberal

15 The fixed wireless network component of the NBN provides high-speed broadband access to smaller regional and rural communities across the country where it would be uneconomical to provide the service via terrestrial means.

16 Latency is an expression of how much time it takes for a packet of data to get from one designated point to another.

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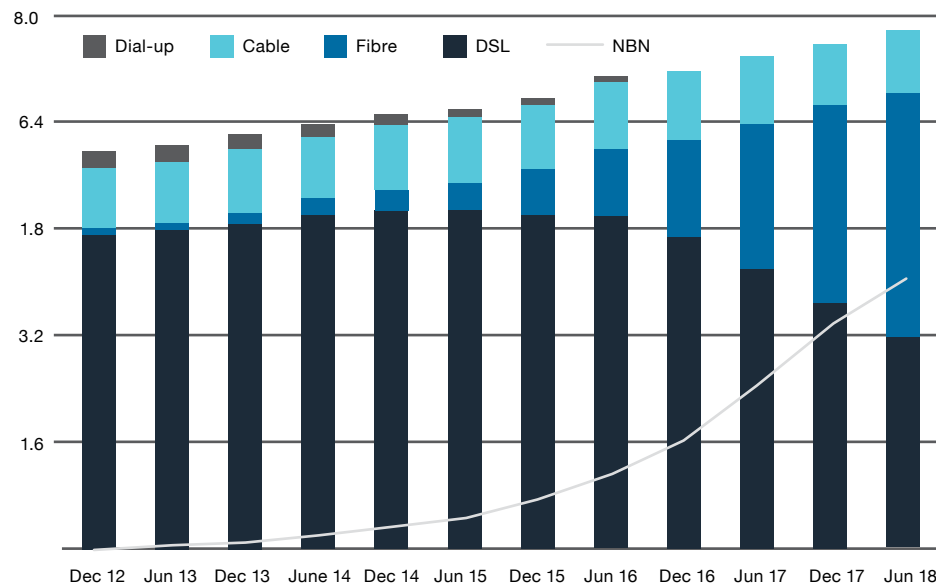
Federal Government in late 2013 introduced a more cost efficient proposal, incorporating, inter alia, a mix of technologies for the NBN rollout as well as increasing the proportion of the population to be covered by satellite and wireless technology to 8.4%¹⁷. As at 14 February 2019, the NBN had 8.4 million ready to connect premises including 637,602 ready to connect wireless premises.

Fixed line internet services

108 The number of fixed line broadband connections in Australia for the six years to 30 June 2018, incorporating both the type of connection and number of connections to the NBN, is shown in the chart below¹⁸.

Fixed line internet subscribers

Millions (half year to 30 June and 31 December)⁽¹⁾



Note:

1 NBN includes 0.3 million wireless and satellite activated connections as at 30 June 2018.

Source: ABS, 8153.0. / NBN Co.

109 To improve broadband connectivity, telecommunications companies are rolling out FTTH networks. However, constructing FTTH networks is complex, costly and time consuming, particularly in MDUs, where an agreement needs to be made between multiple apartment owners prior to construction. As a result, alternative solutions such as FTTdp are being considered. FTTdp broadband services are able to provide a similar level of performance to FTTH broadband services at a substantially lower cost and reduced installation timeframe¹⁹.

110 In September 2016, NBN Co announced the addition of FTTdp technology to its deployment plan (referred to in the NBN plans as FTTC technology), and indicated that the solution would be provided to approximately 700,000 homes and businesses around Australia using infrastructure supplied by NetComm. During April 2018, in what was deemed a world first for the FTTdp technology, the FTTC project went live in parts of Australia. NetComm is also currently trialling its FTTdp products with leading telecommunications operators across Europe.

International telecom equipment market

111 According to research provided to NetComm, the global telecommunications equipment market was estimated at around US\$350 billion in 2018. Global revenue is expected to increase to approximately US\$560 billion over the five years to 2023, representing an average annual growth rate of 9.7%.

17 NetComm has collaborated with Ericsson, in respect of the fixed wireless component of the nationwide rollout, by providing the requisite fixed wireless devices to connect regional Australians to the fixed wireless broadband network.

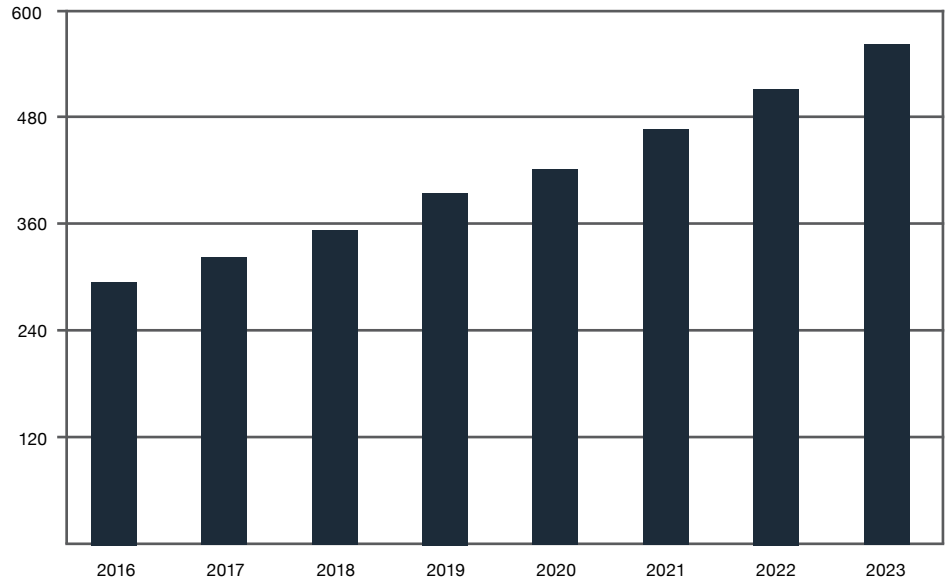
18 The NBN Co data extends to 14 February 2019, and at this date there were 4.8 million premises activated (with 8.4 million premises ready to connect). The latest ABS data is to 30 June 2018.

19 FTTdp connections are able to deliver 1 Gbps speed over copper loop lengths that are less than 200 metres.

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Total equipment market

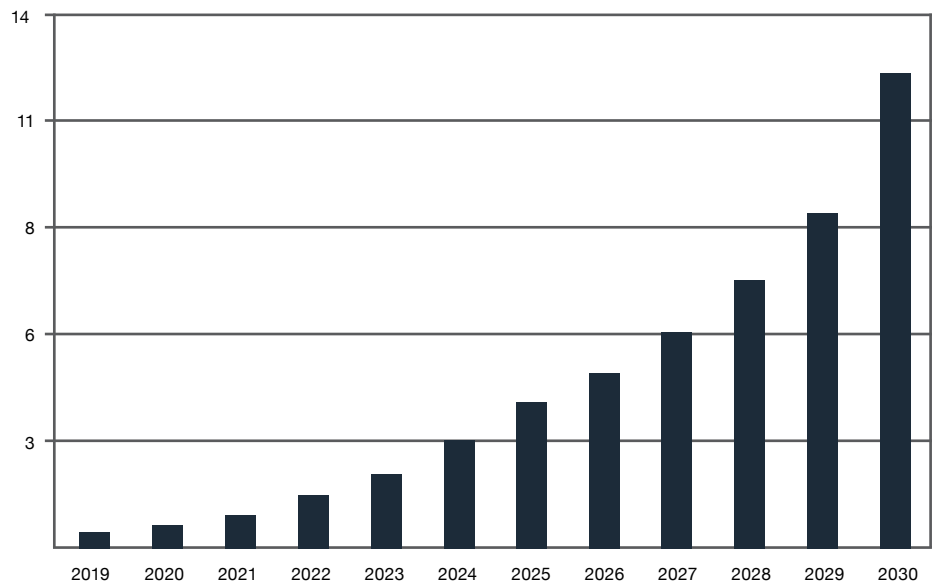
US\$ billion



- 112 Key drivers of growth in equipment spending include investment in fast internet services (both fixed line and wireless), including the rollout of 5G services currently underway in many countries. This is being driven by increasing demand for higher levels of data volumes from both individuals (underpinned by a range of factors including streaming services, online gaming and the rise of IoT devices such as appliances and industrial equipment) and businesses (which are increasingly moving to cloud based applications and services).
- 113 Fixed wireless is recognised as one of the first real practical use cases of 5G, and investment in the equipment required to construct the 5G networks is expected to grow significantly over the next decade, as shown below.

5G based fixed wireless access customer premises equipment unit shipment revenue

US\$ billion



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M2M and IIoT

- 114 IIoT brings together M2M communication and advanced monitoring and analytics to help drive smarter, faster business decisions for industrial companies. Examples of IIoT capabilities include enabling predictive analytics to detect maintenance issues in machinery, providing real-time production data to uncover additional plant capacity, or enhancing product development by relaying live operations and service data into the product design cycle.
- 115 Accenture have estimated that by 2020, global spending on the IIoT will reach US\$500 billion per year²⁰. NetComm has already built a strong presence in the global M2M / IIoT sector, maintaining longstanding partnerships with leading telecommunications carriers and providing a portfolio of IIoT devices through various operators, including Vodafone globally, to allow these operators to streamline onboarding of devices to the global IoT ecosystem.

²⁰

Source: Accenture (2015) *Driving Unconventional Growth through the Industrial Internet of Things* report.

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V VALUATION OF NETCOMM

Valuation approaches

116 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- (a) the discounted cash flow (DCF) methodology
- (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
- (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
- (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
- (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

117 Our comments and assessments under each methodology (to the extent relevant for NetComm) are set out below.

DCF

118 Under the DCF methodology the value of a business is equal to the net present value (NPV) of its estimated future free cash flows²¹ including a terminal value. In order to arrive at the NPV the future free cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

119 The application of the DCF method therefore requires reasonably reliable projections regarding the likely future free cash flows of the business. This is consistent with RG 111, which states that:

“ASIC recognises that there may be a reasonable basis for the use of DCF methodologies ... as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used”²²

120 In the circumstances of NetComm, we note that:

- (a) the large majority of NetComm’s revenue and EBIT in FY18 and in 1HY19 was derived from or in connection with the NBN. However, the NBN rollout is expected to be completed by late 2020, and revenue and EBIT from or in connection with the NBN is expected to fall significantly from FY22²³
- (b) NetComm’s current key contracts (i.e. NBN, AT&T and Bell Canada) are relatively short term. The extent to which these contracts are extended beyond their current scope is inherently uncertain
- (c) there is no reasonable basis for projecting cash flows from contracts not yet awarded or from the Company’s planned investment in 5G technologies
- (d) free cash flow has generally been negative over the four years to FY18 due to the investment in new products (refer paragraph 87).

121 Due to the above, our DCF analysis has focused on the value of the existing key fixed wireless and FTTdp contracts (e.g. NBN, AT&T and Bell Canada) and the M2M and Broadband businesses (which have exhibited more consistent revenues). Despite the optimism of NetComm management, no value has been attributed to the potential for significant new fixed wireless or FTTdp contracts on the basis that there is no reasonable basis to do so.

122 The cash flow assumptions associated with the existing fixed wireless and FTTdp contracts are both confidential and commercially sensitive, and can therefore not be disclosed in this report. However, the key assumptions reflected in our DCF analyses are summarised below:

- (a) **valuation date** – 31 December 2018
- (b) **fixed wireless and FTTdp contract revenues** – are projected until FY22 for NBN related contracts and AT&T contracts, while Bell Canada revenues are projected until FY26

²¹ When valuing a business, free cash flow is normally defined as the operating cash flows on an ungeared basis (i.e. before interest) less taxation payments, capital expenditure and working capital requirements. The free cash flow on an ungeared basis is adopted to enable the value of the business to be determined irrespective of the level of debt funding employed.

²² Source: RG 111.99.

²³ We understand that the NBN rollout is expected to be complete by late 2020, with customers having 18 months to transition once the NBN is available in their area.

ATTACHMENT 1

- (c) **M2M business revenues** – are projected to increase by around 9% per annum over the forecast period to FY28 (reflecting expected growth in the use and application of M2M / IoT devices)
- (d) **Broadband business revenues** – are projected to increase modestly (consistent with recent experience) over the forecast period to FY28
- (e) **EBIT margins (net of cash R&D costs)** – range from 10% to 15% of revenue for fixed wireless and FTTdp contracts, and around 5% for the combined M2M / Broadband businesses
- (f) **terminal value (TV)** – a TV is reflected in our valuation of the M2M / Broadband business (using the growth in perpetuity formula and a long term growth rate of 3% per annum)
- (g) **discount rate** – an equity discount rate of 10% per annum (after tax) has been adopted. However, the DCF value is not particularly sensitive to the discount rate due to the relatively short cash flow period for existing fixed wireless and FTTdp contracts (which is the largest contributor to NetComm's value)²⁴. In this regard, we note that an equity discount rate range of 9% to 11% changes our assessed value of NetComm's existing operations by 8.5% and (6.5%) respectively
- (h) **implied EBIT multiple** – our value of the M2M / Broadband business reflects an EBIT multiple of 11.1x the level of EBIT forecast to be achieved in FY19
- (i) **working capital** – the net cash balance at 31 December 2018 of \$17.4 million is required for working capital purposes and is not considered surplus (based on discussions with management and subsequent movements in the net cash position).

123 Nevertheless, we note that our DCF value of these existing contracts and the M2M and Broadband businesses is less than half the value of the Scheme Consideration, which indicates that the Scheme Consideration implies significant value to the potential for new fixed wireless and FTTdp contracts.

Capitalisation of earnings approaches

EBITDA

124 We do not consider the capitalisation of EBITDA approach to be appropriate to value NetComm because NetComm's reported EBITDA is:

- (a) after capitalising (i.e. adding back) significant product development costs; and
- (b) before amortising previously capitalised product development costs (as amortisation charges are below the EBITDA line).

125 That is, EBITDA is stated before a significant on-going cost of the business (being product development expenditure), and is therefore not representative of the future earnings potential of the business.

EBIT

126 In contrast, the capitalisation of EBIT method capitalises EBIT, which is after the amortisation of capitalised product development costs. In the case of NetComm therefore, EBIT is a better profit measure to adopt for valuation purposes than EBITDA.

127 NetComm's reported EBIT over the 4.5 year period to 31 December 2018 is summarised below:

NetComm – EBIT	
	\$m
FY15	3.4
FY16	2.3
FY17	(4.9)
FY18	9.2
6 months to 31 December 2018	0.9
Average (over 4.5 years)	2.4

- 128 In relation to the above results and outlook we note that:
- (a) as stated above, the large majority of NetComm's revenue and EBIT in FY18 (and currently) is derived from or in connection with the NBN. However, the NBN rollout is expected to be completed by late 2020, and revenue and EBIT from or in connection with the NBN is expected to fall significantly from FY22
 - (b) the average reported EBIT over the 4.5 year period ended 31 December 2018 of \$2.4 million is very low in comparison to NetComm's implied enterprise value of approximately \$103.9 million prior to the announcement of the Scheme ²⁵
 - (c) NetComm's reported results reflect the capitalisation of significant product development costs. As set out in paragraph 83, the capitalisation of product development costs (net of amortisation) has totalled \$26.2 million over the 4.5 year period to 31 December 2018
 - (d) future EBIT is likely to be volatile depending on the extent of new contract wins. However, the extent of new contract wins and the quantum of new contracts are inherently uncertain and cannot be reliably quantified
 - (e) free cash flow has been negative over the 4.5 year period to 31 December 2018 due to investment in new products and technologies. In our view, the reported EBIT is therefore not a reliable proxy for the free cash flow of the business.
- 129 Under the capitalisation of EBIT method the EBIT (before non-recurring items) is capitalised at an appropriate EBIT multiple. However, capitalisation of earnings methods (such as EBIT) should only be used where the earnings of the business are considered to be a reliable proxy for the cash flows of the business. As noted above, this has not been the case for NetComm over recent years due to the substantial capitalisation of product development costs relative to the level of amortisation charges. Further, the level of reported EBIT has been low, and is (prima facie) not representative of the future earnings potential of the business.
- 130 Consequently, we do not believe that a reliable valuation of NetComm can be derived based on a capitalisation of EBIT approach.
- Revenue multiple approach**
- 131 The revenue multiple approach is a market based valuation methodology which assesses the value of a business by capitalising its historical, current or forecast revenues by a selected multiple. Revenue multiple approaches are considered less reliable than capitalisation of earnings valuation methodologies. This is because the level of sales is determined by a range of factors which have little or no relevance to the current or likely future economic value that can be extracted from those sales. For example, pricing policy, non-recurring fees and other one-off factors determine the level of sales but do not provide any indication of the capacity of the business to generate future net cash flows or profits. In contrast, the market value of a business is determined by its capacity to generate future net cash flows.
- 132 Nonetheless, they are sometimes used as a measure of indicative value for companies which are exhibiting strong revenue growth but are generating little in the way of current profit or positive cash flow (for example, technology companies). Due to the indicated inability to value NetComm using the DCF or capitalisation of earnings methods, and the potential for future earnings growth arising from, inter-alia, the introduction of 5G technologies, we have therefore also considered the value of NetComm under a revenue multiple approach.

²⁵ Based on the NetComm share price on 21 February 2019 (being the last trading day before the announcement of the Scheme) of \$0.71, multiplied by the number of shares on issue (146.3 million). Whilst NetComm had net cash of \$17.4 million as at 31 December 2018, based on discussions with management and subsequent movements in the net cash position, we consider that this cash is required for working capital purposes (and is therefore not a surplus asset). We have therefore not deducted NetComm's net cash balance as at 31 December 2018 when calculating NetComm's implied enterprise value.

NetComm revenue

133 We set out below NetComm's actual revenue over the FY15 to FY18 period, and the mid point of NetComm management's revenue guidance for the year ending 30 June 2019 (FY19):

NetComm – Sales revenue	
	\$m
FY15	74.3
FY16	85.1
FY17	107.6
FY18	181.7
FY19 (mid-point of management guidance) ⁽¹⁾	213.5
Average – FY15 to FY19	132.4
Average – FY16 to FY19	147.0
Average – FY17 to FY19	167.6

Note:

1 On 22 February 2019 NetComm management stated that sales revenue in FY19 was expected to be up between 15% and 20% on the level of sales revenue achieved in FY18.

134 As stated above:

- (a) NetComm's revenue in FY18 and forecast for FY19 reflects significant contributions from or in connection with the NBN
- (b) the NBN rollout is expected to be completed by late 2020, and revenue from or in connection with the NBN is expected to fall significantly from FY22.

135 NetComm's current level of revenue is therefore not considered sustainable without significant future contract wins, the likelihood and quantum of which is inherently uncertain.

136 Accordingly, for valuation purposes we have adopted sales revenue of \$160 million, having regard to (in particular) the average revenue over the three and four year periods shown above.

Listed company multiples

137 A summary of the revenue multiples for selected US listed companies which focus on the provision of network and communications equipment and solutions (excluding those with an enterprise value greater than A\$1.5 billion) is set out below:

Listed company trading multiples ⁽¹⁾						
	Year ended	EV ⁽²⁾ A\$m	Revenue multiple		FY19 EBIT	Revenue CAGR ⁽⁶⁾
			FY18 ⁽³⁾ x	FY19 ⁽⁴⁾ x	Margin ⁽⁴⁾ %	%
NetComm	30 Jun	104	0.6	0.5	na ⁽⁵⁾	Na
NETGEAR	31 Dec	1,129	0.8	0.7	10.2	4.1
Comba Telecom Systems	31 Dec	1,098	1.0	0.9	4.6	10.8
Casa Systems	31 Dec	1,009	2.4	2.6	17.6	1.4
Ribbon Communications	31 Dec	815	1.0	0.9	14.2	1.4
ADTRAN	31 Dec	717	1.0	0.8	0.7	10.0
Sierra Wireless	31 Dec	503	0.5	0.5	2.4	3.0
DASAN Zhone Solutions	31 Dec	261	0.7	0.5	4.2	na
Median ⁽⁷⁾			1.0	0.8	4.6	3.5

Note:

- 1 Enterprise value and revenue multiples calculated as at 1 April 2019, with the exception of NetComm which is as at 21 February 2019 (i.e. prior to the announcement of the Scheme).
- 2 Enterprise value (EV) reflects net debt, market capitalisation and outside equity interests. Whilst NetComm had net cash of \$17.4 million as at 31 December 2018, based on discussions with management and subsequent movements in the net cash position we consider that this cash is required for working capital purposes (and is therefore not a surplus asset). We have therefore not deducted NetComm's net cash balance as at 31 December 2018 when calculating NetComm's implied enterprise value.
- 3 Based on actual revenue for FY18.
- 4 Based on average analyst forecasts (excluding outliers and outdated forecasts) sourced from Bloomberg, with the exception of NetComm which is based on the mid-point of management's guidance for FY19.
- 5 Not comparable due to level of capitalised product development costs.
- 6 Compound annual growth rate (CAGR). Based on analyst forecasts for the three years to FY21, with the exception of Comba Telecom Systems, Ribbon Communications and ADTRAN, which are based on analyst forecasts for the two years to 2020.
- 7 Excluding NetComm.
na – not available.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

138 The implied revenue multiple for a company should vary depending on (inter-alia):

- (a) how profitable the company is as a percentage of its revenue, as the higher the EBIT margin the more profitable it is per dollar of revenue (which should therefore be reflected in a higher revenue multiple, provided all other variables such as future sales growth are consistent); and
- (b) expected revenue growth, as businesses which are expected to achieve higher revenue growth should trade on higher revenue multiples (provided all other variables, such as EBIT margins, are consistent).

139 NetComm's EBIT margins as a percentage of revenue are low²⁶ which, prima facie, implies that a low revenue multiple should be applied to NetComm (provided other variables such as future revenue growth are consistent). In contrast, the high revenue multiple for Casa Systems is likely to reflect its high profit margins.

140 The above listed companies are also larger (in terms of market capitalisation) and have more diverse businesses than NetComm. As set out in Appendix C some of the above listed companies also trade on reasonable EBIT multiples.

26 As shown in paragraph 127, NetComm's reported EBIT has averaged only \$2.4 million over the 4.5 year period to 31 December 2018.

ADTRAN

141 ADTRAN, Inc. (ADTRAN) is a global provider of networking and communications equipment. ADTRAN's products enable voice, data, video and internet communications across a variety of network infrastructures and its solutions are currently in use by service providers, private enterprises, government organisations and millions of individual users worldwide.

142 Of the above listed companies, ADTRAN is considered to be the most comparable in terms of its business operations to NetComm, as it is a direct competitor. In particular, we note that in a November 2018 announcement by ADTRAN regarding the award of a new supply contract with NBN, the NBN's Chief Network Engineering Officer Peter Ryan stated that:

"ADTRAN is a valued strategic partner for nbn and has played a key role helping nbn meet our deployment goals to evolve our network. I am very pleased that we are taking this next step together on our journey of delivering cutting-edge technology to Australians with our first deployment of ADTRAN G.fast technology onto the nbn FTTC network. Having this technology in the ground today gives us additional flexibility to meet end-user demand as it evolves."

143 Accordingly, we set below the sales revenues for both NetComm and ADTRAN over the FY15 to FY19 (forecast) period, and the EV / sales revenue multiple for both companies based on recent share trading:

Sales revenue comparison ⁽¹⁾		
	NetComm A\$m	ADTRAN US\$m
FY15	74.3	600.1
FY16	85.1	636.8
FY17	107.6	666.9
FY18	181.7	529.3
FY19 forecast	213.5 ⁽¹⁾	603.2 ⁽²⁾
<hr/>		
Five year average – FY15 to FY19	132.4	607.3
Four year average – FY16 to FY19	147.0	609.1
Three year average – FY17 to FY19	167.6	599.8
<hr/>		
Enterprise value	103.9 ⁽³⁾	542.6 ⁽⁴⁾
<hr/>		
Revenue multiple (five year average)	0.78	0.89
Revenue multiple (four year average)	0.71	0.89
Revenue multiple (three year average)	0.62	0.90

Note:

1 On 22 February 2019 NetComm management stated that sales revenue in FY19 was expected to be up between 15% and 20% on the level of sales revenue achieved in FY18.

2 Based on average analyst forecasts sourced from Bloomberg.

3 As at 21 February 2019 (i.e. last trading day prior to the announcement of the Scheme). Calculated at \$0.71 per share x 146.3 million shares. Whilst NetComm had net cash of \$17.4 million as at 31 December 2018, based on discussions with management and subsequent movements in the net cash position we consider that this cash is required for working capital purposes (and is therefore not a surplus asset). We have therefore not deducted NetComm's net cash balance as at 31 December 2018 when calculating NetComm's implied EV.

4 As at 26 February 2019.

144 ADTRAN's higher revenue multiple is likely to reflect its greater size and contract diversification. As shown above, ADTRAN has been able to maintain sales revenue at around US\$600 million consistently over the period, whereas NetComm's revenue is significantly impacted by the timing of NBN revenues. Analysts are also forecasting ADTRAN's sales revenue to reach US\$704 million in FY21 (approximately 17% higher than forecast in FY19).

Conclusion on sales multiple

145 Having regard to the above, we have applied a revenue multiple of 0.65x to 0.75x to the level of revenue adopted for valuation purposes. As this revenue multiple range represents a portfolio or minority interest revenue multiple (consistent with the revenue multiples for the listed companies shown above), we have then adjusted our revenue multiple for a premium for control.

146 Empirical evidence undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the enterprise value level, although this varies depending on the level of debt funding employed in each company.

147 After adjusting for a control premium we have therefore applied a controlling interest revenue multiple of 0.78x²⁷ to 0.94x²⁸.

Valuation of NetComm based on sales revenue approach

148 On this basis, the value of 100% of NetComm on a controlling interest basis is as follows:

	Low \$m	High \$m
Revenue adopted for valuation purposes	160.0	160.0
Revenue multiple (times) ⁽¹⁾	0.78	0.94
Assessed enterprise value	124.8	150.4
Add net cash ⁽²⁾	-	-
Assessed equity value	124.8	150.4
Number of shares on issue (million)	146.3	146.3
Implied value per share (\$)	0.85	1.03

Note:

1 Including a control premium.

2 Whilst NetComm had net cash of \$17.4 million as at 31 December 2018, based on discussions with management and subsequent movements in the net cash position we consider that this cash is required for working capital purposes (and is therefore not a surplus asset).

Share trading post FY19 guidance announcement

149 On 27 August 2018, NetComm provided the following guidance for FY19 as part of its FY18 results announcement:

“Following the substantial step up in scale in FY18, NetComm expects FY19 to be a year of consolidation to ensure a sustainable platform is in place to drive the next step change in growth expected for FY20:

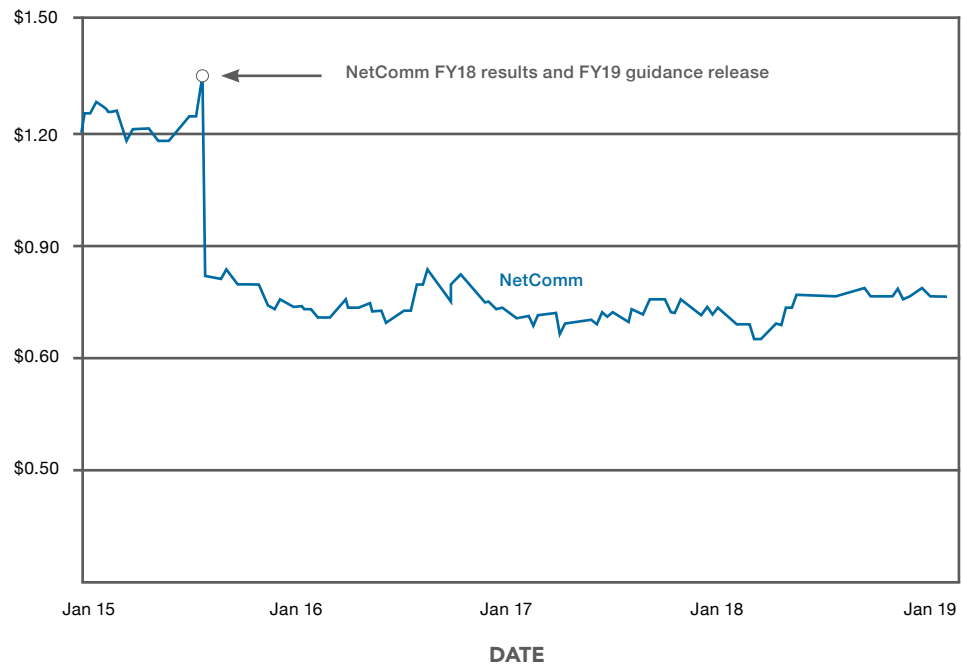
- *Revenue is forecast to grow at 15-20%. This forecast growth is dampened due to a slower than expected rollout of the nbn FTTC project (as flagged by nbn) and a slower rollout of the AT&T Fixed Wireless project. This revenue has not been lost, rather it is deferred to future periods*
- *Underlying EBITDA is expected to be at a similar level to FY18, with revenue growth offset by lower margins as the sales mix changes from higher margin Australian DPU sales to lower margin NCD sales and higher near-term component costs are incurred due to global industry wide shortages*
- *Given NetComm’s substantial opportunities in 5G, an investment of \$9 million is planned into 5G solutions, of which \$4 million is operating expense and \$5 million is capital expenditure*
- *After allowing for our additional 5G opex spend, reported EBITDA is forecast to be in the range of \$15 million to \$18 million with earnings skewed to the second half based on our expectations of customer ordering patterns.”*

²⁷ Being 0.65 plus a premium of 20%.

²⁸ Being 0.75 plus a premium of 25%.

150 NetComm's share price declined significantly (as shown below) following the release of the above FY19 guidance, as investors reset future earnings and growth expectations:

NetComm – share price post FY19 guidance



Source: Bloomberg.

151 Further detail regarding this share trading is shown below:

NetComm - share trading

Period	Low \$	High \$	V/WAP \$	Value 000	Volume 000
1 month to 21 February 2019(1)	0.71	0.77	0.73	2,152	2,934
3 months to 21 February 2019	0.65	0.79	0.73	6,359	8,699
27 August 2018(2) to 21 February 2019	0.65	1.10	0.78	45,891	58,803

Note:

- 1 Being the last trading day prior to the announcement of the Scheme.
- 2 NetComm announced its FY18 results before the market opened on 27 August 2019.

152 Subsequent to the release of its FY19 guidance on 27 August 2018, NetComm shares have generally traded between \$0.65 and \$0.80, with a VWAP of \$0.78 over the period 27 August 2018 to 21 February 2019 (being the last trading day prior to the announcement of the Scheme). Over this same period, the value of shares traded in NetComm was \$45.9 million, which indicates that the listed market price post the FY19 guidance release should be a reasonably reliable reference point for the portfolio value of NetComm shares.

153 Based on the above share trading we have adopted a portfolio (i.e. minority interest) value of NetComm shares of between \$0.70 and \$0.80. As stated above, empirical evidence undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover).

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- 154 Adding a 30% to 35% premium for control to these share prices therefore implies a controlling interest value for NetComm shares of \$0.91 to \$1.08 as set out below:

NetComm – controlling interest value		
	Low \$	High \$
Adopted portfolio value based on share market trading	0.70	0.80
Control premium	30.0%	35.0%
100% controlling interest value	0.91	1.08

Summary

- 155 Based on the above, the resulting value of NetComm shares on a 100% controlling interest basis is therefore as follows:

NetComm – summary of values per share		
Methodology	Low \$	High \$
Revenue multiple approach	0.85	1.03
Pre-announcement share trading adjusted for a control premium	0.91	1.08
Adopted range	0.85	1.08

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VI EVALUATION OF THE SCHEME

156 In our opinion, the Scheme is fair and reasonable and in the best interests of NetComm shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

Value of NetComm

157 As set out in Section VI we have assessed the value of NetComm at between \$0.85 and \$1.08 per share.

Value of Scheme Consideration

158 If the Scheme becomes legally effective, NetComm shareholders will receive \$1.10 for each NetComm share they hold on the Scheme Record Date (Scheme Consideration)

Fair and reasonable opinion

Assessment of fairness

159 Pursuant to RG 111 the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than, the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of NetComm			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Scheme Consideration	1.10	1.10	1.10
Value of 100% of NetComm	0.85	1.08	0.97
Extent to which the Scheme Consideration exceeds the value of NetComm	0.25	0.02	0.13

160 As the Scheme Consideration slightly exceeds the top end of our assessed valuation range for NetComm shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to NetComm shareholders when assessed based on the guidelines set out in RG 111.

Assessment of reasonableness

161 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is “fair and reasonable” it must also be “in the best interests” of shareholders.

162 Consequently, in our opinion, the Scheme is also “reasonable” and “in the best interests” of NetComm shareholders in the absence of a superior proposal.

163 In assessing whether the Scheme is reasonable and in the best interests of NetComm shareholders LEA has also considered, in particular:

- (a) the extent to which a control premium is being paid to NetComm shareholders
- (b) the extent to which NetComm shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (c) the listed market price of the shares in NetComm, both prior to and subsequent to the announcement of the proposed Scheme
- (d) the likely market price of NetComm securities if the proposed Scheme is not approved
- (e) the value of NetComm to an alternative offeror and the likelihood of a higher alternative offer being made for NetComm prior to the date of the Scheme meeting
- (f) the advantages and disadvantages of the Scheme from the perspective of NetComm shareholders
- (g) other qualitative and strategic issues associated with the Scheme.

164 These issues are discussed in detail below.

Extent to which a control premium is being paid

165 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company’s shares²⁹ three

²⁹ After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

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months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price). This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

166 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of NetComm shares (as traded on the ASX) for periods up to and including 21 February 2019 (being the last trading day prior to the announcement of the Scheme with Casa Systems).

167 The implied offer premium relative to NetComm share prices up to 21 February 2019 is shown below:

Implied offer premium relative to recent share prices ⁽¹⁾		
	NetComm share price \$	Implied control premium \$
Closing share price on 21 February 2019 ⁽²⁾	0.71	54.9
1 month VWAP to 21 February 2019	0.73	50.7
3 months VWAP to 21 February 2019	0.73	50.7
27 August 2018 ⁽³⁾ to 21 February 2019	0.78	41.0

Note:

- 1 Rounding differences may exist.
- 2 Being the closing price on the last day of trading prior to the announcement of the Scheme.
- 3 NetComm released its results for FY18 (and provided guidance for FY19) before the market opened on 27 August 2018.

168 The offer premiums above exceed the average takeover premium of 30% to 35% implied from empirical evidence.

169 Accordingly, in our opinion, the Scheme Consideration provides NetComm shareholders with a premium that is greater than observed premiums generally paid in comparable circumstances. Accordingly, in our view, NetComm shareholders are being appropriately compensated for the fact that 100% control of NetComm will pass to Casa Systems if the Scheme is approved.

Extent to which NetComm shareholders are being paid a share of synergies

170 In the Scheme announcement dated 22 February 2019, Casa Systems Chairman and Chief Executive Officer, Mr Jerry Guo, made the following statements regarding the rationale for the proposed acquisition of NetComm:

“NetComm represents a strong strategic fit for Casa Systems ... We believe that this transaction will create a global leader in the rapidly growing broadband enablement space for service providers across all access technologies. With complementary product portfolios, the combination of Casa Systems and NetComm strengthens our ability to meet the growing demand for increased bandwidth by communications service providers around the world. Moreover, it positions the combined company with a broad, highly competitive product portfolio for new 4G architectures and 5G wireless.”

“We see substantial benefits to Casa Systems from this acquisition. It will diversify our revenues both geographically and by product channel. It expands Casa Systems’ customer reach with the addition of several new Tier 1 Global Communications Services Provider customers. It adds fixed wireless products to our portfolio, enabling us to address the large 5G fixed wireless access market. And, it has the potential to deliver meaningful benefits through the merger of two complementary, culturally aligned organisations, with immediate EPS accretion for Casa Systems shareholders.”

171 Further information on the expected synergy benefits was also included in an investor presentation by Casa Systems dated February 2019. In this presentation, Casa Systems stated that the full run-rate synergies were

ATTACHMENT 1

expected to be around US\$7 million to US\$8 million per annum. This significantly exceeds the average EBIT achieved by NetComm in the 4.5 year period to 31 December 2018 of \$2.4 million (as set out in Section V).

172 Casa Systems also referred to the potential for revenue synergies through cross-sell and up-sell opportunities (although it is not clear whether these are included in the US\$7 million to US\$8 million synergy estimate), noting in its webcast to discuss its FY18 results and the proposed acquisition that:

“NetComm’s products nicely slot into our product map. This gives Casa a fuller end-to-end solution for customers and it extends our footprint in the network to the edge end user equipment. And we believe that this fuller portfolio gives Casa a more compelling offering for our customers, and importantly, it enhances our exposure with mobile network operators with fixed wireless products.”

173 Casa Systems also quantified the value of expected synergies in its results presentation (and webcast) at US\$80 million to US\$95 million³⁰, and stated in its webcast that:

“We anticipate the 70% to 85% of the total equity consideration paid by Casa will be covered by simple and quick-to-achieve Phase I synergies alone. And this calculation does not yet consider the fiscal year 2020 EBITDA that we’re acquiring from NetComm and other material revenue synergies that we hope to achieve from this acquisition.”

174 Based on the above, it is clear that Casa Systems expect to achieve large synergies from the acquisition of NetComm (which, prima facie, explains the above average premium being offered compared to the NetComm share price prior to the announcement of the Scheme, as shown in paragraph 167). In the circumstances we consider that NetComm shareholders are being paid a reasonable share of these expected synergy benefits.

Recent share prices subsequent to the announcement of the Scheme

175 Shareholders should note that NetComm shares have traded on the ASX in the range of \$1.01 to \$1.085 per share in the period since the Scheme was announced up to 1 April 2019.

176 In our view, this trading range suggests that, in the absence of a superior proposal, the consensus market view is that the Scheme is likely to be successful.

Likely price of NetComm shares if the Scheme is not implemented

177 If the Scheme is not implemented we expect that, at least in the short term, NetComm shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of NetComm shares on a portfolio basis and their value on a 100% controlling interest basis. In this regard we note that NetComm shares last traded at \$0.71 per share on 21 February 2019 (being the last trading day prior to the announcement of the Scheme with Casa Systems).

178 If the Scheme is not implemented those NetComm shareholders who wish to sell their NetComm shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

Likelihood of an alternative offer

179 We have been advised by the Directors of NetComm that no formal alternative offers have been received subsequent to the announcement of the Scheme on 22 February 2019. We have been further advised that the Scheme reflects the outcome of negotiations between NetComm and Casa Systems and that no formal sale process in respect of NetComm was undertaken prior to entering into the Agreement with Casa Systems.

180 There has effectively been (and remains) therefore an opportunity for third parties contemplating an acquisition of NetComm to table a proposal before the NetComm Board. In this regard, however, NetComm shareholders should note the exclusivity obligations on NetComm pursuant to the Agreement, which are summarised in Section I above and discussed in further detail in the Scheme Booklet.

Summary of opinion on the Scheme

181 We summarise below the likely advantages and disadvantages for NetComm shareholders if the Scheme proceeds.

Advantages

182 In our opinion, the Scheme has the following benefits for NetComm shareholders:

- (a) the Scheme Consideration of \$1.10 cash per share slightly exceeds the top end of our assessed value range for NetComm shares on a 100% controlling interest basis. Thus, in our view, NetComm shareholders are being paid an appropriate price to compensate them for the fact that control of NetComm will pass to Casa Systems if the Scheme is approved

30 Based on a FY20 price earnings (PE) ratio of 13.3x, which Casa Systems stated was its PE based on average analyst estimates sourced from FactSet as at 21 February 2019.

ATTACHMENT 1

- (b) the Scheme Consideration represents:
- (i) a 41.0% premium above the VWAP of NetComm shares in the period from 27 August 2018³¹ (being the date NetComm announced its results for FY18) to 21 February 2019 (being the last trading day before the announcement of the Scheme); and
 - (ii) a 50.7% premium above the VWAP of NetComm shares in the three month period prior to the announcement of the Scheme
- (c) furthermore, the Scheme Consideration implies an acquisition (takeover) premium which is above the average premiums paid in successful takeovers generally. We therefore consider that NetComm shareholders are being paid a reasonable share of the synergy benefits expected to be achieved by Casa Systems from the acquisition of NetComm
- (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of NetComm shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

- 183 NetComm shareholders should note that if the Scheme is implemented they will no longer hold an interest in NetComm. As NetComm shareholders will receive cash consideration, they will also not hold shares in Casa Systems³². NetComm shareholders will therefore not participate in any future value created by NetComm or Casa Systems over and above that reflected in the Scheme Consideration.

Conclusion

- 184 Given the above analysis, we consider that the advantages of the Scheme significantly outweigh the disadvantages. Consequently, in our view, the acquisition of NetComm shares by Casa Systems under the Scheme is fair and reasonable and in the best interest of NetComm shareholders in the absence of a superior proposal.

³¹
³²

*Inclusive, as NetComm announced its FY18 results prior to the market opening on 27 August 2018.
It should be noted that Casa Systems shares are listed on NASDAQ. Shareholders can therefore acquire shares in Casa Systems should they wish to do so.*

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APPENDIX A: FINANCIAL SERVICES GUIDE

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

3 The *Corporations Act 2001* (Cth) (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to NetComm shareholders in connection with the Scheme.

4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$120,000 plus GST.

9 Neither LEA nor its directors and officers receive any commissions or other benefits, except for the fees for services referred to above.

10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.

13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Contact details

14 LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

APPENDIX B: QUALIFICATIONS, DECLARATIONS AND CONSENTS

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Mr Martin Holt, who are each authorised representatives of LEA. Mr Edwards and Mr Holt have over 25 years and 33 years of experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of NetComm to accompany the Scheme Booklet to be sent to NetComm shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of NetComm shareholders.

Interests

- 4 At the date of this report, neither LEA, Mr Edwards nor Mr Holt have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – Independence of experts, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

Indemnification

- 6 As a condition of LEA's agreement to prepare this report, NetComm agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of NetComm which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

APPENDIX C: LISTED COMPANY MULTIPLES

- 1 A summary of the revenue and EBIT multiples for selected US listed companies which focus on the provision of network and communications equipment and solutions (excluding those with an enterprise value greater than A\$1.5 billion) are set out below:

Listed company trading multiples ⁽¹⁾						
	Year ended	EV ⁽²⁾ A\$m	Revenue multiple		EBIT multiple	
			FY18 ⁽³⁾ x	FY19 ⁽⁴⁾ x	FY18 ⁽³⁾ x	FY19 ⁽⁴⁾ x
NETGEAR	31 Dec	1,129	X	FY19(4)	10.5	7.2
Comba Telecom Systems	31 Dec	1,098	x	FY18(3)	nm	19.0
Casa Systems	31 Dec	1,009	x	FY19(4)	8.9	14.8(5)
Ribbon Communications	31 Dec	815	x	0.9	nm	6.6
ADTRAN	31 Dec	717	1.0	0.8	nm	nm
Sierra Wireless	31 Dec	503	0.5	0.5	18.4	18.9
DASAN Zhone Solutions	31 Dec	261	0.7	0.5	25.6	12.6
Median			1.0	0.8	14.5	13.7

Note:

- 1 Enterprise value and revenue multiples calculated as at 1 April 2019.
 2 Enterprise value reflects net debt, market capitalisation and outside equity interests.
 3 Based on actual revenue and EBIT (where applicable) for FY18.
 4 Based on average analyst forecasts (excluding outliers and outdated forecasts) sourced from Bloomberg.
 5 Casa Systems' EBIT for FY19 is forecast to increase materially resulting in an FY20 EBIT multiple of 10.3 times.
 nm – not meaningful.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

Casa Systems Inc.

- 2 Casa Systems delivers software-centric infrastructure solutions that allow cable service providers to deliver voice, video and data services over a single platform at multi-gigabit speeds. In addition, the company is pioneering advanced ultra broadband 5G solutions for telecommunications service providers. Casa Systems deploys its solutions commercially in over 70 countries serving more than 400 customers, including both tier one and regional broadband service providers.

Comba Telecom Systems Holdings Ltd

- 3 Comba Telecom Systems Holdings is principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment and the provision of related installation and maintenance services. The company operates its business in mainland China as well as other countries located across the Asia Pacific, Americas, European Union and Middle East. Through its subsidiaries Comba Telecom Systems Holdings is also engaged in the provision software technology services.

NETGEAR Inc.

- 4 NETGEAR is a global networking company that delivers a variety of proven technologies such as wireless (wi-fi and LTE), ethernet and powerline products. Its product line consists of wired and wireless devices that enable networking, broadband access and network connectivity. NETGEAR sells its networking products through multiple sales channels and operates across the Americas, Europe, Middle East, Africa and Asia Pacific.

Ribbon Communications Inc.

- 5 Ribbon Communications delivers software solutions that secure and power many of the world's leading service provider and enterprise communications environments. The company's cloud-native solutions deliver intelligent and secure carrier-grade real-time communications solutions for the cloud, networks and enterprises. Ribbon Communications has locations in more than 25 countries on six continents.

Sierra Wireless Inc.

- 6 Sierra Wireless is engaged in building the IoT with wireless solutions for organisations. The company operates under three segments, being OEM Solutions, Enterprise Solutions, and Cloud and Connectivity Services. Sierra Wireless offers a portfolio of 2G, 3G and 4G cellular embedded wireless modules and gateways, integrated with its secure cloud and connectivity services. These products are provided to original equipment manufacturers and enterprises.

ADTRAN Inc.

- 7 ADTRAN is a leading global provider of networking and communications equipment. The company's products enable voice, data, video and internet communications across a variety of network infrastructures. Its solutions are currently in use by service providers, private enterprises, government organisations, and millions of individual users throughout the US and the world.

DASAN Zhone Solutions Inc.

- 8 DASAN Zhone Solutions is a global leader in network access solutions for service provider and enterprise networks. It provides a wide array of reliable, cost-effective networking technologies including broadband access, ethernet switching, passive optical local area networks and software-defined networks. The company is headquartered in Oakland, California and has operations in more than 20 countries worldwide.

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APPENDIX D: GLOSSARY

1HY	Financial half year ending 31 December
2HY	Financial half year ending 30 June
ABS	Australian Bureau of Statistics
ADSL	Asymmetric digital subscriber line
ADTRAN	ADTRAN, Inc.
AFCA	Australian Financial Complaints Authority
Agreement	Scheme Implementation Deed between NetComm and Casa Systems dated 22 February 2019
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AT&T	AT&T Inc.
CAGR	Compound annual growth rate
Call Direct	Call Direct Cellular Solutions 2003 Pty Ltd
Casa Systems	Casa Systems, Inc
Company	NetComm Wireless Limited
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corporations Regulations	Corporations Regulations 2001
CTTdp	Cable to the distribution point
DCF	Discounted cash flow
DPU	Distribution Point Units
DSL	Digital subscriber line
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
EV	Enterprise value
FIRB	Foreign Investment Review Board
FSG	Financial Services Guide
FTTC	Fibre to the curb
FTTdp	Fibre to the distribution point
FTTH	Fibre to the home
FY	Financial year
Gb	Gigabit
Gbps	Gigabit per second
Gfast	DSL protocol standard for local loops shorter than 500 metres
GHz	Gigahertz
GPON	Gigabit Passive Optical Network

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GPS	Global Positioning System
IER	Independent expert's report
IFWA	Intelligent Fixed Wireless Access
IIoT	Industrial Internet of Things
IoT	Internet of Things
ISP	Internet service provider
km	Kilometre
LEA	LonerGAN Edwards & Associates Limited
LTE	Long term evolution
M2M	Machine-to-machine
Mbps	Megabits per second
MDU	Multi-dwelling unit
NBN	National Broadband Network
NBN Co	NBN Co Limited
NCD	Network Connection Device
NetComm	NetComm Wireless Limited
NPV	Net present value
NZ	New Zealand
PE	Price earnings
RG 111	Regulatory Guide 111 – Content of expert reports
RSP	Retail service provider
SAR	Share appreciation rights
Scheme	Scheme of arrangement under which Casa Systems proposes to acquire 100% of the issued shares in NetComm
Scheme Consideration	\$1.10 cash per NetComm share
TIE	Telecommunications infrastructure equipment
TV	Terminal value
UK	United Kingdom
US	United States of America
VDSL	Very-high-bit-rate digital subscriber line
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding

ATTACHMENT 2

DEED POLL

DEED POLL

In favour of each person registered as a holder of fully paid ordinary shares in Netcomm Wireless Limited ACN 002 490 486 as at the Record Date

Casa Systems, Inc.
and

Casa Communications Holdings Pty Ltd
ACN 632 732 659

CONTENTS

1.	Defined terms and interpretation	2
1.1	Defined terms	2
1.2	Interpretation	2
1.3	Nature of deed poll	3
2.	Conditions	3
2.1	Conditions	3
2.2	Termination	3
2.3	Consequences of termination	3
3.	Scheme obligations	3
4.	Warranties	3
5.	Continuing obligations	4
6.	Further assurances	4
7.	General	4
7.1	Stamp duty	4
7.2	Notices	4
7.3	Cumulative rights	5
7.4	Waiver and variation	5
7.5	Assignment	5
7.6	Governing law and jurisdiction	5

ATTACHMENT 2

DEED POLL

DATED 26 APRIL 2019

PARTIES

BY

Name	Casa Systems, Inc.
Address	100 Old River Road, Andover, Massachusetts 01810, United States of America
Email	scott.bruckner@casa-systems.com
Contact	Scott Bruckner
Short name	Casa

Name	Casa Communications Holdings Pty Ltd ACN 632 732 659
Address	C/- MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney, New South Wales 2000
Email	scott.bruckner@casa-systems.com
Contact	Scott Bruckner
Short name	Casa Communications

IN FAVOUR OF

Name	Each person registered as a holder of fully paid ordinary shares in NetComm Wireless Limited ACN 002 490 486 as at the Record Date
Short name	Scheme Participant

BACKGROUND

- A. On 22 February 2019, Casa and NetComm Wireless Limited ACN 002 490 486 (**NetComm**) entered into a scheme implementation deed (**Implementation Deed**).
- B. Under the Implementation Deed, Casa has agreed to pay the Scheme Consideration to the Scheme Participants in consideration for the acquisition by Casa of all of the Scheme Shares (being all of the fully paid ordinary shares issued in the capital of NetComm at the Record Date).
- C. Pursuant to clause 22.11 of the Implementation Deed, Casa has elected that Casa Communications, a wholly owned subsidiary of Casa Technologies Pty Ltd ACN 632 730 020 (which is a wholly owned subsidiary of Casa), will acquire all of the Scheme Shares under the Scheme.
- D. Casa and Casa Communications enter into this deed poll for the purpose of covenanting in favour of the Scheme Participants to procure and undertake the actions attributed to Casa and Casa Communications under the Scheme.

THE PARTIES AGREE

1. DEFINED TERMS AND INTERPRETATION

1.1 Defined terms

Unless the context otherwise requires, terms defined in the Implementation Deed (other than words and expressions defined in this deed poll) have the same meaning when used in this deed poll.

1.2 Interpretation

The rules in clause 20 of the Implementation Deed apply in interpreting this deed poll (unless the context makes it clear that a rule is not intended to apply, save that references to 'Deed' in that clause will be taken to be references to 'deed poll').

ATTACHMENT 2

1.3 Nature of deed poll

Each of Casa and Casa Communications acknowledge and agree that:

- 1.3.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and
- 1.3.2 under the Scheme, each Scheme Participant irrevocably appoints NetComm and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent to enforce this deed poll against Casa and Casa Communications.

2. CONDITIONS PRECEDENT AND TERMINATION

2.1 Conditions

The obligations of Casa and Casa Communications under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

This deed poll and the obligations of Casa and Casa Communications under this deed poll will automatically terminate, and the terms of this deed poll will be of no further force or effect if:

- 2.2.1 the Implementation Deed is terminated in accordance with its terms; or
- 2.2.2 the Scheme does not become Effective by the End Date.

2.3 Consequences of termination

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

- 2.3.1 Casa and Casa Communications are each released from their respective obligations to further perform this deed poll; and
- 2.3.2 each Scheme Participant retains any rights, powers or remedies it has against Casa and Casa Communications in respect of any breach of this deed poll which occurred before it was terminated.

3. SCHEME OBLIGATIONS

- 3.1 Subject to clause 2, Casa Communications undertakes in favour of each Scheme Participant that it will duly and punctually observe and perform all obligations attributed to it under the Scheme, including all obligations attributed to it relating to the provision of the Scheme Consideration, in accordance with the terms of the Scheme
- 3.2 Subject to clause 2, Casa undertakes in favour of each Scheme Participant that it will procure that Casa Communications duly and punctually observes and performs all obligations attributed to Casa Communications under the Scheme, including all obligations attributed to Casa Communications relating to the provision of the Scheme Consideration, in accordance with the terms of the Scheme (**Casa Communications Obligations**) and, if Casa Communications does not duly and punctually observe and perform the Casa Communications Obligations, Casa undertakes to duly and punctually observe and perform the Casa Communications Obligations.

4. WARRANTIES

Each of Casa and Casa Communications represents and warrants in favour of each Scheme Participant that:

- 4.1.1 it is a corporation validly existing under the laws of its place of incorporation;
- 4.1.2 it has full legal capacity and power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- 4.1.3 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 by it of this deed poll;
- 4.1.4 this deed poll is valid and binding on it and is enforceable against it in accordance with its terms; and
- 4.1.5 this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

ATTACHMENT 2

5. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- 5.1.1 each of Casa and Casa Communications have fully performed their obligations under this deed poll; or
- 5.1.2 the earlier termination of this deed poll under clause 2.2.

6. FURTHER ASSURANCES

Casa and Casa Communications will, at their own expense, do all things reasonably required of it and execute all documents reasonably necessary to give full effect to this deed poll and the transactions contemplated by it.

7. GENERAL

7.1 Stamp duty

Casa and Casa Communications must:

- 7.1.1 be responsible for their own costs arising out of the negotiation, preparation and execution of this deed poll;
- 7.1.2 pay or procure the payment of all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to Casa Communications pursuant to the Scheme or this deed poll; and
- 7.1.3 indemnify each Scheme Participant against any liability arising from failure to comply with clause 7.1.2.

7.2 Notices

- 7.2.1 Any notice or other communication to Casa or Casa Communications in connection with this deed poll must be:
 - (a) in legible writing in English;
 - (b) signed by the person making the communication or that person's duly authorised agent; and
 - (c) given by hand delivery, pre-paid post or email in accordance with the details set out below:

Attention: Scott Bruckner
Address: 100 Old River Road, Andover, Massachusetts 01810, United States of America
Email: scott.bruckner@casa-systems.com

with a copy (for information purposes only) to:

Attention: Daniel Scotti
Address: MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000
Email: daniel.scotti@minterellison.com
- 7.2.2 Subject to clause 7.2.3, any notice or other communication given in accordance with clause 7.2.1 will be deemed to have been duly given as follows:
 - (a) if delivered by hand, on delivery;
 - (b) if sent by pre-paid post, on receipt; and
 - (c) if sent by email:
 - (i) when the sender receives an email from the recipient confirming receipt of the email; or
 - (ii) when the sender receives an automated message from the intended recipient's information system confirming delivery of the email,whichever happens first.

ATTACHMENT 2

- 7.2.3 Any notice or other communication that, pursuant to clause 7.2.2, would be deemed to be given:
- (a) other than on a Business Day or after 5:00 pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
 - (b) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,
- where references to time are to time in the place the recipient is located.

7.3 Cumulative rights

The rights, powers and remedies of Casa, Casa Communications and the Scheme Participants under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

7.4 Waiver and variation

- 7.4.1 A party waives a right under this deed poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- 7.4.2 Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any 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.
- 7.4.3 A provision of this deed poll may not be varied unless:
- (a) if before the First Court Date, the variation is agreed to by NetComm in writing; or
 - (b) if on or after the First Court Date, the variation is agreed to by NetComm in writing and the Court indicates that the variation would not of itself preclude approval by the Court of the Scheme,

in which event Casa and Casa Communications must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

7.5 Assignment

- 7.5.1 The rights of each Scheme Participant created by this deed poll must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of Casa.
- 7.5.2 Any purported dealing in contravention of clause 7.5.1 is invalid.

7.6 Governing law and jurisdiction

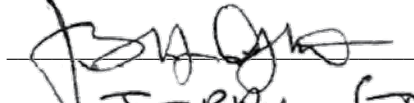
- 7.6.1 This deed poll is governed by the laws in force in New South Wales, Australia.
- 7.6.2 Each party irrevocably:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine 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 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 7.6.2(a).

ATTACHMENT 2

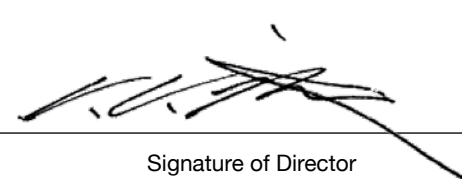
EXECUTION PAGE

Executed as a deed poll.

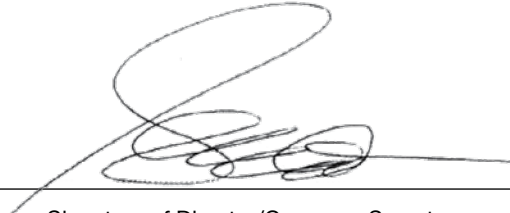
Executed by Casa Systems, Inc.

By: 
Name: JERRY GUO
Title: Chairman & CEO

Executed by Casa Communications Pty Ltd ACN
632 732 659 in accordance with s 127(1) of the
Corporations Act 2001:


Signature of Director

Lucy Xie
Print full name


Signature of Director/Company Secretary

SCOTT BAUMER
Print full name

For personal use only

ATTACHMENT 3

SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT

NetComm Wireless Limited ACN 002 490 486
and

**Each person registered as a holder of fully paid ordinary shares in NetComm
as at the Record Date**

For personal use only

ATTACHMENT 3

CONTENTS

1.	Defined terms and interpretation	3
2.	Preliminary matters	6
3.	Conditions	6
3.1	Conditions precedent	6
3.2	Effect of conditions precedent	6
3.3	Certificate	7
3.4	Termination and End Date	7
4.	Implementation of this Scheme	7
4.1	Lodgement of Court orders with ASIC	7
4.2	Transfer of Scheme Shares	7
5.	Scheme Consideration	8
5.1	Scheme Consideration	8
5.2	Provision of Scheme Consideration	8
5.3	Joint holders	9
5.4	Orders of a Court or other Authority	9
5.5	Cancellation and reissue of cheques	9
6.	Dealings in Scheme Shares	9
6.1	Determination of Scheme Participants	9
6.2	Register	9
7.	Quotation of Shares	10
8.	General Scheme provisions	10
8.1	Consent to amendments to this Scheme	10
8.2	Scheme Participants' agreements and warranties	10
8.3	Title to and rights in Scheme Shares	11
8.4	Appointment of sole proxy	11
8.5	Authority given to NetComm	12
8.6	Binding effect of this Scheme	12
9.	General	12
9.1	Stamp duty	12
9.2	Consent	12
9.3	Notices	12
9.4	Governing law and jurisdiction	12
9.5	Further action	13
9.6	No liability when acting in good faith	13

SCHEME OF ARRANGEMENT

PARTIES

Name	NetComm Wireless Limited ACN 002 490 486
Address	18-20 Orion Road, Lane Cove, New South Wales 2066, Australia
Email	Chris.Last@netcommwireless.com
Contact	Company Secretary
Short name	NetComm

Name	The persons registered as holders of fully paid ordinary shares in NetComm as at the Record Date
Short name	Scheme Participants

THE PARTIES AGREE

1. DEFINED TERMS AND INTERPRETATION

1.1 Defined terms

The meanings of the terms used in this Scheme are set out below:

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with this Scheme.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

Authority means any:

- (a) government, government department, government agency or government authority;
- (b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function; or
- (c) other entity or person (whether autonomous or not) having powers or jurisdiction under:
 - (i) any statute, regulation, ordinance, by-law, order or proclamation, or the common law; or
 - (ii) the rules of any recognised stock or securities exchange.

Business Day means a week day on which trading banks are open for business in Sydney, Australia provided that on that day banks are open for business in Andover, United States of America.

Casa means Casa Systems, Inc., of 100 Old River Road, Andover, Massachusetts 01810, United States of America.

Casa Communications means Casa Communications Holdings Pty Ltd ACN 632 732 659.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

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

Court means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between NetComm and Casa.

Deed Poll means the deed poll dated on or about the date of this Scheme under which Casa Communications and Casa covenant in favour of Scheme Participants prior to the First Court Date to provide the Scheme Consideration in accordance with the terms of this Scheme.

Delivery Time means, in relation to the Second Court Date, 8:00 am before the commencement of the Second Court Hearing or if the commencement of the Second Court Hearing is adjourned, the commencement of the adjourned Second Court Hearing.

ATTACHMENT 3

Effective means 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.

End Date means the later of:

- (a) 30 September 2019; or
- (b) such later date as Casa and NetComm may agree in writing, each acting reasonably.

Implementation Deed means the scheme implementation deed dated 22 February 2019 between Casa and NetComm relating to (among other things) the implementation of this Scheme.

Implementation Date means the date which is 5 Business Days after the Record Date or such other date as NetComm and Casa agree in writing, provide that if such date falls on:

- (a) a Monday;
- (b) a day that is a public holiday in the United States of America and on which commercial banks are closed in the United States of America (such day a U.S. Holiday); or
- (c) the day after a U.S. Holiday,

the 'Implementation Date will be the next Business Day on which none of (a), (b) or (c) apply. It is understood that the reference to a 'day' in the United States of America will refer to the day immediately preceding the applicable day in Australia.

Listing Rules means the official listing rules of ASX as amended, waived or modified from time to time.

NetComm LTIP means NetComm's Long Term Incentive Plan approved on 18 November 2015 by ordinary resolution of Shareholders.

Record Date means 7:00 pm on the third Business Day after the Effective Date or such other date after the Effective Date as Casa and NetComm agree in writing.

Register means the register of Shares kept on behalf of NetComm by Link Market Services Limited ACN 083 214 537 and Registry has a corresponding meaning.

Registered Address means, in relation to a Scheme Participant, the address shown in the Register as at the Record Date.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Representatives means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act, together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by NetComm and Casa.

Scheme Consideration means the an amount of \$1.10 cash for each Scheme Share.

Scheme Meeting means the meeting of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Participant means each person registered in the Register as the holder of one or more Scheme Shares on the Record Date.

Scheme Shares means the Shares on issue as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court by NetComm for orders 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, with such hearing (or adjourned hearing) being the Second Court Hearing.

Separate Account has the meaning given in clause 5.2.4(b).

ATTACHMENT 3

Share means a fully paid ordinary share issued in the capital of NetComm.

Share Appreciation Right has the meaning given in the NetComm LTIP.

Shareholder means each person who is registered in the Register as the holder of Shares.

Trust Account means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by NetComm as trustee for the Scheme Participants (except that any interest on the amount deposited (less bank fees and other charges) will accrue for the benefit of Casa Communications), details of which NetComm must notify to Casa Communications no later than 5 Business Days before the Implementation Date.

1.2 Interpretation

1.2.1 In this Scheme, unless expressed to the contrary:

- (a) words denoting the singular include the plural and vice versa;
- (b) the word 'includes' in any form is not a word of limitation;
- (c) where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) headings and sub-headings are for ease of reference only and do not affect the interpretation of this Scheme; and
- (e) a reference to:
 - (i) a gender includes all other genders;
 - (ii) any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;
 - (iii) any instrument (such as a deed, agreement or document) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time and from time to time;
 - (iv) writing includes writing in digital form;
 - (v) 'this Deed' is to this Deed as amended from time to time;
 - (vi) '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
 - (vii) a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Deed;
 - (viii) a reference to time in this Deed is a reference to the time in Sydney, New South Wales, Australia (being Australian Eastern Standard Time or Australian Eastern Daylight Time, as applicable);
 - (ix) any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
 - (x) a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
 - (xi) a person includes the legal personal Representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and
 - (xii) any body (Original Body) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

1.2.2 A clause in this Scheme must not be construed adversely to a party merely because that party prepared it or caused it to be prepared.

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

1.2.4 A Listing Rule or business rule of a financial market or securities exchange will be regarded as law for the purposes of this Scheme.

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2. PRELIMINARY MATTERS

- 2.1 NetComm is an listed public company limited by shares and quoted on ASX (ASX: NTC), incorporated in Australia and registered in New South Wales, Australia with its registered office at 18-20 Orion Road, Lane Cove, New South Wales 2066, Australia.
- 2.2 As at 1 February 2019:
- 2.2.1 146,329,906 Shares were on issue; and
- 2.2.2 2,250,000 Share Appreciation Rights were on issue which are not quoted on any financial market.
- 2.3 Casa is a public company limited by shares and quoted on NASDAQ (NASDAQ: CASA), and is incorporated in Delaware, United States of America and headquartered at 100 Old River Road, Andover, Massachusetts 01810, United States of America.
- 2.4 Casa and NetComm have entered into the Implementation Deed in respect of (among other things) the implementation of this Scheme.
- 2.5 Pursuant to clause 22.11 of the Implementation Deed, Casa has elected that Casa Communications, a wholly owned subsidiary of Casa Technologies Pty Ltd ACN 632 730 020 (being a wholly owned subsidiary of Casa), will acquire all of the Scheme Shares under the Scheme.
- 2.6 This Scheme attributes actions to Casa and Casa Communications but does not itself impose any obligations in favour of Scheme Participants to perform those actions. By executing the Deed Poll, Casa and Casa Communications have agreed to perform the actions attributed to them under this Scheme and to perform their obligations under the Deed Poll, including payment of the Scheme Consideration in accordance with the terms of this Scheme.

3. CONDITIONS

3.1 Conditions precedent

The Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

- 3.1.1 all the conditions in clause 3.1 of the Implementation Deed (other than the condition in clause 3.1.4 of the Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed;
- 3.1.2 neither the Implementation Deed nor the Deed Poll is terminated in accordance with its terms by the Delivery Time;
- 3.1.3 this Scheme is approved by the Court at the Second Court Hearing under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to NetComm and Casa;
- 3.1.4 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to NetComm and Casa are satisfied or waived; and
- 3.1.5 the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme comes into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

3.2 Effect of conditions precedent

The satisfaction of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and clause 5 and the binding effect of this Scheme.

3.3 Certificate

- 3.3.1 Each of NetComm and Casa will provide a certificate to the Court at the Second Court Hearing confirming (in respect of matters within their respective knowledge) whether or not the conditions precedent in clauses 3.1.1 and 3.1.2 have been satisfied or waived as at the Delivery Time.
- 3.3.2 The certificates given by NetComm and Casa constitute conclusive evidence that the conditions precedent in clauses 3.1.1 and 3.1.2 have been satisfied or waived as at the Delivery Time.

ATTACHMENT 3

3.4 Termination and End Date

Without limiting any rights under the Implementation Deed, if:

- 3.4.1 either the Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or
- 3.4.2 the Effective Date or the Implementation Date has not occurred on or before the End Date, then, unless NetComm and Casa otherwise agree in writing, this Scheme will lapse and each of Casa and NetComm are released from any further obligation to take steps to implement the Scheme.

4. IMPLEMENTATION OF THIS SCHEME

4.1 Lodgement of Court orders with ASIC

For the purposes of section 411(10) of the Corporations Act, NetComm must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme as soon as possible, and in any event by no later than 5:00 pm on the Business Day following the day on which such office copy is received by NetComm or such later date as NetComm and Casa agree in writing.

4.2 Transfer of Scheme Shares

4.2.1 Subject to the Scheme becoming Effective, on the Implementation Date:

- (a) the Scheme Consideration must be provided in the manner contemplated in clause 5;
- (b) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Casa Communications, without the need for any further act by any Scheme Participant (other than acts performed by NetComm or its officers as attorney and agent for Scheme Participants under clause 8.5), by:
 - (i) NetComm duly completing and executing the Scheme Transfer, duly executed on behalf of the Scheme Participants (as transferors), and delivering it to Casa Communications; and
 - (ii) Casa Communications duly executing the Scheme Transfer (as transferee) and delivering it to NetComm for registration.

4.2.2 Immediately following receipt of the Scheme Transfer in accordance with clause 4.2.1(a), NetComm must enter, or procure the entry of, the name of Casa Communications in the Register in respect of all the Scheme Shares transferred to Casa Communications in accordance with this Scheme.

4.2.3 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Casa Communications, will, at the time of transfer of them to Casa Communications, vest in Casa Communications free from all mortgages, charges, liens, encumbrances, pledges, security interests, other interests of third parties of any kind (whether legal or otherwise) and any restrictions on transfer of any kind.

5. SCHEME CONSIDERATION

5.1 Scheme Consideration

Subject to the terms of this Scheme, in consideration for each Scheme Share transferred to Casa Communications, Casa Communications must pay, or procure the payment, to each Scheme Participant the amount of \$1.10 cash for each Scheme Share held by that Scheme Participant.

5.2 Provision of Scheme Consideration

5.2.1 In consideration for the transfer to Casa Communications of the Scheme Shares, Casa Communications must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Participant, into the Trust Account, such amount to be held by NetComm as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Casa Communications' account).

ATTACHMENT 3

- 5.2.2 Subject to Casa Communications complying with clause 5.2.1, on the Implementation Date, NetComm must pay or procure the payment from the Trust Account to each Scheme Participant the Scheme Consideration attributable to that Scheme Participant based on the number of Scheme Shares held by that Scheme Participant as at the Record Date.
- 5.2.3 NetComm's obligation under clause 5.2.2 will be satisfied by NetComm:
- (a) where a Scheme Participant has, before the Record Date, made an election in accordance with the requirements of the Registry to receive dividend payments from NetComm by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
 - (b) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Participant by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.3), for the relevant amount.
- 5.2.4 In the event that:
- (a) either:
 - (i) a Scheme Participant does not have an address recorded in the Register; or
 - (ii) NetComm as the trustee for the Scheme Participant believes that a Scheme Participant is not known at the Scheme Participant's address recorded in the Register,

and no account has been notified in accordance with clause 5.2.3 or a deposit into such an account is rejected or refunded; or
 - (b) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.5, NetComm as the trustee for the Scheme Participant may credit the amount payable to the relevant Scheme Participant to a separate bank account of NetComm (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW). To avoid doubt, if the amount is not credited to the Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW). Until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW), NetComm must hold the amount on trust for the relevant Scheme Participant, and any interest or other benefit accruing from the amount will be to the benefit of such Scheme Participant. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). NetComm must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.
- 5.2.5 To the extent that, following satisfaction of NetComm's obligations under clause 5.2.2, there is a surplus in the amount held by NetComm as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by NetComm to Casa Communications.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- 5.3.1 any Scheme Consideration will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date; and
- 5.3.2 any cheque or other document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.

5.4 Orders of a Court or other Authority

If written notice is given to NetComm (or the Registry) of an order or direction made by a court of competent jurisdiction or by another Authority that:

- 5.4.1 requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with this Scheme, then NetComm shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

ATTACHMENT 3

- 5.4.2 prevents NetComm from providing consideration to any particular Scheme Participant in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, NetComm shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as provision of the consideration in accordance with this Scheme is permitted by that order or direction or otherwise by law.

5.5 Cancellation and reissue of cheques

- 5.5.1 NetComm may cancel a cheque issued under clause 5 if the cheque:

- (a) is returned to NetComm; or
- (b) has not been presented for payment within six months after the date on which the cheque was sent.

During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to NetComm (or the Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under this clause 5.5 must be reissued.

6. DEALINGS IN SCHEME SHARES

6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Shares or other alterations to the Register will only be recognised if:

- 6.1.1 in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
- 6.1.2 in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Register is kept,

and NetComm must not accept for registration, nor recognise for any purpose (except a transfer to Casa Communications pursuant to this Scheme and any subsequent transfer by Casa Communications or its successors in title), any transfer or transmission application or other request received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

6.2 Register

- 6.2.1 NetComm must procure the registration of registrable transmission applications or transfers of Shares in accordance with clause 6.1.2 by no later than the Record Date.
- 6.2.2 NetComm will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after 5.00pm on the Record Date, other than to Casa Communications in accordance with this Scheme and any subsequent transfer by Casa Communications and its respective successors in title.
- 6.2.3 If this Scheme becomes Effective, each entry which is current on the Register as at 7.00pm on the Record Date is the sole evidence of entitlement to the Scheme Consideration on the terms of this Scheme in respect of the Shares relating to that entry.
- 6.2.4 If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and NetComm will be entitled to disregard any such disposal, purported disposal or agreement.
- 6.2.5 For the purpose of determining entitlements to the Scheme Consideration, NetComm must procure the maintenance of the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.

ATTACHMENT 3

- 6.2.6 All statements of holding for Shares (other than statements of holding in favour of Casa Communications) will cease to have effect after the Record Date as documents of title in respect of those Shares and, as from that date, each entry current at that date on the Register (other than entries in respect of Casa Communications) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- 6.2.7 As soon as possible after the Record Date, and in any event within one Business Day after the Record Date, NetComm will procure that details of the names, registered addresses and holdings of Shares for each Scheme Participant as shown in the Register as at the Record Date are available to Casa Communications in the form Casa Communications reasonably requires.

7. QUOTATION OF SHARES

- 7.1 NetComm must apply to ASX for suspension of trading in Shares on ASX with effect from the close of trading on the Effective Date.
- 7.2 On a date after the Implementation Date to be determined by Casa (acting reasonably and subject to the Listing Rules), NetComm must apply to ASX for the termination of the official quotation of Shares on ASX and to have NetComm removed from the official list of ASX.

8. GENERAL SCHEME PROVISIONS

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- 8.1.1 NetComm may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Casa has consented; and
- 8.1.2 each Scheme Participant agrees to any such alterations or conditions which counsel for NetComm has consented in accordance with clause 8.1.1.

8.2 Scheme Participants' agreements and warranties

- 8.2.1 Each Scheme Participant:
- (a) agrees to the transfer of their Scheme Shares to Casa Communications together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
 - (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (c) agrees:
 - (i) that after the transfer of their Scheme Shares to Casa Communications, any share certificate relating to their Scheme Shares will not constitute evidence of title to those Scheme Shares; and
 - (ii) at the direction of Casa Communications, to destroy any share certificates relating to their Scheme Shares; and
 - (d) acknowledges that this Scheme binds NetComm and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).
- 8.2.2 Each Scheme Participant is taken to have warranted to Casa Communications, and appointed and authorised NetComm as its attorney and agent to warrant to Casa Communications, on the Implementation Date that, as at the Implementation Date:
- (a) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to Casa Communications, be fully paid and free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind; and

ATTACHMENT 3

- (b) they have full power and capacity to transfer their Scheme Shares to Casa Communications together with any rights attaching to those Scheme Shares;
- (c) they have no existing right to be issued any Shares, or any other Netcomm securities.

8.2.3 NetComm undertakes that it will provide the warranties in clause 8.2.2 to Casa Communications as agent and attorney for each Scheme Participant.

8.3 Title to and rights in Scheme Shares

8.3.1 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to Casa Communications, vest in Casa Communications free from all:

- (a) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
- (b) restrictions on transfer of any kind.

8.3.2 Upon the Scheme becoming Effective, Casa Communications will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by NetComm of Casa Communications in the Register as the holder of the Scheme Shares. Casa Communications' entitlement to be registered in the Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 Appointment of sole proxy

Upon the Scheme becoming Effective and until NetComm procures the registration of Casa Communications as the holder of all Scheme Shares in the Register, each Scheme Participant:

- 8.4.1 is deemed to have irrevocably appointed Casa Communications as attorney and agent (and directed Casa Communications in each such capacity) to appoint any director, officer, secretary or agent nominated by Casa Communications as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Shareholders' resolution whether in person, by proxy or by corporate representative;
- 8.4.2 undertakes not to attend or vote at any Shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4.1);
- 8.4.3 must take all other actions in the capacity of a registered holder of Scheme Shares as Casa Communications reasonably directs; and
- 8.4.4 acknowledges and agrees that in exercising the powers conferred by clause 8.4.1, Casa Communications and any director, officer, secretary or agent nominated by Casa Communications under that clause may act in the best interests of Casa Communications as the intended registered holder of the Scheme Shares.

8.5 Authority given to NetComm

On the Effective Date, each Scheme Participant, without the need for any further act:

- 8.5.1 irrevocably appoints NetComm and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:
 - (a) enforcing the Deed Poll against Casa Communications; and
 - (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to and to implement this Scheme and the transactions contemplated by it, including executing, as agent and attorney of each Scheme Shareholder, the Scheme Transfer as contemplated by clause 4.2,and NetComm accepts such appointment; and
- 8.5.2 will be deemed to have authorised NetComm to do and execute all acts, matters, things and documents on the part of each Scheme Participant 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 8.5.1.

ATTACHMENT 3

NetComm, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally, or jointly and severally).

8.6 Binding effect of this Scheme

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

9. GENERAL

9.1 Stamp duty

Casa Communications will:

- 9.1.1 pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to Casa Communications pursuant to this Scheme or the Deed Poll; and
- 9.1.2 indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 9.1.1.

9.2 Consent

Each Scheme Participant consents to NetComm and Casa Communications doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

9.3 Notices

- 9.3.1 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to NetComm, 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 NetComm's registered office or at the office of the Registry.
- 9.3.2 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- 9.4.1 This Scheme is governed by the laws in force in New South Wales, Australia.
- 9.4.2 Each party irrevocably:
 - (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, 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 9.4.2(a).

9.5 Further action

NetComm (on its own behalf and on behalf of each Scheme Participant) must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

None of NetComm, Casa or Casa Communications, or any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

ATTACHMENT 4

NOTICE OF SCHEME MEETING

NETCOMM WIRELESS LIMITED

ACN 002 490 486

NOTICE OF SCHEME MEETING

NOTICE is given that, by an order of the Federal Court of Australia made on 1 May 2019 pursuant to section 411(1) of the Corporations Act, that a meeting of holders of ordinary shares in NetComm Wireless Limited ACN 002 490 486 (NetComm) will be held at the office of Maddocks Lawyers, Level 27, 123 Pitt Street, Sydney, NSW 2000, Australia, on 7 June 2019 at 10.00 am (Sydney time)

BUSINESS

A APPROVAL OF THE SCHEME

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve a scheme of arrangement (with or without any modifications or conditions approved by the Court which are acceptable to NetComm and Casa Industries Inc.) proposed to be made between NetComm and NetComm Shareholders (**Scheme**).

To enable you to make an informed voting decision, further information on the Scheme is set out in the Scheme Booklet which this notice forms part of. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 9 of the Scheme Booklet.

B RESOLUTIONS

To consider, and if thought fit, pass the following resolution (Scheme Resolution):

“That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between NetComm and the holders of NetComm Shares, the terms of which are contained in and more precisely described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alterations or conditions as approved by the Federal Court of Australia and agreed to by NetComm and Casa)”

BY ORDER OF THE COURT



Mr Chris Last

CFO & COMPANY SECRETARY

Dated at Sydney, 1 May 2019

EXPLANATORY MEMORANDUM for Scheme Meeting of NetComm Wireless Limited

A. GENERAL

The Notice of Scheme Meeting relates to the Scheme and should be read in conjunction with the balance of the Scheme Booklet. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution, including the information prescribed by the Corporations Act and the Corporations Regulations.

A copy of the Scheme is set out in Annexure 3 of the Scheme Booklet.

B. REQUISITE MAJORITIES

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- a. unless the Court orders otherwise, a majority in number (more than 50%) of NetComm Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate NetComm Shareholders, by a duly appointed corporate representative); and
- b. at least 75% of the total number of votes cast on the Scheme Resolution by NetComm Shareholders at the Scheme Meeting.

C. COURT APPROVAL

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the requisite majorities (as specified above) and the other Conditions are satisfied or waived (as applicable), NetComm intends to apply to the Court for approval of the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

VOTING INSTRUCTIONS

Entitlement to vote

The NetComm Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that NetComm Shareholders who are registered on the NetComm Share Register as at 5.00 pm (AEST) on 5 June 2019 may vote at the Scheme Meeting in person, by attorney, by proxy or, in the case of a body corporate, by corporate representative.

Accordingly share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Scheme Meeting.

NetComm Shareholders who are entitled to attend and vote at the Scheme Meeting may elect to vote directly or appoint an individual or body corporate as a proxy.

If more than one joint holder of shares is present at the Scheme Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by proxy

1. A shareholder entitled to attend and vote, is entitled to appoint a proxy.
2. A person who is entitled to cast two or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy appointed is entitled to exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise up to half of the shareholder's votes.
3. Appointment of a proxy by a shareholder who is a corporation must be under its common seal.
4. A proxy need not be a shareholder.
5. To be effective, the proxy voting form must be received by the Company:

ATTACHMENT 4

online at www.linkmarketservices.com.au, by mail to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, Australia, or by facsimile on (02) 9287 0309 (within Australia) or +61 2 9287 0309 (outside Australia) not less than forty-eight (48) hours prior to the time for holding the Scheme Meeting (i.e. no later than 10.00 am (AEST) on 5 June 2019), or by any other means specified in the proxy form.

Shareholders should refer to the proxy voting form for further instructions on appointing a proxy.

Directing your proxy

When appointing a proxy, shareholders can direct the proxy as to how to vote on each item of business by marking either **“For”**, **“Against”** or **“Abstain”** on the proxy voting form, and the proxy must vote in that manner.

If a shareholder does not direct the proxy as to how to vote (i.e. an undirected proxy), the proxy appointed by the shareholder may vote as he or she sees fit.

If you appoint the Chairman of the meeting as your proxy, or if the Chairman of the meeting is appointed as your proxy by default, and you do not direct the Chairman how to vote on a resolution by marking **“For”**, **“Against”** or **“Abstain”** then by submitting the Proxy Form, you will be giving the Chairman of the meeting your express authority to vote your undirected proxy as the Chairman sees fit.

If you do not wish for your vote to be cast at the discretion of your proxy in respect of any resolutions put to the vote at the Scheme Meeting, you should direct your proxy how to vote on these resolutions.

Default to the Chairman

If you sign the enclosed proxy voting form and do not mark the appropriate box to appoint a proxy or your named proxy does not attend the Scheme Meeting, you will have appointed the Chairman as your proxy by default in accordance with his intentions set out below.

The Chairman's voting intentions

The Chairman intends to vote undirected proxies on, and in favour of, the proposed resolution. If there is a change to how the Chairman intends to vote undirected proxies, the Company will make an announcement to the market.

Corporate representatives attending

If your holding is registered in a company name and you would like to attend the Scheme Meeting (and do not intend to return a proxy voting form), please bring with you to the Scheme Meeting a duly completed Certificate of Appointment of Corporate Representative to enable you to attend and vote at the Scheme Meeting. Alternatively contact the Company's share registry, Link Market Services Limited, general shareholder enquiries on 1300 554 474 (within Australia) or +61 2 1300 554 474 (outside Australia), who will forward to you a form for completion.

Shareholders questions

If you wish a question to be put to the Chairman of the Scheme Meeting and you are not able to attend the Scheme Meeting please email your question to the Company at companysecretary@netcommwireless.com.

To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00 pm (Sydney time) on 5 June 2019.



NetComm Wireless

NetComm Wireless Limited
ACN 002 490 486

LODGE YOUR VOTE



ONLINE
www.linkmarketservices.com.au



BY MAIL
NetComm Wireless Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX
+61 2 9287 0309



BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of NetComm Wireless Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:00am on Friday, 7 June 2019 at Maddocks Offices 123 Pitt Street, Level 27, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

1 To consider and, if thought fit, to pass the following resolution:

That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between NetComm and the holders of NetComm Shares, the terms of which are contained in and more precisely described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alterations or conditions as approved by the Federal Court of Australia and agreed to by NetComm and Casa).

For Against Abstain*

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

NTC PRX1901A

For personal use only

STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 5 June 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

NetComm Wireless Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

For personal use only



NetComm is a global developer of solutions that bridge the gap between fibre and the end-user. In a world where everyone's connected life matters – no home, device or machine is too hard to connect. Fibre networks create new revenue streams while delivering the minimum bandwidth needed by all today, but the final connection of fibre to end-user equipment has proven to be challenging. New technologies such as VDSL, Gfast, 4G and 5G are therefore used to speed up deployment and reduce costs. At NetComm we understand that no one-solution fits all. Every operator is different, so we build the right technology, enclosure and size, to meet specific network, market and geographic conditions worldwide.

netcommwireless.com

NETCOMM WIRELESS LIMITED ABN 85 002 490 486

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Lane Cove, Sydney, NSW 2066, Australia

+61 2 9424 2000

ir@netcommwireless.com

www.netcommwireless.com

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