



16 November 2020

**ASX Limited
Market Announcement**

Think Childcare Group (ASX Code: TNK)

Indicative proposal from Alceon Group Pty Ltd to acquire 100% of Think Childcare Group

Think Childcare Group (ASX:TNK) ("**Group**") advises that it has received a non-binding and indicative proposal from Alceon Group Pty Ltd ("**Alceon Private Equity**" or "**Alceon**") pursuant to which Alceon Private Equity or an affiliate would acquire all the issued stapled securities ("**Securities**") of the Group (the "**Proposal**").

The indicative offer price of \$1.35¹ per security represents a premium of:

- 16% to the 10 trading day VWAP of \$1.16 per Security;²
- 23% to the 1-month VWAP of \$1.10 per Security;² and
- 46% to the 3-month VWAP of \$0.92 per Security.²

Alceon Private Equity has indicated that it is willing to offer all cash consideration or a combination of cash and unlisted shares (subject to caps, scale back provisions and legal/regulatory considerations) in a newly incorporated holding company.

An Independent Committee of the Group's Board of Directors ("**IBC**") has been established.

Summary of Proposal and Process Deed

After careful consideration by the IBC, the Group has entered into a Process Deed with Alceon Private Equity pursuant to which it has granted Alceon a period of exclusivity up until 18 December 2020 to complete its due diligence ("**Exclusivity Period**").

¹ Less the amount of any dividends or other distributions to which Securityholders become entitled on or after the date of this announcement.

² VWAP means the volume weighted average price of TNK shares based on cumulative trading volume and value up to and including 13 November 2020.



Think Childcare Group

Think Childcare Limited ABN 81 600 793 388
Think Childcare Development Limited ABN 55 635 178 166
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During the Exclusivity Period, the parties have agreed to negotiate in good faith an implementation agreement or deed and other transaction documentation with respect to the proposed transaction, but assurance cannot be given that such documentation will be entered into.

The Proposal is subject to a number of conditions, including:

- completion of confirmatory due diligence;
- obtain necessary funding required;
- any required regulatory approvals;
- entering into mutually acceptable transaction documentation;
- Think Securityholder approval; and
- court approval.

The Group has agreed to certain customary exclusivity provisions during the Exclusivity Period including no shop, no talk and matching rights (subject to customary fiduciary carve-outs).

A copy of the Process Deed is attached to this announcement. Securityholders should refer to that document for further details regarding the arrangements.

At the conclusion of the Exclusivity Period, if the Group and Alceon have entered into a binding agreement or deed, an explanatory memorandum in relation to the Proposal will subsequently be provided to Securityholders, after which a meeting of Securityholders will be scheduled for Securityholders to consider and vote on the Proposal.

Summary of Alceon Group Pty Ltd

Alceon Group is an independent investment firm with four key investment platforms: Private Equity, Real Estate, Corporate Credit and Liquid Strategies. Founded in 2010, Alceon Group has offices in Sydney, Melbourne, Perth and Brisbane consisting of over 50 investment professionals and over \$2.0 billion in capital under management.

Alceon Private Equity invests in mid-market private equity and growth equity opportunities via long term partnerships with best in class operators and companies.

Next steps

The Proposal is non-binding and therefore Securityholders do not need to take any action in relation to the Proposal at this time.

The Group will keep the market informed in accordance with its continuous disclosure obligations as matters progress.

Moelis Australia is acting as financial adviser and MinterEllison is acting as legal adviser to Think Group.

END

For further information, please contact:

Mark Kerr

Chairman, Think Childcare Limited

Chairman of the Independent Board Committee

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E ir@thinkchildcare.com.au

This announcement has been authorised for release by the Boards of directors, Think Childcare Limited and Think Childcare Development Limited



Execution version

Process Deed

Think Childcare Limited ACN 600 793 388 and
Think Childcare Development Limited ACN 635 178 166
(TNK Group)

Alceon Group Pty Ltd (**Alceon**)

Process Deed

Think Childcare Group

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Details

Date 16 November 2020

Parties

Name **Think Childcare Limited** ACN 600 793 388 and **Think Childcare Development Limited** ACN 635 178 166

ABN **Think Group**

Short form name Suite 3, 1 Park Avenue, Drummoyne, NSW 2047
Email: notices@thinkchildcare.com.au

Notice details Attention: Independent Board Committee

Name **Alceon Group Pty Ltd** ABN 63 122 365 986

ABN **Alceon**

Short form name Level 26, 1 O'Connell Street, Sydney NSW 2000
Email: David.Wilshire@alceon.com.au

Notice details Attention: Richard Facioni / David Wilshire

Background

- A On 22 October 2020, Alceon provided to Think Group a non-binding indicative revised proposal letter (**NBIO**) in respect of the Proposed Transaction.
- B Subject to the terms and conditions of this deed, Think Group and Alceon have agreed to negotiate with a view to finalising an Implementation Agreement for the Proposed Transaction.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

Affiliate means, in respect of a person (**Primary Person**), a person:

- (a) Controlled directly or indirectly by the Primary Person;
- (b) Controlling directly or indirectly the Primary Person;
- (c) who is Controlled, directly or indirectly, by a person or persons who Control the Primary Person; or
- (d) directly or indirectly under the common Control of the Primary Person and another person or persons.

Associate has the meaning set out in Division 2 of Part 1.2 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to this deed and either company or both companies comprising Think Group were the designated body.

ASX means ASX Limited or the financial market known as the Australian Securities Exchange that it operates, as the context requires.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an authorised officer under this deed.

Business means the business currently carried on by the TNK Consolidated Group.

Business Day means a day on which banks are open for general banking business in Sydney, New South Wales (not being a Saturday, Sunday or public holiday).

Competing Proposal means any offer, expression of interest, proposal, agreement, arrangement or transaction, whether existing before, on or after the date of this deed, which, if entered into or completed, could mean that a person other than Alceon or its Affiliates (either alone or with any of its Associates) would:

- (a) directly or indirectly acquire a Relevant Interest or Voting Power in, or have a right to acquire a legal, beneficial or economic interest in, or control of, 15% or more of the securities in any member of the Think Consolidated Group;
- (b) acquire Control of any member of the Think Consolidated Group;
- (c) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all or a material part of the business or assets of any member of the Think Consolidated Group; or
- (d) otherwise directly or indirectly acquire, be stapled with or merge with, Think Group or any other member of the Think Consolidated Group,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, issue of shares or other securities in a member of the Think Consolidated Group, assignment of assets or liabilities, joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement or other transaction or arrangement.

Confidentiality Deed means the deed of that name entered between Think Group and Alceon dated 1 October 2020.

Control means with respect to any person (other than an individual) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person whether through the ownership of voting securities, by agreement or otherwise, and for the avoidance of doubt, a general partner is deemed to Control a limited partnership of which it is the general partner and, solely for the purposes of this deed, a fund advised or managed directly or

indirectly by or forming a stapled entity or group with a person will also be deemed to be Controlled by such person.

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

Due Diligence Period means the period from and including the date of this deed to and including the earlier of:

- (a) 18 December 2020 or such later date as the parties may from time to time agree; and
- (b) the termination of this deed under clause 5.

Exclusivity Period means the period from and including the commencement of the Due Diligence Period and ending on the earlier of:

- (a) 5.00pm on the date that is the end of the Due Diligence Period or on such later date as the parties may from time to time agree in writing; and
- (b) the termination of this deed under clause 5.

Financier means:

- (a) any financial institution, investor or other person from which Alceon or any of its Related Entities intends to obtain financial accommodation of any type (including debt, mezzanine or equity financing) for the Proposed Transaction;
- (b) a financial institution, investor or other person capable of providing or arranging financial accommodation of any type (including debt, mezzanine or equity financing) which is from time to time engaged by Alceon as an adviser or in some other capacity; or
- (c) in relation to Think Group, any third party provider of financial accommodation to any entity in the Think Consolidated Group, whether as at the date of this deed or at any time after that date.

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity, including the Australian Competition and Consumer Commission and the Foreign Investment Review Board.

GST means a tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or any related legislation.

Implementation Agreement means an implementation agreement or deed to be entered into by Think Group and Alceon or its nominee for the purposes of the Proposed Transaction, which agreement or deed will reflect any agreed terms and assumptions as at the date of that agreement or deed.

NBIO has the meaning given in paragraph A of the Background.

Priority Requested Due Diligence Materials means those items in the Requested Due Diligence Materials marked as a priority labelled as 'High'.

Proposed Transaction means:

- (a) one or more schemes of arrangement under Part 5.1 of the Corporations Act between Think Group and its stapled securityholders;
- (b) one or more takeover bids for Think Group by Alceon (or a Related Entity) under Chapter 6 of the Corporations Act that is recommended by all or a majority of the Think Group Boards; or
- (c) an alternative transaction structure that is recommended by all or a majority of the Think Group Boards,

in each case under which the special bidding entity formed by Alceon or a Related Entity (including the funds managed or advised by Alceon or its Related Entities) would acquire all or a majority of the issued capital of Think Group on a fully diluted basis.

Related Entity in relation to a party means a related body corporate of the party as defined in section 50 of the Corporations Act.

Relevant Interest means a relevant interest that a person has in securities under section 608 of the Corporations Act or the relevant interest in the securities that a person would have but for section 609(6) or (7) of the Corporations Act.

Representative, in relation to a person, means:

- (a) an Affiliate of the person;
- (b) an officer, employee, agent or contractor of the person or an Affiliate of the person;
- (c) any person who is an Authorised Person of the person as defined in the Confidentiality Agreement;
- (d) a financial, tax, accounting, legal or other professional adviser or other adviser to the person or an Affiliate of the person; and
- (e) a Financier.

Requested Due Diligence Materials has the meaning given in clause 2.1.

Superior Proposal means a bona fide Competing Proposal which the Think Group Boards, acting in good faith in the interests of Think Group and its stapled securityholders, and after taking advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being completed taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and all relevant legal, regulatory and financial matters; and
- (b) would be likely to be, if implemented in accordance with its terms, more favourable to Think Group's securityholders than the latest proposal provided by Alceon to Think Group in relation to the Proposed Transaction, taking into account all aspects of the Competing Proposal and the latest proposal provided by Alceon to Think Group (after, if applicable, the parties have complied with clauses 4.7 and 4.8), including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

Subsidiary of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

Scheme means a members' scheme of arrangement under Part 5.1 of the Corporations Act to give effect (wholly or in part) to the Proposed Transaction.

Takeover means a takeover bid made by Alceon or its nominee under Chapter 6 of the Corporations Act to effect (wholly or in part) the Proposed Transaction.

Voting Power has the meaning it is given in section 610 of the Corporations Act.

Think Consolidated Group means Think Group and their respective Subsidiaries.

Think Group Boards means the boards of directors for the time being of Think Group.

Think Group Business means the business currently carried on by the Think Consolidated Group.

1.2 Interpretation

In this deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;

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- (f) a reference to time is to Sydney, Australia time;
 - (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
 - (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
 - (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
 - (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
 - (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
 - (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
 - (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it; and
 - (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Support and Access to be provided by the parties

2.1 Provision of due diligence materials

- (a) For the purposes of this clause 2.1, **Requested Due Diligence Materials** means the materials reflected in the request list provided by Alceon to Think Group on or before the date of this deed and agreed by email exchange between the parties or their Representatives.
- (b) Subject to Alceon complying with its confidentiality obligations under the Confidentiality Deed, Think Group agrees that, during the Due Diligence Period, it will promptly provide or make available (as applicable) to Alceon and its Representatives the Requested Due Diligence Materials and to the extent they are or would be by making reasonable inquiries be, readily available to Think Group or any of its Representatives, all other due diligence materials reasonably requested by Alceon or its Representatives for the purposes of discussing, assessing, negotiating or implementing the Proposed Transaction.
- (c) Think Group must procure that, as soon as reasonably practicable and in any event no later than 3 Business Days after the date of this deed, a virtual data room is made available to the Representatives of Alceon and use reasonable endeavours to substantially populate that virtual data room with:
 - (i) the Priority Requested Due Diligence Materials within that period of 3 Business Days; and

- (ii) the remainder of the Requested Due Diligence Materials promptly and without delay after the date of this deed.

2.2 Provision of access to premises and officers

Think Group agrees that, during the Due Diligence Period, it will, upon receiving a request from Alceon and subject to any legal or other restrictions imposed on Think Group as a result of the COVID-19 pandemic promptly:

- (a) organise and facilitate visits by Representatives of Alceon to the premises used, leased, licensed or owned by the Think Consolidated Group, as agreed between Think Group and Alceon, where such visits are reasonably required for the purposes of assessing the Proposed Transaction; and
- (b) provide Representatives of Alceon with access to the senior management of the Think Consolidated Group as agreed between Think Group and Alceon, where such access is reasonably required for the purposes of discussing, assessing and/or negotiating the Proposed Transaction (as applicable).

To the extent such legal or other restrictions prevent or restrict physical visits or access, Think Group must promptly arrange visits or access using one or more technologies that give all persons attending a reasonable opportunity to participate without being physically present in the same place.

2.3 Provision of management presentations

During the Due Diligence Period, Think Group must organise and facilitate presentations by the senior management of the Think Consolidated Group on reasonable notice where such presentations are reasonably required by Alceon for the purposes of assessing the Proposed Transaction.

2.4 Limitations on materials and access

Think Group has no obligation to provide Alceon or any of its Representatives with access to materials, premises or personnel or to organise or facilitate presentations (collectively for the purposes of this clause, **Access**) if that Access would result in unreasonable disruptions to the Think Group Business, would breach an existing confidentiality obligation owed to a third party or any applicable law, requires Think Group to make any disclosure that would be reasonably likely to compromise legal professional privilege or would be reasonably likely to necessitate disclosure by Think Group to ASX or relates to the Think Group's Boards' consideration of the Proposed Transaction or any Competing Proposal.

3. Negotiation of Implementation Agreement and Commitment of Resources

3.1 Good faith negotiation of the Implementation Agreement

Think Group and Alceon agree during the Exclusivity Period to negotiate in good faith, to achieve the following:

- (a) Alceon or an Affiliate making a binding offer to execute the Implementation Agreement in respect of the Proposed Transaction by no later than 18 December 2020 or such later date as the parties may from time to time agree in writing; and
- (b) if the offer referred to in paragraph (a) is accepted by Think Group in its sole and absolute discretion, the parties executing an Implementation Agreement and any other transaction documentation required to implement the Proposed Transaction.

3.2 Commitment of necessary resources

Think Group and Alceon agree to commit all reasonably necessary resources (including management and financial, legal and other professional advisory resources) to enable:

- (a) Think Group to provide all requested due diligence material and otherwise facilitate Alceon's due diligence investigations;

- (b) Alceon to complete its due diligence investigations in relation to the Think Consolidated Group within the Due Diligence Period; and
- (c) subject to clause 3.1, an Implementation Agreement and any other transaction documentation required to implement the Proposed Transaction to be prepared, negotiated and finalised before the end of the Exclusivity Period.

3.3 Ceasing to progress Potential Transaction

If during the Exclusivity Period, Alceon decides to no longer progress the Proposed Transaction, it must promptly notify Think Group and in any case within 2 Business Days of any such decision.

4. Exclusivity

4.1 No current discussions regarding a Competing Proposal

Think Group represents and warrants that, other than the discussions with Alceon and its Representatives in respect of the Proposed Transaction, as at the date of this deed neither Think Group nor any Representative of Think Group has agreed, entered into an arrangement or understanding, or is otherwise in negotiations or discussions with any person in respect of any Competing Proposal.

4.2 No shop

During the Exclusivity Period, Think Group must not and must ensure that none of its Representatives directly or indirectly:

- (a) solicits, invites or initiates any enquiries, expressions of interest, offers, proposals, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

with a view to, or that may be reasonably expected to lead to, obtaining any offer, proposal or expression of interest from any person in relation to a Competing Proposal.

4.3 No talk

Subject to clause 4.6, during the Exclusivity Period, Think Group must not and must ensure that none of its Representatives:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

a Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited or initiated by Think Group or any of its Representatives or the person has publicly announced the Competing Proposal.

4.4 No due diligence

Subject to clause 4.6, during the Exclusivity Period, Think Group must not and must ensure that none of its Representatives in relation to a Competing Proposal:

- (a) enables any person other than Alceon and any other person nominated by Alceon to undertake due diligence investigations on any member of the Think Consolidated Group, any of the operations or assets of the Think Group Business or any part of it;
- (b) makes available to any other person, or permits any other person to receive, other than a Representative of Think Group, Alceon or any person nominated by Alceon (in the course of due diligence investigations or otherwise) any non-public information relating to any member of the Think Consolidated Group, any of the operations or assets of the Think Group Business or any part of it;
- (c) makes available to any other person, or permits any other person to have access to, other than a Representative of Think Group, Alceon or any person nominated by Alceon (in the course of due diligence investigations or otherwise) any premises used, leased, licensed or owned by the Think Consolidated Group; or

- (d) makes available to any other person, or permits any other person to have access to, other than a Representative of Think Group, Alceon or any person nominated by Alceon (in the course of due diligence investigations or otherwise) any officers or employees of the Think Consolidated Group.

4.5 Notification of Competing Proposal

Subject to clause 4.6, during the Exclusivity Period, Think Group must:

- (a) promptly, and in any event within three (3) Business Days of the approach, inform Alceon in writing if it or any of its Representatives receives any approach with respect to any actual or potential Competing Proposal and must disclose to Alceon:
- (i) the fact that the approach has been made;
 - (ii) the identity of the relevant person or persons involved and the nature of any Competing Proposal (to the extent known); and
 - (iii) all material details of the Competing Proposal or updates to such details including details of the value of the Competing Proposal, to allow Alceon to properly exercise its right under clause 4.7; and
- (b) no later than one (1) Business Day after Think Group decides to provide information or the Think Group Boards resolve to consider the proposal, notify Alceon if Think Group proposes to provide confidential information of Think Group to any third party in relation to any actual or potential Competing Proposal,

but nothing in this clause 4.5 limits the obligations of Think Group under clause 4.2 (no shop), 4.3 (no talk) or 4.4 (no due diligence).

4.6 Fiduciary carve out

Clauses 4.3 (no talk), 4.4 (no due diligence) and 4.5 (notification of Competing Proposal) do not apply to the extent that they restrict Think Group or the Think Group Boards from taking or refusing to take any action with respect to a Competing Proposal (which was not solicited, invited or initiated in contravention of clause 4.2) provided that the Think Group Boards have determined, in good faith and acting reasonably, that:

- (a) after consultation with its financial advisors, such a Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written advice from its external legal advisers (who must be reputable advisers experienced in transactions of this nature), failing to respond to such a Competing Proposal would be likely to constitute a breach of the Think Group Boards' fiduciary or statutory obligations.

4.7 Matching right

- (a) If Think Group or any of its Representatives receives an unsolicited approach with respect to a Competing Proposal during the Exclusivity Period, Alceon may (in its sole and absolute discretion) either itself match, or procure an Affiliate to match, that Competing Proposal by giving written notice to Think Group of the offer by the date which falls five (5) Business Days after:
- (i) the notification under clause 4.5 (if applicable); or
 - (ii) in the absence of such notification under clause 4.5, the provision to Alceon of reasonably sufficient information regarding the Competing Proposal (including offer price per share and material conditions) so as to enable Alceon to match, that Competing Proposal,

(Matching Deadline).

- (b) Before the end of the Matching Deadline (as applicable under clause 4.7(a)(i) or 4.7(a)(ii) above), the Think Group Boards will not publicly recommend, endorse or support a Competing Proposal.
- (c) Think Group agrees that each successive modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under this clause 4.7.

4.8 Matching or superior Alceon proposal

- (a) If, in accordance with clause 4.7, Alceon provides to Think Group a proposal (**Alceon Counterproposal**), Think Group must procure that the Think Group Boards consider the Alceon Counterproposal and determine whether, acting reasonably and in good faith, the Alceon Counterproposal would provide an equivalent or superior outcome to Think Group securityholders as a whole compared with the Competing Proposal.
- (b) Following that determination, Think Group must:
- (i) procure that the Think Group Boards promptly, and in any event within two (2) Business Days, notify Alceon of the determination in writing, stating reasons for that determination; and
 - (ii) if the determination is that the Alceon Counterproposal would provide an equivalent or superior outcome to Think Group securityholders as a whole compared with the Competing Proposal, then for a period of three (3) Business Days (or such other period as the parties agree in writing, both parties acting reasonably) after Think Group delivers to Alceon the notice referred to in subparagraph (i), Think Group and Alceon must use their respective best endeavours to agree the transaction documentation required to implement the Alceon Counterproposal as soon as reasonably practicable.

4.9 Exceptions to the exclusivity arrangement

Nothing in this clause 4 prevents Think Group from:

- (a) engaging with its securityholders (each in their capacity as a securityholder of Think Group) in relation to the Think Consolidated Group, provided that such engagement does not relate to Think Group soliciting, inviting or initiating an actual, proposed or potential Competing Proposal;
- (b) continuing to make presentations to, and to respond to enquiries from, brokers, portfolio investors, analysts and institutional lenders in the ordinary course in relation to its business generally;
- (c) instructing or receiving advice from its Representatives; or
- (d) fulfilling its continuous disclosure requirements.

4.10 Think Group legal advice

Think Group acknowledges and agrees that it has received legal advice on this deed and the operation of this clause 4.

5. Term and Termination

This deed, and the parties' obligations under it, will terminate and be of no further force or effect on the earliest of the following to occur:

- (a) the expiry of the Exclusivity Period;
- (b) one party giving the other party written notice of termination with immediate effect, following any notification by Alceon to Think Group pursuant to clause 3.3;
- (c) Think Group's directors publicly recommending a Competing Proposal, subject to completion of any processes under clauses 4.7 (Matching right) and 4.8 (Matching or superior Alceon proposal); and
- (d) the execution by the parties of an Implementation Agreement in respect of the Proposed Transaction.

Neither party may terminate or rescind this deed except as permitted under this clause 5.

6. Other Acknowledgments

6.1 Confidential Information

The parties agree that the existence of this deed and the discussions between the parties after the date of the Confidentiality Deed concerning the Potential Transaction constitute Confidential Information for the purposes of the Confidentiality Deed.

6.2 Standstill

The parties acknowledge and agree that the standstill obligations set out in the Confidentiality Deed continue to apply in accordance with its terms.

6.3 Proposed Transaction

Each party agrees that:

- (a) this deed is not intended to constitute, and does not constitute, an offer capable of acceptance or to otherwise give rise to a binding contract to proceed with the Proposed Transaction;
- (b) there is no certainty that the Proposed Transaction will proceed; and
- (c) this deed does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act.

6.4 Announcements

- (a) Think Group agrees that contemporaneously with the execution of this deed by the parties it will issue a public announcement to ASX as agreed between the parties.
- (b) Think Group agrees that to the extent practicable and permitted by law or the rules of any financial market, it will consult with Alceon as to the form of any further public announcement about this deed including to ASX, the Proposed Transaction or the content or existence of negotiations between the parties prior to making any such announcement.

7. Notices and other communications

7.1 Service of notices

A notice, demand, consent, approval or communication under this deed (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post, facsimile or email to the party's address for Notices specified in the 'Details' section of this deed, as varied by any Notice given by either party to the other party.

7.2 Effective on receipt

A Notice given in accordance with clause 7.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice;
- (d) if sent by email, when the sender's computer or device generates a message confirming that the Notice has been sent,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

8. Miscellaneous

8.1 Consideration

Each party acknowledges entering into this deed and incurring obligations and giving rights under this deed for valuable consideration received from each other party.

8.2 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its approval or consent in any way it considers appropriate (including by imposing conditions), unless this deed expressly states otherwise.

8.3 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

8.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

8.5 Variation and waiver

A provision of this deed or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

8.6 Further steps

Each party agrees, at its own expense, to do anything another party reasonably asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this deed; or
- (b) to show whether the party is complying with this deed.

8.7 Costs and cost recovery

- (a) If:
 - (i) this deed is terminated pursuant clause 5(c); and
 - (ii) the Think Group Board publicly recommend a Competing Proposal within 3 months of the termination of this deed,

then Think Group must on demand reimburse Alceon all legal and other third party costs, up to an aggregate of \$250,000, incurred in conducting due diligence investigations and negotiating the Implementation Agreement within 5 Business Days of Alceon providing invoices relating to those costs.

- (b) The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this deed and other related documentation except for stamp duty.

8.8 Survival

Subject to clause 8.9(b), clauses 7 (Notices and other communications) and 8 (Miscellaneous) survive expiry of the Exclusivity Period and termination of this deed.

8.9 Entire agreement

- (a) This deed and the Confidentiality Deed constitute the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.
- (b) The parties acknowledge that it is their intention that, subject to clause 3.1, an Implementation Agreement will be entered into that will supersede this deed.

- (c) If any provision of this deed is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions of this deed shall remain in full force and effect and shall not be affected, impaired or invalidated.

8.10 Assignment

A party may not assign or otherwise deal with its rights under this deed or allow any interest in them to arise or be varied in each case, without the consent of each other party.

8.11 Governing law

- (a) This deed and any dispute arising out of this deed is governed by the laws of the State of New South Wales, Australia.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of this deed.

8.12 Time

Time is of the essence of this deed.

8.13 Counterparts

This deed may be executed in any number of counterpart or copies, with signatures appearing on different counterparts or copies, and this has the same effect as if the signatures on the counterparts or copies were on a single copy of this deed. Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterpart or copies of this deed, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this deed. A party who has executed a counterpart of this deed may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

Signing page

EXECUTED as a deed.

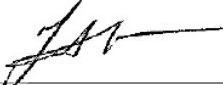
Executed by Think Childcare Limited
in accordance with Section 127 of the
Corporations Act 2001



Signature of director

Mathew Graeme Edwards

Name of director (print)



Signature of ~~director~~/company secretary
(Please delete as applicable)

Trinh Tuyet Bui

Name of ~~director~~/company secretary (print)

By signing above, a director or secretary (as applicable) authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.


Executed by Think Childcare Development Limited
in accordance with Section 127 of the
Corporations Act 2001



Signature of director

Mathew Graeme Edwards

Name of director (print)



Signature of ~~director~~/company secretary
(Please delete as applicable)

Trinh Tuyet Bui

Name of ~~director~~/company secretary (print)

By signing above, a director or secretary (as applicable) authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Executed by Alceon Group Pty Ltd in
accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

By signing above, a director or secretary (as applicable) authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

For personal use only

Signing page

EXECUTED as a deed.

Executed by Think Childcare Limited
in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

By signing above, a director or secretary (as applicable) authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Executed by Think Childcare Development Limited
in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

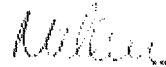
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Executed by Alceon Group Pty Ltd in
accordance with Section 127 of the *Corporations Act 2001*

Signature of director



Signature of director/company secretary
(Please delete as applicable)



Trevor Loewensohn

Name of director (print)

Melanie Hedges

Name of director/company secretary (print)

By signing above, a director or secretary (as applicable) authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

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