

ASX ANNOUNCEMENT

19 JULY 2021

ALTRAD TO ACQUIRE VALMEC LIMITED VIA SCHEME OF ARRANGEMENT

HIGHLIGHTS

- Valmec Limited and Altrad Australia Pty Ltd have entered into a Scheme Implementation Deed, under which Altrad intends to acquire Valmec by way of a Scheme of Arrangement (Scheme).
- Valmec Shareholders will receive A\$0.413 per share in cash.
- The Scheme implies an equity value for Valmec of ~A\$52.0 million (on a 100% basis)¹.
- Cash consideration of A\$0.413 per share represents a premium of:
 - 29.1% to the last closing price of A\$0.32 per Valmec share on 16 July 2021
 - 29.4% premium to the 1-month VWAP of A\$0.3191 per Valmec share²
 - 29.3% premium to the 3-month VWAP of A\$0.3195 per Valmec share².
- The Valmec Board of Directors unanimously recommends that Valmec Shareholders vote in favour of the Scheme, in the absence of a superior offer and subject to an Independent Expert concluding that the Scheme is in the best interests of Shareholders.
- The Valmec Board of Directors has agreed to vote in favour of the Scheme in respect of Valmec shares they own and control, in each case in the absence of a superior offer and subject to an Independent Expert concluding that the Scheme is in the best interests of Shareholders.
- Altrad has received Statements of Intention from two additional Valmec Shareholders representing 18.8% to vote in favour of the Scheme in respect of Valmec shares they own and control, in the absence of a superior offer and subject to an Independent Expert concluding that the Scheme is in the best interests of Shareholders.

Valmec Limited (**Valmec** or the **Company**) (**ASX: VMX**) and Altrad Australia Pty Ltd (**Altrad**) are pleased to announce that they have entered into a binding Scheme Implementation Deed (**SID**) for the cash acquisition by Altrad of approximately 98% of the issued shares in Valmec by way of a Scheme of Arrangement (**Scheme**). Completion of the Scheme remains subject to Valmec shareholders and court approval in accordance with the requirements of Part 5.1 of the *Corporations Act 2001*, and other conditions.

If the Scheme is implemented, shareholders of Valmec will receive a total cash consideration of A\$0.413 per share (**Scheme Consideration**). It is expected that the Scheme will be voted on at a

¹ Based on 125,883,215 ordinary shares on issue.

² The volume weighted average price (VWAP) of Valmec shares is calculated for the period up to and including 16 July 2021.

Valmec Shareholders Meeting in mid-October 2021, with implementation of the Scheme expected in late October 2021.

Shareholders are advised that no action is necessary with regards to the Scheme at this time. A copy of the SID, which includes the full details of the terms and conditions to the Scheme, is attached to this announcement.

VALMEC BOARD UNANIMOUSLY RECOMMENDS IN FAVOUR OF THE SCHEME

The Valmec Board of Directors believes the Scheme is an attractive proposal for Valmec Shareholders because the Scheme Consideration:

- Implies an equity value for Valmec of approximately A\$52.0 million (on a 100% basis)³;
- Represents a significant premium to Valmec shareholders of:
 - 29.1% premium to the closing price of A\$0.32 per share on 16 July 2021;
 - 29.4% premium to Valmec's 1-month VWAP to 16 July 2021 of A\$0.3191 per share; and
 - 29.3% premium to Valmec's 3-month VWAP to 16 July 2021 of A\$0.3195 per share.
- Values Valmec shares at an all-time high price; and
- Delivers certainty of value. The 100% cash consideration provides Valmec Shareholders with certainty of value and the opportunity to realise their investment in full for cash.

Each Director of the Valmec Board recommends that Shareholders of Valmec vote in favour of the Scheme in the absence of a superior offer and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders. Subject to those same qualifications, each Valmec Director intends to vote the Valmec shares held or controlled by them in favour of the Scheme.

Valmec's Managing Director, Steve Dropulich, will retain a small shareholding in Valmec of approximately 2% and will continue as the Managing Director following implementation of the Scheme. Including shares from the vesting of performance rights, Mr Dropulich also controls another 5.3 million (approximately 4%) of the shares in Valmec, which will be subject to, and he intends to vote in favour of, the Scheme.

When considering Mr Dropulich's voting recommendation (as a member of the Valmec Board) and his intention to vote applicable shares in favour of the Scheme, Shareholders should have regard to his ongoing employment arrangements. The Scheme Booklet will set out Mr Dropulich's ongoing employment arrangements and the terms of the put and call option being negotiated for Mr Dropulich's remaining shares noted above.

Valmec Shareholders representing 18.8% of the Company's shares on issue have indicated their support, via Statements of Intention, for the proposed transaction by confirming that they intend to vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Shareholders.

DELIVERING THE SCALE AND BACKING TO GROW

Altrad is a global leader in industrial maintenance services, delivering high value-add services to clients in multiple sectors, including Oil & Gas, Energy, Power Generation, Process, Environment and Construction. Privately owned and headquartered in France, Altrad employs around 36,000 people

³ Based on 125,883,215 ordinary shares on issue.

globally including approximately 1000 across Australia. In the six-month period to 28 February 2021, Altrad reported revenue of €1.24 billion (~A\$1.96b) and EBITDA of €169m (~A\$268m).

Altrad has identified Valmec as a significant value-adding opportunity for Altrad's client base and service offering. Importantly, Altrad has the scale, strength and global experience to invest in and significantly grow the Valmec business in a manner that would be difficult to achieve were the Company to remain a relatively small, ASX-listed company.

Altrad intends to fund the Scheme Consideration from existing cash reserves and the Scheme is not subject to financing or any further due diligence.

A COMPELLING TRANSACTION

Supporting the Scheme, Valmec Chairman Stephen Zurhaar said:

"This is a compelling transaction and I encourage all shareholders to support the Scheme. This provides a great opportunity for shareholders to realise value at a significant premium to the prevailing market price. The quality of this offer is further strengthened in that it comprises 100% cash consideration as opposed to both cash and scrip components which is often the case in transactions of this nature."

Valmec Managing Director Steve Dropulich added:

"The proposed transaction is a testament to the entire Valmec team and the work that has been undertaken to grow this company. To be recognised and attract the interest of a global leader such as Altrad, is a clear recognition of the hard work, dedication and professionalism of our staff and the strong support we have received from our shareholders throughout our journey."

Welcoming the Valmec Board's support, Altrad Group Chief Executive Officer Ran Oren said:

"Australia and the broader Asia-Pacific region are a key pillar in Altrad's global growth strategy, which is why I am delighted we have been able to agree terms with the Board of Valmec to merge this strong business into our existing operations. Our committed investment reflects Altrad's confidence in our Australian team and the growth prospects for our business here."

Altrad Services Chief Executive Officer, Asia Pacific Region, Neil Sadler added:

"The acquisition of Valmec will mark another transformational milestone for our Asia-Pacific business and deliver a value-accretive step change in the scale and diversity for our Company. Once the scheme is implemented, I look forward to working with my leadership team and the Valmec team to identify value-adding opportunities for our combined existing and prospective client bases."

CONDITIONS RELATED TO THE SCHEME

The SID entered into between Valmec and Altrad contains customary terms and conditions on which Valmec and Altrad will implement the Scheme. Altrad has completed confirmatory due diligence that was a precursor to entry into this Scheme. The implementation of the Scheme remains subject to several conditions including requisite regulatory approvals including Australian court approval, approval from Valmec Shareholders, an Independent Expert concluding that the Scheme is in the best interests of Valmec Shareholders, and all other conditions customary for a transaction of this nature.

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

INDICATIVE TIMETABLE AND NEXT STEPS

Valmec Shareholders do not need to take any action at this time.

A Scheme Booklet containing information relating to the Scheme, the reasons for the Board's recommendation, the Independent Expert's report and details pertaining to the Scheme Meeting is anticipated to be distributed to Shareholders in mid-September 2021.

Valmec Shareholders will be given the opportunity to vote on the Scheme at the Scheme Meeting, which is currently anticipated to be held in mid-October 2021.

An indicative timetable for the Scheme is included below:

Event	Expected Date
First Court Hearing	Week commencing 6 September 2021
Despatch of Scheme Booklet to Valmec Shareholders	Week commencing 13 September 2021
Scheme Meeting	Week commencing 11 October 2021
Second Court Hearing	Week commencing 18 October 2021
Effective Date	Week commencing 18 October 2021
Record Date	Week commencing 18 October 2021
Implementation Date	Week commencing 25 October 2021

Note: This timetable is indicative and subject to change.

ADVISERS

Azure Capital is acting as financial adviser and Dentons as legal adviser to Valmec.

Longreach Capital is acting as financial adviser and Squire Patton Boggs as legal adviser to Altrad.

This announcement has been authorised for release to the ASX by the Board of Valmec.

-ENDS-

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ABOUT VALMEC

Valmec is a specialist contractor, providing in-house and niche end-to-end solutions covering design, construction, operations and maintenance services to the energy, resources and infrastructure sectors. The Company's purpose is to deliver value through the asset lifecycle with a vision to be the most trusted specialist services group in the delivery of key projects, operations and maintenance services.

ABOUT ALTRAD

Altrad is a global leader in the provision of industrial services, generating high added value solutions principally for the Oil & Gas, Energy, Power Generation, Process, Environment and Construction sectors. The group is also a recognised leader in the manufacturing of equipment dedicated to the Construction and Building market. Altrad's multidisciplinary services range from engineering and technical services to maintenance, access solutions and specialised services for industry leaders. The Group, headquartered in France, employs around 36,000 people and operates in more than 50 countries.

Annexure A –Scheme Implementation Deed

For personal use only

DATED 17 JULY 2021

VALMEC LIMITED

and

ALTRAD AUSTRALIA PTY LTD

SCHEME IMPLEMENTATION DEED

Squire Patton Boggs (AU)
Level 21
300 Murray Street
Perth WA 6000
Australia
DX 124 Perth

O +61 8 9429 7444
F +61 8 9429 7666

Reference SGR:ALT.071-0001
93420093.1

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DETAILS

Date

Parties

Name	Valmec Limited
ACN	003 607 074
Short form name	Target
Notice details	17 Ballantyne Road KEWDALE WA 6105 Attention: The Directors Email: hsingh@valmec.com.au

Name	Altrad Australia Pty Ltd
ACN	652 016 807
Short form name	Bidder
Notice details	Level 17, London House 216 St Georges Terrace PERTH WA 6000 Attention: Ran Oren, Neil Sadler Email: roren@altrad.com ; Neil.Sadler@altrad.com

Introduction

- A The Target and the Bidder have agreed to co-operate with each other to implement the Transaction on the terms, and subject to the conditions, of this deed.
- B The Target and the Bidder have agreed certain other matters in connection with the Transaction as set out in this deed.

AGREED TERMS

1 DEFINED TERMS AND INTERPRETATION

1.1 Defined terms

In this deed:

ACCC means the Australian Competition and Consumer Commission.

Accounting Standards means:

- (a) the requirements of the Corporations Act about the preparation and contents of financial reports; and
- (b) the accounting standards approved under the Corporations Act, being the Australian Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board.

Adviser means, in relation to an entity, its legal, financial and other expert advisers (not including the Independent Expert).

Affiliate means in respect of a person, any other person that:

- (a) is a Related Body Corporate of the first mentioned person; or
- (b) Controls, is Controlled by, or is under common Control, directly or indirectly with the first mentioned person.

Approaching Party has the meaning given in clause 9.6(b).

Approval Contract means any Contracts which require a Necessary Approval (including those Contracts contained in the Data Room with Data Room identification numbers 08.01.06 to 08.01.09 (inclusive) and 17.04 to 17.07 (inclusive) but excluding the Loan Facilities).

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act, as if subsection 1 of that section included a reference to this deed.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it and known as the Australian Securities Exchange, as the context requires.

ATO means the Australian Taxation Office.

Bidder Group means the Bidder and Altrad Investment Authority SAS and its Subsidiaries (excluding, at any time, Target and its Subsidiaries to the extent that Target and its Subsidiaries are Subsidiaries of the Bidder at that time), and a reference to **Bidder Group Member** is to any of them.

Bidder Indemnified Party means each Bidder Group Member and its Affiliates and each director, officer, employee and Representative of each Bidder Group Member and each of its Affiliates.

Bidder Information means all information regarding the Bidder Group that is provided in writing by or on behalf of the Bidder to the Target or any of its Representatives to enable the Scheme Booklet to be prepared and completed in accordance with this deed including all information required under the Corporations Act, Corporations Regulations or RG 60 and, in each case, any updates to such information provided by or on behalf of the Bidder to the Target or any of its Representatives in accordance with this deed (but excluding any information relating to the Target Group).

Bidder Warranties means the representations and warranties of Bidder set out in clause 12.

Break Fee means \$517,000 (plus GST).

Business Day means a business day as defined in the Listing Rules, but not including any day that is a public holiday or bank holiday in Perth, Western Australia.

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Competing Proposal means any offer, expression of interest, proposal, transaction or arrangement by any person (other than the Bidder Group or its Affiliates) that, if entered into or completed substantially in accordance with its terms, would mean a third party or two or more third parties who are Associates:

- (a) would, directly or indirectly, acquire an interest or a Relevant Interest in:
 - (i) 15% or more of all Target Shares; or
 - (ii) all or a substantial part of the business or assets of the members of the Target Group (or any of them);
- (b) would acquire Control of the Target or any other Target Group Member;
- (c) may otherwise acquire, merge with or amalgamate the Target or any other Target Group Member; or
- (d) require the Target to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, capital reduction, buy-back or sale of assets, sale of securities, strategic alliance, dual listed company structure (or other synthetic merger), joint venture, partnership, any proposal by the Target to implement any reorganisation of capital or any other transaction or arrangement and any modification or variation of the same.

Conditions Precedent means the conditions precedent set out in clause 3.1 and Condition Precedent means any one of them.

Confidentiality Agreement means the mutual confidentiality agreement between the Target and Altrad Services Pty Ltd (an Affiliate of the Bidder) executed on or about 19 May 2021.

Contracts means all agreements or arrangements between a Target Group Member and a counterparty.

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 includes the following:

- (a) direct or indirect ownership of more than 50% of the voting rights of such person; or
- (b) the right to appoint the majority of the members of the board of directors of such person (or similar governing body) or to manage on a discretionary basis the assets of such person.

Controller has the meaning given to it in the Corporations Act.

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

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

Court means the Supreme Court of Western Australia, or such other court of competent jurisdiction under the Corporations Act agreed by the parties.

Data Room means the documents and information (including, for the avoidance of doubt, information and responses to questions or requests for information from the Bidder and its Representatives provided by Target or its Representatives via the "Q&A" function) contained in the Ansarada online data room entitled "Project Ore" listed in the index of which has been initialled by, or on behalf of, the parties for the purposes of identification prior to the date of this deed and contained on a USB drive provided by the Target or its Representatives on the date of this deed.

Debt means any Loss or indebtedness (whether or not due and payable at that time and including accrued but unpaid interest and other charges and costs relating to that financial indebtedness) of any Target Group Member, including such indebtedness arising from amounts raised under any transaction or series of transactions having the commercial effect of a borrowing or raising of money, including money borrowed, raised from or owing to a financial institution or any other person who has provided financial accommodation to the Target Group, including any:

- (a) amounts outstanding under the Loan Facilities;
- (b) swap, option, hedge, forward, futures or similar transaction;
- (c) redeemable share or security; and
- (d) all recourse and non-recourse liabilities and other liabilities (whether conditional or unconditional, present or future) arising from any transactions related to the assignment or securitisation of receivables for financing purposes to any third party, including all factoring agreements and similar agreements executed for the purpose of obtaining financing and including any amount raised pursuant to such agreements but which, in accordance with Accounting Standards, have not otherwise been recognised on the balance sheet as a liability.

Deed Poll means a deed poll substantially in the form of Annexure B to this deed.

Delivery Time means 8:00am on the Second Court Date.

Details means the details section of this deed.

Disclosure Materials means the information in relation to the Target Group disclosed in writing by or on behalf of the Target to the Bidder and its Representatives prior to the date of this deed in:

- (a) the Data Room; and
- (b) any other documents the parties agree in writing.

Duty means any stamp, transaction or registration duty or similar charge levied, imposed, assessed or collected under any legislation or by any Regulatory Authority and includes any interest, fine, penalty, charge, fee or other amount imposed in respect of the above, but excludes any Tax.

EBITDA means earnings before interest, tax, depreciation and amortisation calculated in accordance with the accounting policies and principles applied by Target as at the date of this deed.

Effective means, in relation to the Scheme, the coming into effect, under 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.

Employee means an employee of a Target Group Member.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any Security Interest or any agreement to create any of them or allow them to exist.

End Date means the date that is 6 months from the date of this deed or such other date as is agreed by the Bidder and the Target in writing.

Excluded Shares means 2,421,308 of the Target Shares in which Steve Dropulich holds a Relevant Interest.

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

- (a) the termination of this deed in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

Fairly Disclosed means, in relation to a matter, event or circumstance, disclosed by the Target Group or their Representatives to the Bidder Group or its Representatives, in reasonably sufficient detail, so as to allow a reasonable and sophisticated investor

experienced in transactions similar to the Transaction and properly advised by professional advisers to identify or otherwise determine the nature and scope of the relevant matter, event or circumstance.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

GST has the meaning given in the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the same meaning as in the GST Act.

Implementation Date means, in relation to the Scheme, the date being 5 Business Days after the Record Date or such other Business Day agreed in writing by the Target and the Bidder or as may be required by the ASX.

Independent Expert means a third-party independent expert appointed by the Target in good faith to opine on whether the Scheme is in the best interest of the Target Shareholders.

Independent Expert's Report means the report prepared by the Independent Expert for inclusion in the Scheme Booklet, including any update or supplementary report.

Insolvent means in relation to any person:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this deed);
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed or any other action taken, in each case in connection with that person, in respect of any of the things described in paragraphs (a), (b) or (c);
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Key Persons means Steve Dropulich, Harveer Singh and Mushfiq Rahman.

Law means any law (including subordinate or delegated legislation or statutory instruments of any kind) of Australia and also any judgment, order, policy, guideline, official directive or request (even if it does not have the force of law) of any Regulatory Authority.

Listing Rules means the Listing Rules of ASX modified to the extent of any express written waiver by ASX.

Loan Facilities means:

- (a) the performance bond facility between the Target Group and AssetInsure Pty Limited in the amount of \$20,000,000, effective for the period between 24 June 2021 to 31 May 2022; and
- (b) the master finance facility agreement between the Target Group and Bankwest, as a division of Commonwealth Bank of Australia, amended and restated on 14 December 2020, relating to various facilities with an aggregate facility limit of approximately \$30,600,000.

Loss means all claims (including Claims), demands, damages, losses, costs, expenses and liabilities.

Matching Offer has the meaning given in clause 9.7(c).

Material Adverse Change means any change, event, circumstance, occurrence, state of facts or matter that occurs, is announced, is disclosed or otherwise becomes known to the Bidder or the Target Board after the date of this deed (whether it becomes public or not) which (whether individually or when aggregated with all such changes, events, circumstances, occurrences or matters) has had or could reasonably be expected to:

- (a) be materially adverse to the business, financial condition or results of operations or prospects of the Target Group, including any event or circumstance occurring that prevents or could reasonably be expected to prevent the Target Group from carrying on its business in the ordinary course as it was carried on by the Target Group on the date of this deed;
- (b) diminish the consolidated EBITDA of the Target Group by at least 15% as against what the consolidated EBITDA of the Target Group could reasonably have expected to have been but for the relevant changes, events, circumstances, occurrences or matters (calculated in accordance with accounting principles and practices applied by the Target in respect of the financial year ending 30 June 2020); or
- (c) diminish the consolidated net assets of the Target Group by at least 15% (on an annualised basis) as against the consolidated net assets of the Target Group for the financial year ended 30 June 2021 (calculated in accordance with accounting principles and practices applied by the Target in respect of the financial year ending 30 June 2020);

other than those changes, events, circumstances, occurrences, states of fact or matters:

- (d) required or permitted by this deed, the Scheme or the transactions contemplated by either;
- (e) that are Fairly Disclosed in the Disclosure Material;
- (f) agreed to in writing by the Bidder;
- (g) arising as a result of any generally applicable change in law or government policy;
- (h) arising from changes in economic circumstances or business conditions that impact on the Target and its competitors in a similar manner or which arise out of any global pandemic or similar outbreak; or
- (i) that the Target Fairly Disclosed in an announcement made by the Target to the ASX or a document lodged by it with ASIC prior to the date of this deed.

Material Contract means those Contracts contained in the Data Room with Data Room identification numbers 08.01.01 to 08.01.10 (inclusive) but excluding 08.01.09.

Necessary Approval means in respect of a contract, agreement, understanding or arrangement, all approvals, amendments, consents or waivers required under the terms of the same in order to effect the Transaction without:

- (a) breaching the terms of that contract, agreement, understanding or arrangement; or
- (b) giving rise to, or permitting any party to the contract, agreement, understanding or arrangement to exercise, any right under the same (including any rights of termination),

including with respect to any change in control or insolvency related provisions.

Permit means, in relation to any person, all registrations, consents, certificates, licences, permits, grants, easements, covenants, certificates, orders, authorisations and approvals issued or granted by Regulatory Authorities to the person necessary for such person to own and to conduct its business as such business is currently conducted or is expected to be conducted following the completion of the Transaction.

Permitted Encumbrance means:

- (a) a charge or lien arising in favour of a Regulatory Authority by operation of statute in the ordinary course of the business of the Target Group;
- (b) any mechanics', workmen's or other like lien arising in the ordinary course of the business of the Target Group;
- (c) any retention of title arrangement or purchase money security interest (including arising from any lease of goods or consignment arrangement), in

each case, arising in favour of a trade supplier to the business of the Target Group in the ordinary course of that business;

- (d) any Encumbrances granted under the Loan Facilities;
- (d) a PPS Lease (as defined in the PPSA);
- (e) any Encumbrance registered by Bidder;
- (f) any Encumbrance created in the ordinary course of business after the execution of this deed that does not secure the payment of financial indebtedness;
- (g) any Encumbrance granted or arising with the written consent of the Bidder.

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPSR means the Personal Property Securities Register established under the PPSA.

Property Leases means the property leases contained in the Data Room with Data Room identification numbers 17.03 to 17.07 (inclusive)..

Recommendation has the meaning given in clause 6.1(b).

Record Date means 5.00pm on the date being 5 Business Days after the Effective Date or such other Business Day agreed in writing between Target and Bidder or as may be required by the ASX.

Records means originals and copies, in machine readable, electronic, printed or any other readable form, of all books, files, reports, records, accounts, registers, correspondence, documents, manuals and other material of or relating to or used in connection with the Target Group Members and/or their businesses.

Register means the share register of the Target.

Regulator's Draft has the meaning give in clause 5.2(f).

Regulatory Authority means:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Body Corporate has the meaning it has in the Corporations Act.

Relevant Interest has the meaning given to it in the Corporations Act.

Representative means, in relation to a party:

- (a) a Related Body Corporate;
- (b) a director, officer or employee of the party or any of the party's Related Bodies Corporate; or
- (c) an Adviser to the party or its Related Body Corporate.

RG 60 means ASIC Regulatory Guide 60.

Scheme means the scheme of arrangement under which all the Scheme Shares will be transferred to Bidder substantially in the form of Annexure A to this deed or in such other form as the Target and the Bidder agree in writing under part 5.1 of the Corporations Act, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act and agreed to by the Target and the Bidder in writing.

Scheme Booklet means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to Target Shareholders which includes the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert's Report and notices of meeting and proxy forms.

Scheme Consideration means \$0.413 per Scheme Share.

Scheme Meetings means the meetings of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meetings convened following any adjournment or postponement of those meetings.

Scheme Share means a Target Share held by a Scheme Shareholder (but excluding the Excluded Shares).

Scheme Shareholders means each person who is a Target Shareholder at the Record Date.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the hearing of such application is adjourned or subject to appeal for any reason, the first day of the adjourned, or appeal, hearing.

Security Interest has the meaning given in section 12 of the PPSA.

Share Registry means Automic Registry Services of Level 5, 126 Phillip Street, Sydney NSW 2000.

Subsidiary, in relation to an entity, has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received in writing which, following consideration of advice from the Target's Advisers, is in the reasonable opinion of the Target Board acting in good faith in order to satisfy what the Target Board reasonably considers to be its legal obligations:

- (a) capable of being completed taking into account all aspects of the Competing Proposal; and

- (b) more favourably to Target Shareholders as a whole than the terms of the Transaction, taking into account all terms and conditions of the Competing Proposal ((including, for the avoidance of doubt, following the application of the matching right in clause 9.7),

and not resulting from a breach by the Target of any of its obligations under clause 9.

TAA means the Tax Administration Act 1953 (Cth).

Target Board means the board of directors of the Target.

Target Constitution means the constitution of the Target.

Target Director means any director of the Target Board.

Target Director Shares means, in respect of a Target Director, any Target Share:

- (a) held by or on behalf of the Target Director;
- (b) listed as an indirect interest in the latest Appendix 3X or Appendix 3Y lodged by the Target with ASX in respect of the Target Director; or
- (c) in which an Associate of the Target Director has a Relevant Interest,

but excluding the Excluded Shares.

Target Group means the Target and its Subsidiaries, and a reference to a **Target Group Member** is to any of them.

Target Indemnified Parties means the Target, its directors, officers, employees, and Related Bodies Corporate and the directors, officers, employees and of each of its Related Bodies Corporate.

Target Indemnities means the indemnities given by the Target in clause 11.5.

Target Information means all information contained in the Scheme Booklet other than the Bidder Information and the Independent Expert's Report.

Target Performance Right means a performance right granted by the Target pursuant to the Target Performance Rights Plan.

Target Performance Rights Plan means Target's Incentive Option and Performance Rights Plan in the form announced by the Target to ASX on 23 October 2019 and approved by the Target's shareholders (at the time) at a general meeting on 29 November 2019.

Target Prescribed Event means, except to the extent required or expressly permitted by this deed or the Scheme, any of the events set out in Schedule 5.

Target Share means an ordinary fully paid share in the capital of Target.

Target Shareholder means each person registered in the Register as a holder of Target Shares.

Tax means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan, payroll tax, fringe benefits tax, income tax withholding obligation (including PAYG withholding obligations), withholding or franking credit deficit tax, that is assessed, levied, imposed or collected by any Regulatory Authority and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.

Tax Claim means:

- (a) a demand, Claim or assessment from a Regulatory Authority requiring the payment of any Tax or Duty for which the Target may be liable under this deed;
- (b) any document received from a Regulatory Authority administering any Tax or Duty assessing, imposing, claiming or indicating an intention to claim any Tax or Duty;
- (c) a notice to a contributing member of a Consolidated Group given under section 721-15(5) of the ITAA 1997;
- (d) a notice to a member of a GST Group (as defined in the GST Act), in relation to section 444-90(1) of Schedule 1 to the TAA; and
- (e) a lodgement of a Tax or Duty return or a request for an amendment to a lodged Tax or Duty return.

Tax Law means any law relating to either Tax or Duty as the context requires.

Timetable means the indicative timetable set out in Schedule 1 or such other indicative timetable as the Bidder and the Target may agree in writing or as may be required by ASX.

Transaction means:

- (a) the proposed acquisition of the Target Shares by the Bidder through implementation of the Scheme in accordance with the terms of this deed; and
- (b) all associated transactions and steps contemplated in this deed.

Voting Intention has the meaning given in clause 6.1(b).

Warranties means the representations and warranties set out in Schedule 2.

1.2 Interpretation

In this deed, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) gender includes other genders;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

- (d) 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;
- (e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (f) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (g) a reference to time is to Perth time;
- (h) 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;
- (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (j) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (k) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (l) any agreement, representation, warranty or indemnity:
 - (i) by two or more persons (including where two or more persons are included in the same defined term) binds them jointly and severally; and
 - (ii) in favour of two or more persons (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally,
- (m) a reference to 'absolute discretion' means not having to consider the interest of other parties when giving a consent, approval or making a determination;
- (n) a reference to conduct includes an omission, statement or undertaking, whether or not in writing;
- (o) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (p) 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
- (q) 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.

1.4 Reasonable endeavours

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

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
- (b) to commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.

1.5 Method of payment

Unless otherwise specified in this deed, if a party is required to pay an amount under this deed, such payment must be made by direct deposit of cleared funds to the credit of a bank account, the details of which are specified in writing by the payee to the payer before the due date for payment.

2 AGREEMENT TO PROPOSE AND IMPLEMENT SCHEME

2.1 Target to propose Scheme

The Target agrees to propose and implement the Scheme on, and subject to, the terms and conditions of this deed, and substantially in accordance with the Timetable.

2.2 Bidder to assist Target

The Bidder agrees to provide reasonable assistance to the Target in connection with the Target's obligations under clause 2.1.

3 CONDITIONS PRECEDENT

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the Target and the Bidder in relation to the implementation of the Scheme will not be binding, until each of the following Conditions Precedent are satisfied or waived to the extent and in the manner set out in this clause 3:

	Condition	Benefit
(a)	No Court or Regulatory Authority has issued or taken steps to issue any judgment, decree, statute, law, ordinance, rule of regulation, restraint, prohibition or otherwise, imposing a legal restraint or prohibition preventing the Transaction, and none of those things are in effect as at the Delivery Time.	Target and Bidder

	Condition	Benefit
(b)	The Independent Expert concludes, and continues to conclude, that the Scheme is in the best interests of the Scheme Shareholders, such conclusion is reflected in the Independent Expert's Report, and the Independent Expert does not withdraw that conclusion prior to the Delivery Time.	Target and Bidder
(c)	ASIC and ASX issue or provide such consents, waivers, exemptions, declarations or approvals as the Target and the Bidder agree in writing are necessary or desirable to implement the Scheme and no such consent, waiver, exemption, declaration or approval has been withdrawn or revoked before the Delivery Time.	Cannot be waived
(d)	The Scheme is approved by Target Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.	Cannot be waived
(e)	The Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act.	Cannot be waived
(f)	No Target Prescribed Event occurs between the date of this deed and the Delivery Time.	Bidder
(g)	No Material Adverse Change occurs between the date of this deed and the Delivery Time.	Bidder
(h)	By the Delivery Time, any waiver of, or approval under, the Listing Rules (to the extent required) has been obtained in relation to the cancellation of the Target Performance Rights.	Bidder
(i)	All holders of Target Performance Rights entering into cancellation deeds (or another similar agreement) with the Bidder (or its nominee), in a form permitted under Law and otherwise acceptable to the Bidder, pursuant to which the holders of Target Performance Rights agree to the cancellation of their Target Performance Rights (save for those Target Performance Rights contemplated by clause 5.9).	Bidder
(j)	Each Warranty is true and correct in all material respects when deemed to be given.	Bidder
(k)	Each Bidder Warranty is true and correct in all material respects as at the relevant time or times (as the case may be) set out in clause 12 in relation to that Bidder Warranty.	Target
(l)	Each counterparty to an Approval Contract provides to the Target (or the relevant Target Group Member) all Necessary Approvals in connection with the Transaction in a form satisfactory to the Bidder.	Bidder

	Condition	Benefit
(m)	No counterparty to a Loan Facility demands, or takes steps to demand, the early repayment of any Loan Facility, or enforces or takes steps to enforce any security relating to any Loan Facility.	Bidder

3.2 Benefit and waiver of Conditions Precedent

- (a) The Conditions Precedent which are for the benefit of the Bidder may only be waived by the Bidder by notice in writing to the Target.
- (b) The Conditions Precedent which are for the benefit of the Target may only be waived by the Target by notice in writing to the Bidder.
- (c) The Conditions Precedent which are for the benefit of the Target and the Bidder may only be waived by mutual agreement in writing.
- (d) Any waiver of the breach or non-satisfaction of a Condition Precedent by a party for whose benefit the Condition Precedent applies must take place on or prior to the Delivery Time.

3.3 No waiver

A waiver of a breach or non-fulfilment in respect of a Condition Precedent does not constitute:

- (a) a waiver of a breach or non-fulfilment of any other Condition Precedent arising from the same event; or
- (b) a waiver of a breach or non-fulfilment of that Condition Precedent resulting from any other event.

3.4 Reasonable endeavours

- (a) Each party must use reasonable endeavours to procure that:
 - (i) each of the Conditions Precedent are satisfied as expeditiously as possible after the date of this deed including, to the extent within its control, procuring performance by a third party; and
 - (ii) no action is taken that will or is likely to hinder, delay or prevent the satisfaction of the Conditions Precedent.
- (b) The parties must provide all reasonable assistance to the other as is necessary to satisfy the Conditions Precedent.

3.5 Notifications

Each party must:

- (a) keep the other party promptly informed of any material development of which it becomes aware in relation to the satisfaction of the Conditions Precedent; and

- (b) promptly notify the other party in writing if the party becomes aware of any breach or non-satisfaction of any Condition Precedent, or that any Condition Precedent has become incapable of being satisfied by the time or date specified in this deed.

3.6 Consultation on breach or non-satisfaction of Condition Precedent

- (a) If:
- (i) there is a breach or non-satisfaction of a Condition Precedent which is not waived in accordance with this deed by the time or date specified in this deed for the satisfaction of the Condition Precedent;
 - (ii) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this deed for the satisfaction of the Condition Precedent (and the breach or non-satisfaction which would otherwise occur has not already been waived in accordance with this deed); or
 - (iii) the Scheme has not become Effective by the End Date as a result of the non-satisfaction of a Condition Precedent,

in each case by the date specified in this deed for the satisfaction of the Consultation Condition Precedent, then, subject to clause 3.6(c), the parties must consult in good faith with a view to determining whether the parties can reach agreement with respect to:

- (iv) the terms (if any) on which the party entitled to waive the breach or non-satisfaction of the Condition Precedent would be willing to waive that Condition Precedent;
 - (v) whether the Scheme may proceed by way of alternative means or methods;
 - (vi) to extend the relevant time for satisfaction of the Condition Precedent or to adjourn or change the date of an application to the Court; or
 - (vii) to extend the End Date.
- (b) If:
- (i) the parties are unable to reach agreement in the manner contemplated under clause 3.6(a) within 5 Business Days (or such shorter period ending on the Delivery Time), or such other length of time agreed between the parties in writing; or
 - (ii) the Scheme has not become Effective by the End Date,

then, subject to clause 3.6(c), either party may terminate this deed by notice in writing to the other party prior to the Delivery Time (**Termination Notice**) without any liability to any party by reason of that termination.

- (c) A party will not be entitled to give a Termination Notice if the relevant Condition Precedent has not been satisfied or has become incapable of being

satisfied or the Scheme has not become Effective by the End Date (as the case may be) as a result of:

- (i) a material breach of this deed by that party; or
- (ii) a deliberate act or omission of that party which directly or materially contributed to that Condition Precedent not being satisfied or the Scheme not becoming Effective by the End Date (as the case may be).

4 OUTLINE OF SCHEME

4.1 Scheme

The parties acknowledge and agree that, subject to the Scheme becoming Effective, the general effect of the Scheme will be that:

- (a) each Scheme Shareholder will be entitled to receive the Scheme Consideration for each Scheme Share held by the Scheme Shareholder at the Record Date; and
- (b) all of the Scheme Shares will be transferred to the Bidder as provided for in the Scheme,

in each case on the Implementation Date and otherwise in accordance with the terms of the Scheme.

4.2 Scheme Consideration

- (a) The Bidder covenants in favour of the Target (in Target's own right and separately as trustee for each Scheme Shareholder) that, subject to the Scheme becoming Effective and in consideration for the transfer to the Bidder of each Scheme Share under the terms of the Scheme, the Bidder will accept such transfer and provide or procure the provision of the Scheme Consideration for each Scheme Share held by each Scheme Shareholder on the Implementation Date and otherwise in accordance with the terms of the Scheme.
- (b) Subject to the Scheme becoming Effective, on the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:
 - (i) each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder at the Record Date; and
 - (ii) all Scheme Shares at the Record Date will be transferred to the Bidder.

4.3 Fractional entitlements

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

4.4 No amendment to the Scheme without consent

The Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of the Bidder (not to be unreasonably withheld or delayed).

4.5 Excluded Shares

The parties acknowledge and agree:

- (a) that the Excluded Shares will not be acquired by the Bidder as part of the Scheme and it is intended that the Excluded Shareholder(s) will enter into a private treaty (by way of a put and call option deed (or similar agreement)) with the Bidder (or its nominee) in relation to the Bidder's acquisition of the Excluded Shares; and
- (b) the parties will, to the extent:
 - (i) required in any documents to be submitted to the Court, in the Scheme Booklet or at any Scheme Meeting (including the explanatory statement under section 412(1)(a) of the Corporations Act or any accompanying notices of meeting); and
 - (ii) the Excluded Shareholder comprises a separate class of members of Target Shareholders participating in the Scheme,

make the required amendments, or do the relevant thing required, to reflect the agreement set out in this clause 4.5.

4.6 Withholding tax

- (a) If the Bidder is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the ATO in respect of the acquisition of Target Shares from certain Scheme Shareholders, the Bidder is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders, and remit such amounts to the ATO. The aggregate sum payable to Scheme Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.
- (b) The Target agrees that the Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Transaction and will provide all information and assistance that the Bidder reasonably requires in making that approach. The Bidder agrees:
 - (i) to provide the Target a reasonable opportunity to review the form and content of all materials to be provided to the ATO, to take into account the Target's comments on those documents and more generally in relation to the Bidder's engagement with the ATO and to participate in any discussions and correspondence between the Target and the ATO in connection with the application of Subdivision 14-D to the Transaction; and

- (ii) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D to the Transaction without the Target's prior written consent.

- (c) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following the process mentioned in clause 4.6(b). The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this deed, the Scheme and the Deed Poll to ensure that relevant representations are obtained from Scheme Shareholders.

5 IMPLEMENTATION

5.1 General obligations

- (a) The parties must each:
- (i) use all reasonable endeavours and commit necessary resources (including management resources and the resources of Advisers); and
 - (ii) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing information),

to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable.

- (b) The parties agree to consult regularly with each other in relation to:
- (i) performing their respective obligations within the framework established by the Timetable; and
 - (ii) any need to modify the Timetable.

5.2 Target's Scheme obligations

The Target must take all reasonable steps to implement the Scheme consistently with this deed and as soon as reasonably practicable, and must:

- (a) **(announce directors' recommendation)** immediately following execution of this deed, announce, in a form agreed between the Target and the Bidder (on the basis of statements made to the Target by each Target Board Director) that, subject to the qualifications in clause 6.2:
- (i) the Target Board intends to unanimously recommend that Target Shareholders vote in favour of the Scheme at the Scheme Meeting; and
 - (ii) each Target Director intends to vote, or procure the voting of, any Target Director Shares in favour of the Scheme at the Scheme Meeting,

in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) in the Independent Expert's Report that the Scheme is in the best interest of Target Shareholders;

- (b) **(preparation of Scheme Booklet)** subject to the Bidder complying with its obligations under clauses 5.3(a), 5.3(b) and 5.3(c), as soon as practicable after the date of this deed prepare the Scheme Booklet in accordance with all applicable Laws, including the Corporations Act, Corporations Regulations, RG 60 and the Listing Rules;
- (c) **(Independent Expert)** promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare its report for the Scheme Booklet as soon as practicable;
- (d) **(consultation with Bidder)** consult with the Bidder as to the content and presentation of:
 - (i) the Scheme Booklet, which includes:
 - (A) allowing the Bidder a reasonable opportunity to review and make comments on successive versions of the Scheme Booklet (noting that any review of the Independent Expert's Report will be limited to review for factual accuracy of those parts that include information relating to the Bidder);
 - (B) taking any reasonable comments or inputs made by the Bidder into account in good faith when producing a revised version of the Scheme Booklet;
 - (C) allowing the Bidder sufficient time to review the final version of the Scheme Booklet before it is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act; and
 - (D) obtaining the Bidder's written consent to the inclusion of the Bidder Information (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet); and
 - (ii) documents required for:
 - (A) the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating processes, affidavits, submissions and draft minutes of Court orders); and
 - (B) documents required in connection with any Scheme Meetings or Scheme Shareholders (including any notices of meeting or explanatory statements),

and consider in good faith any comments on, or suggested amendments to, those documents from the Bidder prior to dispatching or filing those documents with the Court (as applicable);

- (e) **(Recommendation and Voting Intention)**: include in the Scheme Booklet:
 - (i) the Recommendation by the Target Board contemplated under clause 6.1(b); and
 - (ii) the Voting Intention by the Target Board contemplated under clause 6.1(b),

unless there has been a withdrawal or change of Recommendation or Voting Intention permitted by clause 6.2;

- (f) **(lodgement of Regulator's Draft)** no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet (**Regulator's Draft**) to ASIC for its review for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to the Bidder immediately thereafter and keep the Bidder reasonably informed of, and consult with the Bidder in good faith in relation to:
 - (i) any material issues raised by ASIC in relation to the Regulator's Draft; and
 - (ii) taking any steps or actions to address those material issues prior to doing so (provided that, where those issues relate to Bidder Information, the Target must not take any steps to address them without the Bidder's prior written consent);
- (g) **(section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) **(Court application)** apply to the Court for an order under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;
- (i) **(registration of Scheme Booklet)**: as soon as practicable after the Court orders the Target to convene the Scheme Meeting, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (j) **(despatch of Scheme Booklet)** as soon as practicable after the Court orders the Target to convene the Scheme Meeting, despatch the Scheme Booklet to Target Shareholders;
- (k) **(supplementary disclosure)** if, after despatch of the Scheme Booklet, the Target becomes aware:
 - (i) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed to Target Shareholders under any applicable Law but was not included in the Scheme Booklet,

promptly consult with the Bidder in good faith as to the need for, and the form of, any supplementary disclosure to Target Shareholders, and make any

disclosure that the Target considers reasonably necessary in the circumstances, having regard to applicable Laws and advice from its Advisers;

- (l) **(Scheme Meeting)** convene the Scheme Meeting to agree to the Scheme in accordance with any orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (m) **(director's voting)** use all reasonable endeavours to procure that each Target Director votes, or procures the voting of, any Target Director Shares relating to them in favour of the Scheme;
- (n) **(Court approval)** subject to all Conditions Precedent, other than the Condition Precedent in clause 3.1(e), being satisfied or waived in accordance with this deed (as applicable), apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (o) **(Conditions Precedent certificate)** at the hearing on the Second Court Date, provide to the Court (through its counsel):
 - (i) a certificate confirming whether or not the Conditions Precedent (other than clause 3.1(e), have been satisfied or waived in accordance with this deed, a draft of which must be provided to the Bidder by 5.00pm on the Business Day prior to the Second Court Date; and
 - (ii) any certificate provided to it by the Bidder under clause 5.3(g);
- (p) **(lodge copy of Court order)** lodge with ASIC an office copy of the Court order approving the Scheme as approved by the Target Shareholders at the Scheme Meeting in accordance with section 411(10) of the Corporations Act on the day after that office copy is received (or any later date agreed in writing by the Bidder);
- (q) **(registration)** close the Register as at the Record Date to determine the identity of Scheme Shareholders and their entitlements to Scheme Consideration;
- (r) **(instruments of transfer)** subject to the Bidder satisfying its obligations under clause 4.2, on the Implementation Date:
 - (i) execute proper instruments of transfer and effect the transfer of Target Shares to the Bidder in accordance with the Scheme; and
 - (ii) register all transfers of Target Shares held by Scheme Shareholders to the Bidder;
- (s) **(Suspension of trading)** apply to ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date;
- (t) **(listing)** take all reasonable steps to maintain the Target's listing on ASX, notwithstanding any suspension of the quotation of Target Shares, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC; and

- (u) **(other steps)** do all other things reasonably necessary to ensure that the Scheme is effected in accordance with all applicable Laws.

5.3 Bidder's Scheme obligations

The Bidder must take all reasonable steps to assist the Target to implement the Scheme consistently with this deed and as soon as reasonably practicable, and must:

- (a) **(Bidder Information)**
- (i) prepare and promptly provide to the Target for inclusion in the Scheme Booklet all information regarding the Bidder Group to comply with all applicable Laws, including the Corporations Act, Corporations Regulations, RG 60 and the Listing Rules; and
 - (ii) provide the Target with drafts of the Bidder Information in a timely manner and, acting reasonably in good faith and subject to clause 5.5, take into account all reasonable comments and inputs from Target and its Representatives on those drafts;
- (b) **(confirmation of Bidder Information)** subject to the Target complying with clauses 5.2(d) and 5.5, promptly after written notice from the Target, provide written consent to the Target to the inclusion of the Bidder Information in the Scheme Booklet, in the form and context in which the Bidder Information appears;
- (c) **(further Bidder Information)** promptly provide to the Target any further or new Bidder Information as may arise after the Scheme Booklet has been sent to Target Shareholders and until the date of the Scheme Meeting as may be necessary to ensure that the Bidder Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission);
- (d) **(Independent Expert information)** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (e) **(assistance with documents)** promptly provide any assistance or information reasonably requested by the Target or its Representatives in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to Target Shareholders) and any documents required to be filed with the Court in respect of the Scheme;
- (f) **(Deed Poll)** prior to the Delivery Time, execute and deliver the Deed Poll to the Target;
- (g) **(Conditions Precedent certificate)** before the Delivery Time, provide to the Target for provision to the Court at the hearing a certificate confirming (in respect of matters within Bidder's knowledge) whether or not the Conditions Precedent (other than clause 3.1(e)), have been satisfied or waived in accordance with this deed, a draft of which must be provided to the Target by 5.00pm on the Business Day prior to the Second Court Date; and

- (h) **(other steps)** do all other things reasonably necessary to ensure that the Scheme is effected in accordance with all applicable Laws, regulations and policy.

5.4 Scheme Booklet responsibility statement

The responsibility statement to appear in the Scheme Booklet, in a form to be agreed by the parties, will contain words to the effect of:

- (a) the Target has prepared, and is responsible for, the content of the Scheme Booklet other than, to the maximum extent permitted by Law, the Bidder Information, the Independent Expert's Report or any other report or letter issued to the Target by a third party; and
- (b) the Bidder has prepared, and is responsible for, the Bidder Information in the Scheme Booklet but no other part of the Scheme Booklet.

5.5 Disagreement on content of Scheme Booklet

If the Bidder and the Target disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of the Bidder Information contained in the Scheme Booklet, the Target will make any amendments as the Bidder reasonably requires; and
- (b) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Target Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

5.6 Verification

Each party must undertake appropriate verification processes for the information supplied by that party in the Scheme Booklet.

5.7 Conduct of Court proceeding

Each party:

- (a) is entitled to separate representation at all Court proceedings relating to the Scheme. This deed does not give a party any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent;
- (b) must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this deed; and
- (c) must defend, or procure the defence of, any lawsuit or other legal proceeding brought against it (or any of its Subsidiaries) challenging this deed or the completion of the Scheme, unless the Target has in good faith determined that such action is not in the best interest of the Target Shareholders.

5.8 Appeal process

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, the parties must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree otherwise; or
- (b) either party obtains the advice of an independent senior counsel of the Western Australian bar who states that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this deed in accordance with clause 14.1(d)(ii).

5.9 Performance Rights

The Target must procure that as soon as practicable after the date of this deed, and in any event prior to the First Court Date, 1,076,090 Target Performance Rights held by Steve Dropulich (or his Affiliates) vest and are converted into Target Shares.

6 TARGET BOARD RECOMMENDATION

6.1 Recommendation and Voting Intention

- (a) The Target represents and warrants to the Bidder that each Target Director in office at the date of this deed has confirmed that they each intend:
 - (i) to recommend the Scheme to Target Shareholders in the Scheme Booklet and otherwise; and
 - (ii) to vote in favour of the Scheme at any Scheme Meeting,subject to there being no Superior Proposal and the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interest of Target Shareholders.
- (b) Subject to clause 6.2, the Target must use its best endeavours to procure that the Scheme Booklet includes a statement by the Target that each Target Director intends to recommend (**Recommendation**), and vote in favour of (**Voting Intention**), the Scheme.

6.2 Withdrawal or change of Recommendation or Voting Intention

The Target must use its best endeavours to procure the Target Board collectively, and each Target Director individually, does not withdraw, change, adversely modify or adversely qualify their Recommendation or Voting Intention unless:

- (a) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders;
- (b) the Target received a Competing Proposal and the Target Directors who are entitled to vote on the resolution unanimously determine, after all of the

Bidder's rights under clause 9.7 have been exhausted, that the Competing Proposal constitutes a Superior Proposal; or

- (c) in the case of a Recommendation by an executive Target Director (but not, for the avoidance of doubt, a Voting Intention), the executive Target Director may withdraw his or her Recommendation so as to not make any recommendation only to the extent that, after first obtaining legal advice from independent counsel, the executive Target Director reasonably determines that he or she has an interest in the Scheme that renders it inappropriate for him or her to make or maintain any such recommendation (**Scheme Interest**), and the Court would be unlikely to grant an order under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting or under section 411(4)(b) and 411(6) of the Corporations Act approving the Scheme, in each case solely as a result of the Scheme Interest.

7 BOARD OF EACH TARGET GROUP MEMBER

7.1 Appointment of Bidder nominees

On the Implementation Date, the Target must take all actions necessary (and in accordance with the constitution of each relevant Target Group Member, the Corporations Act and the Listing Rules) to appoint each person nominated by the Bidder prior to the Implementation Date as a director and/or secretary of a Target Group Member (**Incoming Officer**), subject to:

- (a) the Bidder meeting its obligations under clause 4.2; and
- (b) Target having received from each Incoming Officer prior to the Implementation Date a signed consent to act as a director and/or secretary of each relevant Target Group Member that the Incoming Officer is proposed to be appointed as a director and/or secretary (as the case may be).

7.2 Retaining Key Persons

The Target must, until the Implementation Date, use best endeavours to procure that the Key Persons continue to retain their current positions of office within the Target Group on and from the date of this deed.

7.3 Resignation of directors

Without limiting clause 7.1 and subject to clause 7.2, the Target must take all actions necessary (and in accordance with the constitution of each relevant Target Group Member, the Corporations Act and the Listing Rules) to:

- (a) procure from each person acting immediately prior to the Implementation Date as a director, secretary or both of each Target Group Member (other than any relevant Key Person) (**Outgoing Officer**) prior to the Implementation Date a written resignation as officer of the relevant Target Group Member which also provides an undertaking from that the Outgoing Officer that they have no Claim (including for loss of office, but other than any remuneration due to the Outgoing Officer up to the Implementation Date) outstanding against any Target Group Member in respect of the Outgoing Officer's office as a director and/or secretary of a Target Group Member; and

- (b) subject to the Bidder meeting its obligations under clause 4.2, cause each Outgoing Officer to resign as a director and/or secretary of the Target Group Member on the Implementation Date.

8 CONDUCT OF BUSINESS

8.1 Specific obligations

From the date of this deed up to and including the Implementation Date, the Target must use reasonable endeavours, and must use reasonable endeavours to cause each Target Group Member to:

- (a) **(ordinary course)** ensure that the business of the Target Group is conducted:
- (i) in the ordinary course, in a manner consistent with the usual business practices and policies of the Target Group as at the date of this deed and to that in which it was conducted for the 12 month period before the date of this deed, and with all due care and in accordance with normal and prudent practice (having regard to the nature of those businesses and past practice and so as to comply with all applicable Laws and contractual obligations); and
 - (ii) substantially in accordance with the budget for the Target Group in respect of the financial year ending 30 June 2022 a copy of which is included in the Disclosure Materials; and
- (b) **(relationships)** make reasonable endeavours to maintain and preserve intact the Target Group's relationships with its employees, joint venturers, customers, suppliers, investors, Regulatory Authorities, licensors, licensees and others with whom the Target Group has business dealings; and
- (c) **(Contracts)** enforce any Contract, and not waive any breach by any counterparty to any such Contract, where such a failure to enforce such contract or where a waiver of such breach would, or would be reasonably likely to, result in a reduction in the EBITDA of the Target Group,
- (d) **(assets)** ensure that all material assets of the Target Group (including cash) are maintained in the normal course and consistent with past practice;
- (e) **(consultation)** upon request from the Bidder, consult with the Bidder on the manner of conduct of the businesses of the Target Group Members;
- (f) **(insurance)** maintain (and if necessary, renews) the insurance policies (to the extent the policy is capable of renewal by the Target) held by the Target Group that are in force as at the date of this deed, and notifies the Bidder if any renewal proposal is not accepted by the insurer;
- (g) **(Permits)** maintain (and if necessary, renews) each of its Permits and promptly notifies the Bidder if any renewal proposal is not accepted by the relevant Regulatory Authority or industry body; and
- (h) **(tax)** keep the Bidder informed of any current, pending or threatened Tax or Duty audits, reviews or investigations or Tax Claim relating to any Target Group Member, and procure that no Target Group Member settles,

compromises or otherwise deals with such audits, reviews or investigations or Tax Claims without the prior written consent of the Bidder (which must not be unreasonably withheld or delayed).

8.2 Prohibited actions

From the date of this deed up to and including the Implementation Date, the Target must not, and must cause each Target Group Member to not:

- (a) **(Target Prescribed Events)** take any action that constitutes, or could reasonably be expected to result in, a Target Prescribed Event;
- (b) **(Material Contracts)** terminate or materially amend a Material Contract, or enter into any material contract or commitment, or any other obligation which is not in the ordinary course of the business of the Target Group, or terminate, fail to enforce the terms of, or alter any term of any such contract, commitment or obligation, or do anything or omit to do anything which might result in the variation or termination of, or impact the ability to enforce, any such contract, commitment or obligation;
- (c) **(provide financial accommodation)** advance loans or extend financial accommodation to any person other than a Target Group Member or as otherwise required by existing contractual obligations;
- (d) **(borrowing)** borrow money, increase the amount of existing borrowings or Debt or draw on any credit lines other than under existing credit facilities;
- (e) **(deferrals)** defer the purchase price or other payment in relation to the acquisition of any asset or service of greater than \$100,000;
- (f) **(derivatives)** enter into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
- (g) **(assets)** other than by way of the enforcement of any Security Interest in the ordinary course of business, acquire or agree to acquire (by purchase, amalgamation, merger or otherwise), sell or agree to sell, any property or assets that exceed, in aggregate, \$100,000;
- (h) **(capex)** make, or commit to make, any capital expenditure without prior approval of the Bidder in excess of \$200,000 in aggregate;
- (i) **(dividend)** declare or pay any dividend or make any other distribution of its assets or profits (including by distributing or returning any capital to shareholders);
- (j) **(revaluation)** make a revaluation of assets unless required to do so by the Accounting Standards;
- (k) **(Tax election)** make any Tax election (including any change of residence) or settle or compromise any liability relating to tax, unless that election, settlement or compromise is required by Tax law, is supported by an opinion

of counsel, or is in the ordinary course of business and is consistent with past practices;

- (l) **(litigation)** settle or compromise any suit, Claim, action, proceeding, hearing, notice of violation, demand letter or investigation involving the possible payment or receipt of amounts that exceed, in aggregate, \$100,000;
- (m) **(employment arrangements):**
 - (i) employ, or offer to employ, an individual who is not an employee of a Target Group Member as at the date of this deed where the total remuneration payable (including any short term incentives and long term incentives) to that individual would exceed \$250,000 (inclusive of superannuation and other entitlements) in any 12 month period;
 - (ii) terminate the employment of any employee of a Target Group Member (other than for cause) where the total remuneration payable (including any short term incentives and long term incentives) to that individual exceeds \$250,000 (inclusive of superannuation and other entitlements) in any 12 month period;
 - (iii) increase the salary or wage or vary the terms or conditions of employment of any Employee (including Key Persons) unless:
 - (A) obliged to do so by Law or under the terms of any Employee's individual employment contract; or
 - (B) the increase of the salary or wage in question is made in the ordinary course of business and is consistent with the Target Group's past practice;
 - (iv) except in the ordinary course of the Business, engage any new employee, terminate the employment (other than for cause) or encourage the resignation of any employee, consultant or contractor or alter the terms of employment of any employee or offer to do any of those things;
 - (v) accelerate the rights of any of its Employees or officers to compensation or benefits of any kind (including under any Target Group executive or employee share plans);
 - (vi) pay any of its directors or Key Persons a termination or retention payment; or
 - (vii) create, or agree to create, issue any securities under, or become liable for any obligations under, or provide, or agree to pay or provide, any bonuses or benefits to any Employee or officer that such Employee or officer is not entitled to as at the date of this deed;
- (n) **(advisers)** pay any fee to any Adviser where the payment of such fee would cause the aggregate of all fees contingent on the Transaction paid by the Target Group to Advisers to exceed \$1.2 million;

- (o) **(joint ventures)** enter into or resolve to enter into a joint venture or partnership with any person; or
- (p) **(agree)** agree to do any of the matters set out above.

8.3 Exceptions to conduct of business provisions

Nothing in this clause 8 restricts the ability of the Target to take any action which is:

- (a) expressly required or permitted by this deed or the Scheme;
- (b) required by Law or by an order of a court or Regulatory Authority;
- (c) Fairly Disclosed to Bidder in the Disclosure Materials;
- (d) consented to in writing by the Bidder (such consent not to be unreasonably withheld or delay); or
- (e) to reasonably and prudently respond to an emergency or disaster affecting the Target Group or their respective businesses (including a situation giving rise to a risk of personal injury or damage to property).

8.4 Access to Target Information and business

Between the date of this deed and the Implementation Date, the Target must (and must procure each Target Group Member to) facilitate and ensure that the Bidder and its Representatives are, upon reasonable written notice to the Target, authorised and provided with access to the Records (subject to any existing confidentiality obligations owed to third parties and applicable laws including privacy laws) and Key Persons, at all reasonable times so long as it does not cause unreasonable disruption to the Target Group's business or place an unreasonable burden on the Target Group's ability to run its business, to enable the Bidder to:

- (a) implement the Scheme;
- (b) understanding the Target Group's financial position (including its cash flow and working capital position), trading performance and management control systems;
- (c) become familiar with the conduct and operation of the businesses of the Target Group Members;
- (d) to make any informed decisions under this clause 8; and
- (e) do any other thing agreed between the parties in writing,

other than any information that relates to the contemplation of a Competing Proposal or any information that, if provided to the Bidder, would result in a loss of legal privilege with respect to such information or a breach of any directors' duty at Law.

8.5 Notification of material breach

- (a) If at any time before the Implementation Date, the Target becomes aware of any event, matter or circumstance which gives rise to, or may reasonably be expected to give rise to:
 - (i) a Material Adverse Change;
 - (ii) a breach of a Warranty;
 - (iii) changes to any of the persons holding the positions of the Key Persons; and
 - (iv) any breach of, or default under, any Law, contract (other than this deed), arrangement, permit, licence or authorisation that is binding upon any Target Group Member and which is reasonably likely to result in a material liability on the part of any Target Group Member,

the Target must, and must procure each other Target Group Member to, promptly notify and consult with the Bidder in writing.
- (b) Prior to the Implementation Date, the Bidder must promptly notify the Target in writing of any material breach of this deed by the Bidder (including any breach of a Bidder Warranty) of which the Bidder becomes aware.
- (c) Any written notification provided by a party under paragraph (a) or (b) above must include a reasonable summary of the relevant material breach, to the extent the details are known to the party providing the notice.

8.6 Necessary Approvals and Loan Facilities

- (a) The parties must, use all reasonable endeavours to agree a proposed strategy to obtain any Necessary Approvals required in accordance with the terms of any Approval Contracts as soon as practicable and in any event before the Second Court Date.
- (b) On and from the date of this deed, the Target must use all reasonable endeavours to assist the Bidder in liaising and negotiating with the lenders under the Loan Facilities with a view to extinguishing the Loan Facilities (on terms favourable to the Target) as soon as reasonably practicable on and from the Implementation Date.

9 EXCLUSIVITY

9.1 No existing discussions

The Target represents and warrants that, other than the discussions with the Bidder and its Representatives, it is not currently in negotiations or discussions in respect of any Competing Proposal with any person or, where it was in discussions, it has ceased any such discussions and negotiations to the extent they were on foot prior to the date of this deed.

9.2 No-shop

During the Exclusivity Period, the Target must not, and must ensure that each other Target Group Member and each Representative of a Target Group Member does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any enquiry, expression of interest, proposal, offer, negotiation or discussion; or
- (b) communicate any intention to do any of these things,

in relation to, or that could reasonably be expected to encourage or lead to, the making of an actual, proposed or potential Competing Proposal.

9.3 No-talk

Subject to clause 9.5, during the Exclusivity Period, the Target must not, and must ensure that each other Target Group Member and each Representative of a Target Group Member does not, directly or indirectly:

- (a) enter into or participate in negotiations or discussions with any other person; or
- (b) communicate any intention to do any of these things,

in relation to, or that could reasonably be expected to encourage or lead to, the making of an actual, proposed or potential Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target or any of its Representatives or the person has publicly announced the Competing Proposal.

9.4 No due diligence

Subject to clause 9.5, during the Exclusivity Period, the Target must not, and must ensure that each other Target Group Member and each Representative of a Target Group Member does not, directly or indirectly:

- (a) enable any other person other than the Bidder to undertake due diligence investigations on any Target Group Member or their businesses or operations; or
- (b) provide or otherwise make available to any other person, or permit any other person to receive or have access to, other than the Bidder any non-public information relating to any Target Group Member or their businesses or operations,

in relation to that person formulating or making, or assisting another person to formulate or make any actual, proposed or potential Competing Proposal.

9.5 Fiduciary carve out

Clause 9.3 and clause 9.4 do not apply to the extent they restrict the Target or any Target Director from taking or refusing to take any action with respect to an actual, proposed or potential Competing Proposal provided that:

- (a) the Target Board considers in good faith that the actual, proposed or potential Competing Proposal is bona fide; and
- (b) the Target Board has determined in good faith after:
 - (i) consultation with Target's financial Advisers in respect of the financial aspects of the Competing Proposal, that the Competing Proposal is or would reasonably be expected to lead to a Superior Proposal; and
 - (ii) consulting with Target's external legal Adviser, 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 reasonably likely to constitute a breach of the fiduciary or statutory obligations of any Target Director.

9.6 Notice of approach

- (a) During the Exclusivity Period, the Target must promptly (and in any event within 2 Business Days of becoming aware of such matter) notify the Bidder in writing of:
 - (i) any approach, inquiry, request, or attempt to initiate any negotiations or discussions, or any intention to initiate any negotiations or discussions, in connection with or in respect of any actual, proposed or potential Competing Proposal which is received in writing;
 - (ii) any request for information relating to the Target Group or any of their businesses or operations or any request for access to the books or Records of the Target Group (or any of them), which the Target has (or any person would have) reasonable grounds to suspect may relate to a current or future Competing Proposal; or
 - (iii) any written proposal (whether or not made to the Target or any Target Group Member or Representative of a Target Group Member) in connection with or in respect of any actual, proposed or potential Competing Proposal.
- (b) A notification under clause 9.6(a) must, subject to clause 9.6(c), give details of the relevant matter, fact or circumstance, including the identity of the relevant person (and who they represent, if applicable) (**Approaching Party**) making the relevant approach, inquiry, request, or attempt or proposing the relevant actual, proposed or potential Competing Proposal, together with all material terms and conditions of the actual, proposed or potential Competing Proposal, and details of any discussions with respect to the same. The Target must also notify the Bidder in writing as soon as reasonably practicable after becoming aware of any material developments in relation to such actual, proposed or potential Competing Proposal.
- (c) The Target must ask the Approaching Party for their consent to their identity being disclosed by the Target to the Bidder on a confidential basis. If consent is refused, the Target is not required to notify the Bidder of the identity of the Approaching Party if the Target Board has determined in good faith after consulting with the Target's external legal adviser, that disclosing the identity of the Approaching Party to the Bidder constitutes or would be reasonably

likely to constitute a breach of the fiduciary or statutory obligations of any Target Director.

- (d) The Bidder agrees that:
 - (i) any information received under clause 9.6(a) shall be confidential information and subject to the terms of the Confidentiality Agreement; and
 - (ii) it shall not, and shall ensure that its Representatives shall not, contact the Approaching Party for any purpose relating to the Scheme, the Competing Proposal or any similar transaction.

9.7 Matching right

- (a) During the Exclusivity Period, the Target must notify the Bidder promptly (but in any event within one Business Day) if a Competing Proposal is or becomes a Superior Proposal.
- (b) Unless required any applicable law or the Listing Rules, the Target must not enter into or publicly announce an intention to enter into an agreement in relation to a Competing Proposal and the Target must not make, and must procure that no member of Target Board makes, any public announcement recommending that Superior Proposal, in each case without having given the Bidder five clear Business Days' notice (such notice to be in writing) of such intention, and having provided to the Bidder the identity of the person who made the Superior Proposal and all material terms of the Superior Proposal, including details of the proposed price (and details of the consideration if not simply cash), conditions, timing and fees (if any).
- (c) During the period of five clear Business Days referred to in clause 9.7(b), the Bidder will have the right to propose an amendment to the terms or any part of the Transaction or propose any other transaction (**Matching Offer**) so that the Matching Offer would provide at least the same value to the Scheme Shareholders as the Superior Proposal.
- (d) If a Matching Offer is made which complies with clause 9.7(c), the Target must procure that the Target Board considers the Matching Offer and if the Target Board, acting reasonably and in good faith, determines that the Matching Offer would provide an outcome which is not less favourable than the Superior Proposal, the Target and the Bidder must use its best endeavours to agree the amendments to the terms of any aspect of the Transaction to reflect the Matching Offer, and enter into the appropriate amended agreement or agreements to give effect to those amendments and to implement the Matching Offer, in each case as soon as reasonably practicable.
- (e) Clauses 9.7(b) and 9.7(c) have repeat application so that if any further proposal is made after the Bidder has made a Matching Offer, the Bidder will each time again have the right to match the further proposal on the basis that any further offer is a Competing Proposal.
- (f) If any part of the consideration proposed under the Competing Proposal is non-cash, then that consideration proposed will be valued for the purposes of

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this clause 9.7 in such manner, after taking advice from an Adviser, as the Target determines.

9.8 Normal provision of information

Nothing in this clause 9 prevents a Target Group Member from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority or as required by Law;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) engaging with its shareholders (in their capacity as a shareholder), in the ordinary course and consistent with past practice; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

9.9 Legal advice

The Target represents and warrants that it has received legal advice on this deed and the operation of this clause 9.

10 BREAK FEE

10.1 Preface

This clause 10 has been agreed in circumstances where:

- (a) the parties believe that the Scheme will provide significant benefits to the Bidder, the Target and their respective shareholders, and the parties acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, the Bidder will incur significant costs, including those set out in clause 10.1(d);
- (b) the Bidder requested that provision be made for the Break Fee, and has entered into this deed in reliance on the Break Fee, without which, the Bidder would not have entered into this deed;
- (c) both the Bidder and Target Board believe that it is reasonable and appropriate for the Target to agree to the payment referred to in this clause 10 to secure the Bidder's entry into this deed and participation in the Scheme;
- (d) the amount of the Break Fee is an amount to compensate the Bidder for the following:
 - (i) reasonable advisory costs (including Advisers) relating to the Scheme;
 - (ii) cost of management and directors' time;
 - (iii) reasonable out-of-pocket expenses relating to the Scheme;

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- (iv) reasonable opportunity costs incurred by Bidder in pursuing the Scheme or in not pursuing alternative acquisitions or strategic initiatives which the Bidder could have developed to further its business and objectives; and
 - (v) damage to the Bidder's reputation associated with a failed transaction and the implications of that damage to Bidder's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the amount of the Break Fee; and

- (e) both parties have received legal advice on this deed and the operation of this clause 10.

10.2 Payment of Break Fee

Subject to clause 10.3, the Target agrees to pay the Break Fee to the Bidder without withholding, set off or deduction, if:

- (a) **(Competing Proposal):** a Competing Proposal is publicly announced prior to the Delivery Time (whether or not such proposal is stated to be subject to any conditions) and the proponent of that Competing Proposal (either alone or together with any Associates of the proponent of that Competing Proposal) completes, or enters into formal transaction documents for the completion of, the Competing Proposal;
- (b) **(Recommendation):** at any time prior to the Delivery Time, any Target Director:
 - (i) fails to make the Recommendation or Voting Intention statements in the manner described in clause 6;
 - (ii) withdraws, changes, adversely modifies or adversely qualifies his or her Recommendation, Voting Intention or support for the Scheme, or takes any other action that is inconsistent with his or her initial recommendation of the Scheme;
 - (iii) makes any public statement to the effect that the Scheme is not, or is no longer, recommended or supported by that Target Director;
 - (iv) makes any public statement to the effect that the Target Director recommends a Competing Proposal; or
 - (v) or announces an intention to do any of those things,except:
 - (vi) where the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interest of Target Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal);
 - (vii) in circumstances contemplated in clauses 6.1 or 6.2(c); or

(viii) as a result of any matter or thing giving the Target the right to terminate this deed under clause 14.1(a);

- (c) **(Material Breach):** the Target is in material breach of a term of this deed, and Bidder terminates this deed in respect of that breach in accordance with clause 14.1(a) or clause 3.6(b).

For the avoidance of doubt, no Break Fee is payable under this clause 10.2 if the Scheme is not implemented by reason only of the failure of the Target Shareholders to approve the Scheme at the Scheme Meetings.

10.3 No amount payable if Scheme becomes Effective

Notwithstanding the occurrence of any event in clause 10.2, if the Scheme becomes Effective:

- (a) no amount is payable by the Target under clause 10.2; and
- (b) if any amount has already been paid under clause 10.2 it must be refunded by the Bidder.

10.4 Payment

- (a) The payment of the Break Fee must be made within 5 Business Days after the receipt of a written demand from the Bidder for payment, such demand only being able to be made after the occurrence of an event referred to in clause 10.2.
- (b) A demand by the Bidder for payment of the Break Fee under clause 10.2 must:
- (i) be in writing;
 - (ii) state the circumstances which give rise to the demand; and
 - (iii) nominate an account in the name of the Bidder into which the Target must pay the Break Fee.

The demand may only be made after the occurrence of an event referred to in clause 10.2.

- (c) The obligation to pay the Break Fee cannot be triggered more than once under any circumstances.

10.5 Compliance with law

- (a) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that the agreement between the parties under clause 10 (or any part of it):
- (i) is unlawful or would if performed be unlawful;
 - (ii) involves a breach of the duties of the Target Board; or

- (iii) constitutes 'unacceptable circumstances' within the meaning of the Corporations Act,

then the Target will not be obliged to comply with that provision of clause 10 to that extent (and only to that extent) and if the Bidder has received any part of the payment of the Break Fee, it must refund it within 5 Business Days of such final determination (to the extent contemplated under such determination).

- (b) The parties must:
- (i) not make, cause or permit to be made, any application to a court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in this clause 10.5; and
 - (ii) use their best endeavours to defend the enforceability of the obligations of the parties to pay the applicable amount or part of the amount payable under clause 10.2 in any application to a court, arbitral tribunal or the appeal any determination referred to in clause 10.5(a), to the fullest extent possible except to the extent that:
 - (A) the parties otherwise agree in writing; or
 - (B) Queen's Counsel or Senior Counsel representing that party in relation to the Scheme indicates in writing that, in their opinion, defending those obligations or restrictions, or appealing such determination, would likely have less than a reasonable prospect of success.

10.6 Limitation of Liability

Save for in relation to fraud, negligence or wilful or deliberate material breach, the parties acknowledge and agree that, despite any other provision of this deed, if the Target pays the Break Fee in accordance with this deed, it will have no further liability for any breach of this deed.

11 TARGET WARRANTIES

11.1 Warranties

The Target represents and warrants to the Bidder (on its own behalf and separately as trustee or nominee for each of the Bidder Indemnified Parties) that each of the Warranties is true and correct and not misleading (whether by omission or otherwise).

11.2 When Warranties given

Each Warranty is given as at the date of this deed and until the Implementation Date, except that each Warranty that is expressed to be given at a particular time, is only taken to be given at that time.

11.3 Independent warranties

Each of the Warranties is a separate representation and warranty and is to be construed independently of the other Warranties and is not limited by reference to or interference from any other Warranty.

11.4 Reliance

The Target acknowledges that the Bidder has entered into this deed, and will complete the Transaction, in reliance on the Warranties.

11.5 Target indemnity

Subject to clause 11.6, the Target agrees with the Bidder (on its own behalf and separately as trustee or nominee for each of the Bidder Indemnified Parties) to indemnify, and keep indemnified, the Bidder and each of the Bidder Indemnified Parties against all Claims and Losses that they (or any of them) suffer, incur or is liable for, arising from any Warranty being inaccurate or misleading when made or taken to be made.

11.6 Qualifications on Warranties

- (a) No Warranty is breached by reason of, and the Target is not liable to the Bidder for breach of, any Warranty in relation to any fact, matter or circumstance that:
 - (i) have been Fairly Disclosed to the Bidder in:
 - (A) the Disclosure Materials; or
 - (B) public announcements by Target to ASX made at any time in the two years prior to the date of this deed;
 - (ii) would have become known to the Bidder if it had conducted searches on the 10th Business Day before the date of this deed of records available for public inspection maintained by:
 - (A) ASIC;
 - (B) the Australian Financial Security Authority (which maintains the PPSR);
 - (C) the Supreme Courts of each Australian State and Territory and the Federal Court of Australia; or
 - (D) IP Australia.
- (b) The liability of the Target in respect of any Claim for breach of a Warranty or any Claim pursuant to a Target Indemnity is reduced or extinguished (as the case may be) to the extent that:
 - (i) the relevant Claim has arisen or is increased as a result of or in consequence of any voluntary act, omission, transaction or arrangement at the direction, or with the prior written approval, of the Bidder;
 - (ii) the relevant Claim is as a result of or in respect of, or where the relevant Claim arises from, any increase in the rate of Tax liable to be paid or any imposition of Tax not in effect at the date of this deed;

- For personal use only
- (iii) the relevant Claim arises or is increased as a result of any change in Accounting Standards, or the application of Accounting Standards or policies to the Target (other than to change any of Target's accounting policies that were not in accordance with the measurement and recognition requirements of the Accounting Standards or policies at the relevant time), after the Implementation Date; or
 - (iv) the relevant Claim occurs or is increased as a result of a change in, or imposition of, any Law or interpretation of Law (except Tax Law announced prior to the date of this deed, which has effect from before the date of this deed), after the date of this deed.

12 BIDDER WARRANTIES

12.1 Bidder Warranties

The Bidder represents and warrants to the Target (on its own behalf and separately as trustee or nominee for each of the Target Indemnified Parties) that each of the following statements is true and correct in all material respects as at the date of this deed and as at 8.00am on the Second Court Date:

- (a) **(status)** the Bidder has been incorporated or formed in accordance with the Laws of its place of incorporation;
- (b) **(power)** the Bidder has full capacity, lawful authority and corporate power to enter into this deed, to comply with its obligations under it and exercise its rights under it;
- (c) **(no trust)** the Bidder enters into a performs its obligations under this deed on its own account and not as trustee for any other person;
- (d) **(no contravention)** the entry by the Bidder into, its compliance with its obligations and the exercise of its rights under, this deed do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any Law binding on or applicable to it or its assets;
- (e) **(authorisations)** the Bidder has in full force and effect each authorisation necessary for it to enter into this deed, to comply with its obligations and exercise its rights under it, and to allow them to be enforced, including the Treasurer under the Australian foreign investment laws;
- (f) **(validity of obligations)** the Bidder's obligations under this deed are valid and binding and are enforceable against it in accordance with its terms;
- (g) **(Bidder Information)** the Bidder Information provided to the Target for inclusion in the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the

Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC;

- (h) **(provision of information to Independent Expert)** all information provided by or on behalf of Bidder to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith, be accurate and not be misleading either directly or by omission in any material way, and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
- (i) **(no dealing with Target Shareholders)** save for in respect of the Excluded Shareholder, neither the Bidder nor, so far as the Bidder is aware, any of its Associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an Associate of that Target Shareholder) would be entitled to receive consideration for their Target Shares different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal; and
- (j) **(solvency)** the Bidder is not Insolvent.

12.2 Bidder's indemnity

The Bidder indemnifies, and keeps indemnified, the Target and each of the Target Indemnified Parties against all Losses incurred as a result of any breach of the representations and warranties in clause 12, provided that Bidder's liability under this clause 12.2 shall not exceed the aggregate Scheme Consideration.

12.3 Reliance

The Bidder acknowledges that the Target has entered into this deed, and will complete the Transaction, in reliance on the Bidder Warranties.

13 RELEASES

13.1 Release of Target directors and officers

- (a) The Bidder releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with the Target that it will not make any Claim, against any Target Indemnified Party (other than the Target) in connection with:
 - (i) the Target's execution or delivery of this deed;
 - (ii) any breach of any representation, warranty, covenant or obligation of the Target in this deed;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure (or failure to make a disclosure) made by any of them which is false or misleading (whether by omission or otherwise),

except to the extent the Target Indemnified Party (other than the Target) has engaged in fraud or wilful misconduct.

- (b) To avoid doubt, nothing in clause 13.1(a) limits the rights of the Bidder to terminate this deed under clause 14.
- (c) The Target receives and holds the benefit of clause 13.1(a) (to the extent it relates to them) as trustee for each Target Indemnified Party.

13.2 Release of Bidder director and officers

- (a) The Target releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with the Bidder that it will not make any Claim, against any Bidder Indemnified Party (other than the Bidder) in connection with:
 - (i) the Bidder's execution or delivery of this deed or the Deed Poll;
 - (ii) any breach of any representation, warranty, covenant or obligation of the Bidder in this deed;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure (or failure to disclose) made by any of them which is false or misleading (whether by omission or otherwise),

except to the extent the Bidder Indemnified Party (other than the Bidder) has engaged in fraud or wilful misconduct.

- (b) To avoid doubt, nothing in clause 13.2(a) limits the rights of the Target to terminate this deed under clause 14.
- (c) The Bidder receives and holds the benefit of clause 13.2(a) (to the extent it relates to them) as trustee for each Bidder Indemnified Party (other than the Bidder).

13.3 Statutory read down

Clauses 13.1 and 13.2 are subject to any restrictions imposed by Law and will be read down to that extent.

13.4 Deeds of indemnity

- (a) Subject to the Scheme becoming Effective, the Bidder undertakes in favour of each Target Indemnified Party that the Bidder will, for the periods set out in clause 13.4(d):
 - (i) ensure that the constitutions of the Target and each other Target Group Member continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a Target Group Member; and

- For personal use only
- (ii) procure that the Target and each other Target Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time.
 - (b) The undertakings contained in clause 13.4(a) are subject to any restriction in the Law (including the Corporations Act) of a jurisdiction in which an entity is incorporated, and will be read down accordingly.
 - (c) The Target receives and holds for the benefit of clause 13.4(a), as trustee for each Target Indemnified Party.
 - (d) The undertakings contained in clause 13.4(a) are given:
 - (i) in the case of clause 13.4(a)(i), until the earlier of the time that the relevant Target Group Member ceases to be part of the Bidder Group or 7 years from the Implementation Date; or
 - (ii) in the case of 13.4(a)(ii), until the earlier of the time that the relevant Target Group Member ceases to be part of the Bidder Group or 7 years from the retirement of each director and officer.

13.5 Directors' and officers' insurance

- (a) The Bidder acknowledges that the Target will, in respect of the Target and all other Target Group Members:
 - (i) prior to the Effective Date, arrange for the cover currently provided under the directors' and officers' insurance policy for the Target and all other Target Group Members (**Policy**) to be extended for a further period of 12 months; and
 - (ii) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the current terms of the Policy for a 7 year period from the end of the term of the Policy, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until that date,
 - (iii) and that any actions to facilitate that insurance or in connection therewith will not be or constitute a Target Prescribed Event or breach any provision of this deed. Before entering into any contract of insurance, the Target must first present to the Bidder a quotation for such insurance policy, and the Bidder must first approve such quotation (acting reasonably) before the Target may enter into that contract of insurance.
- (b) The Target receives and holds the benefit of clause 13.5(a) as trustee for each director and officer of each Target Group Member.

14 TERMINATION

14.1 Termination events

This deed may be terminated:

- (a) **(material breach)** by either party at any time prior to the Delivery Time, if the other party is in material breach of a term of this deed (including any material breach of any Warranty or Bidder Warranty), taken in the context of the Scheme as a whole, provided that the non-defaulting party has given notice to the other setting out the relevant circumstances and such circumstances continue to subsist 10 Business Days (or any shorter period ending at the Delivery Time) after the time such notice is given;
- (b) **(Recommendation)** by either the Bidder or the Target if any Target Director:
 - (i) fails to make the Recommendation or Voting Intention statements in the manner described in clause 6;
 - (ii) withdraws, changes, adversely modifies or adversely qualifies his or her Recommendation, Voting Intention or support for the Scheme, or takes any other action that is inconsistent with his or her recommendation of the Scheme (other than withdrawal of a recommendation by an executive Target Director permitted under clause 6.2(b));
 - (iii) makes any public statement to the effect that the Scheme is not, or is no longer, recommended or supported by that Target Director; or
 - (iv) makes any public statement to the effect that the Target Director recommends a Competing Proposal,

and does not, within 3 Business Days (or any shorter period ending at the Delivery Time), reinstate his or her Recommendation, Voting Intention or support for the Scheme (as relevant), provided that if the terminating party is the Target, it may only terminate this deed under this clause 14.1(b) if:
 - (v) the action described in paragraphs (i) to (iv) of this clause 14.1(b) that is taken by the relevant Target Director is permitted by clause 6.2; and
 - (vi) the Bidder is entitled or will become entitled to be paid the Break Fee as a result of that action by the one or more of the relevant Target Directors, that amount has been paid to Bidder in accordance with clause 10;
- (c) **(End Date)** by either party, if the Scheme has not become Effective on or before the End Date;
- (d) **(consultation or appeal failure)** in accordance with and pursuant to clause
 - (i) clause 3.6; or
 - (ii) clause 5.8; or

(e) **(agreement)** if agreed to in writing by the parties.

14.2 Automatic Termination

Without limiting any other term of this deed, this deed will terminate automatically if, at the Scheme Meeting, Target Shareholders do not pass the resolution to approve the Scheme in accordance with the requirements of section 411(4)(a)(ii) of the Corporations Act.

14.3 Effect of Termination

If this deed is terminated by either party, or if this deed otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this deed, other than the obligations set out in this clause 14.3 and in clauses 10 and 15 to 18 (inclusive) will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause 14.3 releases any party from liability for any breaches, or accrued rights, arising prior to the termination of this deed.

14.4 Damages

In addition to the right of termination under clause 14.1, but subject to clause 10.6, where there is no appropriate remedy for the breach in this deed (other than termination), the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this deed.

15 PUBLIC ANNOUNCEMENTS

15.1 Public announcement of Scheme

Immediately after signing this deed, the Target must issue a public announcement of the Transaction in the form agreed in writing by the parties.

15.2 Required disclosure

Where a party is required by any applicable Law to make any announcement or make any disclosure in connection with the Transaction, it must use all reasonable endeavours, to the extent possible, to consult with the other party prior to making the relevant disclosure.

15.3 Other announcements

Subject to clauses 15.1 and 15.2, no party may make any public announcement or disclosure in connection with the Transaction (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable. Nothing in this clause 15 requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable Law.

16 GST

16.1 GST Transactions

Where a party to this deed (**Supplier**) makes a taxable supply under or in connection with this deed or in connection with any matter or thing occurring under this deed to another party to this deed (**Recipient**), and the consideration otherwise payable for the taxable supply does not include GST, the Supplier will be entitled, in addition to any other consideration recoverable in respect of the taxable supply, to recover from the Recipient the amount of any GST payable on the taxable supply.

16.2 Timing of GST Payments

The party liable to pay for a taxable supply to which clause 16.1 applies must pay the amount of any GST payable in respect of the taxable supply on the date on which the payment for the taxable supply is due. However, if the Supplier is required to include GST in respect of the supply it makes under this deed in a GST return for a tax period which ends on an earlier date, then, provided the Supplier has given at least 3 Business Days' notice, the Recipient must pay the GST payable in respect of the supply on that earlier date.

16.3 Tax Invoice

Prior to the payment of any GST, the Supplier must issue a tax invoice (or an adjustment note) for any supply for which the Supplier may recover GST from the Recipient, and must include in the tax invoice (or adjustment note) the particulars required by the GST Law for a valid tax invoice.

16.4 Adjustment on Excess or Deficiency

If the amount paid by the Recipient to the Supplier in respect of GST differs from the GST on the taxable supply (taking into account any adjustment events that occur in relation to the taxable supply), an adjustment shall be made. If the amount paid by the Recipient exceeds the GST on the taxable supply, the Supplier shall refund the excess to the Recipient. If the amount paid by the Recipient is less than the GST on the taxable supply, the Recipient shall pay the deficiency to the Supplier.

16.5 GST Impact on costs

Where a party to this deed is entitled, under or in connection with this deed or in connection with any matter or thing occurring under this deed to recover all or a proportion of its costs or is entitled to be compensated for all or a proportion of its costs, the amount of the recovery or compensation shall be reduced by the amount of (or the same proportion of the amount of) any input tax credits available in respect of those costs.

17 NOTICES AND OTHER COMMUNICATIONS

17.1 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, courier or e-mail or other electronic means (in this clause 17, **Electronic Communication**) to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

17.2 Effective on receipt

A Notice given in accordance with clause 17.1 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;
- (c) if sent by courier, on the date of delivery (as stated in the consignment tracking advice obtained from the courier company); or
- (d) if sent by Electronic Communication, when it reaches the recipient's electronic address designated for Notices,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.30pm on a Business Day, the Notice is taken to be received at 8.00am on the next Business Day.

18 GENERAL

18.1 Further assurances

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by Law or reasonably requested by any other party to give effect to this deed.

18.2 Confidentiality

Each party acknowledges and agrees that nothing in this deed derogates from the rights and obligations of the Bidder (or its Affiliates) (as applicable) and the Target under the Confidentiality Agreement, provided that this deed prevails to the extent of any inconsistency with the Confidentiality Agreement.

18.3 Severance

If any provision of this deed is held to be unenforceable, partly unenforceable or invalid, then that provision (or part of it) must:

- For personal use only
- (a) where possible, be interpreted as narrowly as necessary allow it to be enforceable and valid; or
 - (b) be severed from this deed, to the extent necessary to make this deed enforceable;

and in either case the validity and enforceability of the remaining provisions is not affected, unless this would materially change the intended effect of this deed.

18.4 Entire agreement

This deed and the Confidentiality Agreement:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the parties.

18.5 Indemnities and reimbursement obligations

Any indemnity, reimbursement or similar obligation in this deed:

- (a) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this document, any settlement or any other thing;
- (b) is independent of any other obligations under this deed; and
- (c) continues after this deed, or any obligation arising under it, ends.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this document.

18.6 Interest

- (a) If a party fails to pay any amount payable under this deed on the due date for payment, that party must pay interest on the amount unpaid at the higher of 3% per annum or the rate (if any) fixed or payable under any judgment or other thing into which the liability to pay the amount becomes merged.
- (b) The interest payable under clause 18.6(a):
 - (i) accrues from day to day from and including the due date for payment up to the actual date of payment, before and, as an additional and independent obligation, after any judgment or other thing into which the liability to pay the amount becomes merged; and
 - (ii) may be capitalised by the person to whom it is payable at monthly intervals.

18.7 Consents or approvals

A party may:

- (a) give conditionally or unconditionally; or
- (b) withhold,

its approval or consent in its absolute discretion unless this deed expressly provides otherwise.

18.8 Survival

Any indemnity or obligation of confidence under this deed is independent and survives termination of this deed. Any other term by its nature intended to survive termination of this deed survives termination of this deed.

18.9 Stamp duty

The Bidder must pay all Duty (if any) and any fines and penalties with respect to Duty in respect of this deed or the Scheme or Transaction. However, the Bidder need not pay, any fines and penalties to the extent they have been imposed because of Target's acts, omissions or delays.

18.10 Costs and expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this deed and the Scheme Booklet and the proposed, attempted or actual implementation of this deed and the Scheme.

18.11 Amendments

This deed may only be varied by a document signed by or on behalf of each of the parties.

18.12 Assignment

No party may assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of the other party.

18.13 Waiver

- (a) A party may exercise its rights at any time and does not waive those rights even if that party previously waived a breach or default of all or part of the same or other provision or delayed or omitted to exercise its rights.
- (b) A waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again.
- (c) A waiver is only effective if it is signed by the party granting the waiver and to the extent set out in the waiver.
- (d) The exercise of a right does not prevent any further exercise of that right or of any other right.

18.14 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

18.15 No partnership or agency

Nothing this deed is to be treated as creating a partnership or joint venture and, except as expressly set out in this deed, no party may act as agent or in any way to bind the other party to any obligation.

18.16 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

18.17 No merger

No provision of this deed merges on completion of any transaction contemplated by this deed.

18.18 Governing law

- (a) This deed is governed by the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this deed.
- (c) Each party irrevocably waives:
 - (i) any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum; and
 - (ii) any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

SCHEDULE 1 - Timetable

Event	Expected Date
Announcement date	Week commencing 19 July 2021
First court hearing	Week commencing 6 September 2021
Despatch of Scheme Booklet	Week commencing 13 September 2021
Scheme Meeting	Week commencing 11 October 2021
Second court hearing	Week commencing 18 October 2021
Effective Date	Week commencing 18 October 2021
Implementation Date	Week commencing 25 October 2021

SCHEDULE 2 - Warranties

1 TITLE, POWER AND INSOLVENCY

1.1 Status of Target Group

Each Target Group Member has been incorporated or formed in accordance with the laws of its place of incorporation or formation and is validly existing under those laws.

1.2 Power

Each Target Group Member has the power to own its assets and to carry on its business as it is now being conducted.

1.3 Entry into Deed

The Target has power to enter into this deed, to comply with its obligations under it and exercise its rights under it.

1.4 No contravention

The entry by the Target into, its compliance with its obligations and the exercise of its rights under, this deed do not and will not cause a limitation on its powers or the powers of its directors to be exceeded.

1.5 No legal impediment

The execution, delivery and performance by the Target of this deed does not and will not result in a breach of or constitute a default under its constituent documents, any Law or obligation, any order, judgement or determination of a Regulatory Authority, any agreement, or any Encumbrance, by which they are bound.

1.6 Authorisations

The Target has in full force and effect each authorisation necessary for it to enter into this deed, to comply with its obligations and exercise its rights under it, and to allow them to be enforced.

1.7 Validity of obligations

The Target's obligations under this deed are valid and binding and are enforceable against it in accordance with its terms.

1.8 Insolvency

No Target Group Member is Insolvent or may reasonably become Insolvent.

1.9 Target Prescribed Events

No Target Prescribed Event has occurred or is likely to occur.

1.10 Regulatory approvals

As far as the Target is aware, no approval of any Regulatory Authority is required to be obtained by Target in order for it to execute, deliver and perform this deed, other than those approvals contemplated as a Conditions Precedent

2 INFORMATION

2.1 Target Information

The Target Information contained in the Scheme Booklet and in any supplemental disclosure made to Target Shareholders does not, and will not, contain any material statement which is misleading or deceptive in any material respect (with any statement of belief or opinion having been formed on a reasonable basis), nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of Law including the Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC.

2.2 Provision of information to Independent Expert

All information provided by or on behalf of the Target to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith, be accurate and not be misleading either directly or by omission in any material way, and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report.

2.3 Continuous disclosure

The Target has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure, other than in relation to:

- (a) the Transaction; or
- (b) any matter Fairly Disclosed to the Bidder in the Disclosure Materials.

2.4 Disclosure

- (a) The Disclosure Materials were collated and prepared in good faith, and the Target is not aware of any information contained in the Disclosure Materials that is false or misleading in any material respect (including by omission).
- (b) The Target has not knowingly or intentionally withheld or omitted information from disclosure to the Bidder or its Representatives which could reasonably be expected to be:
 - (i) material to the Bidder's evaluation of the Target Group;
 - (ii) required for the purpose of making an informed assessment of the assets and liabilities, financial position and performance of the Target

Group and of the nature and amount of risk undertaken by a prudent intending investor of the Target Group; or

- (iii) would otherwise have a material effect on the value of the Target Group or render the information provided to the Bidder or its Representatives misleading in any respect.
- (c) The Target has disclosed all information regarding the merits of the Transaction (including full details of all fees, costs and expenses which the Target (or any other Target Group Member) has paid or agreed to pay, or may become liable to pay, to Advisers in connection with the Transaction).

3 CAPITAL STRUCTURE

3.1 Target Structure

- (a) The Target's capital and officeholder structure, including all issued securities as at the date of this deed, is as set out in Schedule 4.
- (b) The structure diagram in Schedule 3 includes details of all members of the Target Group and is true and accurate in all respects.

3.2 No other holdings

No Target Group Member holds shares, options, units, securities or interests in, or is a member of, any company, trust, partnership, incorporated or unincorporated joint venture or association, or other entity (other than an entity identified in Schedule 3).

3.3 Performance Rights and other securities

Other than as set out in Schedule 4, the Target has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Target Shares and the Target is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Target Shares, options, warrants, performance rights or other securities or instruments in the Target.

3.4 Target Group securities

All of the issued securities of each Target Group Member (other than the Target) are held by either the Target or a another Target Group Member that is directly or indirectly wholly-owned by Target and no Target Group Member has issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into shares and no Target Group Member is under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any shares, options, warrants, performance rights or other securities or instruments in a Target Group Member.

4 FINANCIAL INFORMATION

- (a) The Target's financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice.

- (b) There has been no material event, change, effect or development which would require the Target to restate its financial statements as disclosed to the ASX.
- (c) Since the date of its last accounts disclosed to ASX, there has been no material adverse change in the financial condition, assets, liabilities, results of operations, profitability or prospects of the Target Group and the Target Group has carried on business in the ordinary and usual course, without interruption or material alteration in its nature, scope or manner, consistent with its usual business practices.

5 TAX

Each member of the Target Group:

- (a) has paid in a timely manner, all Tax and Duty which the Target Group is liable to pay;
- (b) has filed, lodged or submitted all Tax returns and information regarding Tax or as required by any Tax Law as and when required;
- (c) has met all Duty lodgement requirements in good time; and
- (d) has complied with all Tax Laws and Duty related Laws.

6 ASSETS

The Target Group owns or has the right to use all of the assets which are required for the conduct of the business of the Target Group and will continue to do so following the Implementation Date.

7 CONTRACTS

7.1 No breach by Target Group Members

No Target Group Member is in breach of, or default under, any provision of any Contract (including Material Contracts or the Loan Facilities) nor, so far as the Target is aware, has anything occurred or been omitted which would be a material breach of any Contract.

7.2 No breach by a counterparty

- (a) No counterparty to a Contract:
- (i) is in material breach of any Contract; or
- (ii) has materially varied the terms of any Contract.
- (b) Nothing has occurred or been omitted which would be a material breach of any Contract.

7.3 No variation

No member of the Target Group has proposed a variation to any Material Contract which will likely not be approved by the counterparty.

7.4 Ordinary course

The Target Group has not entered into any Contracts outside of the ordinary course of the business of the Target Group.

8 REAL ESTATE

8.1 Property

No member of the Target Group:

- (a) holds freehold title to any real property; or
- (b) has any interest in land other than the interests in the Property Leases.

8.2 No contamination or breach

There is no contamination, breach of any applicable environmental Laws or requirement for any remediation of any property the subject of the Property Leases.

9 PERMITS

The Target Group holds all Permits necessary for it to conduct its business as it is being conducted as at the date of this deed and no Permit will be impugned or removed by anything contemplated under this deed or completion of the Transaction.

10 EMPLOYMENT

No Target Group Member is in breach of applicable employment Laws, awards or enterprise agreements.

11 LITIGATION

There is no Claim, prosecution, litigation, investigation or other proceeding (including by any Regulatory Authority) by or against a Target Group Member which is:

- (a) commenced or ongoing; or
- (b) threatened, announced or likely to be commenced.

12 INSURANCE

- (a) The Target Group has adequate insurance in place to conduct its business in the ordinary course.
- (b) Each insurance policy taken is in full force and effect in accordance with its terms and all applicable premiums have been paid by the due date for payment.
- (c) So far as the Target is aware, nothing has been done or omitted to be done:
 - (i) that would make any insurance policy void or voidable or that would permit an insurer to cancel the policy or refuse or materially reduce a

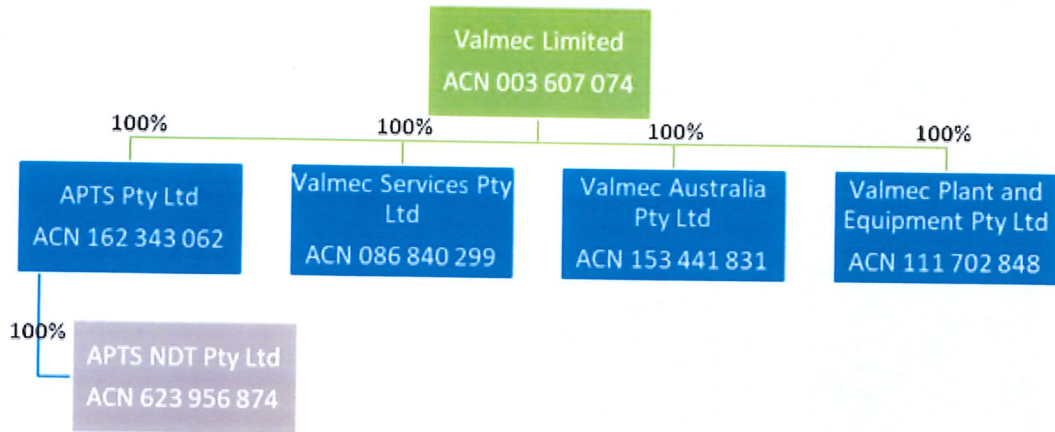
claim or materially increase the premium payable under any Insurance or otherwise alter the terms of the policy; or

- (ii) by a Target Group Member so as to make void or voidable any Insurance or to permit an insurer to refuse or reduce a current claim by a Target Group Member under any insurance policy.

13 COMPLIANCE WITH LAWS

No member of the Target Group has failed to comply in any material respect with any Law or regulation applicable to it or any order of any Regulatory Authority.

SCHEDULE 3 – Target Group Structure Diagram



SCHEDULE 4 – Capital Structure of Target Group

Name	Valmec Limited
Registration No.	ACN 003 607 074
Target Shares	125,883,215
Target Performance Rights	2,206,552
Place of registration	New South Wales
Directors	Stephen Zurhaar Stephen John Lazarakis Steve Dropulich Peter McMorrow Vincent Santostefano
Secretary	Harveer Singh
Auditor	RSM Australia Partners
Registered office	17-19 Ballantyne Road, Kewdale, WA 6105

SCHEDULE 5– Target Prescribed Events

- (a) **(conversion)** The Target converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of share capital)** the Target or another Target Group Member resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
- (c) **(buy-back)** the Target or another Target Group Member:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** the Target makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (e) **(issuing or granting shares or options)** any Target Group Member:
 - (i) issues shares;
 - (ii) grants an option over its shares;
 - (iii) issues or grants a performance right; or
 - (iv) agrees to make such an issue or grant of a share, option or performance right;in each case to a person outside the Target Group;
- (f) **(securities or other instruments)** any Target Group Member issues or agrees to issue securities convertible into shares or other instruments convertible into shares in each case to a person outside the Target Group;
- (g) **(constitution)** the Target adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (h) **(disposals)** any Target Group Member disposes, or agrees to dispose of the whole or a substantial part of its business or property, other than as a result of a counterparty to a Material Contract exercising its contractual rights under such Material Contract to acquire assets from a Target Group Member;
- (i) **(Encumbrances)** any Target Group Member creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property, other than a Permitted Encumbrance or any new Encumbrance which replaces an existing Encumbrance, provided that such new Encumbrance is not materially more onerous for the Target Group Member as compared with the existing Encumbrance;
- (j) **(related party arrangements)** a Target Group Member enters into or resolves to enter into a transaction with any related party of the Target (other than a

related party which is a Target Group Member) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the Listing Rules;

- (k) **(additional term debt)** a Target Group Member incurs additional term indebtedness with any financier;
- (l) **(Insolvency)** the Target or any of its Related Bodies Corporate becomes Insolvent;

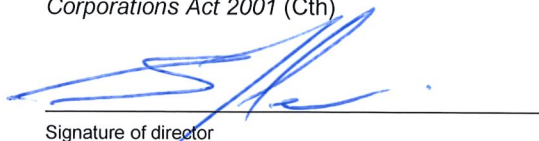
provided that a Target Prescribed Event will not include any matter to the extent it is:

- (m) expressly required or permitted by this deed or the Scheme;
- (n) Fairly Disclosed to the Bidder in:
 - (i) the Disclosure Materials;
 - (ii) public filings of the Target with ASIC filed at any time in the two years prior to the date of this deed; or
 - (iii) public announcements by the Target to ASX made at any time in the two years prior to the date of this deed; or
- (o) consented to in writing by the Bidder.

SIGNING PAGE

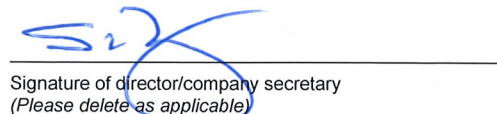
EXECUTED as a deed

Executed by Valmec Limited ACN 003 607 074 in accordance with section 127 of the *Corporations Act 2001* (Cth)



Signature of director

Stephen Zuercher
Name of director (print)



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

STEVE DIOPULUA
Name of director/company secretary (print)

Executed by Altrad Australia Pty Ltd ACN 652 016 807 in accordance with section 127 of the *Corporations Act 2001* (Cth)

Signature of director

Name of director (print)

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

Name of director/company secretary (print)

SIGNING PAGE

EXECUTED as a deed

Executed by Valmec Limited ACN 003 607 074 in accordance with section 127 of the *Corporations Act 2001* (Cth)


Signature of director

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

Name of director (print)

Name of director/company secretary (print)

Executed by Altrad Australia Pty Ltd ACN 652 016 807 in accordance with section 127 of the *Corporations Act 2001* (Cth)



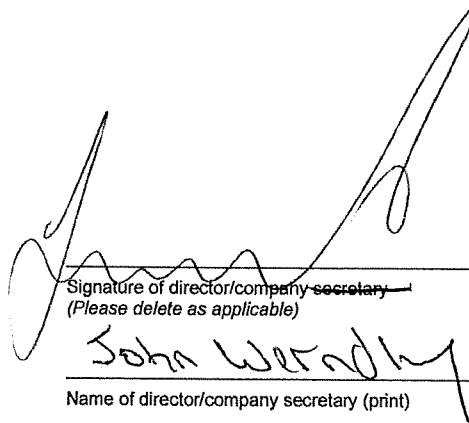
Signature of director

Signature of director

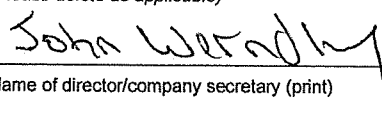


Name of director (print)

Name of director (print)



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



Name of director/company secretary (print)

Name of director/company secretary (print)

DATED

2021

VALMEC LIMITED

and

SCHEME SHAREHOLDERS

SCHEME OF ARRANGEMENT

Squire Patton Boggs (AU)
Level 21
300 Murray Street
Perth WA 6000
Australia
DX 124 Perth

O +61 8 9429 7444
F +61 8 9429 7666

Reference SGR:ALT.071-0001

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DETAILS

Date

Parties

Name	Valmec Limited
ACN	003 607 074
Short form name	Valmec
Notice details	17 Ballantyne Road KEWDALE WA 6105 Attention: The Directors Email: hsingh@valmec.com.au

and

Name	Each person registered as a holder of fully paid ordinary shares in Valmec as at the Record Date
Short form name	Each a Scheme Shareholder and together the Scheme Shareholders

Introduction

- A Valmec is an Australian public company limited by shares which are quoted for trading on the ASX.
- B The Bidder and Valmec have entered into the Scheme Implementation Deed in respect of (among other things) the implementation of this Scheme.
- C If this Scheme becomes Effective:
 - (a) the Bidder must provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
 - (b) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder and Valmec will enter the name of the Bidder in the Share Register in respect of all the Scheme Shares.
- D The Bidder has entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that the Bidder will observe and perform the obligations contemplated of it under this Scheme.

AGREED TERMS

1 DEFINED TERMS AND INTERPRETATION

1.1 Defined terms

In this deed:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it known as the "Australian Securities Exchange".

Bidder means Altrad Australia Pty Ltd ACN 652 016 807.

Business Day means a business day as defined in the Listing Rules, but not including any day that is a public holiday or bank holiday in Perth, Western Australia.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ABN 49 008 504 532.

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

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Valmec and the Bidder.

Deed Poll means the deed poll dated [insert] executed by the Bidder in favour of Scheme Shareholders.

Delivery Time means 8:00am on the Second Court Date.

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

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

End Date means the date that is 6 months after the date of the Scheme Implementation Deed or such other date and time agreed in writing between the Bidder and Valmec.

Excluded Shares means 2,421,308 Valmec Shares in which Steven Dropulich holds a Relevant Interest.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Implementation Date means, in relation to the Scheme, the date being 5 Business Days after the Record Date or such other Business Day agreed in writing by the Target and the Bidder or as may be required by the ASX.

Listing Rules means the official listing rules of ASX.

Record Date means 5.00pm on the date being 5 Business Days after the Effective Date or such other Business Day agreed in writing between Target and Bidder or as may be required by the ASX.

Registered Address means, in relation to a Valmec Shareholder, the address shown in the Valmec Share Register as at the Record Date.

Regulatory Authority means:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Relevant Interest has the meaning given to it in the Corporations Act.

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 and agreed to by the Bidder and Valmec.

Scheme Booklet means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to Target Shareholders which includes the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert's Report and notices of meeting and proxy forms.

Scheme Implementation Deed means the scheme implementation deed dated [insert] between the Bidder and Valmec relating to (among other things) the implementation of this Scheme.

Scheme Consideration means the \$0.413 per Scheme Share held by a Scheme Shareholder.

Scheme Meetings means the meetings of Valmec Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Valmec Share on issue as at the Record Date (but excluding the Excluded Shares).

Scheme Shareholder means a person who holds one or more Scheme Shares.

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 on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is

heard or scheduled to be heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the **Second Court Hearing**.

Separate Account has the meaning given in clause 4.6(b).

Share Registry means Automic Registry Services of Level 5, 126 Phillip Street, Sydney NSW 2000.

Trust Account means an Australian dollar denominated trust account held with an Australian bank by Valmec as trustee for the Scheme Shareholders (or by the Valmec Share Registry on behalf of Valmec), details of which Valmec must notify to Bidder no later than 5 Business Days before the Implementation Date.

Unclaimed Money Act means the *Unclaimed Money Act 1990* (WA).

Valmec Share means an ordinary fully paid share in the capital of Valmec.

Valmec Shareholder means each person registered in the Register as a holder of Valmec Shares.

Valmec Share Register means the register of Valmec Shareholders maintained in accordance with section 168(1) of the Corporations Act.

1.2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words "include", "including" and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, estate of a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;

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- (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (vii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (viii) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends;
 - (ix) a monetary amount is in Australian dollars; and
 - (x) time is to Perth, Western Australia time.

2 CONDITIONS

2.1 Conditions precedent

This Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(e) of the Scheme Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the Delivery Time;
- (b) neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with its terms by the Delivery Time;
- (c) 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 Valmec and Bidder;
- (d) 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 Valmec and Bidder are satisfied or waived (each acting reasonably); and
- (e) the order of the Court made under section 411(4)(b) 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.

2.2 Conditions precedent and operation of clause 3

The satisfaction of each condition of clause 2.1 of this Scheme is a condition precedent to the operation of clause 3 of this Scheme.

2.3 Certificates

- (a) Each of Valmec and the Bidder 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 2.1(a) and 2.1(b) above have been satisfied or waived as at the Delivery Time.
- (b) The certificates given by Valmec and the Bidder constitute conclusive evidence that the conditions precedent in clauses 2.1(a) and 2.1(b) above have been satisfied or waived as at the Delivery Time.

2.4 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, the Scheme will lapse and no longer be of any force and effect if:

- (a) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or
- (b) the Effective Date has not occurred on or before the End Date,

and each of Bidder and Valmec are released from any further obligation to take steps to implement the Scheme.

3 IMPLEMENTATION OF SCHEME

3.1 Lodgement of Court orders with ASIC

For the purposes of section 411(10) of the Corporations Act, Valmec must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme before 5:00pm on the Business Day following the day on which such office copy is received by Valmec or such later date as Valmec and the Bidder agree in writing.

3.2 Transfer of Scheme Shares

Subject to the Scheme becoming Effective, the following will occur on the Implementation Date in the order set out below:

- (a) the Bidder confirming in writing to Valmec that the Scheme Consideration has been provided in accordance with clause 4.2;
- (b) payment by Valmec of the Scheme Consideration in the manner contemplated by clause 4.3(a); and
- (c) subject to the Bidder providing or procuring the provision of the Scheme Consideration in accordance with this Scheme and the Deed Poll, 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 the

Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by Valmec as attorney and agent for Scheme Shareholders under clause 7 of this Scheme) by:

- (i) Valmec delivering to the Bidder a duly completed and executed Scheme Transfer, executed on behalf of the Scheme Shareholders by Valmec as their attorney and agent; and
- (ii) the Bidder executing the Scheme Transfer and delivering the executed (and, if necessary, stamped) Scheme Transfer to Valmec for registration; and
- (iii) immediately following receipt of the duly executed Scheme Transfer in accordance with clause 3.2(c)(ii), Valmec entering, or procuring the entry of, the name of the Bidder in the Share Register in respect of all of the Scheme Shares transferred to the Bidder in accordance with this Scheme.

4 SCHEME CONSIDERATION

4.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to the Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clauses 4.2, 4.3 and the Deed Poll.

4.2 Provision of Scheme Consideration

The Bidder must provide the Scheme Consideration under this Scheme and the Deed Poll by no later than the Business Day before the Implementation Date, by depositing (or procuring the deposit) in cleared funds, the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders into the Trust Account (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be credited to the Bidder's account), and with such amount to be held by Valmec on trust for the purpose of paying the Scheme Consideration to Scheme Shareholders who are entitled to receive it pursuant to clause 4.3(a).

4.3 Payment to Scheme Shareholders

- (a) On the Implementation Date, and subject to receipt of the Scheme Consideration from the Bidder in accordance with clause 4.2, Valmec must pay (or procure payment) from the Trust Account to each Scheme Shareholder the applicable amount of Scheme Consideration that the Scheme Shareholder is entitled for each Scheme Share transferred to the Bidder on the Implementation Date by that Scheme Shareholder.
- (b) Valmec's obligation under clause 4.3(a) will be satisfied by Valmec paying the relevant amount in Australian currency by either (at its absolute discretion):
 - (i) where the Scheme Shareholder has nominated a bank account to the Company before the Implementation Date, by paying, or procuring the payment of, the relevant amount in electronic funds transfer to the bank account nominated by the Scheme Shareholder; or

- (ii) otherwise, whether or not the Scheme Shareholder has made a nomination of a bank account referred to in clause 4.3(b)(i), by dispatching, or procuring the dispatch of, a cheque for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), with such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.4).

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

4.5 Cancellation and re-issue of cheques

- (a) Valmec may cancel a cheque issued under this clause 4 if the cheque:
 - (i) is returned to Valmec or the Share Registry; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, upon request in writing from a Scheme Shareholder to Valmec or the Share 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 clause 4.5(a) must be reissued.

4.6 Unclaimed monies

- (a) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the Unclaimed Money Act).
- (b) In the event that a Scheme Shareholder does not have a Registered Address and no account has been notified in accordance with clause 4.3(b) or a deposit into such an account is rejected or refunded, Valmec as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Valmec (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act.

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- (c) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of the Bidder. Until such time as the amount is dealt with in accordance with the Unclaimed Money Act, Valmec must hold the amount on trust for the relevant Scheme Shareholder. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). Valmec must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.
 - (d) To the extent that there is a surplus in the amount held by Valmec as the trustee for the Scheme Shareholders in the Trust Account, that surplus may be paid by Valmec as the trustee for the Scheme Shareholders to the Bidder following the satisfaction of Valmec's obligations as the trustee for the Scheme Shareholders under this clause 4.6.

4.7 Orders of a court

If written notice is given to Valmec or the Share Registry, of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by Valmec in accordance with this clause 4, then Valmec will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents Valmec from making a payment to a particular Scheme Shareholder in accordance with this clause 4, or such payment is otherwise prohibited by applicable law, Valmec will be entitled to retain an amount, in Australian dollars, equal to the amount of the relevant payment until such time as payment in accordance with this clause 4 is permitted by that order or otherwise by law.

4.8 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder being entitled to a fraction of a cent, then the fractional entitlement will be rounded up to the nearest whole cent.

5 DEALINGS IN VALMEC SHARES

5.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Valmec Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Valmec Shares by the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Record Date at the place where the Share Register is kept,

and Valmec must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme, any Valmec Shares retained by Steve Dropulich or any subsequent transfer by either of them or their 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.

5.2 Share Register

- (a) Valmec must register registrable transmission applications or transfers of Valmec Shares in accordance with clause 5.1(b) at or before the Record Date, provided that nothing in this clause 5.2(a) requires Valmec to register a transfer that would result in a Valmec Shareholder holding a parcel of Valmec Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (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 Valmec will be entitled to disregard any such disposal, purported disposal or agreement.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Valmec must maintain the Share Register in accordance with the provisions of this clause 5.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Valmec Shares (other than statements of holding in favour of the Bidder) 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 Share Register (other than entries in respect of the Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Valmec Shares relating to that entry.
- (e) As soon as possible after the Record Date, and in any event within one Business Day after the Record Date, Valmec will ensure that details of the names, Registered Addresses and holdings of Valmec Shares for each Scheme Shareholder as shown in the Share Register as at the Record Date are available to the Bidder in the form the Bidder reasonably requires.

6 QUOTATION OF VALMEC SHARES

- (a) Provided that the Scheme has been fully implemented in accordance with its terms, Valmec will apply to ASX to suspend trading in Valmec Shares with effect from the close of trading on the Effective Date.
- (b) Valmec will apply:
 - (i) for termination of the official quotation of Valmec Shares on the ASX;
 - and

- (ii) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date.

- (c) Valmec must use its best endeavours to ensure that such termination of official quotation and removal from the official list of ASX does not occur before the Implementation Date.

7 GENERAL SCHEME PROVISIONS

7.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Valmec may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Valmec has consented to.

7.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (i) agrees to the transfer of their Scheme Shares to the Bidder together with all rights and entitlements attaching to those shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees:
 - (A) that after the transfer of the Scheme Shares to the Bidder, any share certificate or holding statement relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares; and
 - (B) at the direction of the Bidder, to destroy any share certificates relating to the Scheme Shares; and
 - (iv) acknowledges that this Scheme binds Valmec and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to the Bidder, and appointed and authorised Valmec as its attorney and agent to warrant to the Bidder, that:
- (i) 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 Bidder, vest in the Bidder, be fully paid and be 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; and
- (ii) they have full power and capacity to transfer their Scheme Shares to the Bidder together with any rights attaching to those Scheme Shares; and
- (iii) except as otherwise provided for or contemplated in the Scheme Implementation Deed, they have no existing right to be issued any Valmec Shares, or any other Valmec securities.

7.3 Title to and rights in Scheme Shares

Upon the Scheme becoming Effective, the Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Valmec of the Bidder in the Share Register as the holder of the Scheme Shares. The Bidder's entitlement to be registered in the Share Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 3.2.

7.4 Appointment of sole proxy

Upon the Scheme becoming Effective and until Valmec registers the Bidder as the holder of all Scheme Shares in the Share Register:

- (a) each Scheme Shareholder is deemed to have irrevocably appointed the Bidder as its proxy to (and irrevocably appoints the Bidder as its attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as that Scheme Shareholder's sole proxy and, where applicable or appropriate, corporate representative to):
 - (i) attend shareholders' meetings;
 - (ii) exercise the votes attaching to the Scheme Shares registered in their name; and
 - (iii) sign any shareholders' resolution;
- (b) no Scheme Shareholder may itself 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 7.4(a));
- (c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and

- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers conferred by clause 7.4(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under that clause may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

7.5 Authority given to Valmec

On the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints Valmec as its attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against the Bidder; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer,

and Valmec accepts such appointment. Valmec, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

7.6 Binding effect of this Scheme

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

8 GENERAL

8.1 Stamp duty

The Bidder will:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Shareholders of the Scheme Shares to the Bidder pursuant to this Scheme or the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability incurred by the Scheme Shareholder arising from failure to comply with clause 8.1(a).

8.2 Consent

Each Scheme Shareholder consents to Valmec and the Bidder doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

8.3 Enforcement of Deed Poll

Valmec undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholder.

8.4 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Valmec, 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 Valmec's registered office or at the office of the Share Registry.
- (b) The accidental omission to give notice of the Scheme Meetings or the non-receipt of such notice by a Valmec Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meetings or the proceedings of the Scheme Meetings.

8.5 Governing law and jurisdiction

- (a) This Scheme is governed by the laws in force in Western Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.
- (c) The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

8.6 Further action

Valmec must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

8.7 No liability when acting in good faith

None of Valmec, the Bidder, 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.

DATED

2021

ALTRAD AUSTRALIA PTY LTD

In favour of each **SCHEME SHAREHOLDER**

DEED POLL

ANNEXURE B – DEED POLL

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DETAILS

Date

This deed poll is made by

Name	Altrad Australia Pty Ltd
ACN	652 016 807
Short form name	Bidder
Notice details	Level 17, London House 216 St Georges Terrace PERTH WA 6000
Attention:	Ran Oren, Neil Sadler
Email:	roren@altrad.com ; Neil.Sadler@altrad.com

In favour of

Name the **Scheme Shareholders**

RECITALS

- A The Bidder and Valmec have entered into the Scheme Implementation Deed in respect of (among other things) the implementation of the Scheme.
- B The directors of Valmec have resolved that Valmec should propose the Scheme.
- C The effect of the Scheme will be that all Scheme Shares will be transferred to the Bidder.
- D The Bidder is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations in relation to the Scheme.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Scheme Implementation Deed means the scheme implementation deed dated [insert] between Valmec and the Bidder in connection with (among other things) implementing the Scheme.

Valmec means Valmec Limited ACN 003 607 074.

All other words and phrases used in this document and defined in the Scheme Implementation Deed have the same meaning as given to them in the Scheme Implementation Deed.

1.2 General interpretation

Clause 1.2 of the Scheme Implementation Deed applies to this document as if set out in full in this document.

1.3 Nature of deed poll

The Bidder acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder appoints Valmec as its agent and attorney to enforce this document against the Bidder on behalf of that Scheme Shareholder.

2 CONDITIONS PRECEDENT AND TERMINATION

2.1 Conditions precedent

The obligations of this Bidder under this document are subject to the Scheme becoming Effective.

2.2 Termination

The Bidder's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Scheme Implementation Deed is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) the Bidder is released from its obligation to further perform this document except

those obligations contained in clause 6.2; and

- (b) each Scheme Shareholder retains the rights, powers or remedies they have against the Bidder in respect of any breach of this document which occurs before it is terminated.

3 PERFORMANCE OF OBLIGATIONS

Subject to clause 2, the Bidder undertakes in favour of each Scheme Shareholder to observe and perform all obligations contemplated of the Bidder under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

4 REPRESENTATIONS AND WARRANTIES

The Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
 - (i) its constituent documents or cause limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any law binding on or applicable to it or its assets;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not Insolvent.

5 CONTINUING OBLIGATIONS

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

- (a) the Bidder fully performing its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

6 COSTS

6.1 Costs

The Bidder agrees to pay all costs in respect of the Scheme (including, in connection with the transfer of the Scheme Shares to the Bidder in accordance with the terms of the Scheme) except for amounts covered by clause 6.2.

6.2 Stamp duty and registration fees

The Bidder:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable on the transfer by the Scheme Shareholders of the Scheme Shares to the Bidder (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Shareholder against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 6.2(a).

7 NOTICES

Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for attention of the person referred to in the Details. If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

8 GENERAL

8.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) if before the First Court Date, the variation is agreed to by Valmec and the Bidder in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by Valmec and the Bidder in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event the Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

8.2 Partial exercising of rights

Unless this document expressly states otherwise, if the Bidder does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

8.3 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

8.4 Assignment or other dealings

The Bidder and Scheme Shareholder may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varies without the consent of the Bidder and Valmec.

8.5 Further steps

The Bidder agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Shareholder) necessary or expedient to give full effect to this document and the transactions contemplated by it.

8.6 Governing law and jurisdiction

This document is governed by the law of Western Australia and the Bidder irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Western Australia.

SIGNING PAGE

EXECUTED as a deed poll

**Executed as a deed by Altrad Australia
Pty Ltd ACN 652 016 807** in accordance
with section 127 of the Corporations Act
2001 (Cth):

Signature of director

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

Name of director (print)

Name of director/company secretary (print)