

23 September 2021

## Scheme Booklet despatched to Empired shareholders

Empired Limited (**Empired**) announces that it has today despatched the Scheme Booklet to Empired shareholders for the scheme of arrangement under which Capgemini Australia Pty Limited (**Capgemini Australia**) has agreed to acquire 100% of the shares in Empired (**Scheme**). A copy of the Scheme Booklet despatched to shareholders is attached to this announcement.

Empired shareholders who have elected to receive communications electronically from Empired will receive an email containing instructions about how to view or download the Scheme Booklet, as well as instructions on how to lodge their proxies for the meeting of Empired shareholders to consider and vote on the Scheme (**Scheme Meeting**).

Empired shareholders who have not elected to receive communications electronically will receive a letter (sent by post), together with a personalised proxy form, containing instructions about how to view or download a copy of the Scheme Booklet, as well as details about how to request a hard copy of it.

The Scheme Booklet is available for viewing and download on Empired's website at [www.empired.com/scheme](http://www.empired.com/scheme).

Empired encourages all of its shareholders to read the Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting. Empired shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

### **Scheme Meeting**

The Scheme Meeting will be held virtually at 10.00 am (Perth time) on Monday 25 October 2021. The Scheme Meeting will be conducted via an online platform at <https://web.lumiagm.com/392567307>.

Details of how to access the live webcast and participate in the Scheme Meeting are contained in the Scheme Booklet.

Please note there was a typographical error in the link to the online platform for the Scheme Meeting set out in Empired's announcement dated 20 September 2021 and in the Scheme Booklet attached to that announcement. The correct link to the online platform is set out above and in the Scheme Booklet attached to today's announcement.

### **Directors' recommendation**

The Empired Directors unanimously recommend that Empired shareholders vote in favour of the resolution to approve the Scheme at the Scheme Meeting, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired shareholders. Each Empired Director intends to

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vote all Empired shares in which he has a relevant interest in favour of the resolution to approve the Scheme, subject to those same qualifications.

### Indicative timetable

The important dates and expected timetable for the Scheme are set out fully in the Scheme Booklet and include the following:

Event	Time and Date
Latest time and date by which completed proxy forms for the Scheme Meeting must be received by Empired	10.00 am on 23 October 2021
Time and date for determining eligibility to vote at the Scheme Meeting	5.00 pm on 23 October 2021
Scheme Meeting	10.00 am on 25 October 2021
Second Court Hearing for approval of the Scheme	1 November 2021
Effective date of the Scheme / Empired shares cease trading on the ASX	2 November 2021
Record date for the Scheme	5.00 pm on 9 November 2021
Implementation date of the Scheme	16 November 2021

**Note:** All times and dates in the above timetable are references to the time and date in Perth, Western Australia. The above timetable is indicative only and Empired has the right to vary the timetable subject to all necessary approvals. The actual timetable will depend upon the time at which the conditions to the Scheme are satisfied or, if applicable, waived.

The Scheme is subject to a number of customary and other conditions, including the approval of Empired shareholders and the Court.

### Shareholder Information Line

Empired shareholders who have questions in relation to the Scheme or the Scheme Booklet should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6.30 am and 3.30 pm (Perth time) Monday to Friday prior to 3 October and between 5.30 am and 2.30 pm (Perth time) Monday to Friday after that date.

### For more information please contact:

Russell Baskerville  
Managing Director  
Empired Limited  
Ph +61 8 6333 2200

This announcement has been authorised for release by the Empired Board.



## Empired Limited

ACN 090 503 843

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### Scheme Booklet

**for the recommended scheme of arrangement in relation to the proposed acquisition of all of your Empired Shares by Capgemini Australia Pty Limited.**

A Notice of Scheme Meeting is included as Annexure E

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#### **Vote in favour**

**The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.**

**The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal.**

**This is an important document and requires your immediate attention. You should read this Scheme Booklet in its entirety prior to deciding whether or not to vote in favour of the Scheme Resolution.** If you are in any doubt as to how to deal with this Scheme Booklet, please consult your independent financial, legal or taxation adviser immediately. If you have sold all of your Empired Shares, please ignore this Scheme Booklet.

If you have any questions about this Scheme Booklet or the Scheme you should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

Financial Adviser to Empired

EUROZ HARTLEYS

Legal Adviser to Empired

CLAYTON UTZ

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## Important notices

### Date of Scheme Booklet

This Scheme Booklet is dated 20 September 2021.

### General

Empired Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in any doubt as to how to deal with this Scheme Booklet, please consult your independent financial, legal or taxation adviser immediately.

### Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Empired Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme. A copy of the proposed Scheme is set out in Annexure C.

### Responsibility statement

The Empired Information (being all information contained in this Scheme Booklet, other than the Capgemini Information, Section 9 and the Independent Expert's Report) has been prepared by, and is the responsibility of, Empired. None of Capgemini, or its Related Bodies Corporate, or any of their directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the Empired Information.

The Capgemini Information (being the information contained in Section 5 and under the heading "Who is Capgemini?" on page 23 of this Scheme Booklet) has been prepared by, and is the responsibility of, Capgemini. None of Empired, or its Related Bodies Corporate, or any of their directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the Capgemini Information.

The Independent Expert's Report contained in this Scheme Booklet has been prepared by, and is the responsibility of, Lonergan Edwards & Associates Limited, the Independent Expert. The Independent Expert and its directors, officers and employees are not responsible for the accuracy and completeness of any other part of this Scheme Booklet. None of Empired or Capgemini, or their respective Related

Bodies Corporate, or any of their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of Empired and Capgemini, respectively, in relation to the information which it has provided to the Independent Expert.

Grant Thornton Australia Limited has prepared and is responsible for a letter to the Empired Directors included in Section 9. None of Empired or Capgemini, or their respective Related Bodies Corporate, or any of their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of Section 9. Grant Thornton Australia Limited and its directors, officers and employees are not responsible for the accuracy and completeness of any other part of this Scheme Booklet.

### ASIC and the ASX

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

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

### Important notice associated with the Court order under section 411(1) of the Corporations Act

The Court has ordered the convening of the Scheme Meeting pursuant to section 411(1) of the Corporations Act. The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Empired Shareholders should vote (on this matter Empired Shareholders must reach their own decision); or

- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

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

#### **Not investment advice**

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position or particular needs of Empired Shareholders or any other person. The information in this Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme or Empired Shares. Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

#### **Not an offer**

This Scheme Booklet does not constitute or contain an offer to Empired Shareholders, or a solicitation of an offer from Empired Shareholders, in any jurisdiction.

#### **Forward looking statements**

Certain statements in this Scheme Booklet, including any statements relating to Empired's or Capgemini's plans, intentions or expectations of future costs or revenues relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Empired to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

Assumptions upon which forward looking statements in this Scheme Booklet are based include, without limitation: (a) that Empired Shareholders will approve the Scheme; (b) that the Court will approve the Scheme; and (c) that all other Conditions to the Scheme will be satisfied or waived (as applicable). Many of these assumptions are based on factors and events that are not within the control of Empired and may not prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but are not limited to: the satisfaction of the Conditions to the Scheme, including the receipt of Empired Shareholder approval and Court approval on the terms expected by Empired and Capgemini; the parties' ability to meet expectations regarding the timing of implementation of the Scheme; and accounting and tax treatment and the factors identified in Section 6, as well as in Empired's recent annual and half-yearly financial reports, which are available from Empired's website at <https://www.empired.com>.

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

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

#### **Estimates, targets and forecasts**

Unless otherwise indicated, any references to estimates, targets and forecasts and derivatives of the same in this Scheme Booklet are references to estimates, targets and forecasts by the management of either Empired or Capgemini (as applicable). Management estimates, targets and forecasts are based on views held only as at the date of this Scheme Booklet, and actual events and results may be materially different from them.

Empired believes that any forecast attributed to it in this Scheme Booklet has been made on reasonable grounds and no forecast in this Scheme Booklet is attributable to Capgemini. However, readers are cautioned that the estimates,

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targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward looking information generally involves risks and uncertainties as described above, which are in many instances beyond Empired's or Capgemini's control, including amongst other things, global economic conditions, specific market conditions, regulatory developments and changes, exchange rates, litigation and interest rates. A description of certain risks is set out in Section 6. These risks could cause actual events and results to vary significantly from those included in or contemplated by such statements.

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

### **Privacy and personal information**

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

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

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

Empired Shareholders who are individuals and the other individuals in respect of whom personal

information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) if they wish to exercise these rights.

Empired Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting should inform such an individual of the matters outlined above.

The Privacy Policy of Empired is available at [www.empired.com/privacy-policy](http://www.empired.com/privacy-policy) and contains information about how an individual may access personal information about the individual that is held by Empired, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of the Share Registry is available at [www.computershare.com/au/privacy-policies](http://www.computershare.com/au/privacy-policies) and contains information about how an individual may access personal information about the individual that is held by the Share Registry, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

### **Tax implications of the Scheme**

If the Scheme becomes Effective and is implemented, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain on disposal of Empired Shares. Please refer to Section 9 for further details about the general Australian tax consequences of the Scheme for both Australian and foreign tax resident Scheme Shareholders. The tax treatment may vary depending on the nature and characteristics of each Scheme Shareholder and their specific circumstances. Accordingly, Empired Shareholders should seek independent taxation advice in relation to their particular circumstances.

### **Interpretation**

Information contained in this Scheme Booklet is given as of 20 September 2021, unless otherwise stated to the contrary. Capitalised terms and certain abbreviations used in this Scheme Booklet have the defined meanings set out in Section 11. The documents reproduced or summarised in the Annexures to this Scheme Booklet may have their own defined terms, which are sometimes different from those in Section 11.

Figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding.

Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet. All references to times in this Scheme Booklet are references to time in Perth, Western Australia, Australia, unless otherwise stated. All dates in the timetable are indicative only and subject to change. All references in this Scheme Booklet to “\$”, “A\$”, “AUD”, “Australian dollars” and “cents” are to Australian currency.

### **Notice of Scheme Meeting**

The Notice of Scheme Meeting is set out in Annexure E.

### **Notice of Second Court Hearing and if an Empired Shareholder wishes to oppose the Scheme**

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any Empired Shareholder may appear at the Second Court Hearing and may oppose the approval of the Scheme at the Second Court Hearing. If you wish to oppose in this manner, you must file with the Court and serve on Empired a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and any affidavit must be served on Empired at its address for service at least one day before 1 November 2021. The address for service for Empired is c/- Clayton Utz, Level 27, QV.1 Building, 250 St Georges Terrace, Perth WA 6000 (Reference: Cameron Belyea) Facsimile: (08) 9481 3095 Email: cbelyea@claytonutz.com.

The Second Court Hearing is expected to be held on 1 November 2021 at the Peter Durack Commonwealth Law Courts Building, 1 Victoria Avenue, Perth, Western Australia, Australia.

### **No internet site is part of this Scheme Booklet**

Empired and Capgemini each maintain an internet website. The content of those websites does not form part of this Scheme Booklet. Any reference in this Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Scheme Booklet.

### **Foreign jurisdictions**

The release, publication or distribution of this Scheme Booklet outside of Australia may be restricted by law or regulation and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws or regulations. Empired

and its Related Bodies Corporate and their directors, officers, employees and advisers each disclaim all liabilities to such persons.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of jurisdictions other than Australia.

Empired Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

### **Scheme Meeting to be held electronically**

Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically.

Empired Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting. Empired Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform at <https://web.lumiagm.com/392567307>. The online platform enables participants to listen to the Scheme Meeting live, view slides, vote on the Scheme Resolution in real time and ask questions online.

Further details with respect to the conduct of the Scheme Meeting, including how to join the electronic Scheme Meeting, raise questions during the Scheme Meeting and vote on the Scheme Resolution are set out in the Notice of Scheme Meeting.

Empired strongly encourages shareholders to consider lodging a directed proxy in the event they are not able to participate in the electronic Scheme Meeting.

### **Questions and supplementary information**

If you have any questions about this Scheme Booklet or the Scheme you should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.



Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

In certain circumstances, Empired may provide additional disclosure to Empired Shareholders in relation to the Scheme after the date of this

Scheme Booklet. To the extent applicable, Empired Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme.

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## Important dates and expected timetable for the Scheme

Event	Time and Date
First Court Hearing	20 September 2021
Despatch of Scheme Booklet and Notice of Scheme Meeting to Empired Shareholders	By 23 September 2021
Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received	10:00 am (Perth time) on 23 October 2021
Time and date for determining eligibility of registered Empired Shareholders to vote at the Scheme Meeting	5:00 pm (Perth time) on 23 October 2021
Time and date of the Scheme Meeting	10:00 am (Perth time) on 25 October 2021
<b>If the Scheme is approved by the Requisite Majorities, the expected timetable for implementation of the Scheme is:</b>	
<b>Second Court Hearing</b> for approval of the Scheme	1 November 2021
<b>Effective Date</b> on which the Scheme comes into effect and is binding	2 November 2021
Court order lodged with ASIC and announcement to the ASX	
Last day of trading in Empired Shares on the ASX (with Empired Shares suspended from close of trading)	
<b>Scheme Record Date</b> for determining entitlements to Scheme Consideration	5:00 pm (Perth time) on 9 November 2021
<b>Implementation Date</b>	16 November 2021
Payment of Scheme Consideration to be made to Scheme Shareholders	

All dates and times are references to the date and/or time in Perth, Western Australia, Australia, unless otherwise stated. This timetable is indicative only and all dates after the Scheme Meeting are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions. The outstanding Conditions are summarised in Annexure A and the Conditions are set out in full in clause 3.1 of the Scheme Implementation Agreement.

Empired has the right to vary the timetable set out above subject to all necessary approvals. Any variation to the timetable set out above will be announced on Empired's website and on the ASX.

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## Letter from the Chairman of Empired

20 September 2021

Dear Empired Shareholder,

On behalf of the Board of Empired Limited (**Empired**), I am pleased to provide this Scheme Booklet to you, which contains important information for you to consider about the proposed acquisition of Empired by Capgemini Australia Pty Limited (**Capgemini**).

On 19 July 2021, Empired announced that it had entered into the Scheme Implementation Agreement with Capgemini, under which Capgemini agreed to acquire 100% of the issued share capital of Empired by way of the Scheme for a cash price of \$1.35 per Empired Share.

The implementation of the Scheme is subject to a number of customary and other conditions, including Empired Shareholder and Court approvals, the Independent Expert's Report concluding that the Scheme is in the best interests of Empired shareholders (and the Independent Expert not changing or publicly withdrawing that conclusion) and there being no material adverse change or prescribed occurrence. Other conditions include certain contractual consents to the change of control being obtained, Empired maintaining a specified level of key management and employees, and Empired not exceeding a maximum net debt threshold.

If the Scheme is approved and implemented, Empired Shareholders will receive the Scheme Consideration of \$1.35 for each Scheme Share held by them at the Scheme Record Date.

The Scheme Consideration represents an attractive premium of:

- 64.6% to the closing price of Empired Shares on 16 July 2021 (being the last trading day before the announcement of entry into the Scheme Implementation Agreement) of \$0.82;
- 59.9% to the 10-trading day VWAP to close of trading on 16 July 2021 of \$0.8442;
- 59.3% to the 60-trading day VWAP to close of trading on 16 July 2021 of \$0.8472; and
- 62.1% to the 90-trading day VWAP to close of trading on 16 July 2021 of \$0.8327.

The Scheme Consideration values Empired's fully diluted equity at approximately \$233 million.<sup>1</sup>

### Empired Directors' recommendation

The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>2</sup>

<sup>1</sup> Based on a total number of fully diluted Empired Shares of 172,727,346.

<sup>2</sup> You should note when considering this recommendation that Russell Baskerville (Empired's Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired's C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Each Empired Director intends to cause all Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution, subject to those same qualifications. Details of the interests of each Empired Director in Empired Shares and Empired Performance Rights are set out in Section 10.1.

The Empired Directors have concluded that the Scheme is compelling for Empired Shareholders for the following reasons:

- the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal;
- the all cash consideration offered under the Scheme delivers certainty and immediate value for your Empired Shares;
- the Scheme Consideration represents a significant premium relative to Empired's closing price on 16 July 2021 (being the last trading day prior to the announcement of entry into the Scheme Implementation Agreement) and the 10, 60 and 90 trading day VWAPs up to and including that date;
- the trading price of Empired Shares is likely to fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal;
- since the announcement of the Scheme, no Superior Proposal has emerged; and
- no brokerage or stamp duty will be payable by you for the transfer of your Empired Shares under the Scheme.

For more information in relation to the reasons for the Board's recommendation to vote in favour of the Scheme, along with reasons why you may choose to vote against the scheme, refer to pages 8 to 12 of this Scheme Booklet.

### **Independent Expert**

The Empired Board appointed Lonergan Edwards & Associates Limited as the Independent Expert to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Empired Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal. The Independent Expert has assessed the value of an Empired Share, inclusive of a premium for control, to lie in the range of \$1.20 to \$1.34. The Scheme Consideration of \$1.35 per Empired Share exceeds the Independent Expert's assessed value range.

A full copy of the Independent Expert's Report is included as Annexure B. I encourage you to read it in full.

### **How to vote**

For the Scheme to be approved by Empired Shareholders, votes in favour of the Scheme Resolution must be received from:

- unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

Empired Shareholders who have elected to receive communications electronically will receive an email where they can download the Scheme Booklet and lodge their proxy vote online. Empired Shareholders who have not made such an election will be mailed a letter which contains these instructions and hard copy Proxy Forms for the Scheme Meeting. The Scheme Booklet will also be available for download from <https://www.empired.com/scheme>.

Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically. Please refer to Section 3 for information setting out how to participate in and vote at the Scheme Meeting. The Scheme Meeting is being arranged to ensure all Empired Shareholders can participate, question the Empired Board and have their voices heard on this important decision for Empired Shareholders.

Your vote is important and we encourage you to vote on the Scheme at the Scheme Meeting to be held at 10:00 am (Perth time) on 25 October 2021 via the online platform.

### **Further information**

This Scheme Booklet sets out important information relating to the Scheme, the reasons why the Empired Directors have recommended that Empired Shareholders vote in favour of the Scheme Resolution, and the Independent Expert's Report. It also sets out some of the reasons why Empired Shareholders may wish to vote against the Scheme Resolution.

Please read this document carefully and in its entirety. It will assist you in making an informed decision on how to vote. Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

If you have any questions about this Scheme Booklet or the Scheme you should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

On behalf of the Empired Board, I would like to take this opportunity to thank you for your ongoing support of Empired, and I look forward to your participation at the Scheme Meeting.

Yours sincerely,



Thomas Stianos  
Chairman  
Empired Limited

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## What you should do

### Step 1: Read this Scheme Booklet

**You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme Resolution, before making any decision on how to vote on the Scheme Resolution.**

Answers to various frequently asked questions about the Scheme are set out in Section 2.

Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

If you have any additional questions about this Scheme Booklet or the Scheme please consult your financial, legal or other professional adviser or contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

### Step 2: Vote on the Scheme Resolution at the Scheme Meeting

Vote on the Scheme Resolution at the Scheme Meeting by doing one of the following:

- (a) **Vote electronically** - an Empired Shareholder can vote in person by attending the Scheme Meeting online on 25 October 2021 at 10:00 am (Perth time).
- (b) **Vote by proxy** - an Empired Shareholder can vote by proxy by completing and returning the Proxy Form in accordance with the instructions set out on the Proxy Form so that it is received by the Share Registry by no later than 10:00 am (Perth time) on 23 October 2021.
- (c) **Vote by corporate representative** - an Empired Shareholder or proxy who is a body corporate may vote at the Scheme Meeting by having their corporate representative attend the Scheme Meeting electronically and vote on their behalf. The appointment must comply with the requirements of section 250D of the Corporations Act. If a representative of an Empired Shareholder or proxy, which is a body corporate is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative" to Empired's Share Registry or Empired. A form may be obtained from Computershare or online at [www.investorcentre.com.au](http://www.investorcentre.com.au) under "Printable Forms". Empired Shareholders who wish to appoint a corporate representative for the Scheme Meeting should, if they have not already presented an appropriate appointment, deliver to Empired's Share Registry or Empired an original or certified copy of the appointment by no later than 10:00 am (Perth time) on 23 October 2021.
- (d) **Vote by attorney** - an Empired Shareholder may vote at the Scheme Meeting by having their fully authorised attorney attend the Scheme Meeting electronically and vote on their behalf. An Empired Shareholder wishing to vote electronically by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Empired, deliver to the Share Registry the original instrument appointing the attorney or a certified copy of it by 10:00 am (Perth time) on 23 October 2021.

In order for the Scheme to be approved by the Requisite Majorities of Empired Shareholders, votes in favour of the Scheme Resolution must be received from:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative); and

- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.

**If the Scheme is not approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, the Scheme will not be implemented.**

Please refer to Section 3 for further information on how to vote at the Scheme Meeting.

### **Step 3: Participate in the Scheme**

If you are eligible and wish to participate in the Scheme, you will need to ensure that you do not sell your Empired Shares prior to the Scheme Record Date, which is currently expected to be 5:00 pm (Perth time) on 9 November 2021. Otherwise, and assuming the Scheme is approved and all other Conditions are satisfied or waived (as applicable), you do not need to do anything to participate in the Scheme.

### **Further information**

Further information relating to the Scheme Resolution is contained in the Notice of Scheme Meeting (which is set out in Annexure E).

Empired Shareholders who have any questions or require further information about this Scheme Booklet or the Scheme should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

## Summary of considerations relevant to your vote

### Reasons to vote in favour of the Scheme

- ✓ The Empired Directors have assessed the merits of the Scheme and unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal.
- ✓ The all cash consideration offered under the Scheme delivers certainty and immediate value for your Empired Shares.
- ✓ The value of the Scheme Consideration represents an attractive premium relative to Empired's closing price of \$0.82 on the day prior to the announcement of the Scheme and the 10, 60 and 90 trading day VWAPs up to and including that date.
- ✓ If the Scheme is not implemented, and no Superior Proposal emerges, the trading price of Empired Shares is likely to fall.
- ✓ Since the announcement of the Scheme, no Superior Proposal has emerged.
- ✓ No brokerage or stamp duty will be payable by you for the transfer of your Empired Shares under the Scheme.

These reasons are discussed in more detail on pages 8 to 10.

### Reasons to vote against the Scheme

- ✗ You may disagree with the unanimous recommendation of the Empired Directors, the Independent Expert's conclusion or both and believe that the Scheme is not in your best interests.
- ✗ If the Scheme proceeds, you will no longer be able to participate in the future financial performance and possible growth of the Empired business.
- ✗ You may find it difficult to identify or invest in an alternative business with similar characteristics to that of Empired.
- ✗ You may consider that there is the potential for a Superior Proposal to emerge after the date of this Scheme Booklet (noting that no Superior Proposal has been received as at the date of this Scheme Booklet).
- ✗ The taxation implications of the Scheme may not be suitable to your financial circumstances or position.

These reasons are discussed in more detail on pages 11 to 12.



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## Reasons to vote in favour of the Scheme

The Empired Directors consider that there are a number of advantages for Empired Shareholders if the Scheme is implemented, which are outlined below.

In addition, the Scheme has certain disadvantages and risks which may affect Empired Shareholders in different ways depending on their individual circumstances. Empired Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

- (a) **The Empired Directors have assessed the merits of the Scheme and unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>3</sup>**

In reaching their recommendation, the Empired Directors have considered the advantages and disadvantages of the Scheme, including the information contained in:

- this “Reasons to vote in favour of the Scheme” Section;
- the “Reasons to vote against the Scheme” Section;
- Section 6 (Risk) and Section 9 (Tax implications of the Scheme); and
- Annexure B (Independent Expert’s Report).

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders, each of the Empired Directors intends to cause all the Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution.

Details of the interests of the Empired Directors are contained in Section 10.

- (b) **The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal.**

Empired appointed Lonergan Edwards & Associates Limited as the Independent Expert to provide an opinion as to whether the Scheme is in the best interests of Empired Shareholders and to prepare the Independent Expert’s Report.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal. The Independent Expert has assessed the value of an Empired Share, inclusive of a premium for control, to lie in

<sup>3</sup> You should note when considering this recommendation that Russell Baskerville (Empired’s Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired’s C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

the range of \$1.20 to \$1.34. The Scheme Consideration of \$1.35 per Empired Share exceeds the Independent Expert's assessed value range.

A full copy of the Independent Expert's Report is included as Annexure B. The Empired Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme Resolution.

**(c) The all cash consideration offered under the Scheme delivers certainty and immediate value for your Empired Shares.**

The offer from Capgemini is a 100% cash offer, which provides certainty of value. More specifically, if the Scheme is implemented, Empired Shareholders will receive the Scheme Consideration in cash for each Scheme Share held by them at the Scheme Record Date, to be paid on the Implementation Date.

In contrast, if the Scheme is not implemented, the amount which Empired Shareholders will be able to realise for their investment in Empired Shares may be uncertain. This certainty should be compared against the risks and uncertainties of remaining an Empired Shareholder which include, but are not limited to, the risks set out in Section 6. The Scheme removes this uncertainty for Empired Shareholders.

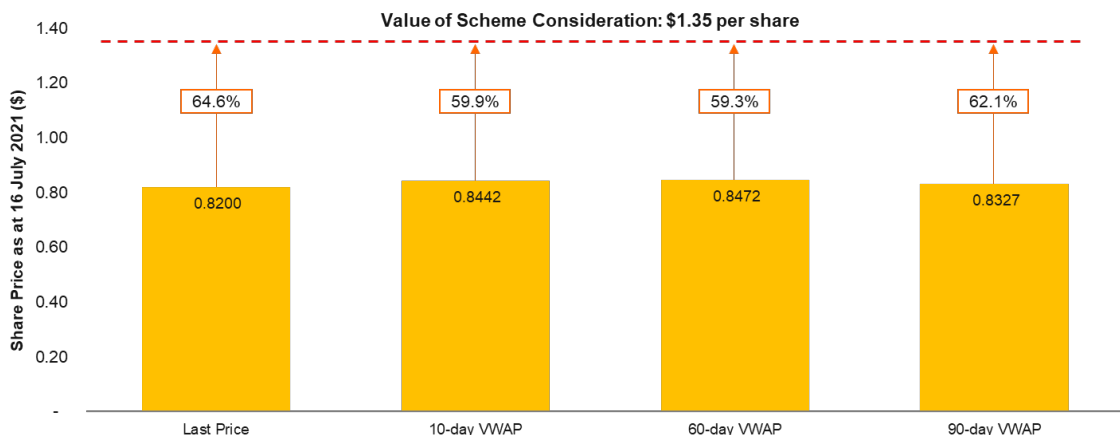
**(d) The value of the Scheme Consideration represents an attractive premium relative to Empired's closing price of \$0.82 on the day prior to the announcement of the Scheme and the 10, 60 and 90 trading day VWAPs up to and including that date.**

If the Scheme is implemented, you will receive the Scheme Consideration of \$1.35 for each Scheme Share that you own on the Scheme Record Date.

The Scheme Consideration represents a significant premium of:

- 64.6% to the closing price of Empired Shares on 16 July 2021 (being the last trading day before the announcement of entry into the Scheme Implementation Agreement) of \$0.82;
- 59.9% to the 10-trading day VWAP to close of trading on 16 July 2021 of \$0.8442;
- 59.3% to the 60-trading day VWAP to close of trading on 16 July 2021 of \$0.8472; and
- 62.1% to the 90-trading day VWAP to close of trading on 16 July 2021 of \$0.8327.

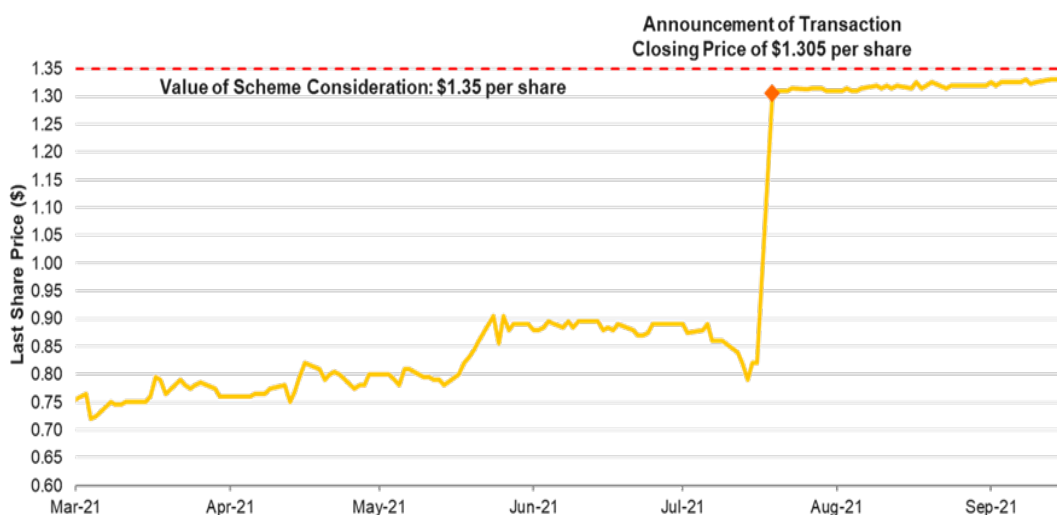
The graph below illustrates the premium implied by the Scheme Consideration to the range of benchmarks listed above.



Source: IRESS as at 16 July 2021

**(e) The trading price of Empired Shares is likely to fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal.**

On the last trading day prior to the announcement of entry into the Scheme Implementation Agreement, the trading price of Empired Shares was \$0.82. Since then, it has increased by 64.6% to \$1.33 per Empired Share on the Last Practicable Date.



**Source:** IRESS as at 16 September 2021

If the Scheme is not implemented and in the absence of a Superior Proposal, the Empired Directors believe that it is likely that the trading price of Empired Shares will fall from current levels.

**(f) Since the announcement of the Scheme, no Superior Proposal has emerged.**

Since the initial announcement of the Scheme on 19 July 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the Empired Directors are not aware of any Superior Proposal that is likely to emerge.

However, there remains the possibility that a third party may make a Superior Proposal prior to the Scheme Meeting.

The Scheme Implementation Agreement includes terms which prevent Empired from seeking a Competing Proposal in certain circumstances (see Annexure A for more details).

The Scheme Implementation Agreement does not prevent a third party from making a Competing Proposal and does not prevent the Empired Directors from responding to a bona fide Competing Proposal in certain circumstances (provided that the Competing Proposal was not solicited, invited, initiated or encouraged by Empired or its Representatives in contravention of clause 10.3 of the Scheme Implementation Agreement and was not otherwise brought about as a result of any breach by Empired of its exclusivity obligations under the Scheme Implementation Agreement).

The Empired Board will notify Empired Shareholders if a Superior Proposal is received before the Scheme Meeting.

**(g) No brokerage or stamp duty will be payable by you for the transfer of your Empired Shares under the Scheme.**

You will not incur any brokerage or stamp duty on the transfer of your Empired Shares to Capgemini under the Scheme. It is possible that such charges may be incurred if you transfer your Empired Shares other than under the Scheme.

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## Reasons to vote against the Scheme

The Empired Directors believe that Empired Shareholders should take into consideration the following potential disadvantages and reasons to vote against the Scheme Resolution.

Having identified these potential disadvantages, the Empired Directors consider that they are outweighed by the potential advantages of the Scheme set out in the "Reasons to vote in favour of the Scheme" Section on pages 8 to 10. This assessment has led to the Empired Directors unanimously recommending that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.

- (a) **You may disagree with the unanimous recommendation of the Empired Directors, the Independent Expert's conclusion or both and believe that the Scheme is not in your best interests.**

Despite the unanimous recommendation of the Empired Directors and the conclusion of the Independent Expert, you may believe that the Scheme is not in your best interests. In reaching their decision, the Empired Directors have made various judgements and assumptions based on future business conditions, circumstances and events, which cannot be predicted with certainty and which may prove to be positively or negatively inaccurate.

There is no obligation for Empired Shareholders to agree with the unanimous recommendation of the Empired Directors, or agree with the conclusion of the Independent Expert.

A full copy of the Independent Expert's Report is set out in Annexure B.

- (b) **If the Scheme proceeds, you will no longer be able to participate in the future financial performance and possible growth of the Empired business.**

If the Scheme is approved and implemented, you will cease to be an Empired Shareholder and will lose the ability to participate in any potential upside that may result from maintaining your investment in Empired. This means that you will not participate in the future financial performance and possible growth of Empired, and will not retain exposure to the value that could be created by Empired for Empired Shareholders in the future.

- (c) **You may find it difficult to identify or invest in an alternative business with similar characteristics to that of Empired.**

You may prefer to keep your Empired Shares to maintain your investment in a public company with Empired's specific characteristics, including but not limited to risk, return and liquidity characteristics. You may consider that it would be difficult to identify and invest in alternative investments that have a similar profile to Empired.

In addition, despite the risks relevant to Empired's future operations as a stand-alone entity (including those in Section 6), you may consider that Empired may be able to generate greater returns for its assets as a stand-alone entity, or by exploring alternative corporate transactions in the future.

- (d) **You may consider that there is the potential for a Superior Proposal to emerge.**

You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future, such as a takeover bid more favourable to Empired Shareholders as a whole. However, as at the date of this Scheme Booklet, no Superior Proposal has emerged and the Empired Directors are not aware of any Superior Proposal that is likely to emerge.

If a Superior Proposal emerges, this will be announced to the ASX and the Empired Directors will carefully reconsider the Scheme and inform Empired Shareholders of their recommendation.

- (e) The taxation implications of the Scheme may not be suitable to your financial circumstances or position.**

If the Scheme is implemented, there will be tax consequences for Scheme Shareholders, which may include tax being payable on any gain on disposal of Scheme Shares. Please refer to Section 9 for further details about the general Australian tax consequences for both Australian and foreign tax resident Scheme Shareholders. That Section is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Empired Shareholder.

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## Other considerations relevant to your vote on the Scheme

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme Resolution.

**(a) The Scheme may be implemented even if you vote against the Scheme Resolution.**

The Scheme will be implemented if the Scheme is approved by the Requisite Majorities, is approved by the Court, and all other Conditions are satisfied or waived (as applicable), irrespective of whether you do not vote or you vote against the Scheme Resolution at the Scheme Meeting.

If the Scheme is implemented, all Scheme Shares you hold on the Scheme Record Date will be transferred to Capgemini and you will receive the Scheme Consideration to which you are entitled under the Scheme.

**(b) If the Scheme is not implemented, you will not receive the Scheme Consideration.**

If the Scheme is not approved or all outstanding Conditions are not satisfied or waived (as applicable), the Scheme will not be implemented. In such circumstances, you will not receive the Scheme Consideration, Empired will continue to operate as it does currently and Empired Shares will remain listed on the ASX.

If the Scheme is not implemented, the advantages of the Scheme described in the "Reasons to vote in favour of the Scheme" Section on pages 8 to 10 will not be realised.

**(c) Conditionality of the Scheme.**

The implementation of the Scheme is subject to a number of Conditions. The outstanding Conditions are summarised in Annexure A and the Conditions are set out in full in clause 3.1 of the Scheme Implementation Agreement.

If the Conditions are not satisfied or waived (as applicable), the Scheme will not be implemented and you will not receive the Scheme Consideration to which you are entitled under the Scheme.

**(d) Exclusivity and reimbursement fees.**

Empired and Capgemini have entered into certain arrangements which restrict the ability of Empired to enter into discussions with potential rival bidders (subject to various exceptions) and require Empired to provide Capgemini with certain notification and matching rights in respect of matching any alternative offers, if they arise. The exclusivity provisions are summarised in Annexure A and set out in full in clause 10 of the Scheme Implementation Agreement.

In addition, Empired has agreed to pay a reimbursement fee to Capgemini in certain circumstances, and Capgemini has agreed to pay a reimbursement fee to Empired in certain circumstances. The reimbursement fees are summarised in Annexure A and set out in full in clause 11 of the Scheme Implementation Agreement.

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## 1. Summary of the Scheme

### 1.1 Background

On 19 July 2021, Empired announced that it had entered into the Scheme Implementation Agreement with Capgemini, under which Capgemini agreed to acquire 100% of the issued share capital of Empired by way of the Scheme and Empired agreed to propose a scheme of arrangement to Empired Shareholders, being the Scheme.

A “scheme of arrangement” is a statutory procedure that can be used, among other things, as a means of implementing an acquisition of securities under the Corporations Act. To be implemented, a scheme of arrangement must be approved by 75% of the votes cast at a meeting of shareholders and by a majority in number (more than 50%) of the shareholders present and voting at that meeting (unless the Court orders otherwise), and also requires Court approval.

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration and Empired will become a wholly-owned Subsidiary of Capgemini. Empired will apply for termination of the official quotation of Empired Shares on the ASX and to have itself removed from the official list of the ASX with effect from the Business Day following the Implementation Date.

If the Scheme is not approved by Empired Shareholders (or all Conditions are not satisfied or waived, as applicable), the Scheme will not be implemented and Empired will continue as a stand-alone entity listed on the ASX (please refer to Section 1.12).

A summary of the Scheme Implementation Agreement is set out in Annexure A and a copy of the Scheme is set out in Annexure C.

### 1.2 Empired Directors' recommendation

The Empired Directors believe that the Scheme is in the best interests of Empired Shareholders and unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>4</sup>

### 1.3 Voting intentions of the Empired Directors

Each Empired Director intends to cause any Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.

<sup>4</sup> You should note when considering this recommendation that Russell Baskerville (Empired's Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired's C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

Details of the interests of each Empired Director in Empired Shares are set out in Section 10.1.

## **1.4 Independent Expert's conclusion**

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal.

The Independent Expert has assessed the value of an Empired Share, inclusive of a premium for control, to lie in the range of \$1.20 to \$1.34. The Scheme Consideration of \$1.35 per Empired Share exceeds the Independent Expert's assessed value range.

A full copy of the Independent Expert's Report is set out in Annexure B. The Empired Directors encourage you to read this report in its entirety before making a decision as to whether or not to vote in favour of the Scheme Resolution.

## **1.5 Cash to be received if the Scheme is implemented**

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration of \$1.35 for each Scheme Share held by them at the Scheme Record Date.

If the number of Scheme Shares held by a Scheme Shareholder on the Scheme Record Date is such that the aggregate entitlement of that Scheme Shareholder to Scheme Consideration results in a fractional entitlement to a cent, then the entitlement of that Empired Shareholder must be rounded up or down to the nearest cent (with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole cent and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole cent).

## **1.6 Payment of the Scheme Consideration**

All payments will be made:

- (a) where an Empired Shareholder has, prior to the Scheme Record Date, made a valid election to receive dividends by electronic funds transfer to a bank account nominated by the Scheme Shareholder - in accordance with that election; or
- (b) otherwise, regardless of whether such an election has been made, by cheque for the relevant amount in Australian currency, dispatched by prepaid post to that Scheme Shareholder's Registered Address.

For Empired Shares held in joint names, the relevant payment will be made to the joint holders and any cheque will be sent to the holder whose name appears first in the Empired Share Register. Empired may cancel a cheque if it is returned to Empired or has not been presented for payment within six months after the date on which it was sent, and the Unclaimed Money Act 1990 (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' under that Act.

You should be aware that if the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, the cash payments described above may also be delayed.

Under the Deed Poll, Capgemini has undertaken to deposit (or procure the deposit of) an amount equal to the total Scheme Consideration into an Australian dollar denominated trust account operated by or on behalf of Empired as trustee for the Scheme Shareholders, by no later than the Business Day before the Implementation Date. On the Implementation Date, Empired will procure the payment from the trust account of the Scheme Consideration to each Scheme Shareholder in accordance with the above and the terms of the Scheme.

A summary of how Capgemini will be funding the Scheme Consideration is set out in Section 5.3.



## 1.7 Conditions

A number of Conditions need to be satisfied or waived (as applicable) before the Scheme can be implemented. The outstanding Conditions include:

- (a) **Shareholder approval:** Empired Shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (b) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (c) **Regulatory approvals:** all consents, waivers and approvals from a Regulatory Authority (including but not limited to, from ASIC and ASX) which Empired and Capgemini agree in writing are necessary to implement the Scheme are granted or obtained on or before 8:00 am on the Second Court Date, and if such consents, approvals or other acts are subject to conditions, those conditions must be acceptable to both Empired and Capgemini (acting reasonably);
- (d) **No restraint:** no temporary restraining order, preliminary or permanent injunction or other temporary, preliminary or final order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing, restraining, prohibiting or materially adversely affecting the Scheme as at 8:00 am on the Second Court Date;
- (e) **Independent Expert's Report:** the Independent Expert does not change or publicly withdraw its conclusion that the Scheme is in the best interests of Empired Shareholders (which will continue to be assessed until 8:00 am on the Second Court Date);
- (f) **Change of Control Contracts:** on or before 8:00 am on the Second Court Date, Empired has received a written confirmation under or in respect of each of the Change of Control Contracts stating that the counterparty agrees not to exercise any Relevant Rights and as at 8:00 am on the Second Court Date, a Relevant Right has been exercised in respect of no more than five Material Contracts (where for this purpose Material Contracts does not include Change of Control Contracts) (**Change of Control Contracts Condition**);
- (g) **No Material Adverse Change:** no Material Adverse Change occurring before 8:00 am on the Second Court Date;
- (h) **No Prescribed Occurrence:** no Prescribed Occurrence occurring or becoming known to Capgemini between the date of the Scheme Implementation Agreement and 8:00 am on the Second Court Date;
- (i) **Representations and Warranties:** the Representations and Warranties being true and correct in all material respects as at the time they are given or made;
- (j) **Employee retention:** of the Empired Employees employed by the Empired Group as at the date of the Scheme Implementation Agreement, at least:
  - (i) 90% are employed by the Empired Group as at 31 October 2021;
  - (ii) 88% are employed by the Empired Group as at the earlier of 30 November 2021 and 6:00 pm on the Business Day before the Second Court Date;
  - (iii) 86% are employed by the Empired Group as at the earlier of 31 December 2021 and 6:00 pm on the Business Day before the Second Court Date; and

- (iv) 84% are employed by the Empired Group as at the earlier of 31 January 2022 and 6:00 pm on the Business Day before the Second Court Date,

(excluding any employees who resigned before 19 July 2021 and all independent contractors) (**Employee Retention Condition**);

- (k) **Key employee retention:** of the Empired Key Employees employed by the Empired Group as at the date of the Scheme Implementation Agreement, at least:

- (i) 90% are employed by the Empired Group as at 31 October 2021;
- (ii) 88.5% are employed by the Empired Group as at the earlier of 30 November 2021 and 6:00 pm on the Business Day before the Second Court Date;
- (iii) 87% are employed by the Empired Group as at the earlier of 31 December 2021 and 6:00 pm on the Business Day before the Second Court Date; and
- (iv) 85.5% are employed by the Empired Group as at the earlier of 31 January 2022 and 6:00 pm on the Business Day before the Second Court Date,

(excluding any employees who resigned before 19 July 2021 and all independent contractors) (**Key Employee Retention Condition**); and

- (l) **Maximum Net Debt Amount:** on the last day of the calendar month before each of the Scheme Meeting and the Second Court Date (each a **Relevant Date**) Empired provides written evidence to Capgemini that establishes to Capgemini's reasonable satisfaction that as at the Relevant Date, Empired's Net Debt is equal to or less than \$20 million (**Net Debt Condition**).

The outstanding Conditions are summarised in Annexure A and the Conditions are set out in full in clause 3.1 of the Scheme Implementation Agreement. The Conditions set out in paragraphs (a) and (b) above cannot be waived.

As at the date of this Scheme Booklet, Empired is not aware of any circumstances that would cause the outstanding Conditions not to be satisfied or waived.

Empired intends to announce on the ASX the satisfaction or waiver (as applicable) of the Conditions.

If the Conditions are not satisfied or waived (as applicable) by the End Date, the Scheme Implementation Agreement may be terminated, which will mean the Scheme will not be implemented.

## 1.8 Key agreements

The key agreements to implement the Scheme are as follows:

- (a) **Scheme Implementation Agreement**

The Scheme Implementation Agreement sets out the obligations of Empired and Capgemini in connection with the implementation of the Scheme.

A summary of the key terms of the Scheme Implementation Agreement is set out in Annexure A and provides details in relation to (among other things):

- the Conditions;
- the exclusivity provisions;

- the circumstances in which a reimbursement fee will be payable by Empired or Capgemini, as applicable; and
- each party's termination rights.

A full copy of the Scheme Implementation Agreement is attached to Empired's ASX announcement on 19 July 2021, which is available on Empired's website at <https://www.empired.com/scheme> and on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

(b) **Scheme**

The Scheme contains the terms of the scheme of arrangement to effect the acquisition by Capgemini of 100% of Empired Shares. The Scheme is set out in Annexure C.

(c) **Deed Poll**

Capgemini has entered into the Deed Poll in favour of the Scheme Shareholders under which Capgemini has undertaken to deposit (or procure the deposit of) an amount equal to the total Scheme Consideration into a trust account operated by Empired as trustee for the Scheme Shareholders by no later than the Business Day before the Implementation Date and has also undertaken to undertake all other actions attributed to it under the Scheme, as if named as a party to the Scheme.

The Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, despite the fact that they are not a party to it, and under the Scheme each Scheme Shareholder appoints Empired as its agent and attorney for the purpose of executing any document or form or doing any other act necessary to give effect to the Scheme and enforcing the Deed Poll against Capgemini.

The Deed Poll is set out in Annexure D.

## 1.9 Key steps to implement the Scheme

The key steps to implement the Scheme are as follows:

- Empired Shareholders will vote on whether to approve the Scheme at the Scheme Meeting. Each person registered as an Empired Shareholder as at 5:00 pm (Perth time) on 23 October 2021 is entitled to vote at the Scheme Meeting.
- If the Scheme is approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, Empired will apply to the Court for orders approving the Scheme on the Second Court Date. Any Empired Shareholder may appear at the Second Court Hearing.
- If the Court approves the Scheme, and all Conditions to the Scheme have been satisfied or waived (as applicable), Empired will lodge with ASIC an office copy of the Court orders approving the Scheme in accordance with section 411(10) of the Corporations Act and the Scheme will become Effective. Empired expects to lodge this with ASIC on 2 November 2021. Empired will, on the Scheme becoming Effective, give notice of that event to the ASX.
- It is expected that suspension of trading in Empired Shares on the ASX will occur from close of trading on the Effective Date.
- On the Implementation Date, Scheme Shareholders will receive the Scheme Consideration for every Scheme Share held on the Scheme Record Date.
- Empired will apply to the ASX for termination of official quotation of Empired Shares and to have itself removed from the official list of the ASX with effect from the close of trading on the Business Day following the Implementation Date.

Please refer to Section 7 for further details on the implementation of the Scheme, including the approvals required in order for the Scheme to be implemented.

## 1.10 Your choices as an Empired Shareholder

As an Empired Shareholder you have the following four options in relation to your Empired Shares:

(a) **Support the Scheme by voting in favour of the Scheme Resolution at the Scheme Meeting**

The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>5</sup>

The reasons for the Empired Directors' unanimous recommendation are set out in the "Reasons to vote in favour of the Scheme" Section on pages 8 to 10.

(b) **Do not support the Scheme by voting against the Scheme Resolution at the Scheme Meeting**

If, despite the Empired Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should be aware that if all of the Conditions to the Scheme are satisfied or waived (as applicable), including the Requisite Majorities of Empired Shareholders approving the Scheme, the Scheme will bind all Scheme Shareholders including those who vote against the Scheme Resolution at the Scheme Meeting and those who do not vote at all, and the Scheme will be implemented.

(c) **Sell your Empired Shares on the ASX**

You can sell your Empired Shares on the ASX at any time before the cessation of trading of Empired Shares on the ASX. If you sell your Empired Shares on the ASX you may incur brokerage or other costs. If the Scheme becomes Effective, trading in Empired Shares on the ASX is expected to cease at the close of trading on the ASX on the day on which the Scheme becomes Effective. This is expected to occur on 2 November 2021.

<sup>5</sup> You should note when considering this recommendation that Russell Baskerville (Empired's Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired's C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

(d) **Do nothing**

If, despite the Empired Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should be aware that if all of the Conditions to the Scheme are satisfied or waived (as applicable), including the Requisite Majorities of Empired Shareholders approving the Scheme, the Scheme will bind all Scheme Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting and those who do not vote at all, and the Scheme will be implemented.

**If you want to receive the Scheme Consideration, your vote is important.**

If the Scheme is not approved by the Requisite Majorities of Empired Shareholders you will not receive the Scheme Consideration.

## 1.11 Treatment of Empired Performance Rights

Empired operates (and has operated in the past) employee incentive plans involving the issue, vesting and exercise of Empired Performance Rights.

The LTIP was approved by Empired Shareholders at its annual general meeting on 28 November 2018. Empired Performance Rights have been issued under the LTIP. Under the LTIP and the associated terms and conditions:

- Empired Performance Rights give its holder the right to be issued one Empired Share for each Empired Performance Right held dependent upon the company achieving specified performance measures as provided in the terms of the offer and up to 1.5 Empired Shares should stretch performance measures be achieved as detailed in the terms of the offer, for nil monetary consideration; and
- where Empired Shareholders approve a scheme of arrangement relating to Empired or an arrangement proposed for the purposes of a scheme for the amalgamation with any other company, Empired Performance Rights will automatically vest and convert into Empired Shares and the Empired Board may, in its absolute discretion, apply a conversion ratio such that each Empired Performance Right converts into 1.5 Empired Shares.

Under the Scheme Implementation Agreement, by 8:00 am on the Second Court Date, Empired must put in place arrangements so that all Empired Performance Rights outstanding as at the date of the Scheme Implementation Agreement will vest (resulting in the issue of Empired Shares) before the Scheme Record Date.

As at the Last Practicable Date, Empired had 8,283,834 Empired Performance Rights on issue. Of the total Empired Performance Rights on issue, 2,182,167 have vested in accordance with their terms of issue based on the stretch performance measures having been achieved (being the FY19 Performance Rights). As a result, the holders of those vested Empired Performance Rights have the right to exercise those Performance Rights at any time and, upon exercise, those holders will be issued with 1.5 Empired Shares for each Empired Performance Right held.

Subject to Empired Shareholders approving the Scheme Resolution, all outstanding Empired Performance Rights on issue immediately following the Scheme Meeting which have not vested, or, in the case of the FY19 Performance Rights, which have not been exercised by their holders, will automatically vest and convert into Empired Shares prior to the Scheme Record Date. In such circumstances, the Empired Board has, in accordance with and as permitted under the LTIP, exercised its discretion to apply a conversion ratio such that each Empired Performance Right will entitle its holder to be issued with 1.5 Empired Shares.

The Empired Shares issued to the holders of Empired Performance Rights will therefore participate in the Scheme, such that the holders will receive the Scheme Consideration in respect of those Empired Shares.

Further details about the Empired Performance Rights are set out in Section 4.4.

Details about the Empired Performance Rights held by or on behalf of the Empired Directors are set out in Section 10.1.

### **1.12 If the Scheme is not implemented**

If the Scheme is not implemented, Empired Shareholders will retain their Empired Shares and Empired will continue to operate as a stand-alone entity listed on the ASX. Empired Shareholders will not receive the Scheme Consideration.

In such circumstances, Empired will continue to focus on its current business plan and growth strategy and Empired Shareholders will remain exposed to the risks of Empired, as discussed in Section 6. Further details on what will occur if the Scheme is not implemented are set out in Section 8.

### **1.13 Costs**

If the Scheme is implemented, the costs incurred by Empired in relation to the Scheme will effectively be met by Capgemini as the ultimate controller of Empired following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, Empired will need to pay its own transaction costs, which are a sunk cost.

### **1.14 Australian taxation implications**

If the Scheme is implemented, there will be tax consequences for Scheme Shareholders, which may include tax being payable on any gain on disposal of Scheme Shares. Please refer to Section 9 for further details about the general Australian tax consequences for both Australian and foreign tax resident Scheme Shareholders. That Section is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Empired Shareholder.

### **1.15 No brokerage or stamp duty**

No brokerage or stamp duty will be payable by Scheme Shareholders on the transfer of their Scheme Shares as a result of the Scheme.

### **1.16 Further information for Empired Shareholders**

If you have any questions about this Scheme Booklet or the Scheme you should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

## 2. Frequently asked questions

This Scheme Booklet contains detailed information regarding the Scheme. This Section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Scheme Booklet. It is not intended to address all relevant issues for Empired Shareholders. This Section should be read together with the other parts of this Scheme Booklet.

Question	Answer
<b>Overview of the Scheme</b>	
<b>Why have I received this Scheme Booklet?</b>	<p>This Scheme Booklet has been sent to you because you are an Empired Shareholder and you are being asked to vote on the Scheme.</p> <p>This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.</p>
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act between Empired and the Scheme Shareholders. The Scheme involves Capgemini acquiring 100% of Empired Shares for the Scheme Consideration. On 19 July 2021, Empired announced the Scheme to the ASX. A copy of the Scheme is set out in Annexure C.</p> <p>If the Scheme is implemented:</p> <ul style="list-style-type: none"><li>• Scheme Shareholders will receive the Scheme Consideration of \$1.35 for each Scheme Share held on the Scheme Record Date; and</li><li>• Empired will become a wholly-owned Subsidiary of Capgemini and will apply to the ASX for termination of official quotation of Empired Shares and to have itself removed from the official list of the ASX on the Business Day following the Implementation Date.</li></ul> <p>Please refer to Section 1 for a summary of the Scheme.</p>
<b>What is a “scheme of arrangement”?</b>	<p>A “scheme of arrangement” is a statutory procedure that can be used, among other things, as a means of implementing an acquisition of securities under the Corporations Act. To be implemented, a scheme of arrangement must be approved by at least 75% of the votes cast at a meeting of shareholders and by a majority in number (more than 50%) of the shareholders present and voting at that meeting (unless the Court orders otherwise), and also requires Court approval.</p>
<b>Who is entitled to participate in the Scheme?</b>	<p>You will be entitled to participate in the Scheme if you are registered as a Scheme Shareholder (holding Scheme Shares) on the Scheme Record Date.</p>
<b>What happens if the Scheme is not implemented?</b>	<p>If the Scheme is not implemented:</p> <ul style="list-style-type: none"><li>• Empired Shareholders will not receive the Scheme Consideration; and</li><li>• Empired will continue to operate as a stand-alone entity, and remain listed on the ASX.</li></ul>

## Overview of Capgemini

### Who is Capgemini?

Capgemini is an unlisted Australian proprietary company limited by shares, incorporated and registered in South Australia on 31 March 2000.

Please refer to Section 5 for further information in relation to Capgemini.

## The Scheme Consideration

### What consideration will I receive if the Scheme is implemented?

If the Scheme is implemented, you will receive the Scheme Consideration of \$1.35 for each Scheme Share you hold on the Scheme Record Date.

Fractional entitlements to a cent under the Scheme Consideration will be rounded up or down to the nearest cent (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half).

### When will I receive the Scheme Consideration?

If the Scheme becomes Effective, the Scheme Consideration will be paid on the Implementation Date, which is currently expected to occur on 16 November 2021.

If the Conditions are not satisfied or waived (as applicable), the Scheme will not be implemented and the Scheme Consideration will not be paid.

### Will I have to pay brokerage fees or stamp duty?

No brokerage or stamp duty will be payable on the disposal of your Empired Shares under the Scheme.

### How will I receive the Scheme Consideration?

Section 1.6 describes how the Scheme Consideration will be paid.

### Am I eligible to receive the Scheme Consideration?

If you hold Scheme Shares on the Scheme Record Date, you will participate in the Scheme and be paid any Scheme Consideration to which you are entitled under, and in accordance with, the terms of the Scheme.

### How is Capgemini funding the Scheme Consideration?

The maximum amount of cash payable by Capgemini in connection with the Scheme is approximately \$233,181,917.

For more information about Capgemini's funding arrangements please refer to Section 5.

### What are the tax consequences of the Scheme for me?

Please refer to Section 9 for further details about the general Australian tax consequences for both Australian and foreign tax resident Scheme Shareholders. That Section is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Empired Shareholder.

You should consult with your own tax adviser regarding the consequences of receiving the Scheme Consideration and disposing of your Empired Shares to Capgemini in accordance with the Scheme in light of current Tax Laws and your particular circumstances.

### Can I choose to receive Capgemini shares instead of cash?

No. There is no option to elect to receive shares in Capgemini instead of cash.



<b>Will I receive any further dividends from Empired?</b>	No further dividends will be paid by Empired if the Scheme is implemented.
<b>Scheme Meeting and voting</b>	
<b>When and where will the Scheme Meeting be held?</b>	<p>The Scheme Meeting will be held at 10:00 am (Perth time) on 25 October 2021.</p> <p>Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically. Empired Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting. Empired strongly encourages Empired Shareholders to consider lodging a directed proxy in the event they are not able to participate in the electronic Scheme Meeting.</p> <p>Further details of the Scheme Meeting, including how to vote, are contained in Section 3. The Notice of Scheme Meeting is contained in Annexure E.</p>
<b>What is an electronic meeting and how does it work?</b>	The Scheme Meeting will be conducted virtually via an online platform at <a href="https://web.lumiagm.com/392567307">https://web.lumiagm.com/392567307</a> , which can be accessed from desktops, laptops, mobiles and tablets. The online platform enables participants to listen to the Scheme Meeting live, view slides and ask questions online and vote on the Scheme Resolution in real time.
<b>What am I being asked to vote on at the Scheme Meeting?</b>	<p>At the Scheme Meeting, you are being asked to vote on whether to approve the Scheme by voting in favour, or against, the Scheme Resolution.</p> <p>The text of the Scheme Resolution is contained in the Notice of Scheme Meeting set out in Annexure E.</p>
<b>What vote is required to approve the Scheme?</b>	<p>For the Scheme to be approved by Empired Shareholders, votes in favour of the Scheme Resolution must be received from:</p> <ul style="list-style-type: none"> <li>• unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative); and</li> <li>• at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.</li> </ul> <p>If the Scheme is approved by Empired Shareholders at the Scheme Meeting, the Scheme will still be subject to the approval of the Court and the other Conditions being satisfied or waived (as applicable).</p>
<b>What happens if the Scheme is approved by Empired Shareholders?</b>	If the Scheme is approved by the Requisite Majorities at the Scheme Meeting, the Scheme will be implemented if the Scheme is approved by the Court and all other Conditions are satisfied or waived (as applicable).
<b>Am I entitled to vote at the Scheme Meeting?</b>	The time for determining eligibility of registered Empired Shareholders to vote at the Scheme Meeting is 5:00 pm (Perth time) on 23 October 2021. Only those Empired Shareholders

	entered on the Empired Share Register at that time will be entitled to attend and vote at the Scheme Meeting.
<b>How do I vote?</b>	Please refer to Section 3 for detailed information on how to vote on the Scheme Resolution.
<b>Should I vote at the Scheme Meeting?</b>	<p>Voting is not compulsory. However, the Empired Directors believe that the Scheme is important to all Empired Shareholders.</p> <p>The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>6</sup></p>
<b>What happens if I do not vote, or I vote against the Scheme?</b>	<p>The Scheme may not be approved at the Scheme Meeting by the Requisite Majorities of Empired Shareholders. If this occurs, the Scheme will not be implemented, you will not receive the Scheme Consideration and you will remain an Empired Shareholder.</p> <p>However, if you do not vote or if you vote against the Scheme, the Scheme will still become binding on all Scheme Shareholders if the Scheme is approved by the Requisite Majorities of Empired Shareholders, the Court approves the Scheme and all other Conditions are satisfied or waived (as applicable).</p> <p>This is so even if you did not vote at all or if you voted against the Scheme Resolution.</p>
<b>What happens if the Scheme Resolution is not approved at the Scheme Meeting?</b>	<p>In order for the Scheme to be implemented, the Scheme must be approved by Empired Shareholders.</p> <p>If the Scheme is not approved at the Scheme Meeting, the Scheme will not be implemented.</p> <p>If the Scheme is not implemented, Empired Shareholders will retain their Empired Shares, Empired will continue to operate as a stand-alone entity listed on the ASX and Empired Shareholders will not receive the Scheme Consideration.</p> <p>In such circumstances, Empired will continue to focus on its current business plan and growth strategy. Empired</p>

<sup>6</sup> You should note when considering this recommendation that Russell Baskerville (Empired's Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired's C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

	<p>Shareholders will remain exposed to the risks of Empired, as discussed in Section 6.</p> <p>If the Scheme is not implemented and if no Superior Proposal emerges, the trading price of Empired Shares is likely to fall in the near-term.</p>
<b>When will the results of the Scheme Meeting be available?</b>	The results of the Scheme Meeting will be declared at the Scheme Meeting and will be announced publicly shortly after the conclusion of the Scheme Meeting.
<b>Are any other approvals required?</b>	<p>For the Scheme to be implemented, the Scheme must be approved by the Court, and all other Conditions must be satisfied or waived (as applicable).</p> <p>If the Scheme is approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, Empired will apply to the Court for approval of the Scheme.</p> <p>The Court hearing for approval of the Scheme is expected to be held on 1 November 2021.</p>
<b>Voting considerations</b>	
<b>Who are the Empired Directors and what do they recommend?</b>	<p>The Empired Directors are:</p> <ul style="list-style-type: none"> <li>• Thomas Stianos;</li> <li>• John Bardwell;</li> <li>• Richard Bevan;</li> <li>• Cristiano Nicolli; and</li> <li>• Russell Baskerville.</li> </ul> <p>The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.</p>
<b>How do your Empired Directors intend to vote?</b>	<p>Each Empired Director intends to cause any Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.</p> <p>As at the date of this Scheme Booklet, each Empired Director has a Relevant Interest in the following number of Empired Shares:</p> <ul style="list-style-type: none"> <li>• Thomas Stianos: 243,200 (0.15%);</li> <li>• John Bardwell: 4,300,000 (2.68%);</li> <li>• Richard Bevan: 79,800 (0.05%);</li> <li>• Cristiano Nicolli: 373,500 (0.23%); and</li> <li>• Russell Baskerville: 9,259,383 (5.78%).</li> </ul> <p>Please refer to Section 10 for further details of the interests of the Empired Directors.</p>
<b>What is the Independent Expert's conclusion?</b>	The Independent Expert has concluded the Scheme is fair and reasonable and in the best interests of Empired Shareholders in the absence of a superior proposal.

	<p>A copy of the Independent Expert's Report, including the reasons for the Independent Expert's conclusion, is set out in Annexure B.</p> <p>The Empired Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme Resolution.</p>
<b>What if the Independent Expert changes its opinion?</b>	If the Independent Expert changes its opinion, this will be announced to the ASX and the Empired Directors will carefully consider the Independent Expert's revised opinion and advise you of their recommendation.
<b>What are the reasons to vote in favour of the Scheme?</b>	The reasons to vote in favour of the Scheme Resolution are set out in the "Reasons to vote in favour of the Scheme" Section on pages 8 to 10.
<b>What are the possible reasons not to vote in favour of the Scheme?</b>	The possible reasons not to vote in favour of the Scheme Resolution are set out in the "Reasons to vote against the Scheme" Section on pages 11 to 12.
<b>Conditions and implementation of the Scheme</b>	
<b>Is the Scheme subject to any Conditions?</b>	<p>The implementation of the Scheme is subject to a number of conditions. The Conditions are summarised in Annexure A.</p> <p>As at the date of this Scheme Booklet, the outstanding Conditions (which must be satisfied or waived, as applicable) include:</p> <ul style="list-style-type: none"> <li>• the Scheme being approved at the Scheme Meeting;</li> <li>• the Scheme being approved by the Court at the Second Court Hearing;</li> <li>• the Change of Control Contracts Condition being satisfied;</li> <li>• no Material Adverse Change occurring;</li> <li>• no Prescribed Occurrence occurring;</li> <li>• the Employee Retention Condition and the Key Employee Retention Condition each being satisfied; and</li> <li>• the Net Debt Condition being satisfied.</li> </ul>
<b>When will the Scheme become Effective?</b>	The Scheme will become Effective on the date on which the Court order approving the Scheme is lodged with ASIC. The Scheme is currently expected to become Effective on 2 November 2021.
<b>When will the Scheme be implemented?</b>	If the Scheme becomes Effective, the Scheme will be implemented on the Implementation Date (being the fifth Business Day after the Scheme Record Date), which is currently expected to be 16 November 2021.
<b>What happens if the Scheme is approved at the Scheme Meeting, but is not approved by the Court?</b>	<p>If the Scheme is approved at the Scheme Meeting but is not approved by the Court, the Scheme will not be implemented.</p> <p>This means that Empired Shareholders will retain their Empired Shares, Empired will continue to operate as a stand-alone entity listed on the ASX and Empired Shareholders will not receive the Scheme Consideration.</p> <p>In such circumstances, Empired will continue to focus on its current business plan and growth strategy. Empired</p>

	<p>Shareholders will remain exposed to the risks of Empired, as discussed in Section 6.</p> <p>If the Scheme is not implemented and if no Superior Proposal emerges, the trading price of Empired Shares is likely to fall in the near-term.</p>
<b>Other</b>	
<b>Can I keep my Empired Shares?</b>	<p>If the Scheme is implemented, your Empired Shares will be transferred to Capgemini. This will happen even if you did not vote at all or if you voted against the Scheme Resolution at the Scheme Meeting.</p>
<b>Can I sell my Empired Shares now?</b>	<p>You can sell your Empired Shares on market at any time before close of trading on the ASX on the Effective Date. However, if you do so you will receive the prevailing on-market price set at the time of sale, which may not be the same price as the Scheme Consideration, and you may be required to pay brokerage.</p> <p>Empired intends to apply to the ASX for Empired Shares to be suspended from official quotation on the ASX from close of trading on the Effective Date. You will not be able to sell your Empired Shares on market after this time.</p>
<b>What choices do I have as an Empired Shareholder?</b>	<p>As an Empired Shareholder you have the following choices:</p> <ul style="list-style-type: none"> <li>• support the Scheme by voting in favour of the Scheme Resolution at the Scheme Meeting;</li> <li>• not support the Scheme by voting against the Scheme Resolution at the Scheme Meeting;</li> <li>• sell your Empired Shares on the ASX; or</li> <li>• do nothing.</li> </ul>
<b>What do I do if I oppose the Scheme?</b>	<p>If you, as an Empired Shareholder, oppose the Scheme, you should:</p> <ul style="list-style-type: none"> <li>• contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date;</li> <li>• attend the Scheme Meeting and vote against the Scheme Resolution; and/or</li> <li>• if Empired Shareholders approve the Scheme at the Scheme Meeting and you wish to appear at the Second Court Hearing and oppose the approval of the Scheme, file with the Court and serve on Empired a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. Please refer to the “Important notices” section for further details under the heading “Notice of Second Court Hearing and if an Empired Shareholder wishes to oppose the Scheme” on page iv.</li> </ul>
<b>When will Empired Shares cease trading on the ASX?</b>	<p>Provided the Scheme becomes Effective, suspension of trading in Empired Shares on the ASX is expected to occur from close of trading on the Effective Date. This is currently expected to occur on 2 November 2021.</p>

<b>What are the potential risks associated with Empired if the Scheme is not implemented?</b>	If the Scheme is not implemented, the risks outlined in Section 6 will continue to be relevant to the future operating and financial performance of Empired and the value of Empired Shares.
<b>Do I need to sign anything to transfer my Scheme Shares?</b>	No. If the Scheme becomes Effective, Empired will automatically have authority to sign a transfer on your behalf, and the Scheme Consideration will be transferred to you.
<b>Am I required to give any assurances by participating in the Scheme?</b>	<p>Under the Scheme, you are deemed to have warranted to Capgemini that:</p> <ul style="list-style-type: none"> <li>• all your Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of transfer of them to Capgemini, be fully paid and free from all Security Interests and from any restrictions on transfer of any kind; and</li> <li>• you have full power and capacity to sell and to transfer your Empired Shares together with any rights and entitlements attaching to such shares to Capgemini under the Scheme.</li> </ul> <p>Please refer to Section 7.2 for further information on this warranty.</p>
<b>What will happen to the Empired Performance Rights?</b>	<p>As contemplated by the Scheme Implementation Agreement, by 8:00 am on the Second Court Date, Empired must ensure that arrangements are in place so that there will be no outstanding Empired Performance Rights on the Scheme Record Date (and no person has any residual entitlement to Empired Shares or Empired Options or any other consideration under or arising from certain of the Empired Performance Rights).</p> <p>Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights.</p>
<b>Under what scenarios can Empired or Capgemini terminate the Transaction?</b>	The Transaction can be terminated by Empired or Capgemini in certain circumstances, which are summarised in Annexure A and set out in full in clause 15 of the Scheme Implementation Agreement.
<b>Is there a reimbursement fee payable by Empired?</b>	Yes, a reimbursement fee of \$2,333,844 is payable by Empired to Capgemini in certain circumstances, which are summarised in Annexure A and set out in full in clause 11 of the Scheme Implementation Agreement.
<b>Is there a reimbursement fee payable by Capgemini?</b>	Yes, a reimbursement fee of \$2,333,844 is payable by Capgemini to Empired in certain circumstances, which are summarised in Annexure A and set out in full in clause 11 of the Scheme Implementation Agreement.
<b>What happens if Empired is approached in relation to a Competing Proposal?</b>	<p>If Empired is approached in relation to a Competing Proposal, the Empired Directors will carefully consider the proposal having regard to Empired's obligations under the Scheme Implementation Agreement and advise Empired Shareholders of their recommendation.</p> <p>Empired is required to notify Capgemini of any approach in connection with a Competing Proposal in accordance with the Scheme Implementation Agreement.</p>

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<b>What happens if a Superior Proposal emerges?</b>	<p>If a Superior Proposal emerges, this will be announced to the ASX and the Empired Directors will carefully reconsider the Scheme and advise Empired Shareholders of their recommendation.</p> <p>Under the Scheme Implementation Agreement, Empired has granted Capgemini notification and matching rights, which are summarised in Annexure A and set out in full in clauses 10.5 and 10.6 of the Scheme Implementation Agreement.</p>
<b>What is a Superior Proposal?</b>	<p>Under the terms of the Scheme Implementation Agreement, a Superior Proposal is a bona fide Competing Proposal (other than an acquisition of a Relevant Interest of more than 20% of Empired Shares or shares in Intergen) which the Empired Board, acting in good faith and after receiving written legal advice from external legal advisers and written financial advice from external financial advisers, considers:</p> <ul style="list-style-type: none"><li>• to be reasonably capable of being completed in a reasonable timeframe; and</li><li>• that would, if completed substantially in accordance with its terms, be more favourable to Empired Shareholders than the Scheme (and, if applicable, that the Transaction as amended or varied following application of the matching right set out in clause 10.6 of the Scheme Implementation Agreement),</li></ul> <p>in each case taking into account all aspects of the Competing Proposal, the price and financial value of the Competing Proposal, timing considerations and any other matters relevant to the Competing Proposal being contemplated.</p>
<b>What are the prospects of receiving a Superior Proposal?</b>	<p>Since the initial announcement of the Scheme on 19 July 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the Empired Directors are not aware of any Superior Proposal that is likely to emerge.</p> <p>Empired Shareholders should be aware that Empired has agreed to certain exclusivity and reimbursement fee provisions in favour of Capgemini, which are summarised in Annexure A and contained in clauses 10 and 11 of the Scheme Implementation Agreement.</p>
<b>What if I have other questions?</b>	<p>If you have any questions about this Scheme Booklet or the Scheme you should contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.</p> <p>For information about your individual financial or taxation consequences, please consult your independent financial, legal or taxation adviser.</p>

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## **3. How to vote**

### **3.1 Scheme Meeting**

The Scheme Meeting to approve the Scheme is scheduled to be held through an online platform at <https://web.lumiagm.com/392567307> on 25 October 2021 at 10:00 am (Perth time).

Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically. Accordingly, Empired Shareholders will not be able to physically attend the Scheme Meeting.

Empired Shareholders and their proxies, attorneys or corporate representatives will instead be able to participate online from their computer or mobile devices, by entering the URL in their browser: <https://web.lumiagm.com/392567307>.

Further information about attending the Scheme Meeting online can be found in the Notice of Scheme Meeting in Annexure E.

**If the Scheme is not approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, the Scheme will not be implemented.**

For the Scheme to be approved by the Requisite Majorities of Empired Shareholders, votes in favour of the Scheme Resolution must be received from:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.

Details regarding the Scheme Meeting are contained in the Notice of Scheme Meeting set out in Annexure E to this Scheme Booklet.

### **3.2 Entitlement to vote**

If you are registered as an Empired Shareholder as at 5:00 pm (Perth time) on 23 October 2021, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting.

### **3.3 Joint holders**

In the case of Empired Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Empired Shareholder votes in respect of jointly held Empired Shares, the vote of the Empired Shareholder whose name appears first on the Empired Share Register counts.

### **3.4 How to vote**

Empired Shareholders can vote at the Scheme Meeting by doing one of the following:

- (a) **Vote electronically**

You can vote by attending the Scheme Meeting online.



(b) **Vote by proxy**

You can appoint a proxy for the Scheme Meeting to attend the Scheme Meeting online via the online platform and vote on your behalf, such an appointment to be made either:

(i) **Online:**

Empired Shareholders who have elected to receive notices of meeting electronically will receive an email with a personalised link to the Computershare website at [www.investorvote.com.au](http://www.investorvote.com.au) which can be used to appoint a proxy online by following the instructions on that website.

You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

The online proxy appointment must be received by Empired by no later than 10:00 am (Perth time) on 23 October 2021 to be effective. A proxy cannot be appointed using the online system if they are appointed under a power of attorney or similar authority.

(ii) **Hard Copy:**

Empired Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form.

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed unless already provided) must be received by Empired or the Share Registry, Computershare Investor Services Pty Limited, by no later than 10:00 am (Perth time) on 23 October 2021 to be effective.

Empired Shareholders who receive a hard copy Proxy Form may appoint a proxy by returning the Proxy Form to Empired or the Share Registry, Computershare Investor Services Pty Limited, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

**Mail to:** Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne  
Victoria 3001  
AUSTRALIA

**Fax to:** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside of Australia)

**Online:** [www.investorvote.com.au](http://www.investorvote.com.au)

You will need your SRN or HIN, the allocated control number and PIN as shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge your proxy in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

**Mobile Device:** Scan the QR code on your Proxy Form and follow the prompts. You will need your SRN or HIN, the allocated control number and PIN as shown on your Proxy Form.

**Custodians:** For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

If:

- (i) an Empired Shareholder nominates the chairperson of the Scheme Meeting as the Empired Shareholder's proxy; or
- (ii) a proxy appointment is signed by an Empired Shareholder but does not name the proxy or proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the chairperson of the Scheme Meeting will act as proxy under the appointment.

Proxy appointments in favour of the chairperson of the Scheme Meeting which do not contain a direction will be voted in favour of the Scheme Resolution to be considered and voted on at the Scheme Meeting.

An Empired Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The Empired Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Empired Shareholder on any ballot that may be called for, and if the Empired Shareholder specifies a choice with respect to any matter to be acted upon, the Empired Shares will be voted accordingly.

An Empired Shareholder who has deposited a Proxy Form may revoke it prior to its use by giving written notice to Empired at least 48 hours before the commencement of the Scheme Meeting. An Empired Shareholder may also revoke a proxy in any other manner permitted by law.

(c) **Vote by corporate representative (if you are a corporate Empired Shareholder)**

You can vote by corporate representative at the Scheme Meeting if you are an Empired Shareholder or proxy which is a body corporate. Any such Empired Shareholder may appoint an individual to act as its representative at the Scheme Meeting and exercise any of the powers the body corporate may exercise at the Scheme Meeting. The appointment must comply with section 250D of the Corporations Act. If a representative of an Empired Shareholder or proxy, which is a body corporate is to participate in the meeting, you will need to provide the appropriate "Appointment of Corporate Representative" to Empired's Share Registry or Empired. A form may be obtained from Computershare or online at [www.investorcentre.com.au](http://www.investorcentre.com.au) under "Printable Forms".

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Empired Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A corporation may appoint an individual as a representative to exercise its powers as an Empired Shareholder or as an Empired Shareholder's proxy.

Empired Shareholders who wish to appoint a corporate representative for the Scheme Meeting should, if they have not already presented an appropriate appointment, deliver to Empired's Share Registry or Empired an original or certified copy of the appointment by no later than 10:00 am (Perth time) on 23 October 2021.

(d) **Vote by attorney**

You can vote by attorney at the Scheme Meeting. If you wish to do so, you must deliver to the Share Registry the instrument appointing the attorney or a certified copy of it by 10:00 am (Perth time) on 23 October 2021 (if you have not already done so in the past).

Any power of attorney granted by an Empired Shareholder will, as between Empired and that Empired Shareholder, continue in force and may be acted on, unless written notice of its revocation has been received by Empired at least 48 hours before the commencement of the Scheme Meeting.

You will be counted as being present at the Scheme Meeting if you vote in any of the ways outlined above.

The Notice of Scheme Meeting is set out in Annexure E.

### **3.5 How to ask questions**

Empired Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their question to [company.secretary@empired.com](mailto:company.secretary@empired.com) prior to 10:00 am (Perth time) on 23 October 2021.

Alternatively, Empired Shareholders can submit questions when attending the Scheme Meeting online via the Lumi platform.

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## 4. Information on Empired

### 4.1 Introduction to Empired

Empired is a digital services provider with a broad range of capabilities targeted at delivering enterprise digital solutions that improve efficiency, productivity and competitive advantage for its clients. Empired's clients are medium to large corporate and government organisations within key industries including Energy and Natural Resources, State and Federal Government, Finance and Insurance, Utilities and Transport.

Empired was incorporated on 30 November 1999 and listed on the ASX on 19 October 2007.

Empired offers a broad range of services from managed services to digital transformation. With a team of over 1,000 people located throughout Australia, New Zealand and North America, Empired has built a reputation for service excellence.

Empired's service offerings are supported by its longstanding commitment to leading Microsoft technologies and its close partnership with Microsoft Corporation itself. Empired was recently awarded membership to Microsoft's "Business Applications Inner Circle" for the fourth consecutive year. This membership allows Empired to communicate directly with senior leaders and executives of Microsoft, and in turn gives Empired the ability to share the latest insights with its customers.

Further information on Empired can be obtained from Empired's website at <https://www.empired.com>.

### 4.2 Overview of operations

#### (a) Nature of operations

Empired's principal activities focus on the provision of IT solutions, products and licensing. Empired services medium to large corporate and government organisations across a range of industries through the delivery of strategic consulting services.

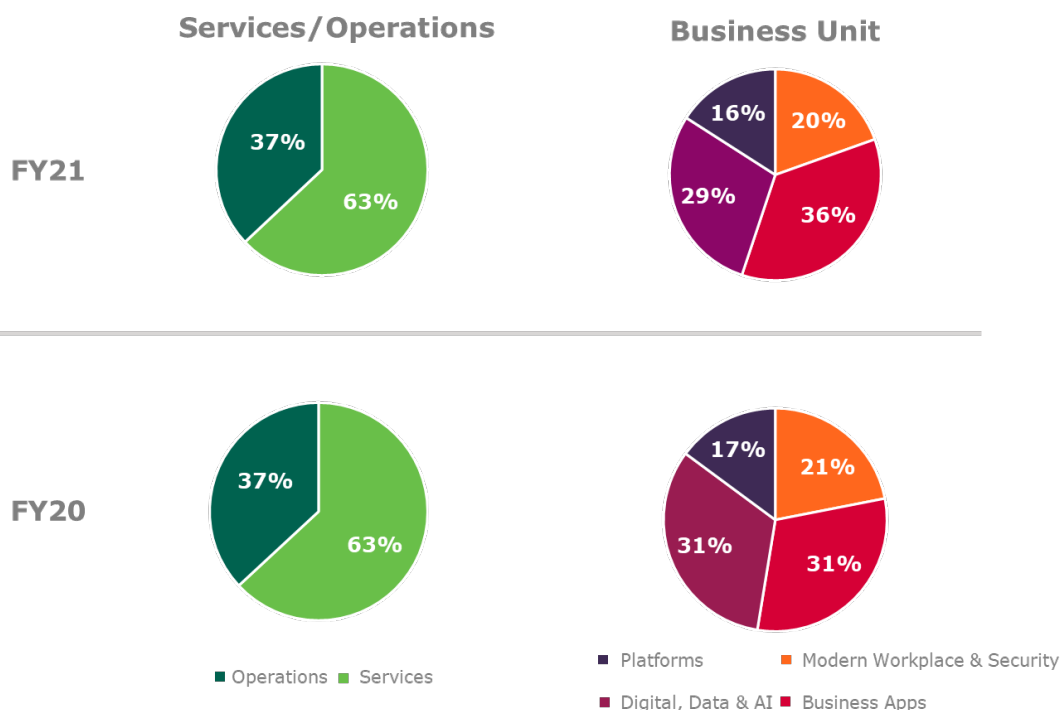
These services are provided through four dedicated operational business units:

- **Modern Workplace & Security:** addressing the needs of Empired's clients for secure hybrid working and secure cloud adoption.
- **Digital & Data:** assisting Empired's clients to make effective data driven decisions.
- **Business Applications:** assisting Empired's clients to effectively manage their business operations.
- **Platforms:** running and maintaining the on-premise and cloud infrastructure and applications required by clients of Empired.

Through these operational business units, Empired provides "Digital Transformation" services designed to modernise a client's technology platforms, and "Digital Operations" designed to run and maintain a client's technology platforms.

The below diagram shows Empired's revenue profile across its service offerings for the financial years ended 30 June 2020 and 30 June 2021 respectively.

## Revenue Breakdown



### (b) Locations of operations

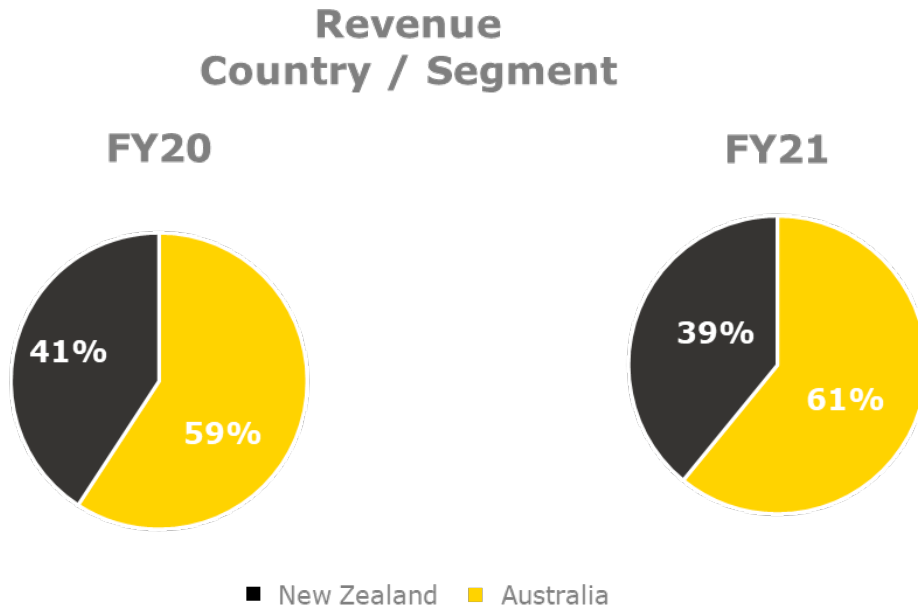
Empired operates its business in two segments, being Australia and New Zealand (the latter also overseeing its North American operations).

Since Empired's incorporation, its operations have expanded from Western Australia to the east coast of Australia and subsequently throughout New Zealand. This geographic expansion has been driven by partnerships, acquisitions and securing a number of important contracts with key clients.

The following timeline sets out key acquisitions that have underpinned Empired's geographic expansion:

- **2012** – Empired acquired Conducive Pty Ltd, expanding its presence in Western Australia and introduced Application consulting services to its services offerings.
- **2013** – Empired acquired OBS Pty Ltd, which allowed it to expand its operations into Victoria, New South Wales, South Australia and Queensland and strengthened Empired's partnership with Microsoft.
- **2014** – From the acquisition of eSavvy Pty Ltd, Empired expanded its presence in New South Wales and established its Microsoft Business Applications practice.
- **2014** – Empired acquired Interger, which expanded its presence across New Zealand including operations in Wellington, Auckland, Christchurch and Dunedin. The acquisition of Interger was a key pillar in Empired's strategy to materially enhance its Microsoft consulting capabilities.

The below charts show Empired's revenue by segment for the financial years ended 30 June 2020 and 30 June 2021 respectively.



(c) **Key Industries**

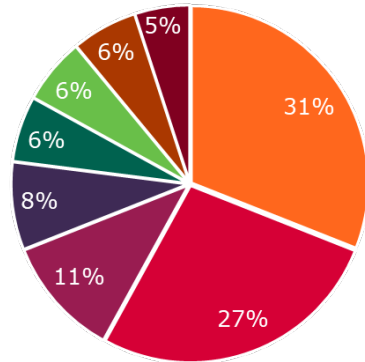
Empired has a proven track record with broad industry experience across the following industries:

- **Public Sector:** Empired assists public sector agencies by providing innovative advice to digitally transform and connect across everything they do. This creates trusted citizen experiences, streamlining services and encouraging its people with the best and most advanced technology.
- **Financial Services and Insurance:** Empired delivers secure and trusted modern data and digital experience platforms to help financial services and insurance organisations to stand out and innovate, which drives deeper customer and employee engagement.
- **Resources:** Empired's team of industry experts in the resources sector helps to bring a depth of experience and intellectual property that is designed to optimise operations, increase output and productivity, achieve cost efficiencies and ensure the highest level of safety is maintained.
- **Utilities:** Empired provides reliable, trusted transformation solutions and managed services that allow utilities organisations with the objective of providing the highest levels of reliability, safety and service to their customers.

The below diagram shows the distribution of Empired's revenue by industry for the financial year ended 30 June 2021.

**Revenue/Industry**

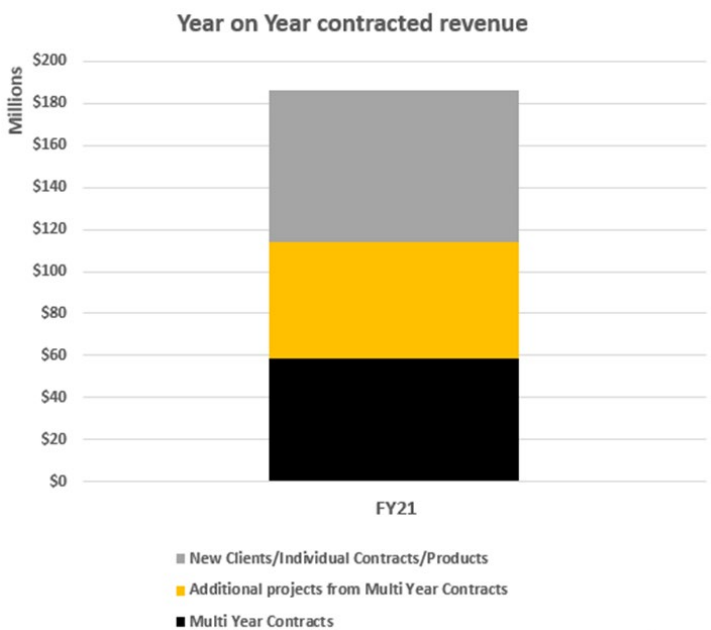
- Energy & Natural Resources (31%)
- Government(27%)
- Health & Education (11%)
- Other(8%)
- Wholesale & Retail Trade (6%)
- ICT (6%)
- Manufacturing & transport (6%)
- Finance & Insurance (5%)



**(d) Multi-Year and Recurring Revenue Contracts**

A key strategy to improve revenue predictability, sustainability and Empired’s long term growth prospects has been to focus on developing revenue generated from multi-year contracts with a particular focus on continuous enhancement or maintenance style revenues.

The below graph shows the revenue generated by engagement type. Of Empired’s revenue for the financial year ended 30 June 2021, 61% was generated from multi-year contracts and additional projects from multi-year projects.



## 4.3 Empired Board and senior management

### (a) Empired Board

As at the date of this Scheme Booklet, the Empired Board comprises:

Name	Position
Thomas Stianos	Non-Executive Chairman
John Bardwell	Non-Executive Director
Richard Bevan	Non-Executive Director
Cristiano Nicolli	Non-Executive Director
Russell Baskerville	Managing Director

### (b) Key management personnel

As at the date of this Scheme Booklet, the key management personnel of Empired comprises:

Name	Position
Russell Baskerville	Managing Director and Chief Executive Officer
David Hinton	Chief Financial Officer and Company Secretary
Simon Bright	Chief Operating Officer

## 4.4 Empired's securities and capital structure

### (a) Empired Shares on issue

As at the Last Practicable Date, Empired had 160,301,595 Empired Shares on issue.

### (b) Empired Performance Rights on issue

As at the Last Practicable Date, Empired had 8,283,834 unlisted Empired Performance Rights on issue. Each Empired Performance Right gives its holder the right to be issued one Empired Share dependent upon Empired achieving specified performance measures as provided in the terms of the offer and up to 1.5 Empired Shares should stretch performance measures be achieved as detailed in the terms of the offer.

Of the total Empired Performance Rights on issue, 2,182,167 have vested in accordance with their terms of issue based on the stretch performance measures having been achieved (being the FY19 Performance Rights). As a result, the holders of those vested Empired Performance Rights have the right to exercise those Performance Rights at any time and, upon exercise, those holders will be issued with 1.5 Empired Shares for each Empired Performance Right held.

Under the LTIP, in the event of a change of control then the Empired Board has the discretion to apply a conversion ratio entitling a holder to be issued up to 1.5 Empired Shares for every Performance Right held. Subject to Empired Shareholders approving the Scheme Resolution, all outstanding Empired Performance Rights on issue immediately following the Scheme Meeting which have not vested, or, in the case of the FY19 Performance Rights, which have not been exercised by their holders, will automatically vest and convert into Empired Shares prior to the Scheme Record Date. In such circumstances, the Empired Board has, in accordance with and as permitted under the LTIP, exercised its discretion to apply a conversion ratio such that each Empired Performance Right will entitle its holder to be issued with 1.5 Empired Shares.



Additional details regarding the treatment of Empired Performance Rights if the Scheme is implemented are set out in Section 1.11. Details about the Empired Performance Rights held by or on behalf of the Empired Directors are set out in Section 10.1.

(c) **Substantial shareholders**

As at the Last Practicable Date, Empired had received notifications from the following substantial shareholders in accordance with section 671B of the Corporations Act:

Name	Number of Empired Shares	Percentage of total issued Empired Shares
Microequities Asset Management Pty Ltd	15,476,508	9.65%
TIGA Trading Pty Ltd	24,803,548	15.51%
National Nominees Ltd as Custodian for Australian Ethical Investment Limited	14,666,710	9.15%
Russell Graeme Baskerville / Baskerville Investments Pty Limited <sup>7</sup>	7,450,059	6.78%
Samson Rock Capital LLP	9,062,179	6.65%

#### 4.5 Recent Empired share price performance

Empired Shares are listed on the ASX under the trading symbol “EPD”.

The closing price of Empired Shares on the ASX on 16 July 2021 (i.e. the last trading day prior to the announcement of the Scheme) was \$0.82. The closing price of Empired Shares on the ASX on the Last Practicable Date was \$1.33.

During the three months ending on the Last Practicable Date:

- (a) the highest recorded daily closing price of Empired Shares was \$1.335 on 8 September 2021; and
- (b) the lowest recorded daily closing price of Empired Shares on the ASX was \$0.78 on 14 July 2021.

The chart below shows Empired’s share price performance over the 24 months to the Last Practicable Date.

<sup>7</sup> Please note this figure regarding Mr Baskerville’s substantial holding reflects the number of Empired Shares held by him as at the last notification that Empired received from Mr Baskerville as a substantial shareholder in accordance with the Corporations Act (as disclosed in ASIC Form 604 “Notice of change of interests of substantial holder” dated 22 September 2014). As at the date of this Scheme Booklet, Mr Baskerville has a Relevant Interest in 9,259,383 Empired Shares (5.78%). Please refer to Sections 2 and 10.1(a) for further information.



**Source:** IRESS as at 16 September 2021

The current price of Empired Shares on the ASX can be obtained from the ASX's website at <http://www.asx.com.au>.

## 4.6 Financial information

This Section contains financial information relating to Empired for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019. The full year financial statements from which the information has been extracted were audited by Grant Thornton Audit Pty Ltd.

The financial information in this Section is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

Further detail about Empired's financial performance can be found in the financial statements for the full year ended 30 June 2021, which was announced to the ASX on 17 August 2021 and which can be found on Empired's website at <https://www.empired.com>.

### (a) Basis of preparation

The historical financial information of Empired presented is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

Consequently, Empired considers that, for the purposes of this Scheme Booklet, the historical financial information presented is more meaningful to Empired Shareholders. The historical financial information of Empired has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a stand-alone basis and accordingly does not reflect any impact of the Scheme.

### (b) Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019.

	FY 2021 \$'000	FY 2020 \$'000	FY 2019 \$'000
Revenue from contracts with customers	186,133	165,549	176,014
Other income	4,885	4,185	-
Cost of licenses	(14,395)	(14,290)	(14,678)
Employee benefits	(136,951)	(125,122)	(128,380)
Depreciation and amortisation expense	(9,041)	(8,503)	(8,464)

Occupancy expenses	(671)	(541)	(5,821)
Impairment expenses	-	-	(25,353)
Other expenses	(13,364)	(10,770)	(13,334)
<b>Operating profit / (loss)</b>	<b>16,597</b>	<b>10,509</b>	<b>(20,016)</b>
Finance costs	(1,219)	(1,524)	(1,395)
Finance income	3	14	60
Profit before income tax	15,381	8,999	(21,351)
Income tax expense	(4,847)	(2,853)	6,039
<b>Profit / (loss) for the year</b>	<b>10,534</b>	<b>6,146</b>	<b>(15,312)</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(62)	(136)	486
<b>Total comprehensive income / (loss) for the year</b>	<b>10,472</b>	<b>6,010</b>	<b>(14,826)</b>

(c) **Consolidated Statement of Financial Position**

The following table presents the historical consolidated statement of financial position as at 30 June 2021, 30 June 2020 and 30 June 2019.

	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	11,901	6,317	5,552
Trade and other receivables	21,718	21,600	22,986
Contract assets	11,493	8,525	12,137
Other current assets	2,181	2,497	2,273
<b>Total current assets</b>	<b>47,292</b>	<b>38,939</b>	<b>42,948</b>
<b>Non-current assets</b>			
Plant and equipment	5,260	5,177	6,236
Intangible assets	58,075	56,101	51,540
Deferred tax asset	3,742	5,651	8,160
Right of use assets	13,685	17,872	-
<b>Total non-current assets</b>	<b>80,761</b>	<b>84,801</b>	<b>65,936</b>
<b>TOTAL ASSETS</b>	<b>128,053</b>	<b>123,740</b>	<b>108,884</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16,589	14,884	16,685
Income tax payable	2,640	310	36
Borrowings	4,624	1,855	2,033
Lease liabilities	5,790	5,371	377
Provisions	8,334	7,315	5,925
Contract liabilities	1,451	1,690	2,158
<b>Total current liabilities</b>	<b>39,428</b>	<b>31,424</b>	<b>27,214</b>
<b>Non-current liabilities</b>			
Borrowings	-	8,637	17,413

Lease liabilities	10,665	14,569	-
Provisions	943	830	2,335
<b>Total non-current liabilities</b>	<b>11,608</b>	<b>24,035</b>	<b>19,748</b>
<b>TOTAL LIABILITIES</b>	<b>51,036</b>	<b>55,459</b>	<b>46,962</b>
<b>NET ASSETS</b>	<b>77,017</b>	<b>68,280</b>	<b>61,922</b>
<b>EQUITY</b>			
Issued capital	54,147	54,147	54,205
Reserves	4,304	3,696	3,425
Retained profits	18,566	10,437	4,291
<b>TOTAL EQUITY</b>	<b>77,017</b>	<b>68,280</b>	<b>61,921</b>

(d) **Consolidated Statement of Cash Flows**

The following table presents the historical consolidated statement of cash flows for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019.

	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	200,692	190,569	197,639
Payments to suppliers and employees	(180,841)	(169,860)	(188,289)
Government subsidy received	6,218	2,732	-
Income tax (paid)/received	(564)	371	(854)
<b>Net cash flows from operating activities</b>	<b>25,505</b>	<b>23,811</b>	<b>8,496</b>
<b>Cash flows from investing activities</b>			
Purchase of intangibles	(4,513)	(5,907)	(9,948)
Purchase of plant and equipment	(1,496)	(570)	(794)
Lease incentive received for fit-out	565	-	-
<b>Net cash flows used in investing activities</b>	<b>(5,444)</b>	<b>(6,476)</b>	<b>(10,742)</b>
<b>Cash flows from financing activities</b>			
Buyback of shares	-	(58)	-
Dividends paid	(2,405)	-	-
Interest on bank borrowings	(522)	(758)	(1,397)
Interest on leases	(693)	(756)	-
Interest received	-	3	60
Repayment of borrowings	(17,278)	(24,542)	(8,780)
Repayment of lease liabilities	(4,859)	(6,274)	(718)
Proceeds from borrowings	11,410	15,561	5,261
<b>Net cash flows used in financing activities</b>	<b>(14,347)</b>	<b>(16,823)</b>	<b>(5,574)</b>
Net increase in cash and cash equivalents	5,714	512	(7,821)
Effect of exchange rate fluctuations on cash held	(130)	253	8
Cash and cash equivalents at beginning of period	6,317	5,552	13,365
<b>Cash and cash equivalents at end of period</b>	<b>11,901</b>	<b>6,317</b>	<b>5,552</b>

#### **4.7 No material changes in Empired's financial position**

To the knowledge of the Empired Directors, other than expenditure in the ordinary course of business and as otherwise disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Empired, the financial position of Empired has not changed materially since 30 June 2021, being the date of the last balance sheet prepared in accordance with the Corporations Act before this Scheme Booklet was sent to Empired Shareholders.

#### **4.8 Intention regarding the continuation of Empired's business**

The Corporations Regulations require a statement by the Empired Directors of their intentions regarding Empired's business. If the Scheme is implemented, the current Empired Directors will resign and a reconstituted board will be determined by Capgemini. It is for the reconstituted Empired Board to determine its intentions as to:

- (a) the continuation of the business of Empired;
- (b) any major changes, if any, to be made to the business of Empired, including any redeployment of fixed assets of Empired; and
- (c) the future employment of the present employees of Empired.

If the Scheme is implemented, Capgemini will have 100% ownership and control of Empired. The current intentions of Capgemini with respect to these matters are set out in Section 5.

In the event that the Scheme is not implemented, the Empired Directors intend to continue to operate in the ordinary course of business and for Empired to remain listed on the ASX.

#### **4.9 Empired risk factors**

Risk factors relating to Empired and its business are discussed in Section 6.

#### **4.10 Public information available for inspection**

As an ASX listed company and a "disclosing entity" under the Corporations Act, Empired is subject to regular reporting and disclosure obligations. Among other things, these obligations require Empired to announce price sensitive information to the ASX as soon as Empired becomes aware of information, subject to some exceptions. Further announcements concerning Empired will continue to be made available on this website after the date of this Scheme Booklet.

Under the Corporations Act, Empired is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Empired Directors and an audit or review report respectively.

Copies of the documents filed with the ASX may be obtained from the ASX's website at <http://www.asx.com.au>. Copies of the documents lodged with ASIC in relation to Empired may be obtained from, or inspected at, an ASIC office. Copies of these documents will also be made available free of charge following a request in writing to Empired at any time before the Second Court Hearing.

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## 5. Information on Capgemini

The information contained in this Section 5 has been prepared by Capgemini. The information concerning Capgemini and the intentions, views and opinions contained in this Section 5 are the responsibility of Capgemini. Although Capgemini believes that the views reflected in this Section 5 have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Empired and its officers and advisers do not assume any responsibility for the accuracy or completeness of the information in this Section 5.

### 5.1 Overview of Capgemini

Capgemini is an unlisted Australian proprietary company limited by shares incorporated and registered in South Australia on 31 March 2000.

Capgemini is a leader in management consulting, outsourcing and professional services, particularly with respect to information technology solutions. Capgemini has deep relationships with both large corporate and public sector clients. Capgemini has ~1,540 employees and earned over A\$400m in revenue in 2020.

Capgemini is a wholly-owned subsidiary of Capgemini SE. Capgemini SE is a global leader in consulting, digital, transformation, technology and engineering services. The Capgemini Group comprises four business lines: Strategy & Transformation, Applications & Technology, Engineering and Operations. The Capgemini Group has chosen to accelerate its development in seven priority markets: ADMnext, Artificial Intelligence, Cloud, Customer Experience, Cybersecurity, Digital Core and Digital Manufacturing.

Capgemini SE is headquartered in Paris, France, and is listed on the Euronext Paris stock exchange with a market capitalisation of over €32 billion as of the date of this Scheme Booklet. It has an annual sales revenue of approximately €16 billion.<sup>8</sup> Since it was founded in 1967, the group has grown through a strategy of diversifying its business activities and geographical markets.

The Capgemini Group focusses on the following markets:

- Consumer Goods & Retail;
- Energy & Utilities;
- Financial Services;
- Manufacturing;
- Public Sector;
- Telecommunication, Media & Technology; and
- Services.

The Capgemini Group has 270,000 team members in nearly 50 countries.

<sup>8</sup> For the year end 31 December 2021.

(a) **Capgemini Group's Business lines**

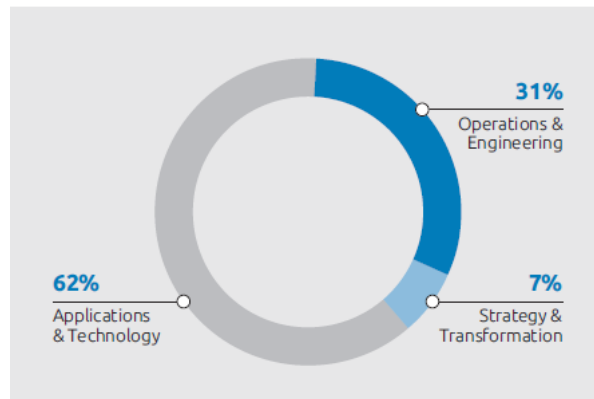


Figure 1 Capgemini Group's business lines by revenue (2020)

(b) **Applications and technology**

The Capgemini Group helps clients to develop, modernise, extend, and secure their IT and digital environment, using the latest technologies. Its teams design and develop technological solutions and help its clients to optimise and maintain their applications for agile operations.

Through its subsidiary Sogeti, the Capgemini Group provides a local technology services model, working closely with its clients' teams.

(c) **Engineering**

Capgemini SE's Engineering and R&D expertise came together under a new brand, Capgemini engineering, in April 2021. This new business line builds on the acquisition of Altran in April 2020 and fosters synergies between the digital and the engineering worlds to help the Capgemini Group's clients, whatever their sector of activity, build intelligent products, operations, and services at scale. Capgemini Group harnesses the power of data, connectivity, and software to pioneer Intelligent Industry.

(d) **Strategy and transformation**

Capgemini Invent is the Capgemini Group's digital, innovation, consulting, and transformation global business line. With Capgemini Invent, the Capgemini Group builds on its expertise in the strategy, technology, data science, and creative design fields to support clients within the digital economy. These consulting activities in strategy, innovation, and transformation support are reinforced by the know-how of frog, which brings together the group's design and innovation expertise, and Cambridge Consultants, which specialises in innovation in product and service development.

(e) **Operations**

The Capgemini Group's Operations business line includes its business services (including business process outsourcing and transactional services) as well as installation and maintenance services for its clients' IT infrastructures in data centres or in the cloud. These services offer clients greater efficiency, and operational and technological excellence.

(f) **Capgemini Group's geographic segments**

The Capgemini Group operates in five geographic areas: North America, France, United Kingdom and Ireland, the Rest of Europe, and Asia-Pacific and Latin America.

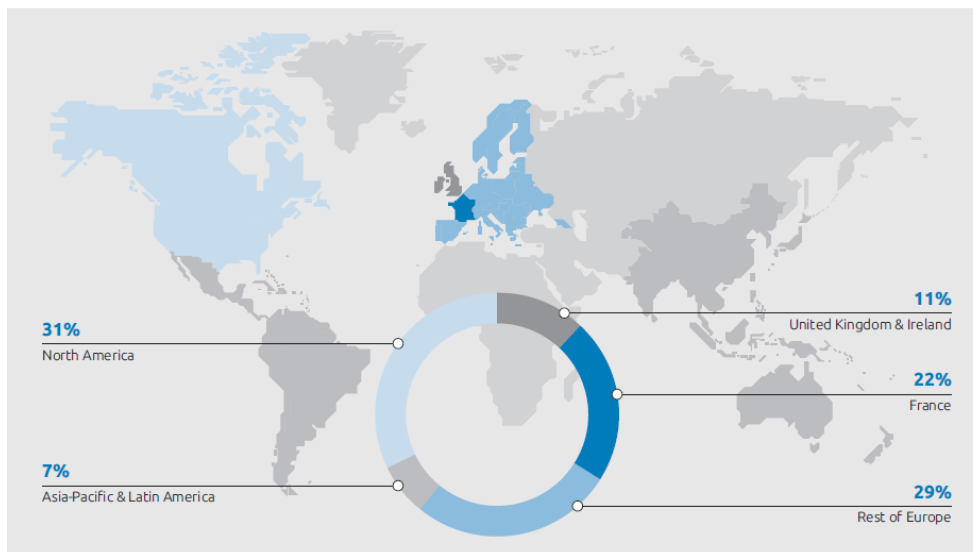


Figure 2 Capgemini Group's geographic segments by revenue (2020)

(g) **Current Directors and senior management**

As at the date of this Scheme Booklet, the members of the board of Capgemini are:

Name	Position
Luc-Francois Salvador	Director
Kaylene O'Brien	Director
Olaf Pietschner	Director

As at the date of this Scheme Booklet, the members of the board of Capgemini SE are:

Name	Position
Paul Hermelin	Chairman
Aiman Ezzat	Chief Executive Officer and Director
Frédéric Oudéa	Vice-Chairman / Lead Independent Director
Xiaoqun Clever	Independent Director
Siân Herbert-Jones	Independent Director
Kevin Masters	Director representing employees
Xavier Musca	Independent Director
Patrick Pouyanné	Independent Director
Laurence Dors	Independent Director
Hervé Jeannin	Director representing employees
Belen Moscoso del Prado	Independent Director
Tanya Rueckert	Independent Director
Kurt Sievers	Independent Director
Lucia Sinapi-Thomas	Director representing employee shareholders



A high level description of Capgemini SE's corporate governance policies, board committees, and other relevant information can be accessed via Capgemini SE's website <https://www.capgemini.com>.

(h) **Historical financial information**

Capgemini SE's most recent audited full year financial results for the year ended 31 December 2020 are available on its website at the following link: <https://investors.capgemini.com/en/financial-results/?fiscal-year=2020>.

Based on Capgemini SE's full year financial results for the year ended 31 December 2020, Capgemini SE reported global revenues of €15.8 billion.

Capgemini SE's most recent half year financial results for the half year ended 30 June 2021 are also available on its website at the following link: <https://investors.capgemini.com/en/financial-results/?fiscal-year=2021>.

## 5.2 **Rationale for the Proposed Acquisition of Empired**

With Empired's more than 1,000 professionals in Australia and New Zealand, the acquisition would strengthen Capgemini's capabilities in cloud and data across the Asia-Pacific region. Capgemini's leadership position in the Australian market would be supported by this acquisition, its 4th in the country in 18 months. Capgemini has built a stronger presence in Australia through the acquisition of WhiteSky Labs – an independent consulting firm that helps clients better leverage MuleSoft applications – RXP, a provider of largescale, end-to-end digital data and cloud solutions and Acclimation, a provider on SAP applications. Capgemini's ambition is to grow strongly in the Asia-Pacific region.

Empired would bring to Capgemini strength as a leader in Microsoft Azure and Microsoft Dynamics 365. The acquisition of Empired would strengthen Capgemini's client portfolio across key industries. For Empired, Capgemini Group's breadth of service offerings, transformation experience and global scale will help to meet its clients' growing needs as well as expand career opportunities for its team members.

## 5.3 **Funding arrangements**

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll and conditional upon the Scheme becoming Effective, Capgemini has undertaken, in favour of each Scheme Shareholder, to pay the Scheme Consideration into a trust account held by Empired for the benefit of the Scheme Shareholders no later than the Business Day before the Implementation Date.

Scheme Shareholders will be entitled to receive the Scheme Consideration of \$1.35 per Scheme Share, as further described in this Scheme Booklet.

Capgemini estimates that it will need approximately \$233 million to satisfy its payment obligations to Scheme Shareholders under the Scheme. As at 30 June 2021, Capgemini SE had on a consolidated basis total cash and cash equivalents of approximately €2.6 billion or approximately A\$4.2 billion (based on an exchange rate of 1.613 Australian dollars to one Euro as at the Last Practicable Date).

Capgemini will provide the sufficient funds to purchase all of the Scheme Shares upon the terms and subject to the conditions in the Scheme Implementation Agreement to complete the Scheme.

## 5.4 **Intentions if the Scheme is implemented**

This Section 5.4 sets out the current intentions of Capgemini in relation to:

- the continuation of the operations and business of Empired;

- changes to the Empired Board and the Empired management team;
- the future employment of the present employees of Empired; and
- the delisting of Empired from the ASX,

assuming Capgemini acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this Section 5.4 regarding Capgemini's intentions are based on information concerning Empired and the general business environment which are known to Capgemini at the time of the preparation of this Scheme Booklet. Final decisions regarding these matters will be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this Section 5.4 are statements of current intention only and may change as new information becomes available or circumstances change.

(a) **Business continuity and operations**

If the Scheme is implemented, Capgemini intends to continue to operate the Empired business as a going concern.

If the Scheme is implemented, Capgemini intends to conduct a review of the Empired business to verify Capgemini's understanding of the information, facts and circumstances concerning the business, assets, strategies and operations of Empired as at the date of this Scheme Booklet. Capgemini will then work with the Empired management team to determine how to further develop the business of Empired in order to maximise its operating performance.

(b) **Board of Directors**

If the Scheme is implemented, Capgemini will replace the members of the Empired Board and the boards of each of its Subsidiaries with nominees of Capgemini SE (who are yet to be identified).

(c) **Management team**

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

Following the general operational review described above, Capgemini may combine and centralise certain roles within the Empired management team with those in the broader Capgemini business or its corporate group.

(d) **Employees**

Empired management and employees are an integral part of, and key to the success of, the business. Capgemini believes that the acquisition of Empired will offer exciting opportunities for Empired's employees and management as part of a much larger enterprise and a global leader in consulting, digital, transformation, technology and engineering services. Capgemini intends to make limited changes to roles as a result of Empired no longer being a listed entity and becoming part of Capgemini.

Other than such changes, definitive plans in relation to the broader employee base of Empired have not yet been fully determined, however Capgemini's intent is to retain the majority of Empired's existing employees in line with current operations.

(e) **Delisting**

If the Scheme is implemented, Capgemini will procure that Empired applies to the ASX to be removed from the official list of the ASX after implementation of the Scheme.

## 5.5 Interests in Empired securities

### (a) Interest in Empired Shares

As at the date of this Scheme Booklet, none of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has any interest or voting power in any Empired Shares.

### (b) Dealings in Empired shares in the previous six months

None of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has provided or agreed to provide consideration for any Empired Shares under any transaction during the period of six months before the date of this Scheme Booklet, other than Capgemini's offer to acquire all Empired Shares under the Scheme.

### (c) Benefits to holders of Empired Shares

During the six months before the date of this Scheme Booklet, none of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Scheme; or
- dispose of Empired Shares,

where the benefit was not offered to all Empired Shareholders.

### (d) Benefits to Empired officers

None of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates will be making any payment or giving any benefit to any current officers of Empired as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

Note that Capgemini intends to offer Russell Baskerville employment with Capgemini if the Scheme is approved and implemented.

### (e) Other material information

Except as set out in this Section 5, so far as the Capgemini Directors are aware, there is no other information regarding Capgemini SE or Capgemini, or their intentions regarding Empired, that is material to the making of a decision by an Empired Shareholder on whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Director of Capgemini as at the date of this Scheme Booklet, which has not been previously disclosed to Empired Shareholders.

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## 6. Risks

Empired Shareholders should be aware that there are a number of risks, both general and specific, associated with the Scheme. The Empired Directors also consider that there are a number of risk factors, general and specific, which could materially adversely affect the future operating and financial performance of Empired and the value of Empired Shares.

The information set out in this Section 6 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Empired Group. Additional risks and uncertainties not currently known to Empired may also have a material adverse effect on Empired's operational and financial performance. While measures can be taken to mitigate some risk, the occurrence and consequences of some of the risks described in this Section 6 are partially or completely outside the control of the Empired Group and the Empired Directors.

If the Scheme is implemented, you will receive the Scheme Consideration you are entitled to under the Scheme and you will cease to be an Empired Shareholder from the Implementation Date. From that point in time, you will no longer be exposed to the risks set out in this Section 6.

You should carefully consider the risks and uncertainties described below in this Section 6, together with all other information in this Scheme Booklet, before making a decision regarding the Scheme.

If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, you should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

### 6.1 General risks

#### (a) General equity market risks

Shares listed on the ASX, or any other securities market, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Empired Shares regardless of Empired's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

#### (b) Economic conditions

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

#### (c) Change in Government Policy

Changes in government fiscal, monetary and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment rules.

(d) **Liquidity and realisation**

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

(e) **Taxation**

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

(f) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact Empired's financial statements, results or condition.

(g) **Force majeure**

Events outside the control of Empired, such as acts of terrorism, civil disturbance or protest, war, political intervention, natural activities such as earthquakes, floods, fires and adverse weather conditions, catastrophes and disease or pandemic (including the outbreak, escalation or impact of, and recovery from the COVID-19 pandemic) may adversely impact Empired by affecting its operations and those of its suppliers or service providers, the market for commodities, or the transport or other infrastructure relating to the operations of Empired.

## 6.2 Risks that relate to the Empired Group

There are a number of business-specific risks associated with your current investment in Empired Shares, as set out below. You will only continue to be exposed to these risks if the Scheme is not implemented, in which case (in the absence of a Competing Proposal that is ultimately consummated), Empired will continue to operate as a stand-alone entity.

(a) **Reliance on key relationships and customers**

The Empired Group conducts business in particularly competitive commercial environments alongside various consultancies and digital service providers. The Empired Group's ability to service its client base and generate revenue from its service offerings impacts its financial performance.

This depends in part on the Empired Group's existing clients renewing on commercially acceptable terms, and not terminating, their contracts. In addition, the failure by the Empired Group to adapt along with the market and successfully identify and win new work may have a negative effect on sales pipeline and contract wins, leading in turn to a decline in the Empired Group's financial performance.

There is also a risk that poor project delivery by the Empired Group against contractual requirements could lead to the potential loss of key clients, engagements or relationships, financial penalties and/or reputational damage.

There is a further risk that the Empired Group's existing and prospective clients delay, reduce or cancel projects in respect of which they have engaged or may have intended to engage the Empired Group. This risk may be more prevalent in light of the current uncertain economic environment. Amongst other things, changes in the financial position of existing or prospective clients could result in key relationships or potential relationships becoming unprofitable or untenable.

(b) **Future contracts**

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

(c) **Dependence on third party service providers and hardware**

The Empired Group utilises third party service providers as part of its operations. Such arrangements carry a risk that the third party service providers do not adequately or fully comply with their respective contractual rights and obligations. In particular, the Empired Group may store information within third-party datacentre hosting facilities located in the cloud. These facilities may be vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Such disruption, particularly if prolonged, in the operation of such third-party datacentre hosting facilities may have a material adverse impact on the reputation of the Empired Group and its business operations.

Further, there is also no guarantee that these third party arrangements will be renewed on commercially acceptable terms, or that the Empired Group's clients will continue to purchase such contracted products or services through the Empired Group. These developments may adversely impact the Empired Group's ability to conduct its business and maintain profitability.

(d) **Competition**

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

The recent emergence of large multi-national competitors coupled with the expansion of professional services firms into the digital services sector has led to increased competition in the industry. This heightened level of competition exposes the Empired Group to risks related to maintaining its market position and pursuing its growth strategy. Such risks include:

- there being material adverse effects on the Empired Group's operational or financial performance as a result of pricing, service or marketing decisions made by the Empired Group as a strategic response to structural changes in the competitive commercial landscape in which it operates (including where this results in a reduction in sales pipeline and contract wins or the volume of business from existing clients);
- increased competition in labour markets, including in circumstances where the engagement of human resources is challenged by reduced levels of cross border human movement as a result of the COVID-19 pandemic and the associated intervention of governments and health and regulatory authorities globally;
- third parties developing service offerings that compete with the Empired Group, supersede or replace its services, or are more competitively priced than the Empired Group's services; and
- the emergence of unexpected changes in client demands for the Empired Group's service offerings, or the value expectations of the market.

(e) **Reliance on key personnel**

The Empired Group currently employs or engages as consultants a number of key management personnel, and Empired's future depends on retaining and attracting suitably qualified personnel. While it is not currently anticipated, one or any number of these key personnel may cease employment or engagement with the Empired Group. The loss of any such key personnel could potentially have a detrimental impact on the Empired Group until the skills that are lost are adequately replaced. Talent retention in the changing business environment in which the Empired Group operates presents a particular challenge for mid-sized businesses given the increasing prominence of large multi-national competitors which have the ability to attract and retain high quality personnel. Further, there is the risk that the inability of people to travel due to COVID-19 restrictions may impact on productivity and the ability to attract and retain people with the requisite skills. There is no guarantee that the Empired Group would be able to replace any such personnel, and a failure to do so could materially affect the Empired Group's business, operating results and financial prospects.

(f) **Staff turnover**

Staff turnover levels may increase as a result of a range of factors including salary pressure, the financial position and performance of the Empired Group, management decisions, factors affecting the digital services industry as a whole, and the level of career progression opportunities outside of the Empired Group, including with its competitors. High levels of staff turnover may adversely affect the quality of the Empired Group's service offerings, as well as being associated with higher recruitment and training costs, and increases in compensation costs related to attracting and retaining personnel.

(g) **Cash flow**

As part of the Empired Group's strategic positioning to secure additional annuity revenue, there is a risk that the Empired Group's cash flow may be impacted by reliance on the achievement of milestones or deferred timing of milestone payments on some client engagements. The Empired Group's cash flow may also be impacted by project deferrals and delays by clients across industry sectors.

(h) **Impact of COVID-19**

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The pandemic is resulting in uncertainty in the global economic outlook and this may continue to have a significant impact on capital markets and share prices. Empired Directors continue to closely monitor the situation and consider the impact on the Empired Group from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, and restrictions in human movement at local, domestic and international levels. This has resulted in difficulties for the Empired Group in engaging human resources from overseas. In addition, the COVID-19 pandemic and its economic effects inform the investment choices, budgetary control and the decision-making of firms (including current and prospective clients of the Empired Group) with respect to IT and digital services and consultancy spend in the short to medium term. This has resulted in a slowing down in client decision-making and the rate of conversion of sales pipeline to contract wins. There is a risk that these circumstances could materially impact the Empired Group's revenue and profitability.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Empired Group's operations, financial position and prospects notwithstanding that to date the Empired Group has not experienced supply chain disruption during the COVID-19 pandemic.

(i) **Cyber security**

The Empired Group may be subject to various IT related disruptions including IT system failures, network provider disruptions, cybersecurity attacks, breaches in data security, and other non-malicious or malicious disruptions and incidents, which may materially adversely affect its operations, reputation, financial condition and operating results, and could further lead to the loss of clients, potential investigations and regulatory action with exposure to penalties.

(j) **External technology risk**

The Empired Group has developed its own software in house, which is used in conjunction with off-the-shelf software. Such software may be subject to external factors, such as obsolescence of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or other related issues. In addition, the software requires updating and maintenance. External factors may also affect the ability of the Empired Group to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for the Empired Group, causing a need to rely on other solutions or develop these in house. Should the Empired Group's software not be adequately maintained, secured or updated, software failures may negatively impact on the Empired Group's performance.

(k) **Intellectual property**

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

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

There is a further risk that the Empired Group fails to comply with its obligations under software licences to which it is a party. Such failure could have material consequences under the terms of such licences (including possible litigation), or lead to the counterparty terminating, or failing to renew on commercially acceptable terms. Any disturbance to the Empired Group's use of such licences could adversely affect its ability to protect its reputation, conduct its business, attract clients and maintain its financial performance and profitability.

(l) **Litigation risk**

The Empired Group may from time to time be subject to litigation and other claims and disputes in the course of its business. The Empired Group is exposed to possible litigation risks, including with respect to its operations, partners, clients, employees or other contractual counterparties. Proceedings may result in significant liabilities including legal costs, adverse monetary adjustments and/or damage to the Empired Group's reputation which could adversely affect its financial performance and position.

To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on the Empired Group's financial performance. Further, even when such claims or litigation are covered by insurance, the Empired Group may be adversely affected by



the requirement to pay the initial excess or deductible under the policy and potential increases in its future insurance premiums or deductibles.

As at the date of this Scheme Booklet, there are no material legal proceedings or material disputes affecting the Empired Group and the Empired Directors are not aware of any legal proceedings or disputes pending or threatened against or affecting the Empired Group other than as set out in Section 10.7.

(m) **Major shareholder risk**

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

(n) **Brand and professional reputation**

The Empired Group's ongoing success depends on its ability to attract and retain employees and clients, including by growing and maintaining its professional image, brand, and reputation. Any decline in the Empired Group's brand and reputation (including as a result of negative publicity, quality assurance issues, or litigation) may impact the future profitability and financial position of the Empired Group and negatively impact its ability to win new contracts, maintain relationships with existing clients, and attract and retain appropriately skilled personnel. If any of these occur, this could materially adversely affect the Empired Group's business, operating and financial performance.

(o) **Regulatory risks**

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

(p) **Insurance risk**

The Empired Group has insurance policies in place with policy specifications and insured amounts that the Empired Group considers appropriate for its business.

Potential losses arising from events such as floods, terrorism or other similar catastrophic events, which may also include other force majeure events, may be either uninsurable or, in the judgement of the Empired Group, not insurable on a financially reasonable basis, or may not be insured at full replacement cost or may be subject to higher excesses/deductibles.

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

(q) **Business disruption risk**

In order to present the Scheme to Empired Shareholders, Empired has experienced material disruption to its business while facilitating the due diligence required by Capgemini. If the Scheme is not implemented, Empired Shareholders should be aware that it may take a significant period of time for Empired to regain lost business momentum.

Empired has also incurred significant cost in respect of the Scheme prior to the date of this Scheme Booklet, including in relation to the conduct of negotiations and due diligence with Capgemini and in preparation of its Scheme Booklet. If the Scheme is unsuccessful, Empired will have incurred these costs without Empired Shareholders receiving the benefit of the cash payments under the Scheme.

(r) **Future dividends risk**

The payment of dividends on Empired Shares depends on a range of factors including the profitability of Empired, the profitability of the business, its cash reserves, future capital requirements and obligations under debt facilities. Any future dividend levels will be determined by the Empired Board having regard to its operating results and financial position at the relevant time. There is no guarantee that existing levels of dividends paid, and the payout ratio will be maintained.

(s) **Acquisition Risk**

If the Scheme is unsuccessful, the Empired Group may pursue acquisition of assets and businesses that meet its investment criteria as opportunities arise and if funding is available. Such acquisitions involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of the target's business or assets and it is possible that unexpected problems may arise.

(t) **Other specific risks**

Other areas of risk faced by the Empired Group include cyber risk, contractual risk, being the nature of the performance, payment terms and indemnity requirements in contracts with customers, financial risks arising from fraud, regulatory breaches and bad debts, and foreign exchange risks.

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

## 6.3 Risks specific to the Scheme

(a) **Conditions**

The implementation of the Scheme is subject to a number of Conditions, which are summarised in Annexure A and set out in full in clause 3.1 of the Scheme Implementation Agreement. The Scheme will not proceed to the Second Court Hearing unless all Conditions are satisfied or waived (as applicable) (other than the Conditions relating to approval by the Court).

If the Conditions are not satisfied or waived (as applicable) by the End Date, the Scheme Implementation Agreement may be terminated, which will mean the Scheme will not be implemented.

Annexure A contains a summary of the status of the Conditions as at the date of this Scheme Booklet. A failure to satisfy any of the Conditions, or a delay in satisfying the Conditions and implementing the Scheme, may adversely affect the trading price of Empired Shares.

(b) **Court approval**

There is a risk that the Court may not approve the Scheme or that the approval of the Court may be delayed, which would respectively result in the Scheme not being implemented or implementation of the Scheme being delayed.

In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Hearing, the Court will take the change into account in deciding whether it should approve the Scheme. If there is a material change of sufficient importance so as to materially alter the Scheme, there is a risk that the Court may not approve the Scheme at the Second Court Hearing.

## 7. Implementation of the Scheme

All dates referred to in this Section 7 are indicative only. The actual dates on which events referred to in this Section 7 will occur will depend upon the time at which the Conditions are satisfied or waived (as applicable). The outstanding Conditions are summarised in Annexure A and the Conditions are set out in full in clause 3.1 of the Scheme Implementation Agreement. Empired has the right to vary all dates subject to all necessary approvals. Any variation to the dates referred to in this Section 7 will be announced to the ASX and published on Empired's website.

### 7.1 Key steps to implement the Scheme

#### (a) Scheme Meeting

In accordance with an order of the Court made on 20 September 2021, Empired Shareholders will be asked to approve the Scheme at the Scheme Meeting to be held at 10:00 am (Perth time) on 25 October 2021 via an online platform at <https://web.lumiagm.com/392567307>. The Notice of Scheme Meeting is set out in Annexure E.

At the Scheme Meeting, Empired Shareholders will be asked to consider and, if thought fit, to approve the Scheme. For the Scheme to be approved by Empired Shareholders, votes in favour of the Scheme Resolution must be received from:

- a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative) (the **Headcount Test**); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.

If the Scheme is not approved by Empired Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, Empired may apply to the Court for the Court to exercise its discretion to disregard the Headcount Test and make orders approving the Scheme.

The Empired Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.<sup>9</sup> Subject to the same qualifications, each Empired Director intends to cause all the Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution.

<sup>9</sup> You should note when considering this recommendation that Russell Baskerville (Empired's Managing Director and Chief Executive Officer):

- holds or controls 9,259,383 Empired Shares;
- holds 880,000 vested Empired Performance Rights (being the FY19 Performance Rights) granted pursuant to the LTIP, the vesting of which occurred in the ordinary course and was not connected to the Scheme, and which upon exercise will result in Mr Baskerville being issued with 1.5 Empired Shares for each Empired Performance Right held;
- holds 2,285,000 unvested Empired Performance Rights which will, if Empired Shareholders approve the Scheme Resolution, automatically vest and convert into Empired Shares such that each Empired Performance Right will entitle Mr Baskerville to be issued with 1.5 Empired Shares; and
- subject to Empired Shareholders approving the Scheme Resolution, will be entitled to receive a retention payment of \$618,448 (provided he remains employed by Empired as at the relevant date prior to 31 December 2021) as well as a cash bonus of \$300,000 pursuant to the terms of Empired's C Suite Executive short-term incentive plan if the Scheme is implemented (each of which are less tax and inclusive of statutory superannuation).

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights, and to Section 10.4 for details of the retention payment and C Suite Executive short-term incentive plan bonus.

Despite this interest in the outcome of the Scheme, Mr Baskerville considers that, given the importance of the Scheme, and his role as an Empired Director, it is important and appropriate for him to provide a recommendation to Empired Shareholders in relation to voting on the Scheme. The Empired Board (excluding Mr Baskerville) also considers that it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of Empired and his deep industry knowledge.

(b) **Second Court Date**

If the Scheme is approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, Empired will apply to the Court for orders approving the Scheme following the Scheme Meeting. The date on which the Court hears Empired's application in relation to the Scheme is the Second Court Date. The Second Court Date is expected to be on or around 1 November 2021 and the Second Court Hearing is open to all Empired Shareholders.

If the Scheme is not approved by the Requisite Majorities of Empired Shareholders at the Scheme Meeting, the Scheme will not be implemented and Empired will not apply to the Court for any orders in connection with the Scheme.

The Court has discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act and may refuse to approve the Scheme even if the Scheme is approved by the Requisite Majorities of Empired Shareholders.

The Corporations Act and the relevant Court rules provide a procedure for Empired Shareholders to oppose the approval by the Court of the Scheme. Any Empired Shareholder who wishes to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Empired a notice of appearance in the prescribed form together with any affidavit on which the Empired Shareholder will seek to rely at the Second Court Hearing. The notice of appearance and any affidavit must be served on Empired at least one day before the Second Court Date (the Second Court Date is expected to be 1 November 2021). Any change to the Second Court Date will be announced to the ASX and published on Empired's website at <https://www.empired.com>.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

(c) **Effective Date**

If the Court approves the Scheme, Empired will lodge with ASIC an office copy of the Court order approving the Scheme. Empired intends to lodge this with ASIC on the Business Day following receipt of the orders, which means it expects to lodge the order on 2 November 2021. The Scheme comes into effect on the date on which Empired lodges the Court order approving the Scheme with ASIC. This date is referred to in this Scheme Booklet as the Effective Date.

If the Conditions are not satisfied or waived (as applicable) by the End Date, the Scheme Implementation Agreement may be terminated, which will mean the Scheme will not be implemented.

(d) **Implementation of the Scheme**

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration for each Scheme Share held on the Scheme Record Date (currently expected to be 5:00 pm (Perth time) on 9 November 2021).

On the Implementation Date, subject to the provision of the Scheme Consideration, all Empired Shares held by Scheme Shareholders (together with all rights and entitlements attaching to them) will be transferred to Capgemini without any further action required by Scheme Shareholders and at no cost to them. Empired will enter the name of Capgemini into the Empired Share Register in respect of all Scheme Shares. Empired will then become a Subsidiary of Capgemini.

For the purposes of determining who is a Scheme Shareholder, dealings in Empired Shares or other alterations to the Empired Share Register will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Empired Share Register as the holder of the relevant Empired Shares before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings are received before the Scheme Record Date at the place where the Empired Share Register is kept.

Empired will not accept for registration, or recognise for any purpose (except a transfer to Capgemini under the Scheme and any subsequent transfer by Capgemini or its successors in title), any transmission application, transfer or other request in respect of Empired Shares received on or after the Scheme Record Date, or received prior to the Scheme Record Date but not in registrable or actionable form.

Empired must maintain the Empired Share Register until the Scheme Consideration has been paid to the Scheme Shareholders and Capgemini has been entered in the Empired Share Register as the holder of all Scheme Shares. The Empired Share Register in this form and the terms of the Scheme will solely determine entitlements to the Scheme Consideration.

From the Scheme Record Date (and other than for Capgemini following the Implementation Date), all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title, and each entry in the Empired Share Register (other than for Capgemini) at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

## **7.2 Warranty by Scheme Shareholders about their Empired Shares**

Under the Scheme, each Scheme Shareholder is deemed to have warranted to Capgemini, and to the extent enforceable, appointed and authorised Empired as its agent to warrant to Capgemini, that:

- all its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Capgemini, be fully paid and free from all security interests, whether legal or otherwise, and from any restrictions on transfer of any kind; and
- it has full power and capacity to sell and to transfer those Scheme Shares together with any rights and entitlements attaching to such shares to Capgemini under the Scheme.

## **7.3 Suspension of trading in Empired Shares**

It is expected that suspension of trading in Empired Shares on the ASX will occur from the close of trading on the Effective Date. This is expected to occur on 2 November 2021.

Empired will apply for termination of the official quotation of Empired Shares on the ASX and to have itself removed from the official list of the ASX with effect from the close of business on the Business Day following the Implementation Date.

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## 8. Implications if the Scheme is not implemented

The Scheme will not be implemented if the Scheme is not approved by the Requisite Majorities at the Scheme Meeting, if the Scheme is not approved by the Court, or if any of the other Conditions are not satisfied or waived (as applicable).

If the Scheme is not implemented:

- Empired Shareholders will not receive the Scheme Consideration;
- Empired Shares will not be transferred to Capgemini (and will be retained by Empired Shareholders);
- Empired will continue to operate as a stand-alone entity, and remain listed on the ASX;
- Empired Shareholders will continue to be exposed to the benefits and risks associated with an investment in Empired on a stand-alone basis (please refer to Section 6 for further details about these risks);
- the amount which Empired Shareholders will be able to realise for their investment in Empired may be uncertain; and
- in the absence of a Superior Proposal, the Empired Directors believe that it is likely that the trading price of Empired Shares will fall from current levels.

In addition, some circumstances which cause the Scheme to not be implemented may result in the payment of a reimbursement fee by Empired to Capgemini, or a reimbursement fee by Capgemini to Empired. If Empired Shareholders do not approve the Scheme by the Requisite Majorities, this will not trigger payment of a reimbursement fee by Empired.

The reimbursement fees (including the circumstances in which they may be payable by either Empired or Capgemini) are summarised in Annexure A and set out in full in clause 11 of the Scheme Implementation Agreement.

If the Scheme is not implemented, the Empired Directors will determine the future strategy for Empired. Empired will continue to operate as it does currently.

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**9. Tax implications of the Scheme**

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20 September 2021

Dear Directors

### **Australian Taxation Implications of the Scheme**

We have been requested to review and comment upon the Australian income tax, Australian goods and services tax ("GST") and Australian stamp duty consequences for Australian resident and non-resident shareholders in Empired Limited ("Empired"), as a result of them disposing of their shares pursuant to the scheme of arrangement under which Capgemini Australia Pty Ltd ("Capgemini") will acquire 100% of the issued share capital of Empired.

This letter provides a general summary of the potential Australian tax consequences for Empired Shareholders arising from the disposal of their Empired Shares under the Scheme.

This letter has been prepared for inclusion in the Scheme Booklet and abbreviations and defined terms used in this letter have the same meaning as they do in the Scheme Booklet unless otherwise defined in this letter. It is based on established judicial and administrative interpretations of the Income Tax Assessment Act 1997 (Cth) ("ITAA 1997"), Income Tax Assessment Act 1936 (Cth), Taxation Administration Act 1953 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and relevant transfer duty legislation (collectively referred to as the "taxation law") as at the date of the Scheme Booklet. This summary does not take into account or anticipate changes in the taxation law or future judicial and administrative interpretations of the taxation law.

The information in this letter is of a general nature and is not intended to be, nor should it be, an authoritative or complete statement of the laws applicable to the particular circumstances of an Empired Shareholder. Empired Shareholders should seek independent professional advice about the tax consequences of disposing of their Empired Shares, having regard to their own particular circumstances. Empired Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

The information in this letter is based solely on the information and facts as disclosed in the Scheme Booklet and is provided on the basis that the Scheme will be undertaken as proposed in the Scheme Booklet. This letter is not binding on the Australian Taxation Office

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“ATO”) or the courts and should not be considered as a representation that the ATO or the courts will concur with the statements made herein.

The comments at section 1.1 of this letter are relevant only to those Empired Shareholders who are Australian residents for tax purposes and who:

- (a) are not considered temporary residents for tax purposes;
- (b) are not subject to special taxation rules (for example, attribution managed investment trusts, trusts that are taxed as companies, insurance companies, listed investment companies and tax exempt organisations);
- (c) did not acquire their Empired Shares under an employee share or option scheme;
- (d) hold their Empired Shares on capital account; and
- (e) do not hold their Empired Shares in connection with a business carried on through a permanent establishment outside of Australia.

Shares are generally taken to be held on capital account where they are:

- (f) not held on revenue account, or as trading stock; or
- (g) not subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997.

The comments at section 1.2 of this letter are relevant to Empired Shareholders who are not Australian residents for tax purposes and who:

- (h) hold their Empired Shares on capital account; and
- (i) do not hold their Empired Shares in connection with a permanent establishment in Australia.

#### 1.1. Australian resident shareholders

##### Australian Capital Gains Tax (CGT)

The disposal of Empired Shares to Capgemini will be a Capital Gains Tax (CGT) event for Empired Shareholders. This CGT event will occur on the Implementation Date.

Empired Shareholders will derive a capital gain on the disposal of an Empired Share to the extent that the proceeds they receive in respect of that Empired Share of \$1.35 per Empired Share, exceeds the tax cost base of that Empired Share. Conversely, Empired Shareholders will incur a capital loss on the disposal of that Empired Share to the extent that the proceeds received of \$1.35 per Empired Share is less than the reduced tax cost base of that Empired Share. Reduced tax cost base is broadly the tax cost base less specific legislative reductions.

Generally, the tax cost base of an Empired Share will be equal to the consideration paid to acquire the Empired Share. In addition, other incidental costs of acquiring the Empired Share (such as brokerage fees and stamp duty) may be included in the tax cost base (or reduced tax cost base).

The sum of all of an Empired Shareholder's taxable capital gains for an income year, reduced by any available capital losses incurred during the year, or available capital losses carried forward from previous years (known as the net capital gain), should be included in their Australian assessable income.

Australian resident individual Empired Shareholders who have held, directly or indirectly (through trusts other than a trust that is an eligible superannuation entity), their Empired Shares for at least 12 months prior to the CGT event in respect of those Empired Shares should be able to discount their capital gain in respect of those Empired Shares by 50%. Similarly, an eligible superannuation entity that has held its Empired Shares for at least 12 months prior to the CGT event in respect of those Empired Shares should be able to discount

its capital gain by 33.33% in respect of those Empired Shares. The discount will generally be applied to an Empired Shareholder's capital gain for the period after the offset of any capital losses. Corporate Empired Shareholders are not entitled to discount their capital gain.

### 1.2. Non-resident shareholders

If Empired Shareholders are not resident for Australian income tax purposes, they will generally not have to pay Australian income tax on any capital gain on the disposal of their Empired Shares, unless the Empired Shares constitute an "indirect Australian real property interest". The Empired Shares will constitute an "indirect Australian real property" interest where both of the following requirements are satisfied:

- the Empired Shareholder holds a "non-portfolio interest" in Empired; and
- the Empired Shares pass the "principal asset test".

If the Empired Shareholder does not hold a "non-portfolio interest" in Empired or the Empired Shares do not pass the "principal asset test", any capital gain or loss realised on the disposal of the Empired Shares should be disregarded for Australian income tax purposes.

An Empired Shareholder will hold a "non-portfolio interest" in Empired if they, together with their associates (as defined for Australian tax purposes), own, or owned, throughout a 12 month period during the two years preceding the Implementation Date, 10% or more of all of the shares in Empired.

Broadly, the Empired Shares would pass the "principal asset test" if the market value of Empired's direct and indirect interests in Australian land, including leases and mining rights, is more than the market value of its other assets at the time the Scheme is implemented. A detailed analysis is necessary to determine the results of the "principal asset test".

We understand that it is not expected that the Empired Shares will pass the "principal asset test". Our review of the underlying assets as disclosed in the financial statements would give us no reason to believe otherwise.

A non-resident Empired Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident in relation to their Empired Shares will be subject to Australian CGT consequences on disposal of the Empired Shares (subject to the terms of any applicable double tax agreement).

If the relevant Empired Shares were bought and sold in the ordinary course of business, or were acquired for resale at a profit, any gain could be taxed in Australia as ordinary income and not as a capital gain (subject to any relief available under a double tax agreement that Australia has concluded with the shareholder's country of residence). In these circumstances, we would recommend that the Empired Shareholder seek their own individual tax advice.

It is also recommended that a non-resident Empired Shareholder seeks advice from their tax advisor as to the taxation implications of the Scheme being implemented in their country of residence and in Australia.

### 1.3. Foreign resident capital gains tax withholding

Subject to certain exceptions, a foreign resident capital gains tax withholding applies to any transaction involving the acquisition of the legal ownership of an asset that is an "indirect Australian real property interest" from a "relevant foreign resident". The current withholding tax rate is 12.5%.

Under these rules, a "relevant foreign resident" is any entity that, at the time the transaction is entered into:

- is known by the purchaser to be a foreign resident;
- is reasonably believed by the purchaser to be a foreign resident;

- For personal use only
- is not reasonably believed by the purchaser to be an Australian resident, and either has an address outside Australia (according to any record that is in the purchaser's possession, or is kept or maintained on the purchaser's behalf, about the transaction to which the payment relates) or the purchaser is authorised to provide a financial benefit relating to the transaction to a place outside Australia; or
  - has a connection outside Australia of a kind specified in the regulations.

It is not anticipated that Empired Shares will comprise an "indirect Australian real property interest" at the time of their disposal under the Scheme (i.e. on the basis that it is not expected that Empired Shares will pass the "principal asset test" as referred to at section 1.2 of this letter). Accordingly, there should be no requirement to withhold 12.5% of the capital proceeds from any Empired Shareholder in respect of the Scheme.

#### 1.4. GST

Empired Shareholders should not be liable to GST in respect of the disposal of Empired Shares pursuant to the Scheme.

Empired Shareholders may incur GST on costs (such as third party brokerage and adviser fees) that relate to the disposal of Empired Shares pursuant to the Scheme. Empired Shareholders that are registered for GST may be entitled to recover the GST payable on the costs (i.e. through an applicable input tax credit). However, in some circumstances, recovery of the GST payable on the costs, or a portion thereof, may be restricted. This will depend on each Empired Shareholder's individual circumstances and it is recommended that professional tax advice be sought.

#### 1.5. Australian stamp duty

No stamp duty should be payable in any Australian jurisdiction by Empired Shareholders in respect of the disposal of their Empired Shares.

#### 1.6. Financial Product Advice

The representatives of Grant Thornton involved in preparing this letter are not licenced to provide, nor do they seek to provide financial product advice as defined by the Corporations Act. Empired Shareholders who wish to do so, should consult with a licenced Australian financial services provider before making a decision with respect to the Scheme. They should also note that taxation is only one of a number of considerations they need to make in forming a decision regarding their participation in the Scheme.

Yours sincerely



Paul Dawson  
Partner – Corporate Tax

## 10. Additional information

### 10.1 Interests of Empired Directors in Empired Shares and Empired Performance Rights

Other than as listed below, no Empired Shares or Empired Performance Rights are held or controlled by Empired Directors and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet.

#### (a) Empired Directors' interests in Empired Shares

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

Empired Director	Number of Empired Shares	Percentage of outstanding Empired Shares
Thomas Stianos	243,200	0.15%
John Bardwell	4,300,000	2.68%
Richard Bevan	79,800	0.01%
Cristiano Nicolli	373,500	0.23%
Russell Baskerville	9,259,383	5.78%
<b>Total</b>	<b>14,255,883</b>	<b>8.89%</b>

Each Empired Director intends to cause any Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.

Other than as disclosed in this Scheme Booklet, the Empired Directors will not receive any direct or indirect benefits from voting in favour of the Scheme Resolution other than the Scheme Consideration to which they are entitled.

#### (b) Empired Directors' interests in Empired Performance Rights

As at the date of this Scheme Booklet, the number of Empired Performance Rights held by or on behalf of each Empired Director are as follows:

Empired Director	Number of Empired Performance Rights
Thomas Stianos	-
John Bardwell	-
Richard Bevan	-
Cristiano Nicolli	-
Russell Baskerville	3,165,000
<b>Total</b>	<b>3,165,000</b>

Of the Empired Performance Rights held by Russell Baskerville, 880,000 have vested in accordance with their terms of issue (being the FY19 Performance Rights). Those vested

Empired Performance Rights are exercisable at any time and, upon exercise, Russell Baskerville will be issued 1.5 Empired Shares for each Empired Performance Right held.

Please refer to Section 1.11 for details regarding the treatment of Empired Performance Rights if the Scheme is implemented and Section 4.4(b) for details of the Empired Performance Rights on issue.

## **10.2 Empired Directors' dealings in Empired securities**

No Empired Director acquired or disposed of a Relevant Interest in any Empired Shares or Empired Performance Rights in the four month period ending on the date immediately before the date of this Scheme Booklet.

## **10.3 Interests and dealings of Empired Directors in securities in Capgemini Group entities**

### **(a) Empired Directors' interests in securities in Capgemini Group entities**

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

### **(b) Empired Directors' dealings in securities in Capgemini Group entities**

No Empired Director has acquired or disposed of a Relevant Interest in any securities of Capgemini or any other member of the Capgemini Group in the four month period ending on the date immediately before the date of this Scheme Booklet.

## **10.4 Benefits and agreements**

### **(a) Agreements or arrangements with Empired Directors**

Other than as disclosed in this Scheme Booklet, there are no agreements or arrangements made between any Empired Director and any other person, including Capgemini, or any other member of the Capgemini Group, in connection with, or conditional upon, the outcome of the Scheme.

Empired has agreed that retention payments will be made to certain executives and employees of the Empired Group, including the Managing Director and Chief Executive Officer. These retention payments are based on continued employment with Empired as at the relevant date, being in the case of the Scheme, the date that Empired Shareholders approve the Scheme Resolution (if approved). Such retention payments are conditional upon the outcome of the Scheme. If a change of control of Empired has not occurred prior to 31 December 2021 (unless extended), subject to any necessary approvals, the Empired Board is proposing to grant Empired Performance Rights under the LTIP up to an equivalent value of what would have otherwise been paid as a retention payment to the relevant executive or employee.

Empired's Managing Director and Chief Executive Officer will receive a payment of \$618,448 (less tax and inclusive of any statutory superannuation) provided that he remains employed by Empired as at the relevant date prior to 31 December 2021 (unless extended) as noted above.

Empired considers that the nature and quantum of the retention payments, including to the Managing Director and Chief Executive Officer, are reasonable in the circumstances.

### **(b) Payments or other benefits to Empired Directors and Empired executive officers**

Other than as disclosed in this Scheme Booklet, it is not proposed that any payment or other benefit will be made or given to any Empired Director, secretary or executive officer of Empired, or any Related Body Corporate of Empired, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office as an Empired Director, secretary or executive officer of Empired, or a body corporate connected with Empired, as a result of the Scheme, other than in his or her capacity as an Empired Shareholder or holder of Empired Performance Rights.

If an Empired executive's employment is terminated following the change of control arising from the Scheme, the relevant executive will have such entitlements (including in respect of compensation for loss of office) as are contemplated by their employment contract.

Certain employees of Empired, including the Managing Director and Chief Executive Officer of Empired, are entitled to a cash bonus upon the occurrence of a change of control under the terms of Empired's short-term incentive plan. Any such bonuses are not related to the retirement of the relevant person from his or her office.

Under the terms of Empired's C Suite Executive short-term incentive plan, upon the occurrence of a change of control event, each eligible employee will receive their cash bonus entitlement. The cash bonus will be deemed to be for the full financial year regardless of the date of the change of control event. As a result, if the Scheme is implemented, Empired's Managing Director and Chief Executive Officer, will receive a cash bonus of \$300,000 and the other eligible employees will receive cash bonuses totalling \$235,200 (all less tax and inclusive of any statutory superannuation). Empired considers that the nature and quantum of the short-term incentive payments, including to the Managing Director and Chief Executive Officer, are reasonable in the circumstances.

Please refer to Section 1.11 for details regarding the treatment of Empired Performance Rights if the Scheme is implemented.

(c) **Interests of Empired Directors in contracts entered into by members of the Capgemini Group and benefits from members of the Capgemini Group**

Other than as disclosed in this Scheme Booklet, no Empired Director has any interest in a contract entered into by Capgemini or any other member of the Capgemini Group and none of the Empired Directors has agreed to receive, or is entitled to receive, any benefit from Capgemini or any other member of the Capgemini Group, which is conditional on, or is related to, the Scheme.

## **10.5 Regulatory conditions and relief**

Empired has neither sought nor obtained any regulatory relief in connection with the Scheme.

## **10.6 Consents and disclaimers**

Each person named in this Section 10.6 as having given its consent to the inclusion of a statement or being named in this Scheme Booklet:

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

### **Independent Expert**

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

- be named as the Independent Expert in the form and context in which it is named;
- the inclusion of the Independent Expert's Report as Annexure B; and

- the inclusion in this Scheme Booklet of statements made by Lonergan Edwards & Associates Limited or the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

#### **Capgemini and Capgemini SE**

Capgemini and Capgemini SE have each given, and neither has withdrawn before the date of this Scheme Booklet, its written consent to:

- be named in this Scheme Booklet in the form and context in which it is named; and
- the inclusion in this Scheme Booklet of the Capgemini Information in the form and context in which it appears.

#### **Other persons**

Grant Thornton Audit Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Empired's auditor in the form and context in which it is named.

Grant Thornton Australia Limited has given, and not withdrawn before the date of this Scheme Booklet, its written consent to:

- be named in this Scheme Booklet in the form and context in which it is named; and
- the inclusion in this Scheme Booklet of the letter to the Empired Directors in Section 9 and all references in this Scheme Booklet to that letter, in the form and context in which they appear.

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

Euroz Hartleys Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Empired's financial adviser in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named as the Share Registry in the form and context in which it is named.

### **10.7 Litigation**

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

Empired is presently in dispute with a customer with respect to the payment of amounts for work performed by Empired pursuant to the terms of the relevant agreement between the parties. The fact of this dispute, and the Empired Directors' estimate of probable recovery by Empired, were disclosed in Empired's Annual Financial Report released to the ASX on 17 August 2021 (see page 9 and notes numbered 4 and 28 to the financial statements contained in the annual financial report). This dispute is not the subject of legal proceedings at this time.

### **10.8 No unacceptable circumstances**

The Empired Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Empired that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

## **10.9 Other information material to the making of a decision in relation to the Scheme**

Other than as disclosed in this Scheme Booklet, there is no other information material to the making of a decision by an Empired Shareholder on whether or not to vote in favour of the Scheme Resolution, being information that is within the knowledge of any Empired Director, or any director of any Related Body Corporate of Empired, which has not previously been disclosed to Empired Shareholders.

## **10.10 Supplementary information**

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

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

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

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

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



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## 11. Glossary

In this Scheme Booklet:

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

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

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

**Australian Accounting Standards** means the standards that fully comply with the International Finance Reporting Standards.

**Business Day** means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia, Australia.

**Capgemini** means Capgemini Australia Pty Limited ACN 092 284 314.

**Capgemini Group** means Capgemini SE and its Subsidiaries.

**Capgemini Director** means each director of Capgemini.

**Capgemini SE** means Capgemini SE, a European Company registered with the French Trade Registry under number 330 703 844 RCS Paris, located at 11, rue de Tilsitt, 75017, Paris, France.

**Capgemini Information** means the information contained in Section 5 and under the heading "Who is Capgemini" on page 23 of this Scheme Booklet.

**Change of Control Contract** has the meaning given in the Scheme Implementation Agreement.

**Change of Control Contracts Condition** has the meaning given in Section 1.7(f).

**CHESS** means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited ACN 008 504 532.

**Competing Proposal** has the meaning given in the Scheme Implementation Agreement.

**Conditions** means the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement.

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

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

**Court** means the Federal Court of Australia.

**Decision Time** has the meaning given in the Scheme Implementation Agreement.

**Deed Poll** means the deed poll executed by Capgemini in favour of the Scheme Shareholders, as set out in Annexure D.

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

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

**Empired** means Empired Limited ACN 090 503 843.

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

**Empired Director** means each director of Empired.

**Empired Employee** means any employee of a member of the Empired Group who is employed as at the date of the Scheme Implementation Agreement.

**Empired Group** means Empired and its Subsidiaries.

**Empired Information** means all information contained in this Scheme Booklet, other than the Capgemini Information, Section 9 and the Independent Expert's Report.

**Empired Key Employee** means any Empired Employee who receives base salary plus statutory superannuation in excess of \$200,000 per annum.

**Empired Performance Right** means a performance right in respect of an Empired Share issued pursuant to the LTIP.

**Empired Share** means a fully paid ordinary share in the capital of Empired.

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

**Empired Shareholder** means a person who is registered in the Empired Share Register as a holder of one or more Empired Shares.

**Employee Retention Condition** has the meaning given in Section 1.7(j).

**End Date** means 19 February 2022 or such other date agreed in writing between Capgemini and Empired.

**Exclusivity Period** means the period commencing on 19 July 2021 and ending on the earliest of the End Date, the date the Scheme Implementation Agreement is terminated in accordance with its terms and the Implementation Date.

**First Court Hearing** means the hearing of the application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting.

**French Business Day** means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Paris, France.

**FY19 Performance Right** means an Empired Performance Right issued which has a vesting date of 1 September 2021.

**Implementation Date** means the date that is five Business Days after the Scheme Record Date or such other time and date agreed in writing between Capgemini and Empired or as ordered by the Court.

**Independent Expert** means Lonergan Edwards & Associates Limited.

**Independent Expert's Report** means the report from the Independent Expert in respect of the Scheme, as set out in Annexure B.

**Intergen** means Intergen Limited (New Zealand company number 1128855), a wholly-owned Subsidiary of Empired.

**Key Employee Retention Condition** has the meaning given in Section 1.7(k).

**Last Practicable Date** means 16 September 2021, being the last practicable trading day prior to the date of this Scheme Booklet.

**LTIP** means the Empired Long Term Incentive Plan approved by Empired Shareholders at Empired's annual general meeting on 28 November 2018.

**Material Adverse Change** has the meaning given to the term "Target Material Adverse Change" in the Scheme Implementation Agreement.

**Material Contract** has the meaning given in the Scheme Implementation Agreement.

**Net Debt** has the meaning given in the Scheme Implementation Agreement.

**Notice of Scheme Meeting** means the notice of meeting relating to the Scheme Meeting, which is contained in Annexure E.

**Prescribed Occurrence** has the meaning given to the term "Target Prescribed Occurrence" in the Scheme Implementation Agreement.

**Proxy Form** means the proxy form for the Scheme Meeting accompanying this Scheme Booklet.

**Recommendation** means the recommendation by each Empired Director that Empired Shareholders vote in favour of the resolution to approve the Scheme, which is permitted to be qualified by certain words under the Scheme Implementation Agreement.

**Registered Address** means, in relation to an Empired Shareholder, the address shown in the Empired Share Register on the Scheme Record Date.

**Regulatory Authority** means any foreign or Australian:

- (a) government, department, minister or agency of any government and any other governmental, semi-governmental, administrative, fiscal, monetary or judicial body or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law (including Tax Law) or regulation or the listing rules of any recognised stock or securities exchange.

**Related Body Corporate** of a corporation means a related body corporate of that corporation within the meaning of section 50 of the Corporations Act.

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

**Relevant Right** means in respect of a contract to which a member of the Empired Group is a party to, a right to:

- (a) terminate, cancel, rescind, vary, amend or modify the contract or any part of it;
- (b) exercise, enforce or accelerate any right under that contract; or
- (c) benefit from the operation of a provision which automatically terminates, varies, amends or modifies the contract,

(including where that Relevant Right is subject to (x) the satisfaction or failure of a contingency or condition or (y) one or more of the Conditions being satisfied or waived or (z) the effluxion of time) as a direct result of:

- (d) Capgemini entering into the Scheme Implementation Agreement;
- (e) a member of the Empired Group performing its functions under the Scheme Implementation Agreement;

- For personal use only
- (f) any public announcement or public disclosure of the Transaction;
  - (g) a member of the Capgemini Group acquiring, or acquiring a Relevant Interest in, any Empired Shares;
  - (h) a member of the Capgemini Group acquiring control of Empired;
  - (i) a member of the Capgemini Group implementing or seeking to implement any of its intentions for Empired as described in the Scheme Booklet; or
  - (j) any Empired Director supporting the Scheme or making a recommendation that Empired Shareholders vote in favour of the Scheme.

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

**Requisite Majorities** means approval of the Scheme Resolution by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Empired and the Scheme Shareholders in the form set out in Annexure C, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Empired and Capgemini.

**Scheme Booklet** means this scheme booklet, including the Annexures.

**Scheme Consideration** means the amount of cash which a Scheme Shareholder is entitled to receive under the Scheme, being \$1.35 for each Scheme Share.

**Scheme Implementation Agreement** means the Scheme Implementation Agreement dated 19 July 2021 between Empired Limited and Capgemini Australia Pty Limited. A summary is set out in Annexure A and a full copy of the original is attached to Empired's ASX announcement on 19 July 2021, which is available on the ASX's website at <http://www.asx.com.au> or Empired's website at <https://www.empired.com>.

**Scheme Meeting** means the meeting of Empired Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, approve the Scheme.

**Scheme Record Date** means 5:00 pm on the date that is five Business Days after the Effective Date or such other time and date agreed in writing between Capgemini and Empired.

**Scheme Resolution** means the resolution to be put to Empired Shareholders at the Scheme Meeting to approve the Scheme.

**Scheme Share** means an Empired Share on issue on the Scheme Record Date, other than any Empired Shares held by Capgemini or its Related Bodies Corporate.

**Scheme Shareholders** means each person registered in the Empired Share Register as a holder of one or more Scheme Shares on the Scheme Record Date.

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

**Second Court Hearing** means the hearing of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme.

**Section** means a section of this Scheme Booklet.

**Security Interest** means a security as defined in section 12 of the Personal Properties Securities Act 2009 (Cth).

**Share Registry** or **Computershare** means Computershare Investor Services Pty Limited ACN 078 279 277.

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

**Superior Proposal** has the meaning given in the Scheme Implementation Agreement.

**Tax** means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction.

**Tax Law** means any law relating to Tax.

**Transaction** means the acquisition of all issued Empired Shares by Capgemini pursuant to the Scheme.

**Voting Intention** means the statement by each Empired Director that he or she intends to cause any Empired Shares in which he or she has a Relevant Interest to be voted in favour of the resolution to approve the Scheme.

**VWAP** means volume-weighted average price.

## Annexure A Summary of the Scheme Implementation Agreement

Empired and Capgemini entered into the Scheme Implementation Agreement on 19 July 2021. The Scheme Implementation Agreement sets out the obligations of Empired and Capgemini in connection with the implementation of the Scheme.

A full copy of the Scheme Implementation Agreement is attached to Empired's ASX announcement on 19 July 2021, which is also available on the ASX's website at <http://www.asx.com.au> or Empired's website at <https://www.empired.com>.

The following is a summary only and is qualified in its entirety by the full text of the Scheme Implementation Agreement. All capitalised terms used in this Annexure have the meaning given to them in Section 11, unless otherwise indicated.

### Conditions

The Scheme remains subject to the satisfaction or waiver (as applicable) of the following outstanding Conditions:

- (a) **Scheme shareholder approval:** Empired Shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
- (b) **Court approval of the Scheme:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (c) **Regulatory approvals:** on or before 8:00 am on the Second Court Date, all consents, waivers and approvals from a Regulatory Authority which Empired and Capgemini (acting reasonably) agree in writing are necessary to implement the Scheme are granted or obtained and none of those consents, waivers and approvals have been withdrawn, cancelled or revoked. For the avoidance of doubt, this includes, but is not limited to, ASIC and ASX having issued or provided such consents or approvals or having done such other acts which Empired and Capgemini agree (acting reasonably) are necessary to implement the Scheme, or Capgemini having done such other acts which Empired and Capgemini (acting reasonably) agree in writing are necessary to implement the Scheme. If such consents, approvals or other acts are subject to conditions, those conditions must be acceptable to Empired and Capgemini (acting reasonably).
- (d) **No restraint:** no temporary restraining order, preliminary or permanent injunction or other temporary, preliminary or final order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing, restraining, prohibiting or materially adversely affecting any of the transactions contemplated by the Scheme Implementation Agreement is in effect as at 8:00 am on the Second Court Date.
- (e) **Independent Expert's Report:** the Independent Expert's Report concludes that the Scheme is in the best interests of Empired Shareholders on or before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change or publicly withdraw that conclusion prior to 8:00 am on the Second Court Date.
- (f) **Change of Control Contracts:**
  - (i) on or before 8:00 am on the Second Court Date, Empired has received a written confirmation under or in respect of each of the Change of Control Contracts stating that the counterparty agrees not to exercise any Relevant Rights; and
  - (ii) as at 8:00 am on the Second Court Date, a Relevant Right has been exercised in respect of no more than five Material Contracts (where for this purpose Material Contracts do not include Change of Control Contracts).
- (g) **No Material Adverse Change:** no Material Adverse Change occurs or becomes known to Capgemini before 8:00 am on the Second Court Date.

- (h) **No Prescribed Occurrence:** no Prescribed Occurrence occurs or becomes known to Capgemini before 8:00 am on the Second Court Date.
- (i) **Empired warranties:** the representations and warranties made by Empired and set out in Schedule 2 of the Scheme Implementation Agreement are true and correct in all material respects as at the time they are given or made.
- (j) **Capgemini warranties:** the representations and warranties made by Capgemini and set out in Schedule 1 of the Scheme Implementation Agreement are true and correct in all material respects as at the time they are given or made.
- (k) **Empired Employee retention:** of the Empired Employees employed by the Empired Group as at the date of the Scheme Implementation Agreement, at least:
- (i) 90% are employed by the Empired Group as at 31 October 2021;
  - (ii) 88% are employed by the Empired Group as at the earlier of 30 November 2021 and the Decision Time;
  - (iii) 86% are employed by the Empired Group as at the earlier of 31 December 2021 and the Decision Time; and
  - (iv) 84% are employed by the Empired Group as at the earlier of 31 January 2022 and the Decision Time,
- (excluding any employees who have resigned before the date of the Scheme Implementation Agreement and all independent contractors).
- (l) **Empired Key Employee retention:** of the Empired Key Employees employed by the Empired Group as at the date of the Scheme Implementation Agreement, at least:
- (i) 90% are employed by the Empired Group as at 31 October 2021;
  - (ii) 88.5% are employed by the Empired Group as at the earlier of 30 November 2021 and the Decision Time;
  - (iii) 87% are employed by the Empired Group as at the earlier of 31 December 2021 and the Decision Time; and
  - (iv) 85.5% are employed by the Empired Group as at the earlier of 31 January 2022 and the Decision Time,
- (excluding any employees who have resigned before the date of the Scheme Implementation Agreement and all independent contractors).
- (m) **Maximum Net Debt Amount:** on the last day of the calendar month before each of the Scheme Meeting and the Second Court Date (each a **Relevant Date**) Empired provides written evidence to Capgemini that establishes to Capgemini's reasonable satisfaction that as at the Relevant Date, Empired's Net Debt is equal to or less than \$20 million.

The above list does not include Conditions that have been satisfied or waived.

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

## If the Conditions are not met

If:

- (a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with the Scheme Implementation Agreement by the time or date specified in the Scheme Implementation Agreement for the satisfaction of the Condition (or by the End Date, if no such time and date is specified);
- (b) there is an act, failure to act, event or occurrence which does, will, or which either party becomes aware does or will, prevent a Condition being satisfied by the time or date specified in the Scheme Implementation Agreement for the satisfaction of the Condition (or by the End Date, if no such time and date is specified) and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with the Scheme Implementation Agreement; or
- (c) the Scheme has not, or it becomes more likely than not that the Scheme will not, become Effective by the End Date,

then Empired and Capgemini must consult, acting reasonably and in good faith, with a view to determining whether:

- (d) the Scheme may proceed by way of alternative means or methods so as to achieve an outcome that is:
  - (i) commercially substantially the same as the Scheme; and
  - (ii) no less favourable to Empired Shareholders than would result from the implementation of the Scheme;
- (e) to extend the relevant time for satisfaction of the Condition or to adjourn or change the date of an application to the Court;
- (f) to extend the End Date; or
- (g) do all, or any combination of the matters listed in paragraphs (d) to (f) (inclusive).

## Scheme Consideration

If the Scheme becomes Effective, Capgemini has agreed to:

- (a) accept the transfer of all Scheme Shares;
- (b) pay, or procure the payment of, the amounts payable to each Scheme Shareholder in accordance with the Scheme; and
- (c) deposit an amount equal to the total Scheme Consideration in cleared funds into a trust account operated by Empired as trustee for the Scheme Shareholders by no later than the Business Day before the Implementation Date.

## Conduct of business

Subject to certain exceptions, up to and including the Implementation Date, Empired must procure that the business and operations of the Empired Group are conducted:

- (a) in the ordinary course; and
- (b) substantially consistent with the manner in which its business and operations were conducted in the 12 month period prior to the date of the Scheme Implementation Agreement (subject to all applicable laws, regulations and requirements of Regulatory Authorities).



## Information obligations

From the date of the Scheme Implementation Agreement up to the Implementation Date, Empired has agreed to grant certain information rights to Capgemini.

## Empired Performance Rights

As at 8:00 am on the Second Court Date, Empired must have put arrangements in place, and taken all action necessary, so that all Empired Performance Rights will:

- (a) vest in accordance with their terms, be exercised (if applicable) and have resulted in the issue of such number of Empired Shares as required by the terms of the Empired Performance Rights so that the holders of Empired Performance Rights can participate in the Scheme as Scheme Shareholders and receive the Scheme Consideration in respect of those Empired Shares; or
- (b) lapse or otherwise be cancelled or terminated,

in each case before the Scheme Record Date.

Please refer to Section 1.11 for further details about the treatment of Empired Performance Rights if the Scheme is implemented.

## Exclusivity

### *No shop*

During the Exclusivity Period, Empired must not, and must ensure that each of its Related Bodies Corporate and Representatives do not, directly or indirectly, and except with the prior written consent of Capgemini solicit, encourage, initiate or invite (including by the provision of non-public information to any third party) any Competing Proposal, expression of interest, offer, proposal, enquiries, negotiations, discussions or other communications with any third party, or communicate any intention to do these things which may reasonably be expected to encourage or lead to an actual, proposed or potential Competing Proposal.

### *No talk and no due diligence*

During the Exclusivity Period, Empired must not, and must ensure that its Related Bodies Corporate and Representatives do not, except with the prior written consent of Capgemini, directly or indirectly:

- (a) enter into, facilitate, continue or participate in any negotiations or discussions with any third party in relation to any enquiry, expression of interest, offer, proposal or discussion by any person to make, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal;
- (b) disclose or otherwise provide or make available any non-public information about the business or affairs of the Empired Group to a third party in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Empired Group);
- (c) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal; or
- (d) communicate any intention to do either of the things listed in paragraphs (a), (b) or (c).

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

Empired, its Related Bodies Corporate or its Representatives may undertake any action that would otherwise be prohibited by the "No talk and no due diligence" exclusivity provision, where the Empired Board has determined in good faith that:

- For personal use only
- (a) after consultation with its advisers, such actual, proposed or potential Competing Proposal is a Superior Proposal or could reasonably be expected to become a Superior Proposal; and
  - (b) after having considered external written legal advice from external advisers, that not undertaking that act would likely involve a breach of the fiduciary or statutory duties owed by any Empired Director or otherwise be unlawful,

provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of the “No shop” exclusivity provision.

#### ***Notification to Capgemini***

During the Exclusivity Period, Empired must notify Capgemini in writing (and in any event within 48 hours after becoming aware) if:

- (a) it (or any of its Related Bodies Corporate or Representatives) receives an approach or becomes aware of any:
  - (i) negotiations, discussions or other communications;
  - (ii) attempts to initiate any negotiations, discussions or other communications; or
  - (iii) intention to make such an approach or attempt to initiate any negotiations, discussions or other communications,

by or with any person in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

- (b) Empired or any of its Related Bodies Corporate or Representatives provides any non-public information concerning the business or operations of the Empired Group to any third party in connection with an actual, proposed or potential Competing Proposal.

Any notification must include all material terms and conditions of the actual, proposed or potential Competing Proposal (including price and form of consideration, conditions precedent, the identity of the bidder and timetable), in each case to the extent known by Empired or any of its Related Bodies Corporate or Representatives.

Empired must also notify Capgemini in writing as soon as practicable after it or any of its Related Bodies Corporate or Representatives becomes aware of any material updates to the information previously provided to Capgemini, including that the relevant actual, proposed or potential Competing Proposal is no longer proceeding.

#### ***Capgemini matching right***

During the Exclusivity Period, Empired:

- (a) must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party, Empired or any Related Body Corporate of Empired undertakes, proposes, or proposes to undertake or to give effect to an actual, proposed or potential Competing Proposal; and
- (b) must procure that none of the Empired Directors change their Recommendation, publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,

unless the Empired Board acting in good faith determines that the Competing Proposal is, or would be or would reasonably likely to be an actual, proposed or potential, Superior Proposal, and Empired gives Capgemini not less than five French Business Days' notice in writing of the material terms and conditions of the Competing Proposal (including price, form of consideration, conditions, timetable and details of the party making the

proposal) (in each case, to the extent known) in order for Capgemini to provide a matching or superior proposal to the terms of the relevant Competing Proposal (**Bidder Counter Proposal**).

If Capgemini provides Empired with a Bidder Counter Proposal, Empired must use its best endeavours to procure that the Empired Directors promptly consider the Bidder Counter Proposal in good faith.

If the Empired Directors determine, acting reasonably and in good faith, that the terms and conditions of the Bidder Counter Proposal (taken as a whole) are equivalent to or more favourable than those of the relevant Competing Proposal and would deliver an equivalent or superior outcome for Empired Shareholders as a whole, then Empired and Capgemini must use all reasonable endeavours to negotiate and agree and enter into such documentation as is necessary to give effect to and implement the Bidder Counter Proposal as soon as reasonably practicable. Empired must also procure that each Empired Director makes a public statement recommending the Bidder Counter Proposal to Empired Shareholders.

## **Representation and warranties**

The Scheme Implementation Agreement contains customary and other representations and warranties by each of Empired and Capgemini. These warranties include "Target Business Warranties" being given by Empired in respect of which Capgemini may be issued warranty and indemnity insurance.

## **Reimbursement fees**

### ***Capgemini cost reimbursement amount***

Capgemini must pay Empired \$2,333,844 without deduction, set-off or withholding if:

- (a) Empired validly terminates the Scheme Implementation Agreement under a provision relating to a material breach of the Scheme Implementation Agreement by Capgemini; or
- (b) Capgemini does not pay or procure the payment of the Scheme Consideration in accordance with the terms and conditions of the Scheme Implementation Agreement, the Scheme and the Deed Poll.

### ***Empired reimbursement fee***

Empired must pay Capgemini \$2,333,844 without deduction, set-off or withholding if:

- (a) a Competing Proposal is announced before the earlier of the Second Court Date and termination of the Scheme Implementation Agreement, and within 12 months after the date of such announcement, the third party who announced the proposal (or any of its Associates) completes that Competing Proposal;
- (b) one or more of the Empired Directors fails to recommend the Scheme or adversely changes, adversely modifies, adversely qualifies or withdraws their support of the Scheme or their Recommendation or Voting Intention or publicly recommends, supports or endorses a Competing Proposal (other than in certain circumstances);
- (c) Capgemini validly terminates the Scheme Implementation Agreement under certain provisions relating to a material breach of the Scheme Implementation Agreement by Empired, or as a result of a Prescribed Occurrence occurring; or
- (d) there is a breach of the Matching Right provision in the Scheme Implementation Agreement.

## **Termination**

The Scheme Implementation Agreement may only be terminated by Capgemini or Empired in the circumstances contemplated below, or if the parties agree in writing to terminate the Scheme Implementation Agreement.

### **Termination by Empired**

Empired may terminate the Scheme Implementation Agreement at any time before 8:00 am on the Second Court Date:

- (a) in accordance with a clause of the Scheme Implementation Agreement relating to the failure of the Conditions; or
- (b) by notice in writing to Capgemini if:
  - (i) Capgemini is in material breach of any clause of the Scheme Implementation Agreement and has not remedied that breach within 5 Business Days of being given notice (or any shorter period ending at 8:00 am on the Second Court Date); or
  - (ii) a majority of the Empired Directors publicly withdraw, fail to make or adversely change their Recommendation or Voting Intention or publicly recommend a Competing Proposal as permitted under the Scheme Implementation Agreement and, if required to do so, pay the Empired reimbursement fee referred to above.

### **Termination by Capgemini**

Capgemini may terminate the Scheme Implementation Agreement at any time before 8:00 am on the Second Court Date:

- (a) in accordance with a clause of the Scheme Implementation Agreement relating to the failure of the Conditions; or
- (b) by notice in writing to Empired if:
  - (i) Empired is in material breach of any clause of the Scheme Implementation Agreement (excluding a material breach by Empired of the "Target Business Warranties", which Empired is providing for warranty and indemnity purposes, and are set out in Schedule 3 of the Scheme Implementation Agreement) and has not remedied that breach within 10 Business Days of being given notice (or any shorter period ending at 8:00 am on the Second Court Date);
  - (ii) any Empired Director withdraws, fails to make or adversely modifies or adversely qualifies their support for the Scheme or their Recommendation or Voting Intention or publicly recommends, supports or endorses a Competing Proposal, for any reason other than as permitted under the Scheme Implementation Agreement;
  - (iii) Empired enters into any legally binding agreement, arrangement or understanding in relation to undertaking or giving effect to any actual, proposed or potential Competing Proposal; or
  - (iv) a Prescribed Occurrence occurs or is discovered, announced, disclosed or otherwise becomes known to Capgemini (whether the event occurred before or after the date of the Scheme Implementation Agreement).

### **Obligations on termination**

On termination of the Scheme Implementation Agreement, all provisions cease to have effect and the parties will have no further obligations under it (except in respect of certain clauses which are expressed to survive termination).

## **Other clauses**

The Scheme Implementation Agreement contains other clauses. A full copy of the Scheme Implementation Agreement is attached to Empired's ASX announcement on 19 July 2021, which is available on the ASX's website at <http://www.asx.com.au> and on Empired's website at <https://www.empired.com/scheme>.

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**Annexure B Independent Expert's Report**

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# LONERGAN EDWARDS & ASSOCIATES LIMITED

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The Directors  
Empired Limited  
Level 7, The Quadrant  
1 William Street  
Perth WA 6000

20 September 2021

## **Subject: Proposed acquisition by way of Scheme**

Dear Directors

### **Introduction**

- 1 On 19 July 2021, Empired Limited (Empired or the Company) announced that it and Capgemini Australia Pty Ltd (Capgemini) had entered into a Scheme Implementation Agreement (SIA) under which Capgemini agreed to acquire 100% of the issued share capital of Empired for a cash price of \$1.35 per share. The proposed acquisition of the shares is to be implemented via a scheme of arrangement between Empired and its shareholders (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report).
- 2 The Empired Directors unanimously recommend that Empired shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of Empired shareholders.
- 3 If the Scheme is approved and implemented, Empired shareholders will receive \$1.35 cash for each Empired share they hold on the Scheme Record Date<sup>1</sup> (Scheme Consideration). Further, if the Scheme is implemented, Empired will be delisted from the Australian Securities Exchange (ASX).

### **Empired**

- 4 Empired is an information technology (IT) services provider focused on delivering enterprise digital solutions for medium to large corporate and government organisations within key industries, including public sector, energy and natural resources, financial services and insurance, utilities and transport. The company offers end-to-end business solutions, including managed services and digital transformation, consulting services, system

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<sup>1</sup> The Scheme Record Date is expected to be 5:00pm (Perth time) on the date that is five business days after the Scheme becomes effective (or such other time and date as agreed in writing between Empired and Capgemini).

#### **Authorised Representatives:**

Wayne Lonergan • Craig Edwards\* • Hung Chu • Martin Hall • Martin Holt\* • Grant Kepler\* • Julie Planinic\* • Nathan Toscan • Jorge Resende

\* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.  
*Liability limited by a scheme approved under Professional Standards Legislation*

integration, digital customer relationship management and engagement strategies, and IT security.

## Capgemini

- 5 Capgemini is a wholly owned subsidiary of Capgemini S.E., which is a global leader in consulting, technology, professional and outsourcing services and also provides digital transformation services. Capgemini S.E. is headquartered in Paris, France, operates in almost 50 countries and employs over 270,000 staff. It is listed on the Euronext Paris stock exchange with a market capitalisation of around €28 billion as at 22 July 2021.

## Purpose of report

- 6 The Scheme is subject to a number of conditions precedent, including an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of Empired shareholders. In addition:
- (a) the Directors' recommendation of the Scheme is in the absence of a superior proposal and subject to an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of Empired shareholders
  - (b) as the Scheme is considered a change of control transaction, the Australian Securities & Investments Commission's (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 7 Accordingly, the Directors of Empired have requested Lonergan Edwards & Associates Limited (LEA) to prepare an independent expert's report (IER) stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Empired shareholders and the reasons for that opinion.
- 8 LEA is independent of Empired and Capgemini and has no other involvement or interest in the proposed Scheme.

## Summary of opinion

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

## Value of Empired

- 10 We have assessed the value of Empired shares on a 100% controlling interest basis at \$1.20 to \$1.34 per share, as shown below:

Valuation of Empired		
	Low \$m	High \$m
Enterprise value	204.0	228.0
Add net cash	3.0	3.0
<b>Equity value</b>	<b>207.0</b>	<b>231.0</b>
Fully diluted shares on issue (million)	172.7	172.7
<b>Value per share (\$)</b>	<b>\$1.20</b>	<b>\$1.34</b>



### Fair and reasonable opinion

- 11 Pursuant to RG 111 a scheme is “fair” if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme. This comparison for Empired shares is shown below:

Position of Empired shareholders			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.35	1.35	1.35
Value of 100% of Empired	1.20	1.34	1.27
Extent to which the Scheme Consideration exceeds the value of Empired	0.15	0.01	0.08

- 12 As the Scheme Consideration exceeds our assessed valuation range for Empired shares on a 100% controlling interest basis (albeit marginally at the top end of our valuation range), in our opinion, the Scheme Consideration is fair to Empired shareholders when assessed based on the guidelines set out in RG 111.
- 13 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable” in the absence of a superior proposal.

### In the best interests

- 14 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 15 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 16 We therefore consider that the Scheme is also “in the best interests” of Empired shareholders in the absence of a superior proposal.

### Assessment of the Scheme

- 17 We summarise below the likely advantages and disadvantages of the Scheme for Empired shareholders.

#### Advantages

- 18 In our opinion, the Scheme has the following benefits for Empired shareholders:
- the Scheme Consideration of \$1.35 cash per share exceeds our assessed value range for Empired shares on a 100% controlling interest basis
  - the Scheme Consideration represents a significant premium to the recent market prices of Empired shares prior to the announcement of the Scheme
  - furthermore, the premium is well above observed premiums generally paid to target company shareholders in comparable circumstances

- (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Empired shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

### Disadvantages

- 19 Empired shareholders should note that if the Scheme is implemented they will no longer hold an interest in Empired. Empired shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 20 However, as our assessed value of Empired shares is less than the Scheme Consideration, in our opinion, the present value of Empired's future potential is adequately reflected in the Scheme Consideration.

### Conclusion

- 21 Given the above analysis, we consider the acquisition of Empired shares under the Scheme is fair and reasonable and in the best interests of Empired shareholders in the absence of a superior proposal.

### General

- 22 In preparing this report we have considered the interests of Empired shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.
- 23 The impact of approving the Scheme on the tax position of Empired shareholders depends on the individual circumstances of each investor. Empired shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 24 The ultimate decision whether to approve the Scheme should be based on each Empired shareholder's assessment of their own circumstances. If Empired shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that Empired shareholders read the remainder of our report.

Yours faithfully



Craig Edwards  
Authorised Representative



Jorge Resende  
Authorised Representative

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## I Key terms of the Scheme

### Terms

- 25 Empired has entered into a SIA with Capgemini that sets out the terms and conditions under which the Scheme is to be implemented. An overview and the key terms of the Scheme are set out at paragraphs 1 and 2.

### Conditions

- 26 The implementation of the Scheme is subject to a number of customary and other conditions, including the approval of Empired shareholders and the Court, an Independent Expert's Report concluding that the Scheme is in the best interests of Empired shareholders (and the Independent Expert not changing or publicly withdrawing that conclusion) and there being no Target Material Adverse Change or Target Prescribed Occurrence (as those terms are defined in the SIA).
- 27 Other conditions include obtaining written confirmation from certain counterparties under Change of Control Contracts that they will not exercise a Relevant Right and a Relevant Right not being exercised in respect of more than five Material Contracts, Empired maintaining a specified percentage of Target Key Employees and Target Employees (as each of those terms are defined in the SIA) and Empired not exceeding a maximum net debt threshold<sup>2</sup>. There are no financing or due diligence conditions.

### Exclusivity provisions and break fees

- 28 In addition, the SIA contains certain customary exclusivity provisions, including "no shop" restrictions, "no talk" and "no due diligence" restrictions, a notification obligation and a matching right to Capgemini in respect of a Competing Proposal received by Empired during the Exclusivity Period (as those terms are defined in the SIA). The SIA also provides for certain circumstances under which Empired may be required to pay a break fee of approximately \$2.3 million to Capgemini or Capgemini may be required to pay a break fee of approximately \$2.3 million to Empired.
- 29 Empired may undertake any of the activities restricted by the "no talk" and "no due diligence" provisions where the Empired Board has:
- (a) determined in good faith that, after consultation with its advisers, such a Competing Proposal is a Superior Proposal or could reasonably be expected to become a Superior Proposal (as those terms are defined in the SIA); and
  - (b) after having considered external written legal advice from external advisers, that not undertaking that act would likely involve a breach of the fiduciary or statutory duties owed by any Director of Empired or otherwise be unlawful, provided that the competing proposal was not brought about by a breach of the "no shop" restrictions in the SIA.

### Resolution

- 30 Empired shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the Notice of Scheme Meeting accompanying the Scheme Booklet.

<sup>2</sup> The maximum net debt threshold is \$20 million (as defined and set out in Clause 1.1 of the SIA).

- 31 If the resolution is passed by the requisite majorities and subject to all other conditions of the SIA being satisfied or waived (where permitted), Empired must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all Empired shareholders who hold Empired shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

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## II Scope of our report

### Purpose

- 32 The Scheme is to be effected pursuant to Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act), which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations 2001 (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to section 411 of the Corporations Act.
- 33 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 34 Capgemini has no current shareholding in Empired and has no representation on the Empired Board. Accordingly, there is no regulatory requirement for an IER to be prepared for Empired shareholders pursuant to the Corporations Act or the ASX Listing Rules. However:
- (a) it is both a condition precedent to the Scheme, and a qualification to the Empired Directors' recommendation of the Scheme, that an independent expert concludes, and continues to conclude, that the Scheme is in the best interests of Empired shareholders
  - (b) as the Scheme involves a change of control, RG 111 also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 35 The Directors of Empired have therefore requested LEA to prepare an IER stating whether the proposed acquisition of the shares in Empired by Capgemini under the Scheme is fair and reasonable and in the best interests of Empired shareholders and the reasons for that opinion.
- 36 This report has been prepared by LEA for the benefit of Empired shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Notice of Scheme Meeting and Scheme Booklet to be sent to Empired shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Empired shareholders.
- 37 The ultimate decision whether to approve the Scheme should be based on each Empired shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

### Basis of assessment

- 38 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which, inter alia, provides guidance as to how an expert should assess the merits of a transaction.
- 39 When an IER is prepared for a scheme that involves a change of control (like the proposed Scheme concerning Empired), ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and

provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).

- 40 Fairness involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme (assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account<sup>3</sup>). A scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the actual (or deemed) change of “control” in ownership.
- 41 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal (e.g. the bidder’s existing shareholding in the company, the likely market price of the company’s shares if the scheme is unsuccessful, the likelihood of a superior alternative offer emerging etc.). A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 42 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 43 Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 44 Having regard to the above, our report has therefore considered:

**Fairness**

- (a) the market value of 100% of the shares in Empired
- (b) the value of the consideration offered by Capgemini (i.e. \$1.35 cash per share)
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

**Reasonableness / in the best interests**

- (d) the extent to which a control premium is being paid to Empired shareholders
- (e) the extent to which Empired shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (f) the listed market price of Empired shares, both prior to and subsequent to the announcement of the proposed Scheme

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<sup>3</sup> For example, synergies that are not available to other bidders.



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

### Limitations and reliance on information

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

51 In forming our opinion, we have also assumed that:

- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
- (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the SIA and the terms of the Scheme itself.

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### III Profile of Empired

#### Overview

52 Empired is an IT services provider focused on delivering enterprise digital solutions for medium to large corporate and government organisations within key industries, including public sector, energy and natural resources, financial services and insurance, utilities and transport. The Company offers end-to-end business solutions, including managed services, digital transformation, consulting services, system integration, digital customer relationship management and engagement strategies, and IT security.

#### History

53 Empired was established in Western Australia in 1999 and listed on the ASX in October 2007 as an IT services business. The Company has evolved from an infrastructure and application development focused business to an end-to-end technology transformation and modern managed services provider, designing its services to assist organisations prepare for the future.

54 Since listing on the ASX, Empired has both enhanced its professional service capabilities and expanded its operations into New Zealand and the Australian east coast markets. The Company also made a number of acquisitions over the 2010 to 2014 period:

Empired – acquisitions			
Date <sup>(1)</sup>	Company	Consideration \$m	Operations
Oct 10	Quadrant Group	1.7	IT consulting services provider based in Western Australia, specialising in the provision of IT planning and strategy, business analysis, project management, change management and business continuity management
Aug 12	Conducive	8.0 <sup>(2)</sup>	Western Australia based application development and consulting business specialising in strategic consulting, project and programme management, Microsoft application development and business intelligence
Oct 13	OBS	15.0	OBS was one of Australia's largest Microsoft enterprise content management service providers (at the time) and was expected to report annual revenue of some \$32 million
May 14	eSavvy	2.2 <sup>(2)</sup>	IT consulting services provider based in Sydney and one of Australia's leading Microsoft customer relationship partners at the time
Oct 14	Intergen	17.4 <sup>(2)</sup>	The acquisition extended Empired's Microsoft application services portfolio (including Microsoft Dynamics) and added New Zealand as a major region of operation

**Note:**

1 Date of transaction announcement.

2 Includes deferred consideration, some of which was contingent upon achieving earnings targets.

55 Whilst Intergen was acquired by Empired in October 2014, the Intergen business was formed in Wellington, New Zealand in 2001 and accordingly, its operational experience in New Zealand dates back some 20 years.

- 56 Empired provides a range of professional services that are either provided on a one-off basis, or delivered through multi-year managed services contracts. A summary of the recent key contracts won by the Company since 1 January 2019 is set out below:

**Empired – key contracts**

<b>Date</b>	<b>Description</b>
May 19	Signed a contract with Main Roads Western Australia, estimated to add approximately \$10 million to FY20 revenue
Nov 19	Secured a new three-year master IT supply contract with Rio Tinto
Apr 20	Secured a managed services contract and a preferred master IT supply contract with Western Power. Both contracts were for an initial term of five years, plus two one-year options to extend. Across the initial five-year term, the managed services contract had an estimated value of \$31 million and the master IT supply contract had an estimated value of \$30 million. On a combined basis these contracts were the largest entered into by the Company
Nov 20	Secured a master IT supply contract to provide a range of system integration services to Western Power, in addition to contracts awarded in April 2020. The contract was for a fixed term of three years
Jun 21	Signed a \$9 million digital transformation contract with the Department of Innovation and Skills in South Australia. The contract was for an initial term of two years, with work scheduled to commence in July 2021
Jul 21	Secured a managed services contract with the Environmental Protection Authority of Victoria. The contract was for an initial term of four years, plus two one-year options to extend. Average revenue over the initial four year contract term is approximately \$8.8 million per annum.

- 57 Empired has a close relationship with Microsoft and leverages off a range of Microsoft’s technologies to provide its clients with optimal IT strategies and solutions, including Microsoft Azure (cloud computing services) and Microsoft Dynamics (customer relationship management software applications). As a result of its ongoing relationship, Empired has been awarded membership to Microsoft’s “Business Applications Inner Circle” for four consecutive years. Membership allows Empired to communicate directly with senior leaders and executives of Microsoft, and in turn gives Empired the ability to share the latest insights with its customers. Empired was also awarded Microsoft Azure Expert Managed Services Provider status in October 2020.

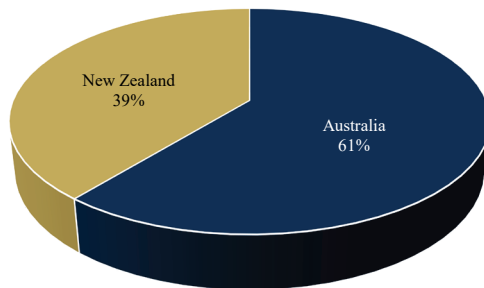
**Current operations**

- 58 Empired operates from a Perth head office and employs approximately 1,000 staff across Australia, New Zealand and the United States of America (US). In addition to its head office, Empired has offices located in Sydney, Melbourne, Brisbane and Adelaide in Australia, and Auckland, Wellington, Christchurch and Dunedin in New Zealand. The Company’s US operations are based in Seattle and services Microsoft as a client, helping deliver content for Microsoft technology events. Fronting and sourcing of the customer is undertaken in Seattle, while back-end support is provided from New Zealand.
- 59 The Company reports two operating segments, being Australia and New Zealand<sup>4</sup>, and provides services to clients across a diverse range of industries, as shown below for the year ended 30 June 2021 (FY21):

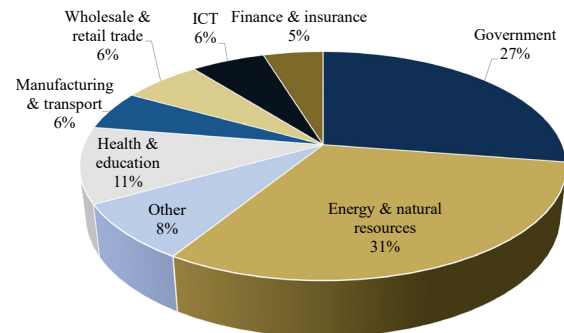
<sup>4</sup> The US results are reported under the New Zealand segment.

Empired – revenue by segment and industry exposure

Revenue by segment (FY21)



Industry exposure (FY21)

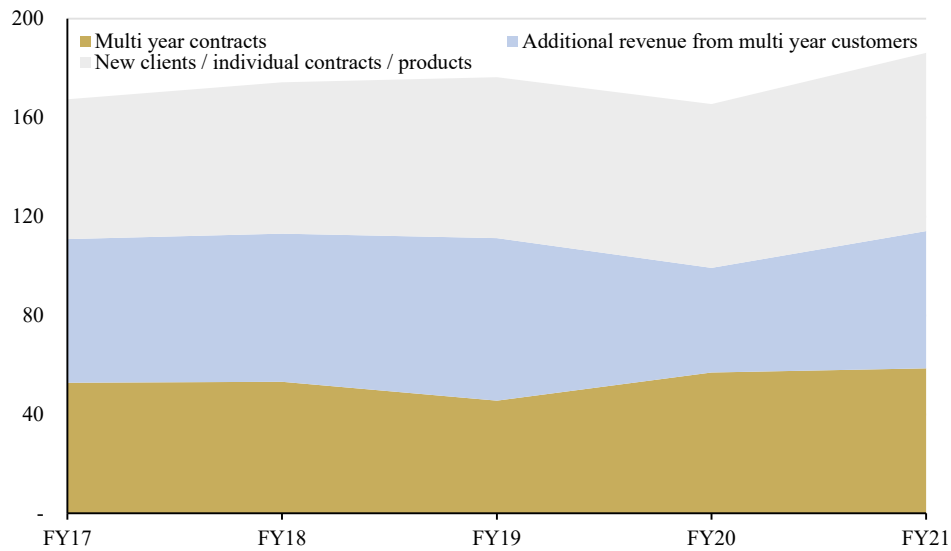


- 60 Empired specialises in the design and delivery of effective, long-lasting solutions to complex problems faced by its clients. Empired’s service delivery is centred around providing IT project delivery services or support services billed on a fixed price or time and materials basis. Revenue is also generated from the selling of third-party software licenses and software-as-a-service (SaaS) revenue from its own proprietary enterprise content management platform Cohesion, that fast tracks the transition of content and records management to the cloud.
- 61 Empired’s revenue is grouped under services, operations and product and licence revenue, a summary of which is as follows:
- (a) **services revenue** – professional project service fees for customers contracted on a fixed price or time and material basis
  - (b) **operations revenue** – professional fees from customers for managing IT systems, applications or infrastructure
  - (c) **product and licence revenue** – revenue from the sale of products and licenses.
- 62 A summary of Empired’s predictable revenue over the five years to 30 June 2021 is set out below. The chart highlights the additional revenue that Empired derives from its multi-year customers, over and above the contracted amounts.

For personal use only

**Empired – predictable revenue FY17 to FY21**

**\$ million**



63 Empired is leveraged to the higher growth segments of the IT services sector, which include:

- (a) **cloud platforms** – integrated cloud business applications, cloud migration services and cloud licensing and procurement (including Cohesion, its own cloud-based SaaS platform for the provision of enterprise content management)
- (b) **modern workplace and security** – simplifying application portfolios and legacy systems, renewing valuable applications and integrating these with modern cloud platforms. Empired also provides identity and access management, intrusion and threat protection, and information and records management
- (c) **digital, data and artificial intelligence** – business data strategies, digital experiences and commerce, digital and IT strategy and digital customer experience
- (d) **business applications** – business transformations using Microsoft software, including Microsoft Dynamics 365 solutions and the Microsoft Power Platform.

**Strategy and operations**

64 Since Empired’s inception a core part of its business model and strategy has been to grow both projects and managed services across its three core territories (the west coast of Australia, the east coast of Australia and New Zealand):

- (a) project based engagements have been driven by increased demand from customers implementing hybrid work arrangements (including working from home), operational resilience and information needs. In addition, demand for off-the-shelf business applications, customer management applications, data management and workforce collaboration has driven growth
- (b) Empired’s increasing focus on securing large, multi-year enterprise managed services contracts provides the Company with a more predictable and growing base of recurring revenue. Managed services have increasingly become more sophisticated and Empired has expanded its offering resulting in new or renewed large contracts with Western

Power and Rio Tinto, and more recently the Environmental Protection Authority of Victoria

- (c) growth in the east coast of Australia has been achieved through a mix of organic growth (developing deeper client relationships and focusing on new project wins) and acquisitions. Revenue generated in the east coast of Australia has shifted from being largely transactional in nature to predominantly recurring
- (d) the New Zealand operations typically comprise project work for the public sector, with minimal managed services work. Growth in New Zealand has benefited from a number of new multi-year programs for a number of government and corporate clients.

## Financial performance

65 The financial performance of Empired for the four years to 30 June 2021 (FY21) is set out below. Empired adopted AASB 16 – *Leases* (AASB 16)<sup>5</sup> for the first time in FY20, however the FY20 and FY21 underlying earnings before interest, tax, depreciation and amortisation (EBITDA) and underlying EBIT shown below has been restated to exclude the impact of AASB 16. The impact of adopting AASB 16 on Empired’s results was an uplift in FY20 and FY21 EBITDA of \$5.3 million and \$4.3 million respectively as rent expenses have been replaced by amortisation charges (of the “right of use” asset) and interest expense (in respect of the lease liability recognised). We have excluded the uplift in EBITDA as it is driven by an accounting entry that has no impact on the underlying cash flow or profitability of Empired.

<b>Empired – statement of financial performance<sup>(1)</sup></b>				
	<b>FY18</b>	<b>FY19</b>	<b>FY20<sup>(2)</sup></b>	<b>FY21<sup>(2)</sup></b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Revenue	174.3	176.0	165.5	186.1
JobKeeper payments	-	-	4.2 <sup>(4)</sup>	_(4)
Cost of licenses	nm <sup>(3)</sup>	(14.7)	(14.3)	(14.4)
<b>Gross profit</b>	nm <sup>(3)</sup>	161.3	155.4	171.7
Operating expenses	nm <sup>(3)</sup>	(146.0)	(141.7)	(154.2)
<b>Underlying EBITDA</b>	17.0	15.3	13.7	18.3
Depreciation and amortisation	(8.2)	(8.5)	(2.8)	(3.9)
<b>Underlying EBIT</b>	8.8	6.8	10.9	14.4
Net interest expense	(1.3)	(1.3)	(1.5)	(1.2)
Significant items <sup>(5)</sup>	(0.6)	(26.8)	(0.3)	2.2
<b>Profit / (loss) before tax</b>	6.9	(21.4)	9.0	15.4
Income tax benefit / (expense)	(2.0)	6.0	(2.9)	(4.8)
<b>Profit / (loss) after tax</b>	4.9	(15.3)	6.1	10.6
Net foreign exchange impact	(0.2)	0.5	(0.1)	(0.1)
<b>Total comprehensive income / (loss)</b>	4.7	(14.8)	6.0	10.5
<i>Revenue growth</i>	4.1%	1.0%	(5.9%)	12.4%
<i>Underlying EBITDA growth</i>	14.3%	(9.9%)	(10.4%)	33.7%
<i>Underlying EBITDA margin</i>	9.7%	8.7%	8.3%	9.8%

<sup>5</sup> Australian Accounting Standards Board (AASB) Standard AASB 16 – *Leases* changes the way that companies account for operating leases in their financial disclosures. It replaces the previous lease accounting standard (AASB 117).

**Note:**

- 1 Rounding differences exist.
- 2 The FY20 and FY21 results have been adjusted to exclude the impact of changes required under AASB 16. In summary, the adoption of AASB 16 increased reported EBITDA in FY20 and FY21 by approximately \$5.3 million and \$4.3 million respectively as rent expenses were replaced by amortisation charges and interest expenses. However, in our view this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of Empired.
- 3 Due to a change in reporting, cost of licenses, gross profit and operating expenses for FY18 cannot be shown on a comparable basis to later years. nm = not meaningful.
- 4 Given the impact of COVID-19 on the FY20 results, JobKeeper payments of \$4.1 million for FY20 have not been treated as a significant (or non-recurring) item. We have however treated the FY21 JobKeeper payments as a significant (non-recurring) item, as it appears that the results for FY21 were not materially impacted by COVID-19.
- 5 Significant items include:

Restructuring and other one off costs	(0.6)	(1.5)	-	-
Non cash impairment charge	-	(25.4)	-	-
Net AASB 16 adjustments	-	-	(0.3)	(0.8)
JobKeeper payments <sup>(4)</sup>	-	-	-	4.9
Contract losses	-	-	-	(1.8)
	(0.6)	(26.8)	(0.3)	2.2

66 Below is a summary of the factors impacting the annual financial performance of Empired in the three years to FY21.

**FY19 results**

- 67 Revenue increased by 1% in FY19, with Australian revenue unchanged and New Zealand revenue increasing by 3%. Notwithstanding a related uplift in earnings for the New Zealand operations, underlying EBITDA decreased by 9.9%<sup>6</sup>, as the Australian business reported lower profits (due to increased sales expenses incurred to drive growth in FY20).
- 68 The Company also reported the following FY19 highlights:
  - (a) Empired secured a contract with the Department of Internal Affairs New Zealand worth at least \$12 million
  - (b) Cohesion SaaS users grew 65% to 11,500 users
  - (c) 63% of revenue was generated through multi-year contracts
  - (d) Empired's Microsoft Dynamics business (its highest margin business) grew by 20% in Australia and 10% in New Zealand over the year
  - (e) Empired reported record fourth quarter sales orders, which were 16% higher than the comparable quarter period in FY18.

**FY20 results**

- 69 Revenue and underlying EBITDA (excluding the impact of AASB 16) decreased by 5.9% and 10.4% respectively in FY20, with:

<sup>6</sup> EBITDA was impacted by a non-cash charge of \$25.4 million primarily relating to the impairment of software assets superseded by new technologies and changes in market trends.



- (a) revenue for Australia reducing by 16% due to disrupted trading conditions stemming from COVID-19, the Main Roads Western Australia contract transitioning out in the first quarter of the year and the Western Power contract not commencing until the first quarter of FY21
- (b) revenue for New Zealand increasing by 11%, underpinned by new multi-year programs for a number of government and corporate clients
- (c) the Australian east coast sales pipeline increased by more than 30% in comparison to the start of the year
- (d) the Company received JobKeeper payments of \$4.1 million
- (e) a number of initiatives were introduced to counter the impact of COVID-19, including remuneration reductions, the cancellation of the short-term incentive plan for all participating staff and general cost overhead reductions (including lower entertainment and travel expenses due to work-from-home arrangements).

#### **FY21 results**

70 Revenue and EBITDA increased by 12.4% and 33.7% in FY21 respectively due to increased demand for digital IT consulting services as a result of COVID-19 restrictions and the addition of earnings from a number of large managed services contracts. Highlights for the year included:

- (a) a number of new contract wins, including the Western Power systems integrator contract, the \$52 million Environmental Protection Authority contract in Victoria and the \$9 million Department of Innovation and Skills digital transformation contract in South Australia
- (b) sales for the east coast of Australia increased by 27% from the previous comparable period. Note, this growth excludes the Environmental Protection Authority contract in Victoria, which was secured in July 2021
- (c) the Company's sales pipeline increased by 13% year on year.

#### **FY22 guidance**

71 Together with the release of its FY21 annual report on 17 August 2021, Empired provided the following FY22 outlook for the Company:

##### ***"FY22 Outlook***

- *Solid growth expected FY22*
- *Australian East Coast forecast to grow ahead of market and provide uplift in earnings contribution*
- *Risks around margin erosion as labour market continues to tighten*
- *Market consolidation remains active"*

## Financial position

72 The financial position of Empired as at 30 June 2020 and 30 June 2021 is set out below:

<b>Empired – statement of financial position<sup>(1)</sup></b>		
	<b>30 Jun 20</b>	<b>30 Jun 21</b>
	<b>\$m</b>	<b>\$m</b>
Debtors and prepayments	24.1	23.9
Net contract assets	6.8	10.0
Creditors, tax payable and provisions	(22.5)	(27.6)
<b>Net working capital</b>	<b>8.4</b>	<b>6.4</b>
Plant and equipment	5.2	5.3
Intangible assets (including goodwill)	56.1	58.1
Deferred tax assets	5.7	3.7
Non-current provisions	(0.8)	(0.9)
Right of use assets / net of associated lease liabilities	(1.8)	(2.8)
<b>Total funds employed</b>	<b>72.7</b>	<b>69.7</b>
Cash and cash equivalents	6.3	11.9
Hire purchase leases	(0.2)	-
Interest bearing liabilities	(10.5)	(4.6)
<b>Net cash / (borrowings)</b>	<b>(4.4)</b>	<b>7.3</b>
<b>Net assets attributable to Empired shareholders</b>	<b>68.3</b>	<b>77.0</b>

**Note:**

1 Rounding differences exist.

### Net cash

73 As at 30 June 2021, Empired had net cash of \$7.3 million, comprised of bank loans of \$4.6 million less cash of \$11.9 million.

### Intangible assets

74 The carrying value of Empired's intangible assets is set out below:

<b>Empired – intangible assets<sup>(1)</sup></b>		
	<b>30 Jun 20</b>	<b>30 Jun 21</b>
	<b>\$m</b>	<b>\$m</b>
Goodwill	46.4	46.4
Software	9.7	11.6
<b>Total</b>	<b>56.1</b>	<b>58.1</b>

**Note:**

1 Rounding differences exist.

75 The majority of Empired's intangible assets relate to goodwill arising from acquisitions. Goodwill is measured at cost less any accumulated impairment losses and reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

## Share capital and performance

76 As at 30 August 2021, Empired had 160.3 million fully paid ordinary shares on issue. In addition the Company had 8.3 million performance rights on issue with varying expiry and vesting dates. Pursuant to the terms of Empired's long term incentive plan, under the Scheme, each performance right will automatically vest and convert into one fully paid ordinary Empired share, or alternatively, the Board of Empired may at its discretion apply a conversion ratio such that each performance right converts into 1.5 fully paid ordinary shares (in each case, no consideration will be payable by those holders of performance rights). We note that the Board of Empired has exercised its discretion so that each Empired performance right will convert into 1.5 shares.

## Significant shareholders

77 As at 30 August 2021 there were four significant shareholders in Empired that held a total of 45.8% of the ordinary shares on issue as indicated below:

Empired – substantial shareholders <sup>(1)</sup>		
Shareholder	Shares held	
	Million	% interest
TIGA Trading Pty Ltd	24.8	15.5
Microequities Asset Management Pty Ltd	24.6	15.3
National Nominees Ltd as Custodian for Australian Ethical Investment Limited	14.7	9.2
Russell Graeme Baskerville / Baskerville Investments Pty Limited	9.3	5.8
<b>Total</b>	<b>73.4</b>	<b>45.8</b>

**Note:**

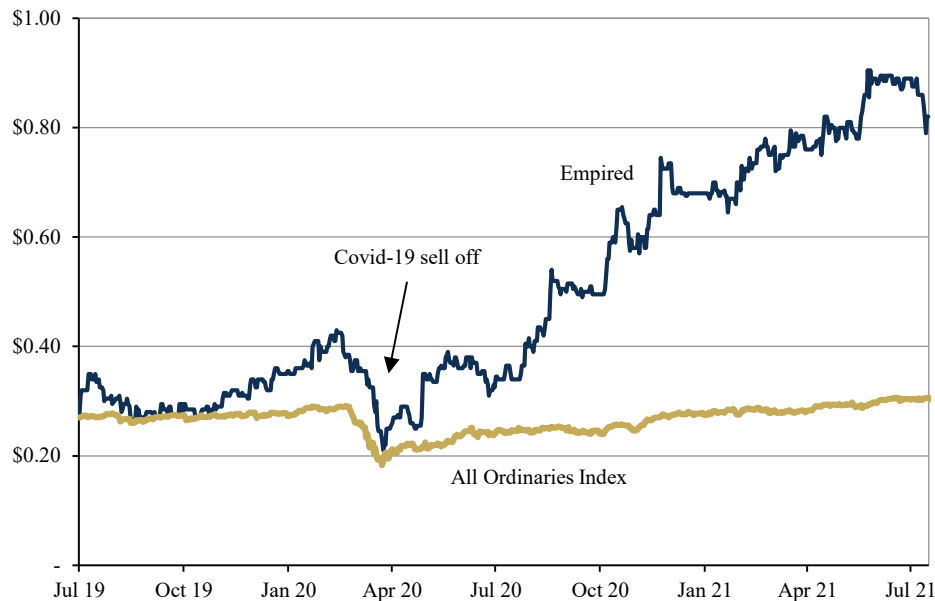
1 Rounding differences exist.

## Share price performance

78 The following chart illustrates the movement in the share price of Empired from 1 July 2019 to 16 July 2021<sup>7</sup>:

<sup>7</sup> Being the last trading day prior to the announcement of the Scheme.

**Empired – share price history<sup>(1)</sup>  
1 July 2019 to 16 July 2021**



**Note:**

1 Based on closing prices. The All Ordinaries Index has been rebased to Empired's last traded price on 1 July 2019.

Source: Bloomberg and LEA analysis

- 79 Over the period from July 2019 to February 2020, the Empired share price generally outperformed the All Ordinaries Index. Following the low-point of the COVID-19 related sell off in equities in Australia (and globally) around April 2020, the Empired share price has significantly outperformed the All Ordinaries Index.

**Liquidity in Empired shares**

- 80 The liquidity in Empired shares based on trading on the ASX over the 12 month period prior to 16 July 2021<sup>7</sup> is set out below:

Empired – liquidity in shares						
Period	Start date	End date	No of shares traded 000	WANOS <sup>(1)</sup> outstanding 000	Implied level of liquidity Period <sup>(2)</sup> %	Annual <sup>(3)</sup> %
1 month	17 Jun 21	16 Jul 21	2,177	160,302	1.4	16.3
3 months	17 Apr 21	16 Jul 21	10,833	160,302	6.8	27.0
6 months	17 Jan 21	16 Jul 21	18,713	160,302	11.7	23.3
1 year	17 Jul 20	16 Jul 21	43,167	160,278	26.9	26.9

**Note:**

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

- 81 As indicated in the table above, total share turnover in Empired shares is reasonable for a company of its size (particularly given the substantial shareholdings in the Company).

## IV Industry overview

### Overview

82 Empired is an IT services provider that offers end-to-end business solutions from managed services to digital transformation, and operates a proprietary cloud based enterprise content management platform that is provided as a SaaS. Empired's primary operations fall within the IT services segment of the broader IT industry, however the Company also provides traditional services that span across all industry subsectors and offers software services. Empired primarily operates within the Australian and New Zealand IT markets.

### IT industry

83 IT is the use of computers to store, retrieve, transmit and manipulate data or information, often in the context of a business or other enterprise. IT, and the hardware and software associated with the IT industry, are an integral part of nearly every major global industry, and play a key role in driving economic growth by increasing productivity. The IT industry can be broadly divided into:

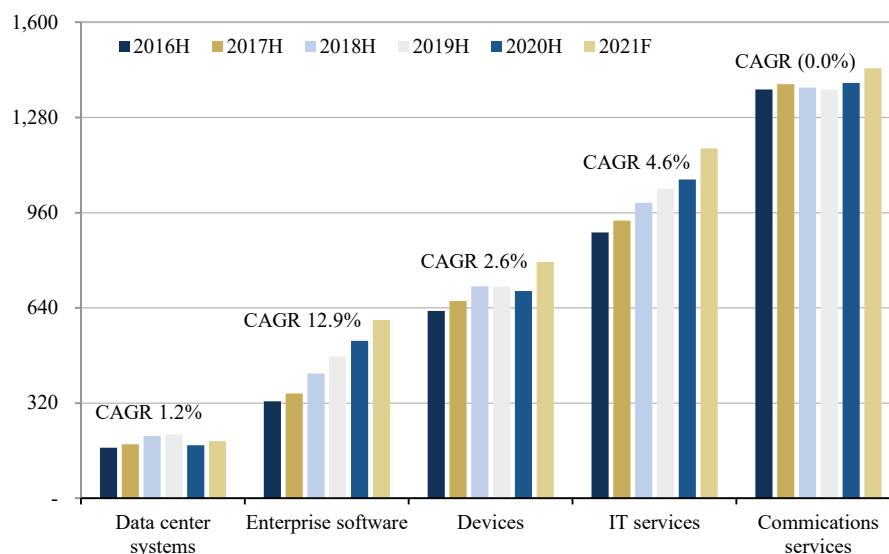
- infrastructure** – hardware networks, data centres, facilities and related equipment used to develop, test, operate, monitor, manage and/or support IT services
- software** – system software such as operating systems and application software that performs specific functions separate from the computer itself
- services** – including consulting, implementation of hardware and software, IT outsourcing, user experience, infrastructure support and managed services.

### Global IT industry

84 Over the four years to 2020, global IT spend grew at a compound annual growth rate (CAGR) of 3.3% to US\$3.9 trillion. However, certain sectors outperformed others, with enterprise software the standout with a CAGR of 12.9% over the four years to 2020, and IT services growth also relatively strong with a CAGR of 4.6% over the same period.

#### Global IT spending

US\$ billion



Source: Gartner (2017 to 2021): IT spending forecast press releases. The above CAGRs represent the four years to 2020.

- 85 Global IT spending is projected to increase some 8.6% to US\$4.2 trillion in 2021, recording the highest annual growth in over five years. The global IT industry is expected to benefit from increased expenditure across all categories in 2021 due to, inter alia:
- (a) increased expenditure on IT services from enterprises aiming to gain a competitive advantage through technological innovation, or close the IT gap with competitors that outperformed during the COVID-19 pandemic. An expected boost in infrastructure-as-a-service spending is a key theme within the IT services segment, as businesses' digital transformation objectives focus on reducing fixed costs whilst still supporting mission critical workloads
  - (b) government organisations accelerating IT spending on digital public services, public health, social services, education, and workforce reskilling in support of individuals, families and businesses that are heavily impacted by COVID-19<sup>8</sup> lockdowns and other restrictions
  - (c) a global shortage of microchips, which has driven up unit costs for devices and resulted in some organisations pre-ordering IT hardware and bringing forward a proportion of future IT expenditure into 2021<sup>9</sup>
  - (d) a boost in consumer expenditure on software and devices due to higher levels of remote working and remote education services. Business expenditure is also expected to increase across these two categories due to organisations shifting their focus towards providing a more comfortable, innovative, and productive environment for their workforce.
- 86 More broadly, future growth is expected to be driven by the continued investment in digital business, blockchain, the “internet of things”, cloud applications and the progression from big data and algorithms to machine learning and artificial intelligence.

#### IT services

- 87 IT services companies offer a range of service lines and specialisations, from installation and implementation of IT systems, to providing fully outsourced IT operations for businesses. Some of the key service lines are described below:
- (a) **infrastructure-as-a-service** – a standardised, highly-automated product in which computing hardware, complemented by storage and networking capabilities, is owned by a service provider and offered to customers on-demand, usually via the internet
  - (b) **business process outsourcing services** – classified as either traditional (the delegation of one or more IT-intensive business processes to an external provider) or the delivery of business process outsourcing services via the internet to multiple customers
  - (c) **consulting services** – analysing and improving the efficacy of business and technology strategies and operations. The main sub-segments are business consulting services and technology consulting services

<sup>8</sup> <https://ia.acs.org.au/article/2020/government-it-spend-to-slump.html>.

<sup>9</sup> <https://www.forbes.com/sites/martingiles/2021/07/14/cios-accelerating-global-it-spend/?sh=409ad02f682b>.

- (d) **user experience services** – services related to the design and development of software products, websites and applications that focus on optimising the end-user experience, such as user interface design, usability testing and design thinking
- (e) **implementation services** – usually project-based services, to install, develop and customise IT solutions, assets and processes, and to integrate them with established applications, infrastructure and processes
- (f) **application managed services** – include annual or longer term contracts that provide services, processes and methodologies for maintaining, improving and managing enterprise application environments. Services may be provided on-site or off-site and cover customised and off-the-shelf software, SaaS applications and platform-as-a-service applications
- (g) **infrastructure managed services** – the provision of outsourced asset-based IT infrastructure services
- (h) **hardware support services** – these services are typically contract based (usually for one or three years) and may cover hardware replacement, on-site field engineering, technical support and proactive monitoring.

#### IT services market growth drivers

88 Key factors that are driving demand for IT services include:

- (a) **increasing connectivity** – broadband and mobile internet connections have been widely adopted over the past 15 years, reflecting a range of factors including improved broadband access and performance, increasing adoption and use of smartphones and the increasing proportion of business transactions conducted online
- (b) **the rise of big data** – rising business and consumer internet usage has created an abundance of data available for businesses to analyse, which enables the study of consumer spending, behaviours and patterns. This has contributed to a greater number of businesses outsourcing data processing activities to IT service providers
- (c) **capital expenditure** – IT expenditure is influenced by cyclical and structural factors. Businesses tend to implement new IT systems during periods of high levels of business confidence and strong economic performance, and defer or cancel technology upgrades during the converse. Likewise, in periods of structural change such as technological advancement (e.g. cloud computing), IT expenditure requirements tend to be greater
- (d) **increased demand from key sectors** – for instance, clients in the government sector have considerable data and transaction requirements, and have increasingly outsourced their data processing needs, particularly in areas such as healthcare. Other key sectors that are increasing their IT outsourcing include finance, insurance, information media and telecommunications
- (e) **digital transformation** – enterprises are increasingly focused on integrating technology to improve productivity and remain competitive in a rapidly growing digital economy. In most cases, this involves a fundamental change in one or more business processes that require specialist IT services for the design, implementation and support of new systems
- (f) **security** – IT security is a growing service area and has become a key priority for most medium to large organisations. Security concerns arise from the use of the internet to

store and access information and from enterprises increasingly allowing employees to access company information and applications on their own mobile devices. Growth in the “internet of things” has specific security issues as organisations often do not have control over the source and nature of the software and hardware being used by devices connected via the internet.

- 89 Gartner expects total IT spending to increase in 2022, led by strong growth in enterprise software, IT services and data centre systems, which are expected to grow by 11.7%, 8.5% and 5.2% in 2022 respectively<sup>10</sup>. Growth is expected to be driven by businesses continuing to accelerate digital transformation plans that involves permanently higher adoption of remote working and digital touchpoints.

### Australian IT industry

- 90 The Australian IT industry has expanded rapidly over the past five years due to regular upgrades and enhancements and increasing levels of outsourcing of non-essential systems operations. Industry growth has also been driven by increased online connectivity and cloud based applications.
- 91 IT services is the largest sector of the Australian IT market, whilst software is the fastest growing market segment (and one of the only market sectors that exhibited growth in 2020 despite a decrease in total IT spending due to the impacts of COVID-19). According to Gartner, Australian IT spending is expected to increase 6.4% to \$102.6 billion in 2021, as the industry returns to growth following disruptions caused by COVID-19 in 2020.

Australian IT spending						
	2019 (historical)		2020 (historical)		2021 (forecast)	
	Revenue \$bn	Growth %	Revenue \$bn	Growth %	Revenue \$bn	Growth %
IT services	35.8	10.2	35.3	(1.5)	37.0	4.9
Communications services	24.2	(5.3)	23.7	(2.2)	23.6	(0.4)
Software	19.9	24.5	20.3	1.9	23.0	13.3
Devices	14.5	1.2	14.6	0.2	16.4	12.7
Data centre systems	2.9	(9.7)	2.6	(8.9)	2.6	(1.4)
Total end-user spend	97.4	6.3	96.5	(1.0)	102.6	6.4

**Source:** Gartner (2019 to 2021): Australia IT spending forecast press releases, LEA analysis.

- 92 Consistent with global data, growth expectations for Australian IT industry for 2021 are highest for the software and devices sectors and are expected to increase by 13.3% and 12.7% respectively<sup>11</sup>. This growth is being driven by a combination of the continuation of remote education across a number of regions (increasing demand for tablets and laptops), and enterprises expanding and improving remote work conditions for employees. Increased spending from the public sector is also expected to contribute to growth in 2021, as government agencies continue to embrace remote working and connected public services.

<sup>10</sup> Gartner (2021): *Gartner Forecasts Worldwide IT Spending to Grow 9% in 2021*.

<sup>11</sup> <https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/>.



- 93 According to forecasts provided by Gartner, Australian IT spend is expected to continue to grow in 2022, driven by strong growth in software and IT services, and a moderate increase in communication services spending<sup>12</sup>.

### New Zealand industry

- 94 IT expenditure in New Zealand is forecast to increase in 2021, however growth is expected to underperform global (and Australian) IT spending. Total IT spend in New Zealand is expected to be \$13.2 billion in 2021, an increase of 5.7% on the \$12.5 billion expenditure in 2020, due to strong growth in enterprise software and devices (which are forecast to increase by 12.5% and 8.1% respectively), as shown below:

New Zealand IT spending <sup>(1)</sup>						
	2019 (historical)		2020 (historical)		2021 (forecast)	
	Revenue NZ\$bn	Growth %	Revenue NZ\$bn	Growth %	Revenue NZ\$bn	Growth %
Communication services	4.1	na	4.0	(4.2)	4.0	1.2
IT services	3.9	na	3.8	(0.7)	4.0	5.6
Enterprise software	2.1	na	2.4	14.3	2.7	12.5
Devices	1.8	na	1.9	4.0	2.0	8.1
Data centre systems	0.4	na	0.4	2.5	0.4	(5.0)
Total end-user spend	12.4	na	12.5	1.1	13.2	5.7

**Note:**

1 Rounding differences exist.

na – not available.

**Source:** Gartner (2021): New Zealand IT spending forecast press releases, LEA analysis.

- 95 Growth in total IT spend in 2022 is expected to be relatively high (and consistent with 2021) at 5.7%, with industry turnover forecast to increase to \$13.9 billion. This is expected to be driven by continued growth in software and devices expenditure<sup>13</sup>.
- 96 Over the longer term, growth levels in the New Zealand IT industry are expected to remain relatively high due to ongoing demand from a range of downstream industries, such as large finance businesses and government departments. New Zealand's success in eliminating COVID-19 infections and lifting lockdown measures in a relatively short time frame is expected to result in a boost in foreign investment, driving growth across a number of industries (including the IT industry).

<sup>12</sup> Gartner (2021): *Gartner Forecasts Technology Spending in Australia to Grow 4%; Global Spending up 6.2% in 2021*.

<sup>13</sup> <https://www.reseller.co.nz/article/687483/kiwi-it-spend-hit-12-8-billion-year/>.

## V Valuation methodology

### Valuation approaches

- 97 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the discounted cash flow (DCF) methodology
  - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
  - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
  - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
  - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 98 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 99 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 100 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation of acquired intangibles, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 101 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the

proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

### Methodology selected

- 102 Our assessment of the market value of Empired shares reflects the value of the Empired business (on a cash and debt free basis) plus net cash. The value of the Empired business has been made on the basis of market value as a going concern. The primary valuation methodology used is the capitalisation of future maintainable earnings approach (using EBITDA). Under this methodology, the underlying EBITDA of the business (prior to non-recurring items) is capitalised at an EBITDA multiple that reflects the risk and growth prospects of the business.
- 103 In our opinion, the capitalisation of EBITDA method is the most appropriate methodology for Empired's business. This is because:
- (a) Empired's business has well established market positions and a demonstrated history of profitability, which is expected to continue
  - (b) there are no long term cash flows available to enable a DCF methodology to be undertaken
  - (c) the EBITDA multiples for listed companies exposed to similar industry sectors as Empired's business can be derived from publicly available information
  - (d) transaction evidence in the sector is generally expressed in terms of EBITDA multiples
  - (e) no significant capital expenditure is required for the business operations.
- 104 In order to cross-check our valuation range we have considered the listed market price of Empired shares adjusted for a premium for control.

## VI Valuation of Empired

### Valuation methodologies

- 105 As stated in Section V, we have adopted the capitalisation of EBITDA method as our primary valuation method for the Empired business. Under this method the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. The market value of Empired shares reflects the value of the Empired business plus net cash.
- 106 The resulting values have been cross-checked by reference to the share market trading in Empired shares prior to the announcement of the Scheme, adjusted for a premium for control.

### Underlying EBITDA

- 107 We set out below a summary of Empired's historical revenue and underlying EBITDA (before significant / non-recurring items):

Empired – summary of financial performance				
	FY18	FY19	FY20	FY21
	A\$m	A\$m	A\$m	A\$m
<b>Revenue by type:</b>				
Services revenue <sup>(1)</sup>	112.1	119.0	104.4	117.1
Operations revenue <sup>(2)</sup>	45.0	40.4	46.0	51.9
Product and licence revenue	17.2	16.6	15.1	17.1
<b>Total revenue</b>	<b>174.3</b>	<b>176.0</b>	<b>165.5</b>	<b>186.1</b>
<b>Revenue by segment:</b>				
Australia	116.1	115.5	98.0	113.4
New Zealand	58.2	60.5	67.5	72.7
<b>Total revenue</b>	<b>174.3</b>	<b>176.0</b>	<b>165.5</b>	<b>186.1</b>
<i>Change in Australian revenue</i>	<i>11.6%</i>	<i>(0.5%)</i>	<i>(15.2%)</i>	<i>15.7%</i>
<i>Change in New Zealand revenue</i>	<i>(8.2%)</i>	<i>4.0%</i>	<i>11.6%</i>	<i>7.7%</i>
<i>Change in total revenue</i>	<i>4.1%</i>	<i>1.0%</i>	<i>(6.0%)</i>	<i>12.4%</i>
<b>Underlying EBITDA<sup>(3)</sup>:</b>				
EBITDA including JobKeeper	17.0	15.3	13.7	23.2
EBITDA excluding JobKeeper	17.0	15.3	9.6	18.3
<b>Underlying EBITDA margin:</b>				
<i>EBITDA margin including JobKeeper</i>	<i>9.7%</i>	<i>8.7%</i>	<i>8.3%</i>	<i>12.5%</i>
<i>EBITDA margin excluding JobKeeper</i>	<i>9.7%</i>	<i>8.7%</i>	<i>5.8%</i>	<i>9.8%</i>

**Note:**

- Services revenue comprises professional project services fees for customers contracted in a fixed price or time and material basis.
- Operations revenue comprises professional fees from customers for managing IT systems, applications or infrastructure.
- Before significant / non-recurring items (refer paragraph 65). The FY20 and FY21 results have been adjusted to exclude the impact of changes required under AASB 16. In summary, the adoption of AASB 16 increased reported EBITDA in FY20 and FY21 by approximately \$5.3 million and \$4.3 million respectively as rent expenses were replaced by amortisation charges and interest expenses. However, in our view this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of Empired.

## Revenue growth

108 Regarding historical revenue growth:

- (a) over FY17 to FY19 total revenue increased at a compound average growth rate of 2.5% per annum
- (b) revenue declined in FY20 due to, inter-alia, disrupted trading conditions due to the impact of COVID-19 and the end of the Main Roads Western Australia contract in the first quarter of FY20
- (c) the weakness in Australian revenue in FY20 was partially offset by higher revenues in New Zealand due to the award of a number of multi-million dollar contracts, including Department of Internal Affairs and New Zealand Police
- (d) the results for FY21 benefited from increased demand for digital IT consulting services as a result of COVID-19 restrictions and the earnings contribution from large managed services contracts.

## Impact of COVID-19

109 JobKeeper payments of \$4.1 million and \$4.9 million were received in FY20 and FY21 respectively. Empired became entitled to JobKeeper in April 2020, with payments continuing until 30 September 2020. Whilst it is difficult to reliably estimate the impact of COVID-19 on the business, we note that:

- (a) Australian revenues fell in the quarter ended 30 June 2020 (being the first quarter in which the Australian segment was impacted by COVID-19 related lockdowns) compared to the quarter ended 30 June 2019
- (b) Australian revenue increased 8.7% in the quarter ended 30 September 2020 compared to the quarter ended 30 September 2019
- (c) Australian revenue increased 15.4% in FY21 compared to FY20
- (d) as detailed in Section IV, COVID-19 has accelerated demand for IT services as businesses and government organisations increase focus on digital transformation, cloud computing and hybrid working arrangements (including work from home solutions) for their employees.

110 Given the above, in our opinion, the JobKeeper payments received in FY21 (of \$4.9 million) should be excluded from EBITDA when assessing the level of underlying EBITDA adopted for valuation purposes.

## Managed services contracts

111 A summary of the large managed services contracts recently won by the Company are detailed below. These contracts generally cover periods ranging from two to five years:

- (a) April 2020 – Empired announced that it had secured a managed services contract and a preferred master IT supply contract with Western Power. These contracts have an initial term of five years (from 1 July 2020), with estimated revenues of \$31 million (managed services) and \$30 million (master IT supply) over the term of the contract

- (b) November 2020 – the Company secured a further three year contract with Western Power to provide a broad range of systems integration services. Under this contract Empired has been appointed to a panel (with three other vendors) to provide systems integration services. Empired is the only Australian owned and headquartered company on the panel
- (c) June 2021 – Empired signed a \$9 million digital services contract with the Department of Innovation and Skills in South Australia
- (d) July 2021 – the Company announced that it had secured a managed services contract with Environmental Protection Authority of Victoria. This contract has an initial term of four years, with estimated base services revenue of approximately \$8.8 million per annum.

### **FY22 outlook**

112 Due to the above managed services contracts and associated level of contracted revenue, further revenue growth is expected in FY22. However, at this early stage, Empired has not provided any specific revenue or earnings guidance to investors in relation to FY22 as it considers it would be premature to do so (particularly given uncertainty surrounding the impact and duration of COVID-19 related lockdowns in various Australian States and Territories).

### **EBITDA adopted for valuation purposes**

113 For valuation purposes we have adopted FY21 underlying EBITDA (net of AASB 16 adjustments and excluding JobKeeper) of \$18.3 million, which we have increased to allow for the pro-forma earnings contribution from the following new and/or expanded contracts:

- (a) Western Power – Empired currently has three major contracts for various services with Western Power. Revenue for these services is expected to ramp up in FY22
- (b) Environment Protection Authority of Victoria – this contract was announced in July 2021 and will therefore commence in FY22
- (c) Department of Innovation and Skills in South Australia – this contract was announced in June 2021 and will commence in FY22
- (d) a number of other confidential contracts in Australia – these are expected to ramp up during FY22
- (e) a number of recent confidential contract wins in New Zealand – these are expected to contribute positively to FY22 performance.

114 Whilst the incremental revenue and earnings contribution from these new and/or expanded contracts is confidential (and can therefore not be disclosed), we have estimated the incremental (or pro forma) EBITDA contribution from these contracts at \$5.5 million to \$6.0 million.

115 On this basis we have adopted EBITDA for valuation purposes of \$24 million, having regard to the FY21 underlying EBITDA of \$18.3 million and the incremental EBITDA from new and/or expanded contracts of \$5.5 million to \$6.0 million.

## EBITDA multiple

116 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• The stability and quality of earnings</li> <li>• The quality of the management and the likely continuity of management</li> <li>• The nature and size of the business</li> <li>• The spread and financial standing of customers</li> <li>• The financial structure of the company and gearing level</li> <li>• The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors</li> <li>• The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors</li> </ul> | <ul style="list-style-type: none"> <li>• The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc.</li> <li>• The cyclical nature of the industry</li> <li>• Expected changes in interest rates</li> <li>• The asset backing of the underlying business of the company and the quality of the assets</li> <li>• The extent to which a premium for control is appropriate</li> <li>• Whether the assessment is consistent with historical and prospective earnings</li> </ul> |
|---|---|

117 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for Empired.

### Listed company multiples

118 As there have been a number of acquisitions of Australian listed IT services companies (predominantly by international companies), there are only two relevant Australian IT services companies listed on the ASX. As a result, we have also considered the EBITDA multiples for international IT services companies with a market capitalisation of less than (or around) A\$1 billion. The EBITDA multiples for these companies are (refer to Appendix C for company descriptions):

#### Listed company trading multiples<sup>(1)</sup>

	Enterprise value <sup>(2)</sup> A\$m	EBITDA multiples FY21 <sup>(4)</sup> x	EBITDA multiples FY22 <sup>(5)</sup> x
Empired	124	6.8	5.0
<b>Australian IT services companies<sup>(3)</sup></b>			
Data#3	643	16.6	14.4
Cosol	87	15.4	11.0
<b>International IT services companies<sup>(3)</sup></b>			
Datagroup	1,085	12.1	10.4
Neurones	870	8.3	7.3
NNIT	857	10.4	10.1
Information Services Group	500	11.4	9.4
Ordina	486	8.0	7.1
Allgeier	456	11.8	10.1
Mastech Digital	281	11.1	9.0
<b>Average (international IT services companies)</b>		10.4	9.1
<b>Median (international IT services companies)</b>		11.1	9.4

**Note:**

- 1 Enterprise value and earnings multiples calculated as at 25 August 2021, with the exception of Empired which was calculated on 16 July 2021, i.e. prior to the announcement of the Scheme.
- 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution, share placements (for the purpose of reducing debt) and buybacks, and excludes surplus assets.
- 3 The EBITDA multiples for the Australian companies have been adjusted to remove the impact of AASB 16, whilst the EBITDA multiples for the international companies have been adjusted to remove the impact of the relevant equivalents to AASB 16 (i.e. IFRS 16 and ASC 842).
- 4 Historical earnings are based on latest statutory full year accounts and exclude non-recurring items, significant write downs, realised investment gains or losses and restructuring charges.
- 5 Forecast earnings are based on Bloomberg average analyst forecasts (excluding outliers and outdated forecasts).

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

119 In relation to the above, we note that:

- (a) the above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>14</sup>. This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company
- (b) the implied EBITDA multiples for the Australian IT services companies are high, noting that:
  - (i) Data#3 has reported significant earnings growth in recent years (which is expected to continue) and also provides a range of software services including a large proportion of cloud based revenues (implied EBITDA multiples for software companies are typically higher than IT services businesses)
  - (ii) Cosol has grown revenue and profits significantly in the last three years, and in our opinion, its high EBITDA multiples (given its relatively small size) are a reflection of this
- (c) all but one of the international listed companies are larger and have more diverse operations than Empired. In this regard, we note that smaller listed companies often trade on lower multiples than larger listed companies provided other variables such as expected earnings growth are similar<sup>15</sup>

<sup>14</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2019. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>15</sup> As one of Australia's leading valuation firms, LEA has an extensive database of Australian company transactions, including details of prices paid, implied enterprise values and earnings multiples. This evidence indicates that:

- (a) small companies generally trade on significantly lower earnings multiples than larger companies (provided other variables such as expected earnings growth are similar); and
- (b) investors usually require a higher rate of return to compensate for the additional risks associated with small companies compared to larger ones.



120 Having regard to the above, we have had primary regard to the EBITDA multiples implied by recent transaction evidence (which is discussed in detail as follows).

### Transaction evidence

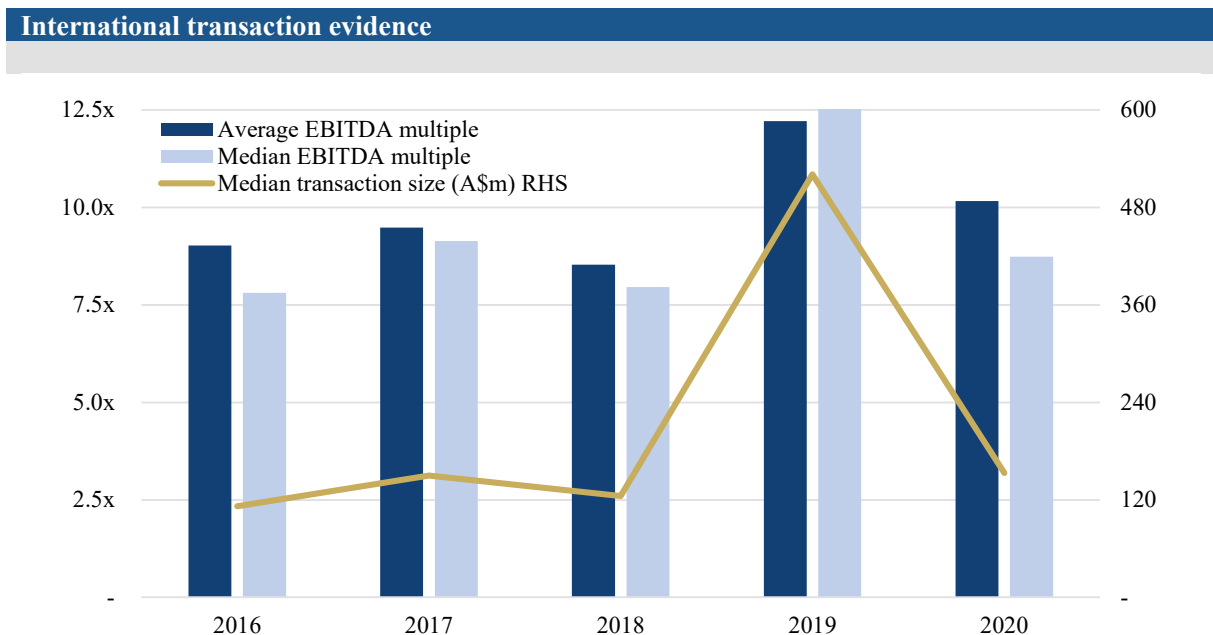
#### International transaction evidence

121 There has been significant acquisition activity in the IT consulting services sector over recent years. For example:

- (a) Accenture (one of the largest providers of management and technology consulting services and solutions) acquired 34 companies (for US\$1.5 billion) in 2020 and 33 companies (for US\$1.2 billion) in 2019
- (b) Capgemini announced the acquisition of, or acquired, five companies globally during 2020, including the acquisition of ASX listed company RXP Services (an IT consulting services firm specialising in providing digital solutions to clients) for approximately A\$95 million (which completed in March 2021). Including RXP Services, Empired will be the fourth acquisition in Australia by Capgemini in around 18 months.

122 Notwithstanding the large number of acquisitions in the IT consulting sector, often the acquisition terms (and implied earnings multiples) are not disclosed as the acquisitions are generally not material relative to the size of the acquirer<sup>16</sup>.

123 However, LEA maintains a database of transaction evidence for the IT consulting sector. A summary of the implied EBITDA multiples for transactions over 2016 to 2020 is set out below:



**Note:**

1 Transaction values have been converted to Australian dollars (A\$).

<sup>16</sup> For example, Accenture’s market capitalisation on 3 August 2021 was some US\$200 billion. In contrast, the average acquisition cost of its acquisitions in CY20 was around US\$44 million.

124 Regarding the implied EBITDA multiples for the above transactions we note that:

- (a) the EBITDA multiples are relatively consistent between years (2019 being the outlier)
- (b) the uplift in EBITDA multiples in 2019 was due to a number of large transactions (in terms of deal size), the EBITDA multiples for which were relatively high
- (c) the median transaction size by year (aside from 2019) has ranged between A\$110 million and A\$150 million
- (d) over 2016 to 2020 the median and average implied EBITDA multiples were 9.1 and 9.6 times respectively, whilst the median transaction size was A\$161 million.

**Australian transaction evidence**

125 There have also been a number of Australian transactions in the IT services sector over recent years, the acquisition terms and related EBITDA multiples for which are readily available. A summary of these transactions (with a value greater than \$50 million) is set out below, with a description of the target companies provided in Appendix D:

Transaction multiples					
Date <sup>(1)</sup>	Target	Acquirer	Interest %	Enterprise value <sup>(2)</sup> \$m	EBITDA multiples <sup>(3)</sup> x
Nov 20	RXP Services	Capgemini	100	106	7.6 F
Sep 20	DWS	HCL Technologies	100	200	7.7 H
Sep 20	Citadel Services <sup>(4)</sup>	Pacific Equity Partners	100	-( <sup>4</sup> )	7.0 F <sup>(4)</sup>
May 17	SMS Management & Technology	Nomura Research Institute	100	132	14.2 H
Sep 16	ASG Group	Nomura Research Institute	100	348	10.6 F
Oct 15	UXC	CSC	100	470	9.9 F
Jun 15	Outware Mobile	Melbourne IT	100	67	8.6 F
Aug 14	Oakton	Dimension Data Holdings	100	171	10.6 F

**Note:**

- 1 Date of announcement.
- 2 Enterprise value on a 100% basis.
- 3 H – multiple based on historical EBITDA. F – multiple based on forecast EBITDA.
- 4 The Citadel Group (Citadel) comprised a Software division and a (smaller) Services division (which provided technology and professional consulting services and is referred to as Citadel Services). The EBITDA multiple for Citadel Services of 7.0 is based on our best estimate of the relative value of both divisions implied by the offer consideration for Citadel.
- 5 We note that Crayon Group announced the proposed acquisition of rhipe on 6 July 2021. As rhipe generates a significant proportion of revenue from the resale of software we do not consider that this transaction is relevant when considering the value of Empired.

**Source:** LEA analysis using data from ASX announcements, analyst reports and company annual reports.

126 In relation to the Australian transaction evidence we note that:

- (a) except where indicated, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) none of the above businesses are directly comparable to the Empired business

- (c) the companies acquired differ materially in terms of their size and nature of operations. Accordingly, in our view, the median or average multiples implied by these transactions are not necessarily representative of the multiple which should be applied to Empired
- (d) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings
- (e) some transactions may reflect a strategic premium.

**Conclusion on transaction multiples**

127 Whilst the EBITDA multiples implied by the above transactions vary widely, we note that the most relevant recent transactions involving ASX listed IT consulting companies (being RXP Services, DWS and Citadel Services) implied EBITDA multiples within a range of 7.0 to 7.7 times.

128 With respect to these transactions we note that:

- (a) revenue for RXP Services did not increase over the FY16 to FY20 period, and the company exhibited declining profitability over that period (despite making a number of acquisitions over the period)
- (b) aside from the contribution from acquisitions, DWS reported little revenue growth in FY19 and FY20 and over this period profits reduced materially
- (c) Citadel Services had a high level of customer concentration, and most of its contracts with key customers were preferred supplier arrangements only. Historical and (expected) future revenue growth was also low.

129 In contrast, Empired has been awarded a number of large managed service contracts in recent years (as discussed above) and this has led to a significant increase in revenue and earnings growth<sup>17</sup>. The recent contract wins have increased Empired's total annualised revenue from managed services contracts and software licenses to \$69.5 million<sup>18</sup> as at 30 June 2021 (representing some 37% of total revenue in FY21). In addition, Empired is larger than RXP Services, DWS and Citadel Services (and all things equal larger companies tend to trade on higher implied EBITDA multiples).

130 Given the above, in our opinion higher EBITDA multiples than those implied for the RXP Services, DWS and Citadel Services transactions should be adopted when valuing the business operations of Empired.

**EBITDA multiple adopted for valuation purposes**

131 Based on the above we have adopted an EBITDA multiple of 8.5 to 9.5 times.

<sup>17</sup> We note that the level of EBITDA adopted for valuation purposes incorporates the incremental earnings expected from new and/or expanded contracts in FY22.

<sup>18</sup> In addition, we note that Empired has historically generated a significant level of additional revenue (over and above contracted revenue) from customers on managed services contracts (refer to chart at paragraph 62).

## Enterprise value

132 On this basis, the value of Empired's business (on a cash and debt free basis) is as follows:

Enterprise value	Low \$m	High \$m
EBITDA	24.0	24.0
EBITDA multiple (x)	8.5	9.5
<b>Enterprise value</b>	<b>204.0</b>	<b>228.0</b>

## Net cash

133 As at 30 June 2021, Empired had net cash (excluding AASB 16 operating lease liabilities<sup>19</sup>) of \$7.2 million. However, Empired's net cash / debt position can vary materially within the month and during the financial year, noting that:

- (a) Empired had net debt<sup>20</sup> at the end of each of February, March, April and May 2021
- (b) the net cash position as at 30 June 2021 reflected favourable working capital movements which reversed in July 2021
- (c) as at 31 July 2021 Empired's net cash position<sup>20</sup> had reduced to \$1.6 million.

Accordingly, we consider the appropriate net cash position for valuation purposes to be less than the reported net cash position as at 30 June 2021.

134 Having regard to the above, the level of net interest costs incurred by the Company in FY21 and FY22 (forecast), the average net cash position over a 12 month period and management's forecast net cash position over future months, we have adopted a net cash position for valuation purposes of \$3.0 million.

## Other assets / liabilities

135 We are not aware of any assets which are surplus to the business operations of Empired, nor any other liabilities which should be deducted from our assessed business value. In addition, Empired had no deferred or contingent consideration payments due in relation to past acquisitions as at 30 June 2021.

## Shares on issue

136 Empired has 160.3 million fully paid ordinary shares on issue. In addition, there are approximately 8.3 million performance rights on issue that we understand will be converted at a rate of 1.5 fully paid ordinary shares for each performance right held<sup>21</sup>. On this basis there

<sup>19</sup> As stated in paragraph 118, we have reversed the impact of AASB 16 accounting entries as they have no impact on the underlying cash flow, profitability or value of Empired.

<sup>20</sup> Excluding AASB 16 lease liabilities.

<sup>21</sup> As set out in paragraph 76, under the Scheme, each Empired performance right will automatically vest and convert into one fully paid ordinary Empired share, or alternatively, the Board of Empired may at its discretion apply a conversion ratio such that each performance right converts into 1.5 fully paid ordinary shares (in each case, no consideration will be payable by those holders of performance rights). We understand that the Empired Board has exercised this discretion so that each Empired performance right will convert into 1.5 shares.

will be 12.4 million additional Empired shares on issue. For valuation purposes we have therefore adopted 172.7 million fully diluted shares on issue.

## Valuation summary

- 137 Based on the above, the value of 100% of Empired on a controlling interest basis is as follows:

Valuation of Empired		
	Low \$m	High \$m
Enterprise value	204.0	228.0
Add net cash	3.0	3.0
<b>Equity value</b>	207.0	231.0
Fully diluted shares on issue (million)	172.7	172.7
<b>Value per share (\$)</b>	<b>\$1.20</b>	<b>\$1.34</b>

## Comparison with listed market price

- 138 Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>22</sup>.
- 139 In the one and three month periods prior to the announcement of the Scheme (on 16 July 2021)<sup>23</sup>, the volume weighted average price (VWAP) of Empired shares was approximately \$0.86 and \$0.83 per share respectively.
- 140 As Empired announced on 24 June 2021 that it had secured a \$9 million digital services contract with the Department of Innovation and Skills in South Australia, we have had more regard to the one month VWAP. Adjusting this VWAP for a 30% to 35% control premium would therefore result in a “theoretical” control value of \$1.12 to \$1.16 per share.
- 141 Whilst this “theoretical” control value is less than our assessed valuation range, we note that following the announcement of the Scheme, Empired announced that it had secured a large managed services contract with the Environmental Protection Authority of Victoria. This contract has an initial term of four years, with estimated base services revenue of approximately \$8.8 million per annum (some \$35 million over four years). Other things being equal, we would have expected share market investors in Empired to have reacted positively to this contract announcement.

<sup>22</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2019. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>23</sup> We note that \$1.9 million and \$8.9 million worth of Empired shares traded during the one-month and three-month period respectively.

- 142 Further, it is not uncommon for control premiums to exceed the average premium implied by empirical research, particularly for smaller companies such as Empired that are not followed widely followed by investment analysts<sup>24</sup>. We therefore consider that our valuation range is reasonable and appropriate.

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<sup>24</sup> We understand that only one stockbroking firm published research on Empired as at the date of the Scheme announcement.

## VII Evaluation of the Scheme

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

### Assessment of the Scheme

#### Value of Empired

144 As set out in Section VI we have assessed the value of Empired between \$1.20 and \$1.34 per share.

#### Value of Scheme Consideration

145 If the Scheme is approved and implemented, Empired shareholders will receive \$1.35 cash for each Empired share they hold on the Scheme Record Date.

#### Fair and reasonable opinion

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

Comparison of Scheme Consideration to value of Empired			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.35	1.35	1.35
Value of 100% of Empired	1.20	1.34	1.27
Extent to which the Scheme Consideration exceeds the value of Empired	0.15	0.01	0.08

147 As the Scheme Consideration exceeds our assessed valuation range for Empired shares on a 100% controlling interest basis (albeit marginally at the top end of our valuation range), in our opinion, the Scheme Consideration is fair to Empired shareholders when assessed based on the guidelines set out in RG 111.

148 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is fair and reasonable.

#### In the best interests

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

150 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because, if the Scheme Consideration is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.

151 We therefore consider that the Scheme is also “in the best interests” of Empired shareholders in the absence of a superior proposal.

### Other considerations

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

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

153 These issues are discussed in detail below.

### Extent to which a control premium is being paid

154 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company’s shares<sup>25</sup> three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)<sup>26</sup>. This premium range reflects the fact that:

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

<sup>25</sup> After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

<sup>26</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2019. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.



155 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of Empired shares (as traded on the ASX) for periods up to and including 16 July 2021 (being the last trading day prior to the announcement of the Scheme).

156 The implied offer premium relative to Empired share prices up to 16 July 2021 is shown below:

Implied offer premium relative to recent Empired share prices		
	Empired share price \$	Implied offer premium %
Scheme Consideration	1.35	
<b>Closing share price on:</b>		
16 July 2021 (the last trading day prior to the announcement of the proposed Scheme)	0.82	64.6%
<b>VWAP:</b>		
1 month up to and including 16 July 2021	0.86	57.4%
3 months up to and including 16 July 2021	0.83	63.6%

157 In our opinion, more regard should be had to the VWAPs above rather than the share price on a single day<sup>27</sup>. Having regard to the VWAPs, we note that the Scheme Consideration provides Empired shareholders with a premium that significantly exceeds observed premiums generally paid in comparable circumstances.

158 Accordingly, in our view, Empired shareholders are being fully compensated for the fact that 100% of control of Empired will pass to Capgemini if the Scheme is approved.

### **Extent to which Empired shareholders are being paid a share of synergies**

159 If the Scheme is approved by Empired shareholders, Capgemini will acquire a 100% interest in Empired. As Empired will be privatised, listed company costs will be eliminated.

160 Further, Capgemini is a competitor and currently operates businesses similar to those of Empired. In this regard, we note that:

- (a) in March 2021 Capgemini completed the acquisition of RXP Services (an IT consulting services firm specialising in providing digital solutions to clients) for approximately A\$95 million
- (b) Empired will be the fourth acquisition in Australia by Capgemini in around 18 months<sup>28</sup>.

161 In the circumstances we would therefore expect Capgemini to be able to generate operational synergies from the acquisition of Empired, such as:

<sup>27</sup> We note that the last traded price of Empired shares on 16 July 2021 was broadly consistent with the one-month and three-month VWAPs in the period to 16 July 2021.

<sup>28</sup> In addition to RXP Services, Capgemini also acquired WhiteSky Labs and Acclimation in Australia. No financial details were provided in relation to the acquisitions of WhiteSky Labs and Acclimation.

- (a) potential savings in head office and administration costs
- (b) potential rationalisation of office space (leasing costs); and
- (c) an improved market position (depth and breadth of services, etc.).

162 Whilst Capgemini has not provided any specific guidance on the size of synergies expected to arise from the acquisition of Empired, we consider the potential level of synergies to be significant relative to the underlying earnings of Empired being acquired by Capgemini pursuant to the transaction.

163 In relation to potential synergies, we note that Capgemini's media release on 19 July 2021 regarding the proposed transaction stated that:

*"Capgemini's extensive transformation expertise combined with Empired's strengths as a leader in Microsoft Azure and Dynamics 365 will open up the full power of digital transformation for our clients in Australia and New Zealand, to run their entire business in the cloud and realize value faster."*

*"Highly complementary to Capgemini's global partnership with Microsoft, Empired would bring to Capgemini the largest accredited Microsoft Dynamics team in Australia and New Zealand. The acquisition of Empired would strengthen Capgemini's client portfolio across key industries, notably in Mining, Utilities and Government."*

164 As noted above, the existence of synergies from business combinations is one of the reasons why bidders pay a control premium to acquire a company. In assessing the value of Empired for the purpose of this report, we have allowed an appropriate control premium in determining the value of a 100% interest in the Company<sup>29</sup>. Implicitly therefore, the value of a typical level of potential synergies arising from the transaction has been reflected in our valuation assessment.

165 In summary, as the Scheme Consideration marginally exceeds the top end of the range of our assessed value of Empired, we are of the view that Empired shareholders are being paid an appropriate share of the value of the synergies expected to arise from the acquisition.

### **Recent share prices subsequent to the announcement of the Scheme**

166 Shareholders should note that Empired shares have traded on the ASX in the range of \$1.302 to \$1.335 per share in the period since the Scheme was announced up to 16 September 2021. These share prices are slightly lower than the Scheme Consideration and suggest that the market consensus view is that a superior offer or proposal is unlikely to emerge.

167 Empired shareholders considering selling their Empired shares on the ASX will need to consider brokerage costs and should note that:

- (a) the Empired share price on the ASX is subject to daily fluctuation

<sup>29</sup> For instance, by using comparable transaction multiples we implicitly include the share of synergies paid in those transactions.

- (b) Empired shareholders who sell their Empired shares on the ASX will not obtain the benefit of any superior proposal should this eventuate.

### **Likely price of Empired shares if the Scheme is not implemented**

- 168 If the Scheme is not implemented we expect that, at least in the short term, Empired shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of Empired shares on a portfolio basis and their value on a 100% takeover basis. In this regard we note that Empired shares last traded at \$0.82 per share on 16 July 2021 (being the last trading day prior to the announcement of the Scheme).
- 169 If the Scheme is not implemented those Empired shareholders who wish to sell their Empired shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

### **Likelihood of an alternative offer**

- 170 We have been advised by the Directors of Empired that no alternative offers or approaches from any third parties have been received subsequent to the announcement of the Scheme on 19 July 2021.

### **Other matters**

- 171 We also note that Empired's Managing Director and Chief Executive Officer, Mr Russell Baskerville, intends to vote all shares within his control (which currently represents approximately 5.8% of the shares on issue) in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of Empired shareholders.

### **Summary of opinion on the Scheme**

- 172 We summarise below the likely advantages and disadvantages for Empired shareholders if the Scheme proceeds.

#### **Advantages**

- 173 In our opinion, the Scheme has the following benefits for Empired shareholders:
- (a) the Scheme Consideration of \$1.35 cash per share exceeds our assessed value range for Empired shares on a 100% controlling interest basis
  - (b) the Scheme Consideration represents a significant premium to the recent market prices of Empired shares prior to the announcement of the Scheme
  - (c) furthermore, the premium is well above observed premiums generally paid to target company shareholders in comparable circumstances
  - (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Empired shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

**Disadvantages**

- 174 Empired shareholders should note that if the Scheme is implemented they will no longer hold an interest in Empired. Empired shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 175 However, as our assessed value of Empired shares is less than the Scheme Consideration, in our opinion, the present value of Empired's future potential is adequately reflected in the Scheme Consideration.

**Conclusion**

- 176 Given the above analysis, we consider the acquisition of Empired shares under the Scheme is fair and reasonable and in the best interests of Empired shareholders in the absence of a superior proposal.

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## Financial Services Guide

### Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

### Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to Empired shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

### Financial services we are licensed to provide

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

### General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

### Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$120,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

## Appendix A

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

### Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

### Contact details

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

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

## Appendix B

### Qualifications, declarations and consents

#### Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Mr Jorge Resende, who are each authorised representatives of LEA. Mr Edwards and Mr Resende have over 27 years and 20 years experience respectively in the provision of valuation advice (and related advisory services).

#### Declarations

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

#### Interests

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

#### Indemnification

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

#### Consents

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

## Listed company descriptions

### Australian companies

#### Data#3 Limited

- 1 Data#3 is an Australian IT company that delivers an integrated array of solutions spanning cloud, mobility, security, data and analytics and IT lifecycle management through two segments, being Product and Services. The Product segment is engaged in providing hardware and software licenses for its customers' desktop, network and data centre infrastructure. The company's Services segment provides consulting, procurement, project services, resourcing and managed services.

#### COSOL Ltd

- 2 COSOL is a global provider of digital and IT solutions, partnering with asset intensive businesses in the mining, utility, defence and public infrastructure industries to drive business improvements through the enhanced use of data and data analysis. The company's proprietary digital solutions include enterprise asset management and enterprise resource planning systems, data management platforms, subscription based solutions designed to keep enterprise systems current and business productivity tools associated with bulk data management.

### International companies

#### Datagroup SE

- 3 Datagroup is a German IT services and solutions provider, which employs 3,000 staff and manages 600,000 IT workstations globally. The company offers a modular-based solution for outsourcing IT services (CORBOX), including network, end user, SAP, big data, security and continuity services. Datagroup's IT Solutions business unit extends its core CORBOX offering and also offers independent bespoke solutions, while its IT Transformation unit guides clients through all stages of application, platform, cloud or SAP transformation.

#### Neurones SA

- 4 Based in France, Neurones is an IT services company that specialises in management services and digital transformation. Neurones operates across three business units, being infrastructure services, application services and consulting services, which are provided as either consulting projects, stand-alone technical support, recurrent services with project management, or fixed price design build projects. The company employs around 5,600 staff with 750 employed internationally in countries such as Singapore, Tunisia and India.

#### NNIT A/S

- 5 NNIT is one of Denmark's leading consultancies in IT development, implementation and operations. The company's service offering includes advising, building, implementing, managing and supporting IT solutions and operating IT systems. Key clients include those operating in the international life sciences industry and the Danish private and public sectors. NNIT employs over 3,000 staff across its offices in Europe, North America and Asia.



## Appendix C

### Information Services Group Inc

- 6 Information Services Group is a global technology research and advisory firm. The company specialises in digital transformation services, including automation, cloud and data analytics, sourcing advisory, managed governance and risk services, network carrier services, technology strategy and operations design, change management, market intelligence and technology research and analysis. Operating in more than 20 countries, Information Services Group's approximately 1,300 strong workforce services over 700 clients.

### Ordina NV

- 7 Ordina is a Dutch IT services provider with 2,572 employees located in the Netherlands, Belgium and Luxembourg. The company operates two brands, including Ordina and SourcePower, which provide consulting application management, projects and market-specific solutions relating to data management, digital acceleration, business platforms and cloud, and cybersecurity and compliance. It targets clients in the public sector, and the financial services and healthcare sectors.

### Allgeier SE

- 8 Based in Germany, Allgeier provides a comprehensive IT and software services portfolio, ranging from high-end software development to business efficiency solutions. The company implements end-to-end IT solutions for business-critical processes and offers flexible personnel services and project solutions. Allgeier also provides innovative software development, architecture and IT consulting. The company employs approximately 2,400 staff and 800 freelance experts across offices in Germany, five other European countries, the US and Vietnam.

### Mastech Digital Inc

- 9 Based in the US, Mastech Digital is global IT firm that provides digital transformation services, including data and analytics solutions, digital learning and IT staffing services for both digital and mainstream technologies. The company employs approximately 1,300 consultants across a broad spectrum of industry verticals and has recruitment centres located in the US and India that deliver a full range of recruiting and sourcing services.

## Australian IT services transaction company descriptions

### RXP Services

- 1 RXP Services was an Australian digital services consultancy business specialising in providing digital expertise and support across current and emerging channels. The company offered end-to-end solutions from the initial design phase through to the final build and implementation stage. RXP Services also provided digital marketing services and assisted organisations with innovation by fusing brand, insight, design and technology.

### DWS

- 2 DWS was a professional services company which provided IT consulting services to large corporate entities and Australian Government agencies. Services provided included consulting, digital advisory, program and project management, and managed application services. At the time of the acquisition, DWS employed over 750 staff and contractors and had offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.

### Citadel Services

- 3 Citadel Services was a division of The Citadel Group. The division had two key verticals, being Technology and Professional Services. The Technology vertical designed, supplied and implemented technology systems to meet business and government requirements. The Professional Services vertical was an advisory business that offered strategic advice, improved practice methodology, technologies and managed services to large enterprises and government departments.

### SMS Management & Technology

- 4 SMS Management & Technology was an IT services company, providing business and IT advisory, technology solutions, managed services and recruitment to a range of large corporations and government bodies. Around the time of the acquisition, the company employed over 1,300 professional staff (including contractors) predominantly in Australia, with a presence in Hong Kong, Singapore and the Philippines. It consisted of two businesses, SMS Consulting and M&T Resources.

### ASG Group

- 5 ASG Group specialised in the provision of professional IT business solutions to medium to large-scale enterprises and had expertise and experience in IT outsourcing, computer infrastructure, application development, systems integration and the provision of specialist technical services and support. The company was founded in 1996 and was also an accredited partner of Oracle and SAP.

### UXC

- 6 UXC provided integrated services across the IT value chain from design to implementation and enhancement, and operation and management of IT systems. It operated three divisions, being Advisory and Consulting, Enterprise Applications (by far the largest business unit) and IT Infrastructure. It employed 2,300 staff in offices in Brisbane, Sydney, Canberra, Melbourne, Hobart, Adelaide and Perth, and supported around 2,500 clients in Australia and internationally.

## Appendix D

### Outware Mobile

- 7 Outware Mobile was a leading mobile application developer for the enterprise and government markets. The company had key competencies in the rapidly emerging mobile application development market and was a national leader for mobile strategy, user experience and design, and mobile application development.

### Oakton

- 8 Oakton was a consulting and technology firm, which worked with its clients to develop a broad range of solutions leveraging business and industry insight, intellectual property, the latest technologies and partnerships with cloud-based infrastructure and software providers. Oakton generated revenue through rate per hour roles and project based engagements, which focused on the delivery of particular aspects of an in-house IT department's IT capital expenditure requirements.

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## Glossary

Term	Meaning
A\$	Australian dollar
AASB	Australian Accounting Standards Board
AASB 16	AASB 16 – <i>Leases</i>
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CAGR	Compound annual growth rate
Capgemini	Capgemini Australia Pty Ltd
Citadel	The Citadel Group
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corporations Regulations	Corporations Regulations 2001
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
Empired / the Company	Empired Limited
FSG	Financial Services Guide
FY	Financial year
IER	Independent expert's report
IT	Information technology
LEA	LonerGAN Edwards & Associates Limited
PE	Price earnings
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
SaaS	Software-as-a-service
Scheme	Scheme of arrangement between Empired and its shareholders to implement the SIA
Scheme Consideration	\$1.35 cash per Empired share
SIA	Scheme Implementation Agreement
US	United States of America
US\$ / USD	US dollar
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding

**Annexure C Scheme**

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# Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

Empired Limited

Target

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz  
Level 27 QV.1  
250 St Georges Terrace  
Perth WA 6000  
GPO Box 9806  
Perth WA 6848  
Tel +61 8 9426 8000  
Fax +61 8 9481 3095  
[www.claytonutz.com](http://www.claytonutz.com)

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# Scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

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## Date

**Parties**                    **Empired Limited ACN 090 503 843** of Level 7, the Quadrant, 1 William Street Perth WA 6000 (**Target**)

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

## Background

- A.            The Target and the Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.
- B.            If this Scheme becomes Effective, the Bidder will acquire all of the Scheme Shares and the Target will enter the Bidder in the Target Share Register as the holder of the Scheme Shares.

## Operative provisions

---

### 1.            Definitions and interpretation

#### 1.1           Definitions

In this Scheme, unless the contrary intention appears or the context requires otherwise:

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

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

**Bidder** means Capgemini Australia Pty Limited ACN 092 284 314.

**Business Day** means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia.

**CHESS** means the clearing house electronic sub-register system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.

**Condition** means each condition to this Scheme set out in clause 2.1.

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

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as the Target and the Bidder agree in writing.

**Deed Poll** means the deed poll dated 15 September 2021 executed by the Bidder in favour of the Scheme Shareholders (subject to any amendments permitted by its terms).

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



**Effective** means, when used in relation to this 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 Implementation Agreement or such other date agreed in writing between the Target and the Bidder.

**Implementation Agreement** means the Scheme Implementation Agreement dated 19 July 2021 between the Target and the Bidder under which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.

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

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

**Record Date** means 5:00 pm on the date that is 5 Business Days after the Effective Date or such other time and date agreed in writing between the Target and the Bidder.

**Registered Address** means in relation to a Target Shareholder, the address shown in the Target Share Register.

**Regulatory Authority** means any foreign or Australian:

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

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

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to in writing by the Target and the Bidder.

**Scheme Consideration** means the amount of cash which a Scheme Shareholder is entitled to receive under this Scheme, being \$1.35 for each Scheme Share, subject to adjustment in accordance with clause 4.7.

**Scheme Meeting** means the meeting of Target Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme.

**Scheme Share** means a Target Share on issue as at the Record Date, other than any Target Shares held by the Bidder or a Related Body Corporate of the Bidder as at the Record Date.

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

**Scheme Transfer** means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

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

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

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

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

**Target Share Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

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

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

**Trust Account** means an Australian dollar denominated trust account, operated by the Target as trustee for the Scheme Shareholders, as nominated by the Target and notified to the Bidder at least 5 Business Days prior to the Implementation Date, being the account into which the Bidder will deposit an amount equal to the total Scheme Consideration in accordance with clause 4.3.

## 1.2 Interpretation

In this Scheme headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

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

provision of either includes consolidations, amendments, re-enactments and replacements;

- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this Scheme or any clause in this Scheme must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

### 1.3 Business Day

Except where otherwise expressly provided, where under this Scheme the day on which or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately preceding Business Day.

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## 2. Conditions precedent

### 2.1 Conditions

This Scheme is conditional on the satisfaction of each of the following conditions, and will have no force or effect until each of the following conditions is satisfied:

- (a) as at the Delivery Time, each of the conditions set out in clause 3.1 of the Implementation Agreement (other than the condition relating to the approval of the Court set out in clause 3.1(b) of the Implementation Agreement) has been satisfied or waived in accordance with the terms of the Implementation Agreement;
- (b) as at the Delivery Time, neither the Implementation Agreement nor the Deed Poll has been terminated;
- (c) the Court approves this Scheme 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 and agreed to by the Target and the Bidder (each acting reasonably);
- (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 the Target and the Bidder (each acting reasonably) have been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### 2.2 Certificates in relation to Conditions

- (a) On the Second Court Date:
  - (i) the Target must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived; and
  - (ii) the Bidder must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived.

- (b) The certificate referred to in clause 2.2(a) constitutes conclusive evidence that such Conditions were satisfied, waived or taken to be waived.

### **2.3 Termination of Implementation Agreement**

Without limiting any rights under the Implementation Agreement, in the event that the Implementation Agreement is terminated in accordance with its terms before the Delivery Time, the Target and the Bidder are each released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

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## **3. Scheme**

### **3.1 Effective Date of this Scheme**

Subject to clause 3.2, this Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date or such later date as the Target and the Bidder agree in writing.

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## **4. Implementation of Scheme**

### **4.1 Lodgement of Court Orders with ASIC**

If the Conditions (other than the Condition set out in clause 2.1(e)) are satisfied, the Target must promptly lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme, and in any event by no later than 5:00 pm on the Business Day following the date on which the Court approves this Scheme, or such other Business Day as the Target and the Bidder agree in writing.

### **4.2 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4.3(b), all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to the Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or its directors as attorney or agent for the Scheme Shareholders under this Scheme) by:
- (i) the Target delivering to the Bidder a completed Scheme Transfer duly executed on behalf of the Scheme Shareholders in accordance with clause 7.1 of this Scheme; and
- (ii) the Bidder delivering to the Target a completed Scheme Transfer, duly executed by the Bidder, and attending to the stamping of the Scheme Transfer (if required); and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a), the Target must enter, or procure the entry of, the name and address of the Bidder in the Target Share Register as the holder of all of the Scheme Shares.

### 4.3 Provision of Scheme Consideration

- (a) By no later than the Business Day before the Implementation Date, the Bidder will deposit (or procure the deposit of) an amount equal to the total Scheme Consideration in cleared funds into the Trust Account (provided that any interest on the amount deposited (less bank fees and other charges) will be credited to the Bidder's account).
- (b) On the Implementation Date, subject to the Bidder having complied with clause 4.3(a), the Target must pay or procure the payment of the Scheme Consideration from the Trust Account to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Target Share Register on the Record Date, which obligation will be satisfied by:
- (i) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Target Share Registry to receive dividend payments from the Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
  - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 4.3(b)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), 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).
- (c) To the extent that, following satisfaction of the Target's obligations under clause 4.3(b), there is a surplus in the amount held by the Target as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by the Target to the Bidder.

### 4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to the Scheme Shareholders will be payable to the joint holders;
- (b) any holding statements for Bidder Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme will be issued in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Target Share Register as at the Record Date.

### 4.5 Unclaimed monies

- (a) The Target may cancel a cheque issued under this clause 4 if the cheque:
  - (i) is returned to the Target; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent.

- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to the Target (or the Target Share Registry) (which request may not be made until that date which is 10 Business Days after the Implementation Date), the Target must reissue a cheque that was previously cancelled under this clause 4.5.
- (c) The Unclaimed Money Act 1990 (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of that Act).

#### 4.6 Orders of a court or Regulatory Authority

If written notice is given to the Target (or the Target 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 the Target in accordance with this clause 4, then the Target will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents the Target from making a payment to a particular Scheme Shareholder in accordance with clause 4.3(b), or such payment is otherwise prohibited by applicable law, the Target 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 direction or otherwise by law.

#### 4.7 Fractional entitlements and share splitting or division

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration results in a fractional entitlement to a cent, then the entitlement of that Scheme Shareholder must be rounded up or down to the nearest cent (with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole cent and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole cent).
- (b) If the Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.7(a)) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Bidder may give notice to those Scheme Shareholders:
  - (i) setting out their names and registered addresses as shown in the Target Share Register;
  - (ii) stating that opinion; and
  - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares will, for the purposes of the other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. The Bidder in complying with the other provisions of this Scheme relating to it in respect of the

Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Scheme.

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## **5. Dealings in Target Shares**

### **5.1 Dealings in Target Shares by the Scheme Shareholders**

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Target Share Register will only be recognised by the Target provided that:

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

and the Target must not and will not accept for registration, or recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transmission application, transfer or other request in respect of Target Shares received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

### **5.2 Target Share Register**

The Target will, until the Scheme Consideration has been paid to the Scheme Shareholders and the Bidder has been entered in the Target Share Register as the holder of all of the Scheme Shares, maintain the Target Share Register in accordance with the provisions of this clause 5 and the Target Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

### **5.3 Information to be made available to the Bidder**

The Target must procure that as soon as practicable following the Record Date, and in any event by 5.00 pm on the first Business Day after the Record Date, details of the names, Registered Addresses and holdings of Target Shares of every Scheme Shareholder as shown in the Target Share Register at the Record Date are made available to the Bidder in such form as the Bidder may reasonably require.

### **5.4 Effect of share certificates and holding statements**

As from the Record Date (and other than for the Bidder following the Implementation Date), all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title, and each entry on the Target Share Register (other than for the Bidder) at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

### **5.5 No disposals after Record Date**

If this Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, 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 the Target is entitled to disregard any such disposal.

## 6. Suspension and termination of quotation

- (a) The Target must apply to ASX for suspension of trading of the Target Shares on ASX with effect from the close of trading on the Effective Date.
- (b) The Target must apply to ASX for:
- (i) termination of official quotation of the Target Shares on ASX; and
  - (ii) the removal of the Target from the official list of ASX,
- with effect from the close of business on the Business Day immediately following the Implementation Date.

## 7. General Scheme provisions

### 7.1 Appointment of agent and attorney

Each Scheme Shareholder, without the need for any further act, irrevocably appoints the Target as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Scheme Transfer to be delivered under clause 4.2 and the giving of the Scheme Shareholders' consent under clause 7.3; and
- (b) enforcing the Deed Poll against the Bidder,

and the Target accepts such appointment. The Target, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors, officers or secretaries (jointly, severally, or jointly and severally).

### 7.2 Enforcement of Deed Poll

The Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against the Bidder (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

### 7.3 Scheme Shareholders' consent

Each Scheme Shareholder irrevocably:

- (a) consents to the Target and the Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to, or to give effect to, the implementation and performance of this Scheme; and
- (b) acknowledges that this Scheme binds the Target and all of the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency, overrides the constitution of the Target.

### 7.4 Scheme Shareholder's agreements and warranties

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;



- (b) irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) irrevocably agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Scheme Shares; and
- (d) is deemed to have warranted to the Bidder and, to the extent enforceable, appointed and authorised the Target as its agent to warrant to the Bidder, that all its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to the Bidder, be fully paid and free from all security interests including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that it has full power and capacity to sell and to transfer those Scheme Shares together with any rights and entitlements attaching to such shares to the Bidder under this Scheme.

### **7.5 Title to Scheme Shares and transfer free from encumbrance**

- (a) The Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by the Target of the Bidder in the Target Share Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder, will, at the time of transfer to the Bidder, vest in the Bidder free from all security interests (including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind).

### **7.6 Appointment of the Bidder as sole proxy**

Subject to and immediately upon the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 4.3 of this Scheme, and until the Target registers the Bidder as the holder of all of the Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) irrevocably appoints and directs the Bidder as its agent and attorney to appoint any of its directors, officers or secretaries from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Schemes Shares registered in its name and sign any shareholders resolution;
- (b) must not itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.6(a)); and
- (c) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder reasonably directs.

### **7.7 Consent to alterations**

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

- (a) the Target may, by its counsel or solicitors, and with the consent of the Bidder, consent on behalf of all persons concerned, including a Scheme Shareholder, to any modification of or amendment to this Scheme which the Court thinks fit to impose; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which the Target has consented to in accordance with this clause 7.7.

## 7.8 Notices

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

## 7.9 Inconsistencies

This Scheme binds the Target and all Target Shareholders, and to the extent of any inconsistency, overrides the Target constitution.

## 7.10 Further assurance

The Target will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, or otherwise to give full effect to, this Scheme and the transactions contemplated by it.

## 7.11 No liability when acting in good faith

Neither the Target nor the Bidder, nor any of their respective officers, directors, secretaries or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

## 7.12 Stamp duties

The Bidder:

- (a) must pay or procure the payment of all stamp duties and related fines, penalties and interest in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any loss or liability suffered or incurred by the Scheme Shareholders arising from failure to comply with clause 7.12(a).

## 7.13 Governing law and jurisdiction

- (a) This Scheme is governed by the law applying in Western Australia.
- (b) Each party irrevocably:
  - (i) submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
  - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 7.13(b)(i).

**Annexure D Deed Poll**

For personal use only

# Deed Poll

Capgemini Australia Pty Limited  
Bidder

In favour of each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz  
Level 27 QV.1  
250 St Georges Terrace  
Perth WA 6000  
GPO Box 9806  
Perth WA 6848  
Tel +61 8 9426 8000  
Fax +61 8 9481 3095  
[www.claytonutz.com](http://www.claytonutz.com)

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## Deed Poll

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<b>Date</b>	15 September 2021
<b>Party</b>	<b>Capgemini Australia Pty Limited ABN 11 092 284 314</b> of Level 7, 77 King Street Sydney NSW 2000 ( <b>Bidder</b> )
<b>In favour of</b>	Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date ( <b>Scheme Shareholders</b> )

### Background

- A. The Target and the Bidder have entered into the Implementation Agreement.
- B. The Target has agreed in the Implementation Agreement to propose the Scheme, the effect of which will be that the Bidder will acquire all of the Scheme Shares from the Scheme Shareholders, subject to the satisfaction of certain conditions.
- C. In accordance with clause 4.2(j) of the Implementation Agreement, the Bidder is entering into this deed poll.

### Operative provisions

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## 1. Definitions and interpretation

### 1.1 Definitions

In this deed poll:

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

**Implementation Agreement** means the scheme implementation agreement dated 19 July 2021 between the Target and the Bidder pursuant to which, amongst other things, the Target has agreed to propose the Scheme, and each of the Target and the Bidder has agreed to take certain steps to give effect to the Scheme.

**Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, substantially in the form of Annexure A to the Implementation Agreement, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to in writing by the Target and the Bidder.

**Target** means Empired Limited ACN 090 503 843 of Level 7, the Quadrant, 1 William Street Perth WA 6000.

Capitalised terms have the meaning given to them in the Scheme, unless the context requires otherwise.

## 1.2 Interpretation

In this deed poll headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word including or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this deed poll;
- (g) a reference to a document (including this deed poll) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this deed poll;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this deed poll or any clause in this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

## 1.3 Nature of deed poll

The Bidder acknowledges and agrees that:

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

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## 2. Conditions precedent

### 2.1 Conditions

The Bidder's obligations under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

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

- (a) the Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date,

unless the Target and the Bidder otherwise agree in accordance with the Implementation Agreement.

### 2.3 Consequences of termination

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

- (a) the Bidder is released from its obligations to further perform this deed poll except those obligations under clause 7.4 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

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## 3. Scheme obligations

Subject to clause 2, the Bidder undertakes in favour of each Scheme Shareholder to:

- (a) deposit (or procure the deposit of) an amount equal to the total Scheme Consideration in cleared funds into the Trust Account by no later than the Business Day before the Implementation Date; and
- (b) undertake all other actions attributed to it under, and otherwise comply with, the Scheme, as if named as a party to the Scheme,

in each case subject to and in accordance with the terms of the Scheme.

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## 4. Representations and warranties

The Bidder represents and warrants that:

- (a) **(Status)** it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **(Power)** it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **(Authorisation)** it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;



- (d) **(Binding)** this deed poll is valid and binding on it and is enforceable against it in accordance with its terms;
- (e) **(Transaction permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll does not conflict with, or result in the breach of or default under:
- (i) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound; or
  - (ii) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate (as defined in the Implementation Agreement); and
- (f) **(Solvency)** it is solvent and no resolution has been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

## 5. Continuing obligations

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

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

## 6. Notices

### 6.1 How notice to be given

Any notice or other communication to the Bidder under or in connection with this deed poll:

- (a) must be given:
  - (i) using one of the following methods (and no other method) namely, hand delivery, courier service, prepaid express post or email; and
  - (ii) using the address or other details for the Bidder set out in the below table (or as otherwise notified by the Bidder to the Target from time to time under this clause 6):

Party name	Attention	Address (for hand delivery or delivery by courier or post)	Email address
<b>Bidder</b>	General Counsel office	Level 7, 77 King Street Sydney, NSW 2000 Australia	<a href="mailto:teresa.alan@capgemini.com">teresa.alan@capgemini.com</a>
<i>with a copy to</i>	Group General Counsel office	Capgemini Service 11, rue de Tilsitt 75017 Paris, France	<a href="mailto:maria.pernas@capgemini.com">maria.pernas@capgemini.com</a> <a href="mailto:isabelle.riviere@capgemini.com">isabelle.riviere@capgemini.com</a> <a href="mailto:walter.vejdovsky@capgemini.com">walter.vejdovsky@capgemini.com</a>
	Group M&A		
	Tony Damian / Nicole Pedler	Herbert Smith Freehills Level 33, ANZ Tower 161 Castlereagh Street Sydney, NSW 2000 Australia	<a href="mailto:Tony.Damian@hsf.com">Tony.Damian@hsf.com</a> <a href="mailto:Nicole.Pedler@hsf.com">Nicole.Pedler@hsf.com</a>

- (b) must be in legible writing and in English;
- (c) (in the case of communications other than email) must be signed by the sending party or by a person duly authorised by the sending party;
- (d) (in the case of email) must:
  - (i) state the name of the sending party or a person duly authorised by the sending party and state that the email is a communication under or in connection with this deed poll; and
  - (ii) if the email contains attachments, ensure the attachments are in PDF or other non-modifiable format the receiving party can open, view and download at no additional cost,

and communications sent by email are taken to be signed by the named sender.

## 6.2 When notice taken to be received

Without limiting the ability of a party to prove that a notice has been given and received at an earlier time, each communication (including each notice, consent, approval, request and demand) under or in connection with this deed poll is taken to be given by the sender and received by the recipient:

- (a) (in the case of delivery by hand or courier service) on delivery;
- (b) (in the case of prepaid express post sent to an address in the same country) on the second Business Day after the date of posting;
- (c) (in the case of prepaid express post sent to an address in another country) on the fourth Business Day after the date of posting;
- (d) (in the case of email, whether or not containing attachments) the earlier of:
  - (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
  - (ii) receipt by the sender of an automated message confirming delivery; and
  - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing),

provided that:

- (e) the communication will be taken to be so given by the sender and received by the recipient regardless of whether:
  - (i) the recipient is absent from the place at which the communication is delivered or sent;
  - (ii) the communication is returned unclaimed; and
  - (iii) (in the case of email) the email or any of its attachments is opened by the recipient;
- (f) if the communication specifies a later time as the time of delivery then that later time will be taken to be the time of delivery of the communication; and

- (g) if the communication would otherwise be taken to be received on a day that is not a working day or after 5:00 pm, it is taken to be received at 9:00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is delivered or sent).

### **6.3 Notices sent by more than one method of communication**

If a communication delivered or sent under this clause 6 is delivered or sent by more than one method, the communication is taken to be given by the sender and received by the recipient whenever it is taken to be first received in accordance with clause 6.2.

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## **7. General**

### **7.1 Assignment**

The rights and obligations of the Bidder and each Scheme Shareholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity without the prior written consent of the Bidder.

### **7.2 Cumulative rights**

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

### **7.3 Further action**

The Bidder will, promptly at its own expense, do all things and execute and deliver all further documents required by law to give effect to this deed poll and the transactions contemplated by it.

### **7.4 Stamp duties**

The Bidder:

- (a) must pay or procure the payment of all stamp duties and any related fines, penalties and interest in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll; and
- (b) indemnifies each Scheme Shareholder against any loss or liability suffered or incurred by the Scheme Shareholders arising from failure to comply with clause 7.4(a).

### **7.5 Variation**

A provision of this deed poll may not be varied unless:

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

in which event the Bidder will enter into a further deed poll in favour of the Scheme Shareholders giving effect to such variation.

## 7.6 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the person granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) A failure or delay in exercise, partial exercise, or enforcement of:
- (i) any right, power or remedy provided by law or under this deed poll; or
  - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,
- by any person will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (c) A person is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A person may not rely on any conduct of another person as a defence to the exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause 7.6 may not itself be waived except in writing.

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## 8. Governing law and jurisdiction

- (a) This deed poll is governed by the law applying in Western Australia.
- (b) The Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings in connection with this deed poll.
- (c) The Bidder waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 8(b).

Executed as a deed poll.

Signed, sealed and delivered by  
Caggemini Australia Pty Limited in accordance  
with section 127 of the Corporations Act 2001  
(Cth)  
by



Signature of director

Signature of company secretary/director

Kaylene O'Brien

Full name of director

Full name of company secretary/director

For personal use only

For personal use only



Executed as a deed poll.

Signed, sealed and delivered by  
**Cappemini Australia Pty Limited** in accordance  
with section 127 of the *Corporations Act 2001*  
(Cth)  
by

Signature of director

Luc-Francois Salvador

Full name of director

Signature of company secretary/director

Full name of company secretary/director

**Annexure E Notice of Scheme Meeting**

For personal use only

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# Empired Limited

ACN 090 503 843

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## Notice of Scheme Meeting

### Notice of Court ordered Scheme Meeting of Empired Shareholders

Notice is hereby given, by an order of the Federal Court of Australia made on 20 September 2021 pursuant to section 411(1) of the Corporations Act, that a meeting of holders of ordinary shares in Empired Limited (**Empired**) (**Empired Shareholders**) will be held at 10:00 am (Perth time) on 25 October 2021 electronically through an online platform at <https://web.lumiagm.com/392567307> (**Scheme Meeting**).

The Court has also directed that Thomas Stianos, or, failing him, Richard Bevan, act as the chairperson of the Scheme Meeting.

Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically. It will not be possible to physically attend the Scheme Meeting. Details on how to attend electronically are set out in the Explanatory Notes below.

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve a scheme of arrangement (with or without any modifications or conditions approved by the Court which are acceptable to Empired and Capgemini) proposed to be made between Empired and Empired Shareholders (other than Capgemini and its Related Bodies Corporate if it holds any Empired Shares) (**Scheme**).

To enable you to make an informed voting decision, further information on the Scheme is contained in the Scheme Booklet which this notice forms part of. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the glossary in Section 11 of the Scheme Booklet.

### Business of the meeting

#### Resolution – Approval of the Scheme

To consider and, if thought fit, to approve the following resolution (**Scheme Resolution**):

*“That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the members approve the arrangement between Empired Limited and the holders of its fully paid ordinary shares (other than Capgemini Australia Pty Limited and its Related Bodies Corporate if it holds any such shares), designated the “Scheme”, as contained in and more particularly described in the Scheme Booklet accompanying the Notice of Scheme Meeting with or without any modifications or conditions approved at this meeting or approved by the Federal Court of Australia after this meeting, and which are acceptable to Empired and Capgemini Australia Pty Limited, and, subject to approval of the Scheme by the Court, the Empired Board is authorised to implement the Scheme with any such modifications or conditions.”*

#### BY ORDER OF THE COURT



David Hinton  
Company Secretary  
Empired Limited

Dated 20 September 2021



## EXPLANATORY NOTES

### General

The Notice of Scheme Meeting relates to the Scheme and should be read in conjunction with the balance of the Scheme Booklet. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution, including the information prescribed by the Corporations Act and the Corporations Regulations.

A copy of the Scheme is set out in Annexure C of the Scheme Booklet.

### Participating in the Scheme Meeting

Due to the COVID-19 pandemic, in the interests of health and safety of Empired Shareholders and staff, the Scheme Meeting will be held electronically. Accordingly, Empired Shareholders and their proxies, attorneys or corporate representatives will not be able to physically attend the Scheme Meeting and will instead be able to participate online from their computer or mobile device by entering the URL in their browser: <https://web.lumiagm.com/392567307>.

Participating in the Scheme Meeting via the online platform will allow eligible Empired Shareholders, their proxies, attorneys or corporate representatives to listen to the Scheme Meeting live, view slides and ask questions and vote in real time at appropriate times during the Scheme Meeting.

Empired Shareholders will need the following information to participate in the Scheme Meeting:

- the Meeting ID: which is 392-567-307;
- Username: which is your SRN/HIN; and
- Password: your password is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Lumi Online Voting Guide available from the Empired website at <https://www.empired.com/scheme> for their password details.

Attorneys and corporate representatives of Empired Shareholders will need the username and password of the Empired Shareholder they are representing.

Proxies will need their unique username and password which will be provided by Empired's Share Registry, Computershare Investor Services Pty Limited, no later than 24 hours prior to the Scheme Meeting. Proxies can also obtain their log in details by calling Computershare on +61 3 9415 4024 during the online registration period, which will open 1 hour prior to the Scheme Meeting.

Further information regarding participating in the Scheme Meeting electronically, including browser requirements, is detailed in the Lumi Online Voting Guide available on Empired's website: <https://www.empired.com/scheme>.

Registration will open 1 hour prior to the start of Scheme Meeting. We recommend logging on to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting. If you require technical assistance please call +61 3 9415 4024.

### How to ask questions?

Empired Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their question to [company.secretary@empired.com](mailto:company.secretary@empired.com) prior to 10:00 am (Perth time) on 23 October 2021.

Alternatively, Empired Shareholders can submit questions when attending the Scheme Meeting online via the Lumi platform.

## Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Empired Shareholders present and voting at the Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Empired Shareholders, by a duly appointed corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Empired Shareholders at the Scheme Meeting.

## Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is approved by the Requisite Majorities and the other Conditions are satisfied or waived (as applicable), Empired intends to apply to the Court for approval of the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

## VOTING

The Empired Directors believe that the Scheme is in the best interests of Empired Shareholders and recommend that Empired Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.

Each Empired Director intends to cause any Empired Shares in which he or she has a Relevant Interest to be voted in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders.

### Voting entitlement

The Court has determined that Empired Shareholders who are registered in the Empired Share Register as at 5:00 pm (Perth time) on 23 October 2021 may vote at the Scheme Meeting electronically, by attorney, by proxy or, in the case of a body corporate, by corporate representative.

### Joint holders

In the case of Empired Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Empired Shareholder votes in respect of jointly held Empired Shares, the vote of the Empired Shareholder whose name appears first on the Empired Share Register counts.

### How to vote

Empired Shareholders entitled to vote at the Scheme Meeting can vote by:

- attending the Scheme Meeting electronically; or
- by appointing an attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend electronically and vote on their behalf; or
- appointing a proxy to attend the Scheme Meeting electronically and vote on their behalf.

Voting will be conducted by poll.

### **Voting by attorney**

Empired Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Empired, deliver to the Share Registry (at the address or fax number provided below) the original instrument appointing the attorney or a certified copy of it by no later than 10:00 am (Perth time) on 23 October 2021.

### **Voting by a corporation**

An Empired Shareholder or proxy that is a corporation may appoint an individual to act as its representative and vote in person at the meeting.

If a representative of an Empired Shareholder or proxy, which is a body corporate is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative" to Empired's Share Registry or Empired. A form may be obtained from Computershare or online at [www.investorcentre.com.au](http://www.investorcentre.com.au) under "Printable Forms".

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Empired Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A corporation may appoint an individual as a representative to exercise its powers as an Empired Shareholder or as an Empired Shareholder's proxy.

Empired Shareholders who wish to appoint a corporate representative for the Scheme Meeting should, if they have not already presented an appropriate appointment, deliver to Empired's Share Registry or Empired an original or certified copy of the appointment by no later than 10:00 am (Perth time) on 23 October 2021.

### **Voting by proxy**

An Empired Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on the resolution to be put to the Scheme Meeting and also to speak at the Scheme Meeting. The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed, and if the appointment does not specify the proportion or number of the Empired Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be an Empired Shareholder.

If a proxy is not directed how to vote any item of business, the proxy may vote or abstain from voting, as that person thinks fit. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on the poll, and the Empired Shares the subject of the proxy appointment will not be counted in computing the required majority.

Empired Shareholders who appoint a proxy but do not nominate the identity of their proxy will be taken to have appointed the chairman of the Scheme Meeting as their proxy to vote on their behalf. If a proxy is lodged and the proxy specifies the way the proxy is to vote on the Scheme Resolution but the nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution, the chairman of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions.

If you appoint a proxy, you may still attend the Scheme Meeting in person. Please note that if you appoint a proxy and attend the Scheme Meeting, your proxy will still be able to participate in the Scheme Meeting and your proxy's authority to vote will not be suspended while you are present. However, you may still vote on the Scheme Resolution. If you do so and your proxy also votes, your vote will be counted and your proxy's will not.

## How to appoint a proxy

### Online

Empired Shareholders who have elected to receive notices of meeting electronically will receive an email with a personalised link to the Computershare site at [www.investorvote.com.au](http://www.investorvote.com.au) which can be used to appoint a proxy online by following instructions on that website.

You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

The online proxy appointment must be received by Empired or the Share Registry, Computershare Investor Services Pty Limited, by no later than 10:00 am (Perth time) on 23 October 2021 to be effective. A proxy cannot be appointed using the online system if they are appointed under a power of attorney or similar authority.

### Hard copy

Empired Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form.

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed unless already provided) must be received by Empired or the Share Registry, Computershare Investor Services Pty Limited, by no later than 10:00 am (Perth time) on 23 October 2021 to be effective. Proxies given by corporations must be executed in accordance with the Corporations Act.

Empired Shareholders who receive a hard copy of the Proxy Form may appoint a proxy by returning the Proxy Form to Empired or the Share Registry, Computershare Investor Services Pty Limited, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

Mail to:                   Computershare Investor Services Pty Limited  
                                  GPO Box 242  
                                  Melbourne Victoria 3001  
                                  AUSTRALIA

Online:                    [www.investorvote.com.au](http://www.investorvote.com.au)

You will need your SRN or HIN, the allocated control number and PIN as show on your Proxy Form.

You will be taken to have signed the Proxy Form if you lodge your proxy in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

Fax to:                    1800 783 447 (within Australia)  
                                  +61 3 9473 2555 (outside of Australia)

Mobile Device:        Scan the QR code on your Proxy Form and follow the prompts. You will need your SRN or HIN, the allocated control number and PIN as shown on your Proxy Form.

Custodians:            For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

A Proxy Form must be signed by the Empired Shareholder or the Empired Shareholder's attorney. Proxies given by a corporation must be executed in accordance with the corporation's constitution and the Corporations Act.

If:

- an Empired Shareholder nominates the chairperson of the Scheme Meeting as the Empired Shareholder's proxy; or
- a proxy appointment is signed by an Empired Shareholder but does not name the proxy or proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the chairperson of the Scheme Meeting will act as proxy under the appointment.

Proxy appointments in favour of the chairperson of the Scheme Meeting which do not contain a direction will be voted in favour of the Scheme Resolution at the Scheme Meeting.

An Empired Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes (disregarding fractions). The Empired Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Empired Shareholder on any ballot that may be called for, and if the Empired Shareholder specifies a choice with respect to any matter to be acted upon, the Empired Shares will be voted accordingly.

An Empired Shareholder who has deposited a Proxy Form may revoke it prior to its use by giving written notice to Empired at least 48 hours before the commencement of the Scheme Meeting. An Empired Shareholder may also revoke a proxy in any other manner permitted by law.

#### **Further information for Empired Shareholders**

If you have any questions please contact the Empired Shareholder Information Line on 1300 145 430 (for callers within Australia) or +61 3 9946 4421 (for callers outside of Australia) between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

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## Directory

### Empired Limited

Level 7, the Quadrant  
1 William Street  
Perth WA 6000  
AUSTRALIA

### Company Secretary

David Hinton

### Legal Adviser to Empired

Clayton Utz  
Level 27 QV.1 Building  
250 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

### Share Registry

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

### Website

<https://www.empired.com>

### Empired Shareholder Information Line

1300 145 430 (for callers within Australia)  
+61 3 9946 4421 (for callers outside of Australia)

The Empired Shareholder Information Line is open between 6:30 am and 3:30 pm (Perth time) Monday to Friday prior to 3 October 2021 and between 5:30 am and 2:30 pm (Perth time) Monday to Friday after that date.

### Directors

Thomas Stianos  
John Bardwell  
Richard Bevan  
Cristiano Nicolli  
Russell Baskerville

### Financial Adviser to Empired

Euroz Hartleys Limited  
Level 18 Alluvion  
58 Mounts Bay Road  
Perth WA 6000  
AUSTRALIA

### Auditor

Grant Thornton Audit Pty Ltd  
Level 43  
152 - 158 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

### Independent Expert

Lonergan Edwards & Associates Limited  
Level 7  
64 Castlereagh St  
Sydney NSW 2000  
AUSTRALIA

### ASX Code

EPD



Empired Limited  
ABN 81 090 503 843

EPD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 145 430 (within Australia)  
+61 3 9946 4421 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (Perth time) on Saturday 23 October 2021.**

Dear Empired shareholder

## Empired Limited Scheme Meeting

Empired Limited (**Empired**) has entered into a Scheme Implementation Agreement with Capgemini Australia Pty Limited (**Capgemini**), under which Capgemini agreed to acquire 100% of the issued shares in Empired by way of a scheme of arrangement (**Scheme**) for a cash price of A\$1.35 per Empired share. The Scheme was announced to ASX on 19 July 2021.

Empired is pleased to confirm that the Federal Court of Australia has ordered the convening of a meeting of Empired shareholders to consider and, if thought fit, approve the Scheme (**Scheme Meeting**), and the despatch of the Scheme Booklet (including the Notice of Scheme Meeting) to Empired shareholders.

### Meeting date and location:

The Scheme Meeting will be a virtual meeting, which will be conducted online on Monday, 25 October 2021 at 10:00 am (Perth time). Please see below for details of how to access the Scheme Meeting online.

### Accessing the Scheme Booklet and Notice of Scheme Meeting:

The Scheme Booklet, which includes the Notice of Scheme Meeting, can be accessed online at [www.empired.com/scheme](http://www.empired.com/scheme) and on Empired's announcement platform at [www.asx.com.au](http://www.asx.com.au).

You can also request a free paper copy of the Scheme Booklet by calling 1300 145 430 (within Australia) or +61 3 9946 4421 (outside Australia) between 6.30am and 3.30pm (Perth time), Monday to Friday prior to 3 October 2021 and between 5:30am and 2:30pm (Perth time) Monday to Friday after that date.

We recommend that you read the Scheme Booklet in its entirety before deciding on how to vote at the Scheme Meeting. If you are in any doubt as to how to deal with the Scheme Booklet, or how to cast your vote at the Scheme Meeting, please consult your independent financial, legal, taxation or other professional advisor immediately.

### Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, view slide decks, ask questions during the Scheme Meeting and submit your vote in real time at the appropriate times.

**To participate online you will need to visit <https://web.lumiagm.com/392567307> on your smartphone, tablet or computer.**

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)

### Voting on the Scheme:

You may vote by attending the Scheme Meeting online yourself or by proxy, by attorney or in the case of a corporation, by corporate representative. A personalised proxy form is enclosed. The proxy form includes all details of how to appoint proxies and how to sign and lodge proxy appointments. For a proxy vote to be effective, the proxy appointment (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by no later than 10:00 am (Perth time) on Saturday 23 October 2021.

## Access the meeting documents and lodge your proxy online:

### Online:

Access the meeting documents and lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



Empired Limited  
ABN 81 090 503 843

EPD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 145 430 (within Australia)  
+61 3 9946 4421 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (Perth time)** on **Saturday, 23 October 2021**.

# Scheme Meeting Proxy Form

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in Empired Limited's Scheme Booklet which can be accessed at [www.empired.com/scheme](http://www.empired.com/scheme) and on Empired's announcement platform at [www.asx.com.au](http://www.asx.com.au) (unless the context requires otherwise).

## How to Vote on Item of Business

All your shares will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Empired Limited.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the shareholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Share Registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate shareholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare by calling 1300 850 505 or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Empired Limited hereby appoint

the Chairperson of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairperson of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of Empired Limited to be held as a virtual meeting on Monday, 25 October 2021 at 10:00 am (Perth time) and at any adjournment or postponement of that meeting.

## Step 2 Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution Approval of the Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairperson of the Meeting intends to vote undirected proxies in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Empired Shareholders. If the Chairperson of the Meeting changes his/her voting intention on the Scheme Resolution, an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

### Update your communication details (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

