

ASX RELEASE**4 MARCH 2022****SCHEME OF ARRANGEMENT EFFECTIVE**

Over the Wire Holdings Limited (ASX: OTW) is pleased to announce that it has lodged with the Australian Securities and Investments Commission the orders made by the Federal Court of Australia approving the proposed acquisition of 100% of the shares in OTW by Aussie Broadband Limited (ASX: ABB) by way of a scheme of arrangement.

Accordingly, the Scheme is now legally effective. A copy of the Court orders is attached to this announcement.

It is expected that trading in the Company's shares will be suspended from close of trading today.

Further information

OTW Shareholders who have questions in relation to the Scheme should contact the OTW Shareholder Information Line on 1800 645 237 (within Australia) or +61 1800 645 237 (outside Australia) between 8.30am and 5.30pm AEDT between Monday to Friday (excluding public holidays in Australia).

This announcement was authorised for release to the market by the Chair of OTW.

For further information, please contact:

Mike Stabb
Company Secretary
+61 7 3847 9292
mike.stabb@overthewire.com.au

About Over the Wire Holdings Limited

Over the Wire Holdings Limited (ASX: OTW) is an ASX listed telecommunications, cloud and IT solutions provider that has a national network with points of presence in all major Australian capital cities and Auckland, NZ. The company offers an integrated suite of products and services to business customers including Data Networks and Internet, Voice, Data Centre co-location, Cloud and Managed Services.

Over the Wire Holdings Limited companies include Over the Wire, NetSIP, FaktorTel, Sanity Technology, Telarus, VPN Solutions, Access Digital Networks, Comlinx, Zintel Communications, Fonebox and Digital Sense.

For further information, visit www.overthewire.com.au



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD2/2022

OVER THE WIRE HOLDINGS LIMITED and another named in the schedule
Plaintiff

ORDER

JUDGE: JUSTICE HALLEY

DATE OF ORDER: 03 March 2022

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 411(4)(b) of the *Corporations Act 2001* (Cth) (**Act**), the scheme of arrangement between the plaintiff and its shareholders, in the form of Exhibit 4 in the proceeding, be approved.
2. The plaintiff lodge with the Australian Securities and Investments Commission a copy of the approved scheme of arrangement at the time of lodging a copy of these Orders.
3. Pursuant to s 411(12) of the Act, the Plaintiff be exempted from compliance with s 411(11) in relation to Order 1 above.

Date that entry is stamped: 3 March 2022


Registrar



Schedule

No: NSD2/2022

Federal Court of Australia

District Registry: New South Wales

Division: General

Interested Person

AUSSIE BROADBAND LIMITED ACN 132 090 192

Scheme of Arrangement

Over The Wire Holdings Limited

Scheme Participants

gadens

Level 13, Collins Arch
447 Collins Street
Melbourne VIC 3000
Australia

T +61 3 9252 2555
F +61 3 9252 2500

Ref: JDR:SOW:22105940

Contents

1.	Definitions and interpretation	1
2.	Preliminary	6
3.	Conditions	7
4.	Implementation	8
5.	Scheme Consideration	9
6.	Dealings in Scheme Shares	16
7.	Quotation of Shares	17
8.	General Scheme provisions	17
9.	General	20

Scheme of Arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001 (Cth)*.

Parties

1. **Over The Wire Holdings Limited** ACN 151 872 730 of Level 24, 100 Creek Street, Brisbane, Queensland (**Target**)
2. Each holder of Scheme Shares as at the Record Date (**Scheme Participants**)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

Accrued Interest has the meaning given to that term in clause 5.8(a);

Aggregate Elected Cash Consideration means:

- (a) the aggregate value of cash elected by Scheme Participants under all valid Elections; plus
- (b) the aggregate value of cash attributable to Scheme Participants who did not make a valid Election,

but does not include the aggregate of the Scheme Cash Consideration payable to Foreign Scheme Shareholders;

Aggregate Elected Scrip Consideration means:

- (a) the aggregate number of Bidder Shares elected by Scheme Participants under all valid Elections; plus
- (b) the aggregate number of Bidder Shares attributable to Scheme Participants who did not make a valid Election;

All Cash Consideration means the consideration for each Scheme Share held by a Scheme Participant that is intended to be satisfied solely by the Scheme Cash Consideration;

All Cash Consideration Election means an election by a Target Shareholder to receive All Cash Consideration;

All Scrip Consideration means the consideration for each Scheme Share held by a Scheme Participant that is intended to be satisfied solely by the Scheme Scrip Consideration;

All Scrip Consideration Election means an election by a Target Shareholder to receive All Scrip Consideration;

ASIC means the Australian Securities and Investment Commission;

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires;

Available Cash Consideration means \$275,172,902;

Available Scrip Consideration means 39,556,105 Bidder Shares;

Bidder means Aussie Broadband Limited ACN 132 090 192;

Bidder Constitution means the constitution of the Bidder;

Bidder Options means options to acquire Bidder Shares;

Bidder Shares means fully paid ordinary shares in the capital of the Bidder;

Bidder Share Formula means:

$$BS = (\text{Adjusted Equity Value} / \text{ABB Share Price})$$

where:

BS means the number of Bidder Shares to be issued to a Scheme Participant for each Scheme Share held by the Scheme Participant;

Adjusted Equity Value means \$5.75 less the amount per Target Share of any Permitted Dividend that is declared and paid for each Target Share; and

ABB Share Price means \$5.00

Bidder Share Rights means rights to acquire Bidder Shares granted under the Bidder's Non-Executive Director's Fee Sacrifice Plan;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Brisbane, Australia or Melbourne, Australia;

Cash Scaleback Mechanism means the scaleback mechanism set out in clause 5.6;

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Ltd;

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

Court means the Federal Court of Australia (Queensland registry), or such other court of competent jurisdiction under the Corporations Act agreed in writing by the Target and the Bidder;

Cut-Off Time means 8.00am on the Second Court Date;

Deed Poll means the Deed Poll dated 20 January 2022 executed by the Bidder under which the Bidder covenants in favour of the Scheme Participants to perform the actions attributable to it under this Scheme;

Default Consideration means the consideration for each Scheme Share held by a Scheme Participant that is satisfied by:

- (a) 80% of the consideration in the form of the Scheme Cash Consideration; plus

- (b) 20% of the consideration in the form of the Scheme Scrip Consideration;

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but in any event at no time before an office copy of the Scheme Order is lodged with ASIC;

Effective Date means the date on which the Scheme becomes Effective;

Election means:

- (a) an All Cash Consideration Election;
- (b) an All Scrip Consideration Election; or
- (c) a Mix-and-Match Consideration Election;

Election Date means 5.00pm on the fifth Business Day before the date of the Scheme Meeting or such other date as the Target and the Bidder agree in writing;

Election Form means a form issued by the Target for the purposes of a Scheme Participant (other than a Foreign Scheme Shareholder) making an Election;

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist;

End Date means the date which is 6 months after the date of the Scheme Implementation Deed or another date as is agreed by the Target and the Bidder in writing;

Foreign Scheme Shareholders means a Scheme Participant whose address in the Target Share Register as at the Record Date is a place outside Australia or New Zealand unless the Target and the Bidder agree in writing that it is lawful and not unduly onerous or impractical to issue Bidder Shares to the Scheme Participant if that Scheme Participant so elects under this Scheme;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Implementation Date means the date which is 5 Business Days after the Record Date or such other date after the Record Date agreed in writing between the Target and the Bidder;

Mix-and-Match Consideration means the consideration for each Scheme Share held by a Scheme Participant that is satisfied by:

- (a) at least 1% but less than 100% of the consideration in the form of Scheme Scrip Consideration; plus
- (b) Scheme Cash Consideration in respect of the remainder of the consideration;

Mix-and-Match Consideration Election means an election by a Target Shareholder to receive the Mix-and-Match Consideration in the percentages specified in their Election Form;

Performance Right means a right granted under the Performance Rights Plan to acquire by way of issue a Target Share subject to the terms of such plan;

Performance Rights Plan means the Target's Performance Rights Plan Rules;

Permitted Dividend means a dividend declared or determined by the Target Board after the date of this Deed with the prior written consent of the Bidder;

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

Public Trustee Act means the *Public Trustee Act 1978* (Qld);

Record Date means 5.00pm on the date that is 2 Business Days after the Effective Date, or such other date as may be agreed in writing between the Bidder and the Target or as may be required by ASX;

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

Scaleback Arrangements means:

- (a) the Cash Scaleback Mechanism; and
- (b) the Scrip Scaleback Mechanism;

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Participants, subject to any alterations or conditions agreed or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by the Bidder and the Target;

Scheme Cash Consideration means \$5.75 cash for each Scheme Share held by a Scheme Participant less the amount of any Permitted Dividend that is declared and paid for each Scheme Share, subject to the Cash Scaleback Mechanism;

Scheme Consideration means, depending on the Election and subject to the Scaleback Arrangements and the terms of the Scheme, the consideration to be provided to each Scheme Participant for the transfer to the Bidder of each Scheme Share, being for each Target Share held by a Scheme Participant as at the Record Date, either:

- (a) All Cash Consideration;
- (b) All Scrip Consideration;
- (c) the Mix-and-Match Consideration; or
- (d) the Default Consideration;

Scheme Implementation Deed means the scheme implementation deed between the Bidder and the Target dated 2 December 2021 (as amended and restated) pursuant to which the Target agreed to propose the Scheme to Target Shareholders, and each of the Bidder and the Target agreed to take certain steps to give effect to the Scheme;

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

Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme;

Scheme Participant means each holder of a Scheme Share as at the Record Date;

Scheme Scrip Consideration means the number of Bidder Shares for each Scheme Share held by a Scheme Participant, calculated by reference to the Bidder Share Formula, subject to the Scrip Scaleback Mechanism and the other conditions in this Scheme;

Scheme Shares means all of the Target Shares on issue as at the Record Date;

Scheme Transfer means, for each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares;

Scrip Scaleback Mechanism means the scaleback mechanism set out in clause 5.7;

Second Court Date means the first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard;

Second Court Hearing means the hearing of the application made to the court for the Scheme Order;

Separate Account has the meaning given to that term in clause 5.8(c);

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd;

Target Share Register means the register of members of the Target maintained by or on behalf of the Target in accordance with the Corporations Act;

Target Share Registry means Link Market Services Limited ABN 54 083 214 537;

Target Shares means a fully paid ordinary share in the capital of the Target;

Target Shareholders means each person who is registered in the Target Share Register as a holder of Target Shares; and

Trust Account means an Australian dollar denominated trust account operated by the Target as trustee for the benefit of the Scheme Participants.

1.2 Interpretation

In this Scheme, unless the context requires otherwise:

- (a) clause and subclause headings are for reference purposes only;
- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) a reference to a person includes any other entity recognised by law and vice versa;
- (e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) any reference to a party to this document includes its successors and permitted assigns;
- (g) any reference to any agreement or document includes that agreement or document as amended at any time;
- (h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (i) the expression **at any time** includes reference to past, present and future time and performing any action from time to time;

- For personal use only
- (j) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
 - (k) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
 - (l) a reference to a time of day is a reference to Brisbane time;
 - (m) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
 - (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day; and
 - (o) an agreement, representation or warranty by two or more persons binds them jointly and severally and is for the benefit of them jointly and severally.

2. Preliminary

2.1 Target

- (a) The Target is a public company limited by shares, incorporated in Australia and registered in Queensland.
- (b) The Target is admitted to the official list of ASX and Target Shares are quoted for trading on ASX.
- (c) As at the date of the Scheme Implementation Deed, the Target's issued securities are:
 - (i) 59,625,680 Target Shares; and
 - (ii) 194,516 Performance Rights.

2.2 Bidder

- (a) The Bidder is a public company limited by shares, incorporated in Australia and registered in Victoria.
- (b) The Bidder is admitted to the official list of ASX and Bidder Shares are quoted for trading on ASX.
- (c) As at the date of the Scheme Implementation Deed, the Bidder's issued securities are:
 - (i) 223,831,951 Bidder Shares;
 - (ii) 3,050,616 Bidder Options; and
 - (iii) no Bidder Share Rights.

2.3 General

- (a) The Target and the Bidder have agreed by executing the Scheme Implementation Deed to implement this Scheme.
- (b) This Scheme attributes actions to the Bidder but does not itself impose an obligation on it to perform those actions, as the Bidder is not a party to this Scheme. The Bidder has executed the Deed Poll for the purposes of covenanting

in favour of the Scheme Participants to perform its obligations as contemplated by this Scheme, including to provide the Scheme Consideration to the Scheme Participants.

2.4 Summary of the Scheme

If the Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to the Bidder, the Bidder will provide the Scheme Consideration to the Scheme Participants in accordance with this Scheme;
- (b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder; and
- (c) the Target will enter the name of the Bidder in the Target Share Register in respect of all Scheme Shares transferred to the Bidder in accordance with this Scheme with the result that the Bidder will hold all Target Shares.

3. Conditions

3.1 Condition precedent

- (a) The Scheme is conditional on, and will not become Effective until, the satisfaction of each of the following conditions precedent:
 - (i) all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(c) of the Scheme Implementation Deed relating to Court approval of the Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the Cut Off Time;
 - (ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms as at the Cut Off Time;
 - (iii) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are agreed to in writing between the Target and the Bidder;
 - (iv) such other conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing between the Bidder and the Target having been satisfied; and
 - (v) 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) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.
- (b) The satisfaction of the conditions referred to in clause 3.1(a) is a condition precedent to the operation of clauses 4 and 5.

3.2 Certificate

- (a) The Target and the Bidder must each provide to the Court, on the Second Court Date, a certificate, or such other evidence as the Court may request, confirming (in respect of matters within their knowledge) whether or not the conditions precedent

in clauses 3.1(a)(i) and 3.1(a)(ii) above have been satisfied or waived as at the Cut Off Time.

- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that the conditions precedent in clauses 3.1(a)(i) and 3.1(a)(ii) were satisfied, waived or taken to be waived.

3.3 Effective Date

Subject to clause 3.4, this Scheme takes effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

3.4 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

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

then, unless the Bidder and the Target otherwise agree in writing, the Scheme will lapse and each of the Bidder and the Target are released from any further obligation to take steps to implement the Scheme.

4. Implementation

4.1 Lodgement of Court order

Following the approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, the Target will, as soon as possible and in any event by no later than 5.00pm on the first Business Day after the Court approves the Scheme, lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Transfer of Scheme Shares held by Scheme Participants

On the Implementation Date:

- (a) subject to:
 - (i) the payment by the Bidder of the Scheme Cash Consideration in the manner contemplated by clause 5.8(a); and
 - (ii) the Bidder having satisfied its obligation to provide the Scheme Scrip Consideration in the manner contemplated by clause 5.9(a),

the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by the Target or its officers as agent and attorney of the Scheme Participants under clause 8.6 or otherwise), by:

- (iii) the Target delivering to the Bidder a duly completed and executed Scheme Transfer to transfer all the Scheme Shares to the Bidder, executed on behalf of the Scheme Participants by the Target; and

- (iv) the Bidder duly executing such Scheme Transfer and delivering it to the Target for registration; and
- (b) immediately after receipt of the Scheme Transfer in accordance with clause 4.2(a)(iv), the Target must enter, or procure the entry of, the name of the Bidder in the Target Share Register in respect of the Scheme Shares transferred to the Bidder in accordance with this Scheme.

5. Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to the Bidder of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clauses 5.8 and/or 5.9 of this Scheme (as applicable).

5.2 Election procedure

- (a) Each Target Shareholder (other than a Foreign Scheme Shareholder) will be entitled to make an Election.
- (b) All Elections will take effect in accordance with this Scheme to the extent that any Target Shareholder who makes an Election qualifies as a Scheme Participant.
- (c) The Target must ensure that the Scheme Booklet is accompanied with an Election Form.
- (d) Subject to clause 5.2(h), an Election may only be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form before the Election Date.
- (e) A Target Shareholder which makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form so that it is received on or before the Election Date.
- (f) An Election must be made in accordance with the terms and conditions of the Election Form and this clause 5.2, and an Election not so made will not be a valid election for the purpose of this Scheme and will not be recognised by the Bidder or the Target for any purpose (provided that the Bidder may, with the agreement of the Target, waive this requirement and may, with the agreement of the Target, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Election, and any such decision will be conclusive and binding on the Bidder, the Target and the relevant Scheme Participant).
- (g) Subject to clause 5.2(h), if a Target Shareholder makes an Election, that Election will be deemed to apply in respect of the Target Shareholder's entire registered holding of Target Shares at the Record Date, regardless of whether the Target Shareholder's holding of Target Shares at the Record Date is greater or less than the Target Shareholder's holding at the time it made its Election.
- (h) A Target Shareholder who is noted on the Target Share Register as holding one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections under this clause 5.2 in relation to each of those parcels of Target Shares (subject to providing to the Bidder and the Target any substantiating information they reasonably require), and if it does so

For personal use only

it will be treated as a separate Scheme Participant in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Record Date, it holds fewer Shares than it held at the time that it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to any such separate Election (and if so which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares (or will be treated in any other manner that the Bidder and the Target agree is fair to the Target Shareholder in all the circumstances acting reasonably).

- (i) The parties agree that the Election Form will include the following terms and conditions:
 - (i) Foreign Scheme Shareholders may not make an Election and that any purported Election by such persons will be of no effect and clause 5.5 will apply to such persons;
 - (ii) if a Target Shareholder (who is not a Foreign Scheme Shareholder) does not make a valid Election, clause 5.4 will apply to that person;
 - (iii) Target Shareholders who receive Scheme Scrip Consideration agree to become members of Bidder from the Implementation Date and become bound by the Bidder Constitution pursuant to the Scheme;
 - (iv) Target Shareholders who receive Scheme Scrip Consideration will have such Scheme Scrip Consideration issued having the same holding name and address and other details as the holding of the relevant Scheme Shares; and
 - (v) such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

5.3 Scheme Consideration if valid Election made

Subject to the Scaleback Arrangements, if a Target Shareholder makes a valid Election that Target Shareholder will be entitled to receive the Scheme Consideration as nominated by their Election.

5.4 Scheme Consideration if valid Election not made

Subject to the Scaleback Arrangements, if a Target Shareholder (not being a Foreign Scheme Shareholder) does not make a valid Election, the Scheme Consideration payable to that Target Shareholder will be the Default Consideration.

5.5 Scheme Consideration for Foreign Scheme Shareholders

- (a) If a Target Shareholder is a Foreign Scheme Shareholder, the Scheme Consideration payable to that Target Shareholder will be the Scheme Cash Consideration which will not be subject to the Cash Scaleback Mechanism.
- (b) The Bidder has no obligation to provide, and will not provide under the Scheme, any Scheme Scrip Consideration to Foreign Scheme Shareholders regardless of the Election made by the Foreign Scheme Shareholders.

5.6 Cash Scaleback Mechanism

If:

- (a) a Scheme Participant has made a valid Election on or before the Election Date (other than an All Scrip Consideration Election) or clause 5.4 applies in relation to a Scheme Participant; and
- (b) the Aggregate Elected Cash Consideration exceeds the Available Cash Consideration less the aggregate Scheme Cash Consideration payable to Foreign Scheme Shareholders,

then, the Scheme Participant will receive the following as Scheme Consideration:

- (c) such percentage of Scheme Cash Consideration for each of their Scheme Shares as is calculated in accordance with the following formula:

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

where:

A = the percentage of Scheme Cash Consideration that will be received by the Scheme Shareholder for each of their Scheme Shares;

B = if:

- the Scheme Participant has made an All Cash Consideration Election, 100%;
- clause 5.4 applies in relation to the Scheme Participant, 80%; or
- the Scheme Participant has made a Mix-and-Match Election, the percentage of Scheme Cash Consideration that Scheme Participant Elected to receive in their Election Form;

C = the Available Cash Consideration less the aggregate of the Scheme Cash Consideration payable to Foreign Scheme Shareholders; and

D = the Aggregate Elected Cash Consideration; *plus*

- (d) such percentage of Scheme Scrip Consideration for each Scheme Share they hold equal to:

- (i) 100%; less
- (ii) the percentage calculated in accordance with clause 5.6(c).

5.7 Scrip Scaleback Mechanism

If:

- (a) a Scheme Participant has made a valid Election on or before the Election Date (other than an All Cash Consideration Election) or clause 5.4 applies in relation to a Scheme Participant; and
- (b) the Aggregate Elected Scrip Consideration exceeds the Available Scrip Consideration,

then, the Scheme Participant will receive the following as Scheme Consideration:

- (c) such percentage of Scheme Scrip Consideration for each of their Scheme Shares as is calculated in accordance with the following formula:

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

where:

A = the percentage of Scheme Scrip Consideration that will be received by the Scheme Shareholder for each of their Scheme Shares;

B = if:

- the Scheme Participant has made an All Scrip Consideration Election, 100%;
- clause 5.4 applies in relation to the Scheme Participant, 20%; or
- the Scheme Participant has made a Mix-and-Match Election, the percentage of Scheme Scrip Consideration that Scheme Participant Elected to receive in their Election Form;

C = the Available Scrip Consideration; and

D = the Aggregate Elected Scrip Consideration; *plus*

(d) such percentage of Scheme Cash Consideration for each Scheme Share they hold equal to:

- (i) 100%; less
- (ii) the percentage calculated in accordance with clause 5.7(c).

5.8 Provision of Scheme Cash Consideration

- (a) The Bidder must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds into the Trust Account an amount equal to the aggregate amount of the total Scheme Cash Consideration payable to Scheme Participants, such amount to be held by the Target on trust for Scheme Participants for the purposes of paying the aggregate Scheme Cash Consideration to the Scheme Participants in accordance with clause 5.8(b) (except that any interest on the amount deposited (less bank fees and other charges) (**Accrued Interest**) will be for the account of the Bidder).
- (b) On the Implementation Date and subject to funds having been deposited in accordance with clause 5.8(a), the Target must pay or procure the payment from the Trust Account to each Scheme Participant the applicable amount of the Scheme Cash Consideration due to that Scheme Participant in accordance with this Scheme by doing any of the following:
 - (i) where a Scheme Participant has, before the Record Date, made an 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 Participant, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to the Target; or

- (iii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Target Share Register is outside Australia, by pre-paid airmail post) to their Registered Address as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with clause 5.10).
- (c) In the event that:
- (i) either:
- (A) a Scheme Participant does not have a Registered Address; or
- (B) the Target as trustee for the Scheme Participants believes that a Scheme Participant is not known at the Scheme Participant's Registered Address,
- and no account has been notified in accordance with clause 5.8(b)(i) or clause 5.8(b)(ii) or a deposit into such account is rejected or refunded; or
- (ii) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.12(a),
- the Target as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of the Target (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Public Trustee Act. To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Public Trustee Act.
- (d) Until such time as the amount is dealt with in accordance with the Public Trustee Act, the Target must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of the Bidder. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). The Target must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.
- (e) To the extent that there is a surplus in the amount held by the Target as the trustee for the Scheme Participants in the Trust Account, that surplus may be paid by the Target as the trustee for the Scheme Participants to the Bidder following the satisfaction of the Target's obligations as the trustee for the Scheme Participants under this clause 5.8.
- (f) The Target must pay any Accrued Interest to any account nominated by the Bidder following satisfaction of the Target's obligations under this clause 5.8.

5.9 Provision of Scheme Scrip Consideration

- (a) The Bidder must, before 12.00pm (or such later time as the Bidder and the Target may agree in writing) on the Implementation Date, procure that:
- (i) the Bidder issues the Bidder Shares to each Scheme Participant who is entitled under this Scheme to be issued the Bidder Shares; and
- (ii) the name and address of each such Scheme Participant is entered in the Bidder's register of shareholders (as maintained by the Bidder or its agent)

as the holder of those Bidder Shares with the same holding name and address and other details as the holding of the relevant Target Shares.

- (b) On or before the date that is 5 Business Days after the Implementation Date, the Bidder must send or procure the sending of a holding statement (or equivalent document) to the Registered Address of each Scheme Participant to whom Bidder Shares are issued under this Scheme, reflecting the issue of such Bidder Shares.
- (c) The Bidder must ensure that the Bidder Shares issued, at the time they are issued:
 - (i) have the rights set out in the Bidder Constitution;
 - (ii) rank equally in all respects among themselves and with all other Bidder Shares on issue in the Bidder; and
 - (iii) are fully paid, duly and validly issued in accordance with all applicable laws and free from any Encumbrance.

5.10 Joint holders

In the case of Scheme Shares held in joint names:

- (a) to the extent that the Scheme Consideration comprises Scheme Scrip Consideration, any Bidder Shares to be issued under this Scheme will be registered in the names of the joint holders;
- (b) to the extent that the Scheme Consideration comprises Scheme Cash Consideration, any cheque required to be sent under this Scheme will be made payable to the joint holders and sent at the sole discretion of the Target, either to the holder whose name appears first in the Target Share Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme will be forwarded, at the sole discretion of the Target, either to the holder whose name first appears in the Target Share Register as at the Record Date or to the joint holders.

5.11 Fractional entitlements

Where the calculation of Scheme Consideration to be provided to a Scheme Participant would result in the Scheme Participant becoming entitled to:

- (a) a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent; and/or
- (b) a fraction of a Bidder Share, that fractional entitlement will be rounded down to the nearest whole number of Bidder Shares.

5.12 Unclaimed monies

- (a) The Target may cancel a cheque sent under this clause 5 if the cheque:
 - (i) is returned to the Target; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (a) During the period of 12 months commencing on the Implementation Date, upon request in writing from a Scheme Participant to the Target (or the Target Share Registry) (which request may not be made until the date which is 20 Business

Days after the Implementation Date), the Target must reissue a cheque that was previously cancelled under clause 5.12(a).

- (b) The Public Trustee Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 98 of the Public Trustee Act).
- (c) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of the Bidder.

5.13 Order of a court or Government Agency

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 Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable or required to be issued to that Scheme Participant by Target or Bidder in accordance with this clause 5, then the Target or the Bidder (as applicable) will be entitled to pay or issue that consideration (or procure that it is paid or issued), in accordance with that order or direction; or
- (b) prevents the Target from providing consideration to a particular Scheme Participant in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, the Target will be entitled to (as applicable):
 - (i) retain an amount, in Australian dollars, equal to the amount of the consideration that Scheme Participant would be entitled to in the form of Scheme Cash Consideration; and/or
 - (ii) direct the Bidder not to issue, or to issue to a trustee or nominee, such number of Bidder Shares as that Scheme Participant would otherwise be entitled to under this clause 5,until such time as payment in accordance with this clause 5 is permitted by that order, direction or law.
- (c) To the extent that amounts are so deducted or withheld in accordance with this clause 5.13, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

5.14 Withholding

- (a) If the Bidder determines, having regard to legal advice, that the Bidder is either:
 - (i) required by law to:
 - (A) withhold any amount from a payment to a Scheme Participant; or
 - (B) not issue a security (or any securities) to a Scheme Participant; or
 - (ii) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953* (Cth) (amounts required to be paid for CGT non-resident withholding) in respect of the acquisition of Scheme Shares from a Scheme Participant,

then the Bidder is entitled to:

(iii) withhold the relevant amount before making the payment to the Scheme Participant; or

(iv) not issue the relevant security (or securities) to the Scheme Participant until permitted to do so,

(and payment of the reduced amount or issue of the reduced number of securities shall be taken to be full payment of the relevant amount or issue of the relevant securities for the purposes of this Scheme, including clause 5.8 and clause 5.9).

(b) The Bidder must pay any amount so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Participant, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Participant.

6. Dealings in Scheme Shares

6.1 Determination of Scheme Participants

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

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

and the Target will not accept for registration, nor recognise for any purpose (except a transfer to the Bidder under this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) **(Register of transfers):** The Target must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) on or before the Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires the Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (as that term is defined in the Settlement Rules).
- (b) **(No registration after Record Date):** The Target will not accept for registration or recognise for any purpose any transmission or transfer in respect of Target Shares received after the Record Date, other than to the Bidder in accordance with this Scheme and any subsequent transfer by the Bidder or its successors in title.
- (c) **(Maintenance of Target Share Register):** For the purposes of determining entitlements to the Scheme Consideration, the Target must maintain the Target Share Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been delivered to the Scheme Participants and the Bidder has been entered in the Target Share Register as the holder of all the Scheme Shares. The Target Share Register in this form will solely determine entitlements to the Scheme Consideration.

- (d) **(No disposal after Record Date):** From the Record Date until registration of the Bidder in respect of all Scheme Shares under clause 4, no Scheme Participant may dispose or otherwise deal with Target Shares (or purport to do so) in any way except as set out in this Scheme and any attempt to do so will have no effect and the Target will be entitled to disregard any such disposal or dealing.
- (e) **(Statements of holding from Record Date):** All statements of holding for Target Shares will cease to have effect from the Record Date as documents of title in respect of those shares (other than statements of holding in favour of the Bidder and its successors in title). From the Record Date, each entry current at that date on the Target Share Register (other than entries in respect of the Bidder or its successors in title) will cease to have effect except as evidence of an entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- (f) **(Provision of Scheme Participant details):**
- (i) The Target must provide, or procure the provision, to the Bidder, details of any Election made by Target Shareholders, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of Bidder Shares that the Bidder must issue to those Target Shareholders to meet its obligations under the Scheme in accordance with those Target Shareholders' Elections subject to the terms of this Scheme, including the Scaleback Arrangements.
 - (ii) As soon as practicable after the Record Date and in any event within 2 Business Days after the Record Date, the Target will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant as shown in the Target Share Register are available to the Bidder in the form the Bidder reasonably requires.

7. Quotation of Shares

- (a) The Target will apply to ASX to suspend trading on the ASX in Target Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by the Bidder, and only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), the Target will apply:
 - (i) for termination of the official quotation of Target Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

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

- (a) the Target may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented in writing; and
- (b) each Scheme Participant agrees to any such alterations or conditions to which counsel for the Target has consented.

8.2 Binding effect of Scheme

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

8.3 Scheme Participants' agreements and acknowledgements

Each Scheme Participant:

- (a) 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) agrees to any variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of the Bidder, destroy any share certificates relating to their Scheme Shares;
- (d) to the extent they are to receive Bidder Shares as a component of the Scheme Consideration to which they are entitled, agrees to become a shareholder of the Bidder and to be bound by the Bidder Constitution;
- (e) acknowledges and agrees that this Scheme binds the Target and all Scheme Participants (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting); and
- (f) irrevocably consents to the Target and the Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by the Scheme Participant.

8.4 Warranties by Scheme Participants

- (a) Each Scheme Participant warrants to the Bidder and is deemed to have authorised the Target as agent and attorney for the Scheme Participant by virtue of this clause 8.4(a) to warrant to the Bidder, that as at the Implementation Date:
 - (i) all of its Scheme Shares which are transferred to the Bidder under this Scheme, including any rights and entitlements attaching to those Scheme Shares, will, at the time of transfer, be free from all mortgages, charges, liens, assignments, encumbrances, title retentions, preferential rights or trust arrangements, claims, covenants, profit a prendre, easements, pledges, or any other security interests or arrangements (including any "security interests" within the meaning of section 12 of the PPSA) and any other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its Scheme Shares which are transferred to the Bidder under this Scheme will, on the date on which they are transferred to the Bidder, be fully paid;
 - (iii) it has full power and capacity to transfer its Scheme Shares to the Bidder together with any rights attaching to those Scheme Shares; and

- (iv) it has no existing right to be issued any Target Shares, options exercisable into Target Shares, convertible notes convertible into Target Shares or any other securities issued by the Target.
- (b) The Target undertakes that it will provide the warranties in clause 8.4(a) to the Bidder as agent and attorney of each Scheme Participant.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attached to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to the Bidder, vest in the Bidder free from all mortgages, charges, liens, assignments, encumbrances, title retentions, preferential rights or trust arrangements, claims, covenants, profit a prendre, easements, pledges, or any other security interests (including any "security interests" within the meaning of section 12 of the PPSA) and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.
- (b) On and from the Implementation Date, immediately after the Bidder satisfies its obligations in clauses 5.8(a) and 5.9(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.

8.6 Authority given to Target

- (a) Each Scheme Participant, without the need for any further act, irrevocably appoints the Target and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purposes of:
- (i) enforcing the Deed Poll against the Bidder and the Target undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for each Scheme Participant; and
- (ii) executing any document or doing or taking any other act, necessary, desirable or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer,
- and the Target accepts such appointment.
- (b) The Target, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.6 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.7 Appointment of sole proxy

Immediately after the Bidder satisfies its obligations in clauses 5.8(a) and 5.9(a) and until the Target registers the Bidder as the holder of all Scheme Shares in the Target Share Register, each Scheme Participant:

- (a) is deemed to have irrevocably appointed the Bidder as its attorney and agent (and directed the Bidder in such capacity) to appoint an officer or agent nominated by the Bidder as its sole proxy and, where applicable, corporate representative to

attend shareholders' meetings of the Target, exercise the votes attaching to the Scheme Shares registered in its name and sign any shareholders' resolution;

- (b) undertakes not to otherwise attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolution (whether in person, by proxy or by corporate representative) other than pursuant to clause 8.7(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), the Bidder and an officer or agent nominated by the Bidder under clause 8.7(a) may act in the best interests of the Bidder as the intended registered holder of Target Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Participant to the Target which are binding or deemed binding between the Scheme Participant and the Target relating to the Target or the Target Shares, including instructions, notifications or election relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Target Shares; and
- (c) notices of meetings or other communications (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by the Bidder in its sole discretion) by reason of this Scheme, to be made by the Scheme Participants to the Bidder and be a binding instruction, notification or election to the Bidder in respect of the Bidder Shares provided to that Scheme Participant until that instruction, notification or election is revoked or amended in writing addressed to the Bidder at its registry.

9. General

9.1 Further assurances

- (a) The Target must do (on its own behalf and on behalf of each Scheme Participant) anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Participant consents to the Target doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (c) Each Scheme Participant acknowledges and agrees that this Scheme binds the Target and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of the Target.

9.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Target, it will not be taken to be

received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the Target's registered office or at the office of the Target Share Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Governing law and jurisdiction

- (a) This Scheme is governed by and construed under Queensland law.
- (b) Each party irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

9.4 Variations, alterations and conditions

The Target may, with the consent of the Bidder, consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

9.5 No liability when acting in good faith

Neither the Target nor the Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

9.6 Stamp duty

The Bidder must:

- (a) pay all stamp duty and any related fines, penalties, interest, costs and brokerage in respect of or in connection with this Scheme, the performance of this Scheme, or any instruments entered into under this Scheme and in respect of a transaction effected by or made under this Scheme, including the transfer of Scheme Shares under the Scheme; and
- (b) indemnify each Scheme Participant on demand against any liability arising from its failure to comply with clause 9.6(a).