

## PSC Insurance Group Ltd to acquire Ensurance Ltd via Board recommended Scheme of Arrangement

Ensurance Ltd (ASX: ENA) (**the Company** or **ENA**) and PSC Insurance Group Limited (ASX: PSI) (**PSC**) are pleased to announce that they have entered into a binding Scheme Implementation Deed (**Implementation Deed**) under which PSC will, subject to the satisfaction of various conditions, acquire all of the shares in the capital of ENA by way of a Scheme of Arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Scheme**).

Implementation of the Scheme is targeted for late November 2023.

### **Highlights and benefits to shareholders:**

- PSC to acquire all of the shares in the capital of ENA by way of Scheme of Arrangement.
- Purchase price to be the greater of \$25.2 million and 5,000,000 PSC shares – to be satisfied by way of the issue of 5,000,000 PSC shares with any difference between the value of those shares and the purchase price of \$25.2 million to be paid in cash.
- ENA shareholders will receive approximately 0.056 new PSC share for each ENA share.
- The transaction values ENA at no less than \$25.2 million and each ENA share at 28 cents per ENA share.
- The valuation represents:
  - a 40% premium to the closing price of ENA shares on 7<sup>th</sup> August 2023 (**Last Closing Date**)
  - a 39% premium to the 30-day VWAP of ENA shares of \$0.201 for the period ended on the Last Closing Date.
- The PSC shares to be issued under the Scheme represent approximately 1.4% of PSC's issued share capital at the date of this announcement.
- Exposure to PSC as a large, globally diversified insurance group with a strong balance sheet and extensive distribution capability.
- The ability for ENA shareholders to benefit from the continued growth of the ENA business as part of a much larger organisation with enhanced balance sheet strength and liquidity.

### **Management Commentary**

ENA's Chairman, Tony Leibowitz said: *"We are pleased to have entered into this transaction with PSC Insurance Group, delivering what we believe is an attractive outcome for ENA shareholders that creates significant value."*

*In considering the future of the Company, the Board looked at a range of factors, ultimately securing with PSC a transaction which will see the ENA operations continue to grow and thrive as part of a much larger company that has the balance sheet strength, resources and global reach required to help unlock its full potential.*

*This transaction delivers a healthy premium to the current market price of ENA shares, and the scrip consideration will allow ENA shareholders to retain exposure to the continued growth and development of the business.*

*We look forward to working with PSC to complete the transaction over the next few months."*

Tom Kent, CEO, commented "The past few years have culminated in this value creating event, with the Company reporting continued Australian operational growth; the sale of its UK operations; and expansion into the East Coast of Australia with offices now established in Sydney, Melbourne, and Adelaide as well as Perth.

*I would like to take this opportunity to thank the Board and the ENA team, as well as our shareholders, for their support".*

## Transaction details

### Summary

Under the terms of the Scheme, PSC will seek to acquire all of the issued shares in the capital of ENA at the greater of \$25.2 million and 5,000,000 PSC shares. The purchase price will be satisfied by the issue of 5,000,000 fully paid ordinary shares of PSC to be quoted on ASX (**Consideration Shares**) to ENA shareholders (or to a nominee in the case of ineligible foreign shareholders). Should the value of the Consideration Shares be less than \$25.2 million on the record date for the Scheme, the difference between the value of those shares and the purchase price of \$25.2 million will be paid to ENA shareholders in cash.

The transaction values ENA at approximately \$25.2 million and each ENA share at 28 cents.

This implied valuation represents:

- a 40% premium to the closing price of ENA shares on the Last Closing Date; and
- a 39% premium to the 30-day VWAP of ENA shares of \$0.201 for the period ended on the Last Closing Date.

The Consideration Shares to be issued under the Scheme represent approximately 1.4% of PSC's issued share capital at the date of this announcement.

### Conditions and deal protection mechanisms

The implementation of the Scheme is subject to customary conditions, including:

- an independent expert concluding that the Scheme is in the best interests of ENA shareholders and not changing or withdrawing that conclusion;
- ENA shareholders approving the Scheme by the requisite majorities under the Corporations Act;

- the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- no Target Prescribed Event or Material Adverse Change occurring, nor Bidder Prescribed Event occurring (each as defined in the Implementation Deed); and
- other conditions customary for a transaction of this nature.

The Implementation Deed also contains customary deal protection mechanisms, including no shop and no talk provisions, matching and notification rights in the event of a Competing Proposal (as defined in the Implementation Deed) for ENA and break fees payable by each of ENA and PSC in specified circumstances. The exclusivity arrangements are subject to customary exceptions that enable the ENA directors to comply with their respective fiduciary and/or statutory duties.

Full details of the terms and conditions of the Scheme are set out in the Implementation Deed, a copy of which is annexed to this announcement.

### **ENA Board support**

The ENA Board unanimously considers the Scheme to be in the best interests of shareholders and recommends that shareholders approve the Scheme, in the absence of a Superior Proposal (as that term is defined in the Implementation Deed) and provided that the independent expert's report has concluded that the Scheme is in the best interests of shareholders.

Each ENA director who holds ENA shares, or who has control over voting rights attaching to ENA shares, intends to vote in favour of the Scheme and/or procure that the ENA shares the voting rights of which the ENA director has control over are voted in favour of the Scheme, in the absence of a Superior Proposal and provided that the independent expert's report has concluded that the Scheme is in the best interests of shareholders.

### **Indicative timetable and next steps**

A scheme booklet containing information in relation to the Scheme, including the transaction terms, the basis for the ENA Board's unanimous recommendation and fulsome details of the Scheme (**Scheme Booklet**) is expected to be circulated to all ENA shareholders in October 2023. The Scheme Booklet will include an independent expert's report. ENA has engaged RSM Corporate Australia Pty Ltd to prepare this report.

An indicative timeline is set out below:

Action	Date
Announce Scheme	8 August 2023
ENA submits draft Scheme Booklet to ASIC and ASX	5 September 2023
First Court hearing	27 September 2023
Scheme Booklet sent to Scheme Participants	3 October 2023
Scheme Meeting	2 November 2023
Second Court hearing to approve Scheme	7 November 2023

Effective Date	8 November 2023
Record Date	10 November 2023
Implementation Date	17 November 2023

The dates in the above timetable are indicative only and are subject to change.

### Advisers

ENA has appointed Steinepreis Paganin as its legal advisers.

PSC has appointed Maddocks as its legal advisers.

This announcement has been authorised by the Board of Ensurance Limited.

### For further information please contact:

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**Annexure: Scheme Implementation Deed**

For personal use only



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## Scheme Implementation Deed

**PSC Insurance Group Limited**  
ACN 147 812 164  
and

**Ensurance Ltd**  
ACN 148 142 634

**Interstate offices**  
Canberra Melbourne

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# Scheme Implementation Deed

## Dated

## Parties

Name	<b>PSC Insurance Group Limited ACN 147 812 164</b>
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Contact	Damian Rossi
Short name	<b>Bidder</b>
Name	<b>Ensurance Ltd ACN 148 142 634</b>
Address	'Westfield Tower 2', Level 21, 101 Grafton Street, Bondi Junction NSW 2022
Email	<a href="mailto:tom.kent@au.ensurance.ltd">tom.kent@au.ensurance.ltd</a> copied to: <a href="mailto:pdrummond@steinpag.com.au">pdrummond@steinpag.com.au</a>
Contact	Tom Kent
Short name	<b>Target</b>

## Background

- A. Bidder proposes to acquire all of the Scheme Shares pursuant to the Scheme.
- B. Target has agreed to propose the Scheme to Shareholders and to issue the Scheme Booklet to Shareholders, and Target and Bidder have agreed to implement the Scheme, upon and subject to the terms and conditions of this Deed.

## 1. Definitions and interpretation

### 1.1 Definitions

In this Deed:

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

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

**Associate** has the meaning given in the Corporations Act.

**ASX** means, as the context requires, ASX Limited ACN 008 624 691 or the financial markets operated by it.

**Authorisation** includes any licence, consent, permission, certification, accreditation, approval, determination, requirement, registration, filing, authorisation, waiver or exemption issued or required by, or to be obtained from, an Authority or required under any law.

**Authorised Person** means, in respect of a party:

- (a) any Related Body Corporate of the party;
- (b) an director, officer or employee of the party or any of its Related Bodies Corporate;
- (c) an adviser or financier of the party or any of its Related Bodies Corporate; or
- (d) an officer, partner, consultant or employee of any entity referred to in paragraph (c) of this definition.

**Authority** means any:

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

**Bidder Acquisition Shares** means 399,401 Bidder Shares that are held directly or indirectly by the Target as at the date of this Deed.

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

**Bidder Break Fee** means \$250,000 (excluding GST).

**Bidder Group** means the Bidder and each of its Related Bodies Corporate.

**Bidder Group Member** means any member of the Bidder Group.

**Bidder Prescribed Event** means the occurrence of any of the following events:

- (a) the Bidder converts all or any of its securities into a larger or smaller number of securities;
- (b) the Bidder resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;

- (c) the Bidder:
- (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) the Bidder ceases to be listed on the ASX;
- (e) an Insolvency Event occurs in relation to the Bidder;
- (f) the Bidder adopts a new constitution or modifies or repeals its constitution or a provision of it,
- other than:
- (g) as required by law or an Authority;
  - (h) as expressly permitted or required to be undertaken or procured by the Bidder Group pursuant to the Transaction Documents; or
  - (i) an act, matter, circumstance or event to which the Target has provided its prior written consent.

**Bidder Provided Information** means all information regarding the Bidder Group that is provided by or on behalf of the Bidder to the Target or any of the Target's Representatives to enable the Scheme Booklet to be prepared and completed in accordance with clause 6.3, and any updates to that information provided by or on behalf of the Bidder to the Target or any of its Representatives.

**Bidder Share** means a fully paid ordinary share in the Bidder.

**Bidder Warranty** means each warranty of the Bidder set out in Schedule 2.

**Business Day** means a day that is not a Saturday, Sunday, bank holiday or public holiday in Victoria, Australia.

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

**Competing Proposal** means any proposal, offer, transaction or arrangement by a Third Party that, if completed substantially in accordance with its terms, would mean:

- (a) a person would acquire directly or indirectly a Relevant Interest or become the holder of 20% or more of the Shares or of the securities of any Target Group Member;
- (a) a person would enter into, buy, Dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of the Shares or of the securities of any member of the Target Group;
- (b) a person would directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, the Target or any Target Group Member;

- For personal use only
- (c) a person would acquire Control of the Target or any Target Group Member;
  - (d) a person may otherwise indirectly or directly acquire, merge or amalgamate with, the Target or any Target Group Member (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, dual listed company structure, reverse takeover, share buy-back or repurchase, recapitalisation, joint venture, partnership or establishment of a new holding entity for the Target or other synthetic merger or any other transaction or arrangement);
  - (e) the Target will issue, on a fully diluted basis, 20% or more of its share capital as consideration for the assets or share capital of a Third Party; or
  - (f) the Target will cease to be admitted to the official list of ASX or the Shares will cease to be officially quoted on the market operated by ASX,

or any proposal by the Target to implement any reorganisation of capital or dissolution or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Transaction, or any transaction that would otherwise result in the Transaction not proceeding. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

**Conditions** means the conditions set out in clause 3.1 of this Deed.

**Confidentiality Agreement** means the Confidentiality Agreement dated 24 May 2023 between the Bidder and the Target.

**Confidential Information** means:

- (a) all information relating to the operations or affairs of a party including all financial and accounting information, information relating to customers, clients and insurers including names and lists, pricing information, business strategies and identified business and acquisition opportunities, current and future business plans and models, technical and business information relating to proprietary ideas and trade secrets, and operating procedures; and
  - (b) all other information treated by the party as confidential or capable of being protected at law or equity as confidential information or the disclosure of which might cause loss or damage to or otherwise adversely affect the party,
- in whatever form.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Court** means the Supreme Court of Western Australia or another court having jurisdiction in relation to the Scheme as agreed between the Bidder and the Target.

**Data Room** means the Project Kooyonga online data room maintained by the Target.

**Deed Poll** means the deed poll to be executed by the Bidder in favour of the Scheme Participants prior to the First Court Date substantially in the form of Attachment 3 (or in such other form as the Bidder and the Target may agree in writing, such agreement not to be unreasonably withheld or delayed).

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

**Dispose** means, in relation to an interest in any property or other asset, a sale, transfer, assignment, novation, disposal, waiver, relinquishment or other dealing or action of any kind by means of which a legal, beneficial, voting or economic interest of any kind in that property or other asset, whether absolute or by way of security and whether proprietary in nature or merely contractual, is, will or may be conferred on or transferred to another person or waived, relinquished or forfeited by a member of the Target Group and **Disposal** has a corresponding meaning.

**Due Diligence Material** means all documents and information disclosed by, or on behalf of, any Target Group Member (including management presentations and all written responses provided in response to written questions or requests for information) contained in the Data Room, the index for which materials has been initialled for identification by a Target Representative on behalf of the Target and by a Bidder Representative on behalf of the Bidder prior to the date of this Deed and a copy of the contents of which has been provided to the Bidder on USB or by secure electronic file transfer on the date of this Deed.

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

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

**End Date** means the later of:

- (a) the date 6 months after the date of this Deed; or
- (b) such later date as the Bidder and the Target may agree in writing, each acting reasonably.

**Exclusivity Period** means the period beginning on the date of this Deed and ending on the earlier of:

- (a) the date of termination of this Deed;
- (b) the End Date; and
- (c) the Implementation Date.

**Fairly Disclosed** has the following meaning. A matter, event or circumstance is taken to have been **Fairly Disclosed** if sufficient information has been disclosed to enable a reasonable and sophisticated person to fairly assess the nature of the information disclosed.

**First Court Date** means the first day of hearing of an application made to the Court by the Target for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Good Faith** means to act honestly and with fidelity to the bargain between the parties, but does not create any fiduciary obligations and does not mean that a party cannot take into account its own commercial objectives or that it must subordinate its own interests to that of another party.

**GST** means a goods and services tax or similar value added tax levied or imposed under the GST Law.

**GST Law** has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of the Target Shareholders present and voting, either in person or by proxy.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as the Target and the Bidder may agree in writing.

**Independent Expert** means an independent expert engaged by the Target in accordance with clause 6.1.4.

**Independent Expert's Report** means the report from the Independent Expert in connection with the Scheme setting out the Independent Expert's opinion as to whether or not the Scheme is in the best interests of Shareholders, and any update to such report.

**Ineligible Foreign Scheme Shareholders** means those Shareholders who have a registered address in a place other than Australia, New Zealand, United Kingdom, Jersey, Gibraltar and British Virgin Islands.

**Insolvency Event** means, in relation to a person, any of the following:

- (a) the person resolves that it be wound up or the making of an application or order for the winding up or dissolution of the person, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) the person ceases to be able to pay its debts as and when they fall due;
- (c) the person enters into an arrangement, compromise or composition with, or assignment for the benefit of, its creditors or a class of them;
- (d) a receiver, receiver and manager, administrator, controller, provisional liquidator or liquidator is appointed to the person or the person enters into a scheme of arrangement with its creditors or is wound up;
- (e) a court making an order for the winding up of the person;
- (f) the person ceases, or threatens to cease, to carry on a substantial part of the business which is material to it as at the date of this Deed;
- (g) the person executes a deed of company arrangement;
- (h) the holder of a Security Interest takes any step towards taking possession of, or takes possession of, any assets of the person or exercises any power of sale; or
- (i) any event that is analogous or has a substantially similar effect to any of the events specified in this definition in any jurisdiction.

**Key Contracts** means the Liberty Agreement and any other agreement that the Bidder and the Target agree in writing prior to the date of this Deed, is to be included in this definition of Key Contracts.

**Key Executives** means Vaughan Thales Kent, Lauren McKiernan, Nick Beswick, Andrew Hookings and Adam O'Brien.

**Liberty Agreement** means the binding authority agreement dated 3 March 2022 between Liberty Mutual Insurance Company ABN 61 086 083 605 and Ensurance Australia Pty Ltd ACN 608 887 783.

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

**Losses** means all Claims, demands, damages, losses, costs, expenses and liabilities (including but not limited to all legal costs and attorney's fees on a full indemnity basis).

**Matching Deadline** means, in relation to a Superior Proposal, the date that is 4 Business Days after a Superior Proposal is notified to the Bidder pursuant to clause 12.6.

**Material Adverse Change** means:

- (a) any event, occurrence, circumstance, change, matter, condition or thing (Relevant Circumstance) which, individually or when aggregated with other such events, occurrences, circumstances, changes, matters, conditions or things, has had or would be reasonably likely to have the effect of reducing:
  - (i) the consolidated net tangible assets of the Target Group by at least 5% as compared to the consolidated net tangible assets of the Target Group as at 30 June 2023; or
  - (ii) the Target Group's unaudited consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) or revenue for the financial year ended 30 June 2023 (agreed between the Bidder and the Target prior to the date of this Deed) by at least 5%; or
- (b) notwithstanding the above, the termination of any Key Contract, in each case other than a Relevant Circumstance:
- (c) to the extent Fairly Disclosed in:
  - (i) the Due Diligence Material; or
  - (ii) any announcement to the ASX made by the Target in the 6 months prior to the date of this Deed;
- (d) expressly required or permitted to be undertaken or procured by the Target Group pursuant to the Transaction Documents;

**New Bidder Share** means a Bidder Share to be issued to Scheme Participants under the Scheme.

**PPSR** means the register of security interests maintained in accordance with the *Personal Property Securities Act 2009* (Cth).

**Public Announcement** means the public announcement to be made by the Target in relation to the execution of this Deed including the information set out in clause 9.1 and clause 9.2 and otherwise in a form agreed in writing by the parties.

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

**Register** means the register of Shares kept on behalf of the Target by the Share Registry.

**Regulatory Guides** means all regulatory guides published by ASIC and in force at the date of this Deed.



**Related Body Corporate** has the meaning given in sections 9 and 50 of the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Relevant Period** has the meaning given in clause 7.1.

**Representative** means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between the Target and the Scheme Participants, substantially in the form of Attachment 2 (or in such other form as the Bidder and the Target may agree in writing, such agreement not to be unreasonably withheld or delayed), together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by the Bidder and the Target.

**Scheme Booklet** means the scheme booklet prepared by the Target in relation to the Scheme in accordance with (and including or accompanied by each of the documents described in) clause 6.3.

**Scheme Consideration** means the consideration to be provided to the Scheme Participants under the terms of the Scheme for the transfer of their Scheme Shares to the Bidder as described in clause 5.1.

**Scheme Meeting** means the meeting or meetings of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act.

**Scheme Participant** means a Shareholder on the Record Date.

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

**Scheme Scrip Consideration** means such number of New Bidder Shares per Scheme Share, as determined in accordance with the Scheme.

**Scheme Shares** means all Shares held by Shareholders as at the Record Date.

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

**Security Interest** means:

- (a) any mortgage, pledge, lien, charge or other preferential right, trust arrangement, agreement or arrangement of any kind given or created by way of security, including a security interest (as defined in the *Personal Property Securities Act 2009*);
- (b) a 'security interest' as defined in section 12 of the *Personal Property Securities Act 2009* (Cth); or
- (c) any agreement to create or grant any arrangement described in paragraph (a) or (b).

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

**Share Registry** means Computershare Investor Services Pty Limited of Level 11, 172 St Georges Terrace, Perth, Western Australia, Australia.

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

**Share Splitting** means the splitting by a holder of Shares into two or more parcels of Shares whether or not it results in any change in beneficial ownership of the Shares.

**Subsidiary** has the meaning given in the Corporations Act.

**Superior Proposal** means a written bona fide Competing Proposal which the Target Board acting in Good Faith in the interests of the Target and Shareholders and, after having first obtained written advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being completed in accordance with its terms, taking into account all aspects of the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.

**Takeovers Panel** means the panel established by Part 10 of the *Australian Securities and Investment Commission Act 2001* (Cth).

**Target Board** means the board of the Target Directors.

**Target Break Fee** means \$250,000 (excluding GST).

**Target Director** means a director of the Target.

**Target Group** means the Target and its Subsidiaries.

**Target Group Member** means any member of the Target Group.

**Target Provided Information** means all written information to be included in the Scheme Booklet, and any updates to that information, which has been prepared by or on behalf of the Target in accordance with clause 6.1.12, other than the Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information.

**Target Prescribed Event** means the occurrence of any of the following events:

- (a) the Target converts all or any of its securities into a larger or smaller number of securities;
- (b) the Target or another Target Group Member (other than a wholly-owned Subsidiary of the Target) resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (c) the Target or another Target Group Member (other than a wholly-owned Subsidiary of the Target):
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

- For personal use only
- (d) any Target Group Member issues securities, or grants an option or a performance right over its shares or agrees to make such an issue or grant such an option or a performance right (other than from any Target Group Member to any other Target Group Member);
  - (e) any Target Group Member issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities other than from any Target Group Member to any other Target Group Member;
  - (f) the Target declares, pays or distributes any dividend, bonus or other share of its profits or assets, or returns or announces an intention to return or agree to return any capital to its members;
  - (g) the Target ceases to be listed on the ASX;
  - (h) any Target Group Member Disposes of the whole, or a substantial part, of its business and property;
  - (i) any Target Group Member creates, or agrees to create, any Security Interest over, or declares itself the trustee of, the whole or any substantial part of its business or property securing an indebtedness or performance of an obligation;
  - (j) an Insolvency Event occurs in relation to any Target Group Member;
  - (k) the Target or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it;
  - (l) any Target Group Member:
    - (i) increases the remuneration of its employees other than Key Executives by more than 3%;
    - (ii) increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the employment arrangements with, any of its directors or Key Executives;
    - (iii) accelerates the rights of any of its directors or key executives to benefits of any kind; or
    - (iv) pays or gives, or agrees to pay or give, a director or executive a termination payment or benefit (including a 'golden parachute') or a payment or benefit upon, or in connection with, a change of control, or any other kind of bonus, compensation or benefit,
  - (m) any Target Group Member enters into, or resolves to enter into, a transaction with any related party of the Target (other than a related party that is a Target Group Member), as defined in section 228 of the Corporations Act,  
  
other than:
    - (n) as required by law or an Authority;
    - (o) as expressly permitted or required to be undertaken or procured by the Target Group pursuant to the Transaction Documents; or
    - (p) an act, matter, circumstance or event to which the Bidder has provided its prior written consent.

**Target Regulated Event** means if Target Group Member undertakes of any of the following events:

- (a) Disposes of any securities, business, entity or undertaking to any person other than another entity within the Target Group, excluding any disposal approved by the Target Board prior to the date of this Deed that has been Fairly Disclosed in the Due Diligence Material;
- (b) Disposes of any asset (or series of assets) to any person, except where the value of that asset (or series of assets) is less than \$50,000;
- (c) acquires any securities, business, interest in a joint venture, entity or undertaking from another person other than another entity within the Target Group, excluding any acquisition approved by the Target Board that has been Fairly Disclosed in the Due Diligence Material;
- (d) acquires any asset from another person where the value of that asset is in excess of \$50,000, except for acquisitions otherwise permitted under paragraph (k) below;
- (e) except as strictly required by law or as required or contemplated by this Deed, takes any action or agrees to do anything that would produce a Material Adverse Change, or that could reasonably be expected to result in a Material Adverse Change;
- (f) incurs any indebtedness, or provides any financial accommodation (irrespective of what form that indebtedness or financial accommodation takes);
- (g) breaches in any material respect any Key Contract to which the Target Group Member is a party or terminates or amends in any material respect Key Contract, including;
- (h) makes, commences, settles or admits liability in relation to any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount, the amount of the exposure of the Target Group (as applicable) exceeds \$10,000;
- (i) enters into any agreement, contract, arrangement or understanding with any person which requires the payment by a Target Group Member of an amount or amounts in excess of \$50,000;
- (j) enters into any new lease for premises or real property or renews any existing lease for premises of real property;
- (k) enters into any partnership, joint venture, strategic alliance or other business combination with any person;
- (l) incurs, commits to or undertakes any capital expenditure or project expenditure (other than any capital expenditure and project expenditure budgeted for and the amount of which has been Fairly Disclosed in the Due Diligence Material);
- (m) employs or engages any individual to act as an officer of the Target Group or employs or engages any individual to fulfil a senior management or key management personnel position within the Target Group;
- (n) employs or engages any individual to fulfil a position other than that of an officer or member of senior management of the Target Group where such individual will be employed or engaged for a term of 6 months or longer as an officer, employee, contractor or consultant having a total annual employment or engagement cost of more than \$150,000;

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- (o) terminates the employment or engagement of, or amends, in any material respect, the terms of employment or engagement of any individual employed or engaged, for a term of 6 months or longer, as an officer, employee, contractor or consultant having a total annual employment or engagement cost of more than \$150,000;
  - (p) waives or forgives any loans made to any officer or employee of any Target Group Member;
  - (q) changes its accounting policies other than as required by applicable accounting standards;
  - (r) gives or agrees to give a financial benefit to a related party of the Target;
  - (s) modifies or amends any share-based incentive plan or scheme; or
  - (t) authorises, or commits, resolves or agrees to do, any of the matters set out above; and  
  
except to the extent that any action undertaken by the Target relates to any matter or event:
  - (u) that is expressly required to be done or procured by the Target or another Target Group Member pursuant to, or which is otherwise expressly permitted by, the Transaction Documents; or
  - (v) for which the Bidder has provided its prior written consent.

**Target Warranty** means each warranty of the Target set out in Schedule 1.

**Third Party** means any person other than any Target Group Member or Bidder Group Member.

**Timetable** means the indicative timetable for the implementation of the Scheme, a copy of which is Attachment 1 to this Deed.

**Top Up Cash Consideration** has the meaning given to that term in the Scheme.

**Transaction** means the proposed transactions pursuant to which the Bidder will acquire the Scheme Shares under the Scheme, in consideration for the provision of the Scheme Consideration and any action to be undertaken pursuant to, or in connection with, a Transaction Document.

**Transaction Document** means each of:

- (a) this Deed;
- (b) the Scheme;
- (c) the Deed Poll;
- (d) the Confidentiality Agreement; and
- (e) any other document which the Bidder and the Target agree is necessary or desirable to be entered into for the purposes of the Scheme.

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## 2. Agreement to proceed with the Scheme

### 2.1 Target to propose the Scheme

The Target agrees to propose and implement the Scheme in accordance with and subject to the terms and conditions of this Deed.

### 2.2 Bidder to assist

The Bidder agrees to assist the Target to implement the Scheme in accordance with and subject to the terms and conditions of this Deed.

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## 3. Conditions

### 3.1 Conditions

The Scheme will not become Effective until, and the obligations of the Target and the Bidder to implement the Scheme are not binding until, each of the following Conditions have been satisfied or waived in accordance with this clause 3:

- 3.1.1 **Authorisations from ASIC and ASX:** on or before the Delivery Time, ASIC and ASX issue or provide all Authorisations and do all such other acts which the Bidder and the Target agree are reasonably necessary to implement the Scheme or effect the Transaction, and those Authorisations are not withdrawn, cancelled or revoked.
- 3.1.2 **Other Authorisations:** on or before the Delivery Time, the Bidder and the Target have obtained all other Authorisations reasonably necessary to implement the Scheme and those Authorisations are not withdrawn, cancelled or revoked.
- 3.1.3 **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Shareholders and the Independent Expert does not change or withdraw its conclusion in any update to its report or withdraw its report prior to the Delivery Time.
- 3.1.4 **First Court Date:** the First Court Date occurs within 8 weeks after the date of this Deed.
- 3.1.5 **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- 3.1.6 **Shareholder approval:** Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act, except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Corporations Act as contemplated by clause 3.7.
- 3.1.7 **Target Warranties:** at all times on and before the Delivery Time, the Target Warranties are true and correct in all material respects (other than the Target Warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.
- 3.1.8 **Bidder Warranties:** at all times on and before the Delivery Time, the Bidder Warranties are true and correct in all material respects (other than the Bidder Warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.

- 3.1.9 **No Target Prescribed Event:** no Target Prescribed Event has occurred or becomes known to the Bidder or the Target between the date of this Deed and the Delivery Time.
- 3.1.10 **No Bidder Prescribed Event:** no Bidder Prescribed Event has occurred or becomes known to the Bidder or the Target between the date of this Deed and the Delivery Time.
- 3.1.11 **No restraints:** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court, the Takeovers Panel, or other Authority of competent jurisdiction, remains in effect as at the Delivery Time that prohibits, materially restricts, makes illegal or restrains the completion or implementation of any aspect of the Scheme.
- 3.1.12 **No Material Adverse Change:** no Material Adverse Change occurs or becomes known to the Bidder or the Target between the date of this Deed and the Delivery Time.
- 3.1.13 **Target's Disposal of Bidder Acquisition Shares:** the Target having sold all its rights, title and interest in the Bidder Acquisition Shares on market in the ordinary course of trading with the proceeds of such sale retained by the Target; and
- 3.1.14 **Liberty Agreement – Change of Control:** the Target having received and provided to the Bidder an executed consent from Liberty Mutual Insurance Company ABN 61 086 083 605 to any change of control of the Target in connection with the Scheme, in accordance with the terms of the Liberty Agreement.

## 3.2 Waiver of Conditions

- 3.2.1 The Conditions in clauses 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5, 3.1.6 and 3.1.11 are each for the benefit of each of the Target and the Bidder, and cannot be waived, except in the case of the Condition in clause 3.1.11 which may be waived with the written consent of both the Bidder and the Target, provided that any imposed restraint of a type described in clause 3.1.11 does not wholly prohibit the Scheme.
- 3.2.2 The Conditions in clauses 3.1.8 and 3.1.10 are for the sole benefit of the Target and any breach or non-fulfilment of any of those Conditions may only be waived in writing by the Target.
- 3.2.3 The Conditions in clauses 3.1.7, 3.1.9, 3.1.12 and 3.1.13 are each for the sole benefit of the Bidder and any breach or non-fulfilment of any of those Conditions may only be waived in writing by the Bidder.
- 3.2.4 A party entitled to waive the breach or non-fulfilment of a Condition pursuant to this clause 3.2 may do so in its absolute discretion. A waiver of a Condition by a party for whose benefit the Condition applies must take place on or prior to the Delivery Time.
- 3.2.5 If a party waives the breach or non-fulfilment of a Condition, that waiver will not preclude it from suing a party for any breach of this Deed constituted by the same event that gave rise to the breach or non-fulfilment of the Condition.
- 3.2.6 Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:

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

### 3.3 **Satisfaction of Conditions**

Without prejudice to any other obligations of the parties under this Deed:

- 3.3.1 each of the Target and the Bidder must use their respective reasonable endeavours to:
- (a) satisfy or procure the satisfaction of the Conditions as soon as reasonably practicable after the date of this Deed; and
- (b) procure that there is no occurrence that would prevent the Conditions being satisfied except to the extent such action (or inaction) is required by law or the rules of any recognised stock or securities exchange, or permitted or required by the terms of a Transaction Document,
- but in each case only to the extent within their respective power and control; and
- 3.3.2 neither the Target nor the Bidder will take any action that will or is likely to hinder or prevent the satisfaction of any Condition, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, the Transaction Documents, or is required by law,
- and each of the Target and the Bidder will (among other things):
- 3.3.3 seek to satisfy the relevant Condition as soon as practicable after the date of this Deed or seek to ensure the relevant Condition continues to be satisfied at all times until the last time it is to be satisfied (as the case requires) with a view to the Effective Date occurring on or before the End Date (provided that the parties are not obliged to waive any Condition);
- 3.3.4 co-operate with the other party or any Authority or Third Party in Good Faith with a view to satisfying the Conditions, including providing all information reasonably required by the other party in relation to the Bidder Group or the Target Group (as applicable) in order to satisfy the Conditions, and providing all information reasonably required by any Authority or other Third Party to such Authority or Third Party as appropriate; and
- 3.3.5 comply with any judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court, the Takeovers Panel, or other Authority of competent jurisdiction in relation to the Scheme to the extent within that party's control.

### 3.4 **Notifications**

Each of the Target and the Bidder must:

- 3.4.1 keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions either directly or through its Advisers;



- 3.4.2 promptly notify the other party in writing if it becomes aware that any Condition has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; and
- 3.4.3 promptly notify the other party in writing of a failure to satisfy a Condition or of any fact or circumstance that results in that Condition becoming incapable of being satisfied or that may result in that Condition not being satisfied in accordance with its terms (having regard to the obligations of the parties under clause 3.3).

### 3.5 **Appeals**

If the Court refuses to make any orders directing the Target to convene the Scheme Meeting or approving the Scheme, the Target and the Bidder must consult with each other in Good Faith as to whether to appeal the Court's decision, provided that the requirement to consult with one another in Good Faith pursuant to this clause does not place an obligation on the parties to appeal the Court's decision.

### 3.6 **Termination on failure of Conditions**

- 3.6.1 If the Scheme has not become Effective by the End Date either the Target or the Bidder may serve notice on the other of them, and the Target and the Bidder must then consult in Good Faith with a view to determining whether the Scheme may proceed by way of alternative means or methods or to extend the relevant time or date for satisfaction of the Condition or the End Date.
- 3.6.2 If the Target and the Bidder are unable to reach agreement on such alternative means or methods or such extension within 10 Business Days after the delivery of a notice under clause 3.6.1, either the Target or the Bidder may terminate this Deed.

### 3.7 **Scheme voted down**

If the Scheme is not approved by Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and the Bidder or the Target considers acting reasonably that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied, then the Target must:

- 3.7.1 apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- 3.7.2 make such submissions to the Court and file such evidence as counsel engaged by the Target to represent it in Court proceedings related to the Scheme, in consultation with the Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

### 3.8 **Interpretation**

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being satisfied if there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this Deed).

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## **4. Outline of the Scheme**

The Target and the Bidder agree that:

- 4.1.1 the Target will propose the Scheme in the form set out in Attachment 2, or in such other form as the Target and the Bidder agree in writing (such agreement not to be unreasonably withheld or delayed);
- 4.1.2 the Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of the Scheme without the prior written consent of the Bidder;
- 4.1.3 the Scheme, if approved by the Court, will be subject to any alterations or conditions that are made or required by the Court under section 411(6) of the Corporations Act and approved in writing by the Bidder and the Target; and
- 4.1.4 subject to the Scheme becoming Effective, on the Implementation Date the Scheme will be implemented and:
  - (a) all of the Scheme Shares will be transferred to the Bidder in accordance with the terms of the Scheme; and
  - (b) the Scheme Participants will receive the Scheme Consideration in accordance with clause 5, the other terms of this Deed and the terms of the Scheme in consideration for the transfer to the Bidder of all of the Scheme Shares.

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## **5. Provision of Scheme Consideration**

### **5.1 Scheme Consideration**

- 5.1.1 Subject to this Deed and the Scheme, the Bidder undertakes to the Target (in its own right and on behalf of the Scheme Participants) that, in consideration of the transfer to the Bidder of each Scheme Share held by a Scheme Participant at the Record Date, the Bidder will, on the Implementation Date:
  - (a) accept that transfer; and
  - (b) provide to each Scheme Participant the Scheme Consideration, in accordance with the Scheme.

### **5.2 Provision of Scheme Scrip Consideration**

- 5.2.1 Subject to the Scheme becoming Effective, the Bidder must:
  - (a) issue the Scheme Scrip Consideration to the Scheme Participants, or in the case of Ineligible Foreign Scheme Shareholders to the nominee in accordance with clause 5.3, in accordance with the Scheme on terms that each New Bidder Share will rank equally in all respects with each other Bidder Share and will have the rights set out in the Bidder's Constitution; and
  - (b) ensure that on issue, each New Bidder Share will be fully paid and free from any Encumbrance; and
  - (c) apply for the New Bidder Shares to be officially quoted on the ASX.

- 5.2.2 To facilitate the issue of the Scheme Scrip Consideration to the Scheme Participants, the Target must provide to the Bidder, or procure the provision to the Bidder of, a complete copy of the Target's Share register maintained by the Share Registry as at the Record Date (which must include the name, address and registered holding of each Scheme Participant as at the Record Date), within 2 Business Days after the Record Date. The details and information to be provided under this clause must be provided in such form as the Bidder may reasonably require.

### 5.3 **Ineligible Foreign Scheme Shareholders**

- 5.3.1 The Bidder must ensure that the New Bidder Shares to which an Ineligible Foreign Scheme Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder.
- 5.3.2 The Bidder must appoint the nominee on terms reasonably acceptable to the Target at least 5 Business Days before the date of the Scheme Meeting.
- 5.3.3 The Bidder must procure that the nominee:
- (a) as soon as reasonably practicable after the Implementation Date (and in any event within 15 days after the date on which the New Bidder Shares issued under the Scheme are quoted on the ASX) sells or procures the sale of all the New Bidder Shares issued to the nominee pursuant to clause 5.3.1 in the ordinary course of trading on the ASX and in such manner, at such price and on such other terms as the nominee reasonably determines; and
  - (b) as soon as reasonably practicable after settlement (and in any event within 10 Business Days of settlement) remits to the Bidder the proceeds of sale (after deducting any reasonable brokerage or other selling costs, taxes and charges).
- 5.3.4 Promptly after the last sale of New Bidder Shares in accordance with clause 5.3.2, the Bidder will pay to each Ineligible Foreign Scheme Shareholder an amount equal to the proportion of the net proceeds of sale received by the Bidder pursuant to clause 5.3.3(b) to which that Ineligible Foreign Scheme Shareholder is entitled in full satisfaction of the Ineligible Foreign Scheme Shareholder's entitlement to the New Bidder Shares.

### 5.4 **Payment of Top Up Cash Consideration**

- 5.4.1 The Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds an amount equal to the aggregate amount of the Top Up Cash Consideration (if any) payable to all Scheme Participants, in an Australian dollar denominated trust account operated by the Target as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Bidder's account).
- 5.4.2 Subject to the Bidder complying with clause 5.4.1, on the Implementation Date, the Target must pay or procure the payment from the trust account referred to in clause 5.4.1 to each Scheme Participant an amount of cash equal to the Top Up Cash Consideration attributable to that Scheme Participant in accordance with the terms of the Scheme.

### 5.5 **Fractional entitlements**

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent or

a fraction of a Bidder Share, the fractional entitlement will be rounded down to the nearest whole cent or nearest whole Bidder Share.

## 5.6 Joint holders

In the case of Scheme Shares held in joint names:

- 5.6.1 any Scheme Consideration to be paid as cash will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date;
- 5.6.2 any Scheme Consideration to be provided as New Bidder Shares must be issued to and registered in the names of the joint holders and entry in the Bidder's share register must take place in the same order as the holders' names appear in the Target's share register.

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## 6. Implementation of the Scheme

### 6.1 Target's obligations in respect of the Scheme

The Target must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable, and in particular, the Target must:

- 6.1.1 **(preparation of Scheme Booklet)** prepare the Scheme Booklet (excluding the Bidder Provided Information and the Independent Expert's Report) in accordance with clause 6.3 and otherwise in accordance with all applicable laws and in particular the requirements of the Corporations Act, the Listing Rules and the Regulatory Guides relevant to the Scheme;
- 6.1.2 **(due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Scheme Booklet (other than the Bidder Provided Information and the Independent Expert's Report);
- 6.1.3 **(review of Bidder Provided Information)** as soon as practicable after receiving a draft of the Bidder Provided Information, review and provide comments on the form and content of the Bidder Provided Information to the Bidder and liaise with the Bidder to finalise the Bidder Provided Information for inclusion in the Scheme Booklet;
- 6.1.4 **(Independent Expert)** promptly appoint the Independent Expert and promptly provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet;
- 6.1.5 **(approval of draft Scheme Booklet)** procure that a meeting of the Target Board is convened to approve the draft Scheme Booklet to be provided to ASIC for its review;
- 6.1.6 **(provision to ASIC)** as soon as reasonably practicable after the date of this Deed but no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet to:
  - (a) ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
  - (b) the Bidder,

and liaise with ASIC in relation to the draft Scheme Booklet and keep the Bidder reasonably and promptly informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and use its best endeavours, in co-operation with the Bidder, to resolve any such matters;

6.1.7 **(section 411(17)(b) statement)** apply to ASIC for the production of:

- (a) a letter stating that ASIC does not intend to appear before the Court on the First Court Date; and
- (b) a statement in accordance with section 411(17)(b) of the Corporations Act,

or, in the event that ASIC does not produce such items, the Target must use its best endeavours to satisfy the Court that the Scheme has not been proposed for the purpose of enabling any person to avoid the operation of any of the provisions of Chapter 6 of the Corporations Act;

6.1.8 **(Court documents)** promptly engage counsel and prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide the Bidder with drafts of those documents for review and (acting reasonably and in Good Faith) consult with and take into account, for the purpose of preparing and amending those drafts, any comments from the Bidder and its Representatives on those drafts;

6.1.9 **(first Court hearing)** promptly lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;

6.1.10 **(registration of Scheme Booklet)** if the Court directs the Target to convene the Scheme Meeting, as soon as reasonably practicable after such orders are made, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;

6.1.11 **(Scheme Meeting)** promptly take all reasonable steps necessary to comply with the orders of the Court, including, as required, despatching the Scheme Booklet to Shareholders, convening and holding the Scheme Meeting in accordance with the Court orders, and putting the Scheme Resolution to Shareholders at the Scheme Meeting, provided that if this Deed is terminated under clause 14 it will take all steps reasonably required to ensure the Scheme Meeting is not held;

6.1.12 **(update Scheme Booklet)** if it becomes aware of information after the date of despatch of the Scheme Booklet that is material for disclosure to Shareholders in deciding whether to approve the Scheme Resolution or that is required to be disclosed to Shareholders under any applicable law, as soon as reasonably practicable:

- (a) inform Shareholders of the information in an appropriate and timely manner, and in accordance with applicable law and after consultation with the Bidder as to the manner of provision of that information to Shareholders; and
- (b) to the extent it is reasonably practicable to do so, provide the Bidder with drafts of any documents that it proposes to issue to Shareholders under this clause 6.1.12 and (acting reasonably and in Good Faith) take into account, for the purpose of amending those drafts, any comments received in a timely manner from the Bidder or its Representatives on those drafts;

- 6.1.13 **(Court approval application)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or where clause 3.7 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and subject to all other Conditions (other than the Condition in clause 3.1.5) being satisfied or waived in accordance with this Deed, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- 6.1.14 **(promote Transaction)**
- (a) promote the merits of the Transaction and the Scheme Consideration to its Shareholders, including meeting with key Shareholders at the reasonable request of the Bidder; and
  - (b) provide all necessary information, and procure that the Share Registry provides all necessary information, in each case in a form reasonably requested by the Bidder, for the purpose of understanding legal and beneficial ownership of the Shares and proxy appointments and directions received by the Target prior to the Scheme Meeting;
- 6.1.15 **(certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1.5) have been satisfied or waived in accordance with this Deed and provide a draft of that certificate to the Bidder by 5.00 pm on the Business Day prior to the Second Court Date;
- 6.1.16 **(ASX listing)** not do anything to cause the Target to cease to be admitted to the ASX, or the Shares to cease to be quoted for trading (and not permanently suspended) on ASX, until the close of business on the Business Day after the Implementation Date;
- 6.1.17 **(implementation of the Scheme)** if the Court approves the Scheme:
- (a) lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as reasonably practicable after the Court makes those orders, and in any event by no later than 4:00 pm on the first Business Day after the date on which the Court makes those orders or such other Business Day as the Target and the Bidder may agree in writing;
  - (b) close the Register as at the Record Date to determine the identity of Scheme Participants and to determine their entitlements to the Scheme Consideration in accordance with the Scheme;
  - (c) apply to ASX to suspend trading in Shares with effect from the close of trading on the Effective Date;
  - (d) promptly execute proper instruments of transfer of, and register all transfers of, the Scheme Shares to the Bidder in accordance with the Scheme; and
  - (e) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme and to effect the transfer of the Scheme Shares to the Bidder;
- 6.1.18 **(compliance with laws)** do everything reasonably within its power to ensure that all acts contemplated by this Deed are effected in accordance with all applicable laws and regulations;

- 6.1.19 **(keep the Bidder informed)** from the First Court Date until the Implementation Date, promptly inform the Bidder if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or that contains a material omission;
- 6.1.20 **(Target Register information)** as soon as reasonably practicable after the Record Date, and in any event at least 3 Business Days before the Implementation Date, give to the Bidder (or as it directs) details of the names, registered addresses and holdings of Scheme Shares of every Scheme Participant, in such form as the Bidder may reasonably require;
- 6.1.21 **(Transaction costs)** use its best endeavours to not incur costs of more than \$500,000 (including GST) in connection with the Scheme (including the Target's legal and other adviser costs); and
- 6.1.22 **(all things necessary or desirable)** do all other things contemplated by or reasonably necessary or desirable to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

## 6.2 Bidder's obligations in respect of the Scheme

The Bidder must take all steps reasonably necessary to assist the Target to propose and implement the Scheme as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable, and in particular the Bidder must:

- 6.2.1 **(provide information)** provide to the Target the Bidder Provided Information in the manner referred to in clause 6.3.4;
- 6.2.2 **(preparation of Scheme Booklet)** provide assistance with the preparation of the Scheme Booklet in accordance with clause 6.3;
- 6.2.3 **(Independent Expert information)** provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- 6.2.4 **(liaison with ASIC)** provide reasonable assistance to the Target to assist the Target to resolve any matter raised by ASIC regarding the Scheme Booklet or the Scheme during its review of the Scheme Booklet;
- 6.2.5 **(keep the Target informed)** from the First Court Date until the Implementation Date, promptly inform the Target if it becomes aware that the Bidder Provided Information contains a statement that, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect or that contains any material omission, and provide such further or new information as is required to ensure that such information is no longer misleading or deceptive in any material respect or does not contain any material omission;
- 6.2.6 **(Court representation)** be represented by counsel at the Court hearings convened in connection with the Scheme, at which, through its counsel and if requested by the Court, the Bidder will undertake to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this Deed and the Scheme;
- 6.2.7 **(Deed Poll)** prior to the First Court Date, execute the Deed Poll;
- 6.2.8 **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration in accordance with this Deed, the Scheme and the Deed Poll;

- 6.2.9 **(certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1.5) have been satisfied or waived in accordance with this Deed and provide a draft of that certificate to the Target by 5.00 pm on the Business Day prior to the Second Court Date;
- 6.2.10 **(Target Provided Information)** during the period until the Target Provided Information becomes publicly available, only use the Target Provided Information with the prior written consent of the Target (such consent not to be unreasonably withheld or delayed);
- 6.2.11 **(promote Transaction)** participate in efforts reasonably requested by the Target to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Shareholders and counterparties to Key Contracts at the reasonable request of the Target; and
- 6.2.12 **(all things necessary or desirable)** do all other things contemplated by or reasonably necessary or desirable to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

### 6.3 Preparation of Scheme Booklet

- 6.3.1 **(Target to prepare)** the Target must prepare the Scheme Booklet as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable;
- 6.3.2 **(compliance requirements)** the Target must ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the ASX Listing Rules and all Regulatory Guides applicable to the Transaction, except that the obligation to do so in respect of the Bidder Provided Information is subject to the Bidder complying with its obligations under clauses 6.3.4;
- 6.3.3 **(content of Scheme Booklet)** without limiting clause 6.3.2, the Scheme Booklet will include or be accompanied by:
- (a) the Scheme;
  - (b) the Target Provided Information;
  - (c) the Bidder Provided Information;
  - (d) the notice of Scheme Meeting;
  - (e) a proxy form;
  - (f) a copy of this Deed (without the schedules and attachments) or a summary of it;
  - (g) a copy of the executed Deed Poll;
  - (h) the Independent Expert's Report;
  - (i) an explanatory statement under section 412 of the Corporations Act;
  - (j) a statement that the Target Board unanimously considers the Scheme to be in the best interests of Shareholders and recommends that Shareholders approve the Scheme, in the absence of a Superior Proposal and provided



that the Independent Expert's Report has concluded that the Scheme is in the best interests of Shareholders; and

- (k) a statement that each Target Director who is able to control voting rights in relation to Shares intends to vote those Shares, or procure that those Shares are voted, in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert's Report has concluded that the Scheme is in the best interests of Shareholders.

- 6.3.4 **(Bidder Provided Information)** the Bidder must provide the Bidder Provided Information to the Target as soon as is reasonably practicable after the date of this Deed, in a form that includes all information regarding the Bidder Group that is required by the Corporations Act and all Regulatory Guides applicable to the Transaction, including all the information that would be required under section 636 of the Corporations Act to be included in a bidder's statement if the Bidder was offering the Scheme Consideration as consideration under a takeover bid, and must provide to the Target such assistance as the Target may reasonably require in order to adapt such information for inclusion in the Scheme Booklet;
- 6.3.5 **(provide draft Scheme Booklet to the Bidder)** the Target must provide drafts of the Scheme Booklet (including, to the extent available, the Independent Expert's Report) to the Bidder, consult with the Bidder in relation to the content of those drafts, take into account any timely and reasonable comments from the Bidder and its Representatives on those drafts and obtain prior written approval from the Bidder for the form and content in which the Bidder Provided Information appears in the Scheme Booklet (accepting that any review of the Independent Expert's Report by the Bidder is to be limited to review for factual accuracy of those parts that include information relating to the Bidder and that the Target makes no representation as to the extent to which the Independent Expert will consider those comments);
- 6.3.6 **(timely review)** where drafts of the Scheme Booklet or other documents are provided to the Bidder for review by the Target in accordance with the Target's obligations under clause 6.1, the Bidder must ensure that the Bidder and its Advisers undertake such review acting reasonably and in Good Faith;
- 6.3.7 **(consent of the Bidder)** the Target must obtain written consent from the Bidder in relation to the form and context in which any Bidder Provided Information (and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) is used;
- 6.3.8 **(responsibility statements)** the Scheme Booklet will contain a responsibility statement to the effect that:
  - (a) the Bidder has prepared, and is responsible for, the Bidder Provided Information contained in the Scheme Booklet and that the Target and its Authorised Persons do not assume responsibility for the accuracy or completeness of the Bidder Provided Information and, to the maximum extent permitted by law, the Target will not be responsible for any Bidder Provided Information and will disclaim liability for the Bidder Provided Information appearing in the Scheme Booklet;
  - (b) the Target has prepared, and is responsible for, the Target Provided Information contained in the Scheme Booklet and that the Bidder and its Authorised Persons do not assume responsibility for the accuracy or completeness of the Target Provided Information and, to the maximum extent permitted by law, the Bidder will not be responsible for any Target Provided Information and will disclaim liability for the Target Provided Information appearing in the Scheme Booklet; and

- (c) the Independent Expert has provided and is responsible for the Independent Expert's Report and, to the maximum extent permitted by law, neither the Target nor the Bidder assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

#### 6.4 Dispute as to Scheme Booklet

If, after a reasonable period of consultation, the parties, each acting reasonably and in Good Faith, are unable to agree on the form or content of the Scheme Booklet, then:

- 6.4.1 if the disagreement relates to the form or content of the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), the Target will, acting in Good Faith, make such amendments to that information in the Scheme Booklet as the Bidder may require (acting reasonably and in Good Faith); and
- 6.4.2 if the disagreement relates to the form or content of the Target Provided Information (or any information solely derived from, or prepared solely in reliance on, information provided by or on behalf of the Target, or extracted from announcements made by the Target to ASX regarding the Target Group), the Target will, acting reasonably and in Good Faith, decide the final form of that information in the Scheme Booklet.

#### 6.5 Court representation

The Target must support (or not oppose) any application by the Bidder for leave of the Court to be represented, or the separate representation of the Bidder, at any hearing held by the Court in relation to the Scheme whether following a request by the Target or otherwise.

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### 7. Conduct of business

#### 7.1 Conduct of business

From the date of this Deed up to and including the earlier of the Implementation Date and the date this Deed is terminated (**Relevant Period**), the Target must:

- 7.1.1 procure that each Target Group Member:
- (a) conducts its businesses and operations in the ordinary and usual course and substantially consistent (subject to any applicable laws, regulations and licence conditions) with the manner in which each such business and operation is conducted prior to the date of this Deed including using all reasonable endeavours to preserve its current business organisation, the services of its current officers and employees and its current relationship with third parties (including Authorities, customers, suppliers, insurers licensors, licensees and others having material business dealings with it);
  - (b) conducts its businesses and operations substantially in accordance with all applicable laws and regulations;
  - (c) uses reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
  - (d) complies in all material respects with all Key Contracts to which any Target Group Member is party and does not waive any material rights under any such Key Contract or terminate or amend in any material respect any such Key Contract (or agree to do any of the foregoing);

- (e) notifies the Bidder of any Claims (including, without limitation, before a court or any Authority) which may be threatened, brought, asserted or commenced against any Target Group Member or their directors and officers and consult with the Bidder in relation to such matter to the extent they reasonably require;
- (f) use reasonable endeavours to:
- (i) maintain and preserve the value of its business and assets consistent with past practices, including maintaining at least its current level of insurance;
  - (ii) ensure that no Target Prescribed Event or Target Regulated Event occurs and there is no occurrence within any member of the Target Group's reasonable control that would result in a Material Adverse Change;
  - (iii) if requested by the Bidder, provide regular reports on the material affairs of the Target Group in a timely manner to Bidder;
  - (iv) promptly notify Bidder or anything of which it becomes aware that makes any of the Target Warranties false, inaccurate, misleading or deceptive in any material respect; and
- (g) has in place, and maintains until the Implementation Date, insurance over its assets and business as well as directors and officers insurance, to at least the same extent as that in place at the date of this Deed,

except to the extent that any action undertaken by the Target relates to any matter or event:

- 7.1.2 that is expressly required to be done or procured by the Target or another Target Group Member pursuant to, or which is otherwise expressly permitted by, the Transaction Documents;
- 7.1.3 for which the Bidder has provided its prior written consent; or
- 7.1.4 which is Fairly Disclosed in the Due Diligence Material.

## 7.2 Access

During the Relevant Period, the Target must, as soon as reasonably practicable following any written request made by the Bidder, provide the Bidder and its Representatives with reasonable access:

- 7.2.1 to the books, documents, records, management accounts, financial statements and other information (subject to any existing confidentiality obligations owed to Third Parties, or applicable privacy laws) of any Target Group Member; and
- 7.2.2 to the employees, officers and advisers (including auditors) of any Target Group Member,

in each case which the Bidder reasonably requires for the purposes of:

- 7.2.3 understanding the Target's operations, financial position (including its cash flow and working capital position), trading performance, prospects, contractual arrangements and management control systems (including information technology and data);

- 7.2.4 implementing the Scheme;
- 7.2.5 transitional planning and operating arrangements with respect to the business of the Target Group following implementation of the Scheme; or
- 7.2.6 any other purpose which is agreed in writing between the parties (each acting reasonably),

provided in every case that such provision or access does not place an unreasonable burden on the ability of the Target to run its business, or breach any law or regulation.

### 7.3 Limits on the Target's obligations

The obligations in clause 7.2 do not require the Target to:

- 7.3.1 provide information to the Bidder concerning the Target Directors' and management's consideration of the Scheme;
- 7.3.2 breach an obligation of confidentiality to any person.

### 7.4 Change of Control

- 7.4.1 The Target must use all reasonable endeavours to procure that, as soon as practicable following the date of this Deed (and, in any event, before the Second Court Date), each Target Group Member has complied with and discharged all contractual obligations (the identity of which is agreed between the Target and the Bidder in writing prior to entry into this Deed) requiring such Target Group Member to give notice to, or to apply for the approval or consent of, a Third Party in connection with this Deed or the transactions contemplated by it (including, for the avoidance of doubt, in respect of the change in Control of the Target resulting from implementation of the Scheme).
- 7.4.2 The Target must consult with the Bidder, and the Bidder must provide reasonable assistance to the Target, in connection with giving any notice or seeking any approval or consent under clause 7.4.1. Without limiting the foregoing, the Target must:
- (a) give the Bidder as much prior notice as reasonably practicable of any material discussions with any Third Party in connection with clause 7.4.1;
  - (b) give the Bidder a reasonable opportunity to review drafts of any material communications to Third Parties in connection with clause 7.4.1 and, acting reasonably and in Good Faith, take into account any comments provided by the Bidder or its Representatives on such drafts; and
  - (c) promptly provide the Bidder with copies of all material communications received from Third Parties in connection with clause 7.4.1.
- 7.4.3 Any notice, approval or consent of a kind referred to in clause 7.4.1 may only be given or sought by the Target in a form and on terms approved by the Bidder.

### 7.5 Removal of the Target from the official list of ASX

If directed by the Bidder in writing, the Target must take all steps necessary for the Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date.

## 7.6 Changes to Board

- 7.6.1 The Target must, as soon as practicable on the Implementation Date, take all actions necessary, in accordance with the constitution of the Target, the Corporations Act and the Listing Rules, to:
- (a) effect the appointment of each of the persons nominated by Bidder as new directors of the Target Board; and
  - (b) procure that all directors of the Target Board, other than the directors appointed under clause 7.6.1(a) or as otherwise agreed with Bidder:
    - (i) resign; and
    - (ii) unconditionally and irrevocably release Target from any claims they may have against Target in connection with office as director,subject to:
    - (iii) the Scheme Consideration being issued; and
    - (iv) receipt by Target of duly signed consents to act from each nominated director before the Record Date.

## 7.7 Confidentiality

- 7.7.1 Except as permitted by clause 7.7.2, each party must keep confidential, and must procure that its Related Bodies Corporate, Associates and Representatives keep confidential, all Confidential Information of the other party.
- 7.7.2 Nothing in this Deed prevents a person from disclosing a party's Confidential Information:
- (a) if disclosure is required to be made by law or the rules of a recognised stock or securities exchange and the party whose obligation it is to keep matters confidential or procure that those matters are kept confidential has before disclosure is made notified the other party of the requirement to disclose and, where the relevant law or rules permit and where practicable to do so, given the other party a reasonable opportunity to comment on the requirement for and proposed contents of the proposed disclosure;
  - (b) if disclosure is made by way of a written announcement the terms of which have been agreed in writing by the parties prior to the making of the announcement;
  - (c) if disclosure is reasonably required to enable a party to perform its obligations under this Deed;
  - (d) to any Adviser of a party who has been retained to advise in relation to the transactions contemplated by any Transaction Document or to the auditor of a party;
  - (e) to the Independent Expert;
  - (f) to any financier who has made a bona fide proposal to provide finance to a party in relation to the transactions contemplated by any Transaction Document;

- (g) with the prior written approval of the other party; or
- (h) where the matter has come into the public domain otherwise than as a result of a breach by any party of this Deed.

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## **8. Releases**

### **8.1 Target Representatives**

#### **8.1.1 Bidder:**

- (a) releases its rights; and
- (b) agrees with the Target that it will not make, and that after the Implementation Date it will procure that each Bidder Group Member does not make, any claim,

against any of the Target's Representatives as at the date of this Deed and from time to time in connection with:

- (c) any breach of any representations and warranties given by the Target in any Transaction Document;
- (d) any disclosure by the Target containing any statement which is untrue, false or misleading whether in content or by omission (other than the Public Announcement); or
- (e) any failure by the Target or its Representatives to provide information,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where a Target Representative has engaged in fraud or wilful misconduct. For the avoidance of doubt, nothing in this clause 8.1.1 limits the Bidder's rights to terminate this Deed under clause 14.

8.1.2 Clause 8.1.1 is subject to any Corporations Act restriction and will be read down accordingly.

8.1.3 The Target receives and holds the benefit of this clause 8.1 on trust for each of the Target's Representatives.

### **8.2 Bidder Representatives**

#### **8.2.1 The Target:**

- (a) releases its rights; and
- (b) agrees with the Bidder that it will not make any claim,

against any of the Bidder's Representatives as at the date of this Deed and from time to time in connection with:

- (c) any breach of any representations and warranties given by the Bidder in any Transaction Document;
- (d) any disclosure by the Bidder containing any statement which is untrue, false or misleading whether in content or by omission; or

(e) any failure by the Bidder or its Representatives to provide information, whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where a Bidder Representative has engaged in fraud or wilful misconduct. For the avoidance of doubt, nothing in this clause 8.2 limits the Target's rights to terminate this Deed under clause 14.

8.2.2 Clause 8.2.1 is subject to any Corporations Act restriction and will be read down accordingly.

8.2.3 The Bidder receives and holds the benefit of this clause 8.2 on trust for each of the Bidder's Representatives.

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## **9. Target Board recommendations and intentions**

### **9.1 Target Board recommendation**

9.1.1 The Public Announcement must state that the Target Board unanimously considers the Scheme to be in the best interests of Shareholders and recommends that Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal and provided that the Independent Expert's Report has concluded that the Scheme is in the best interests of Shareholders.

9.1.2 The Target must use its reasonable endeavours to procure that the Target Board and each of the Target Directors:

- (a) does not withdraw the statements and recommendations set out in the Public Announcement issued in accordance with clause 9.1.1;
- (b) in the Scheme Booklet states that the Target Board unanimously considers the Scheme to be in the best interests of Shareholders and recommends that Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal and provided that the Independent Expert's Report has concluded that the Scheme is in the best interests of Shareholders, and does not withdraw those statements or recommendations once made; and
- (c) does not make any public statement to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended, unless either:
  - (i) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Shareholders; or
  - (ii) the Target receives a Competing Proposal and a majority of the Target Board determines that the Competing Proposal constitutes a Superior Proposal and any Target Director, after considering the matter in good faith, no longer considers the Scheme to be in the best interests of Shareholders.

### **9.2 Target Director intentions**

9.2.1 The Public Announcement and the Scheme Booklet despatched to Shareholders, must state that each Target Director who holds Shares, or who has control over voting rights attaching to Shares, intends to vote in favour of the Scheme and/or procure that the Shares the voting rights of which the Target Director has control over are voted in favour of the Scheme, in the absence of a Superior Proposal and

provided that the Independent Expert's Report has concluded that the Scheme is in the best interests of Shareholders.

- 9.2.2 The Target must use its reasonable endeavours to ensure that each Target Director who holds Shares, or who has control over voting rights attaching to Shares:
- (a) will vote in favour of the Scheme Resolution, or procure that the Shares the voting rights of which the Target Director has control over are voted in favour of the Scheme Resolution; and
  - (b) does not change that voting intention,
- unless either:
- (c) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Shareholders; or
  - (d) the Target receives a Competing Proposal and a majority of the Target Board determines that the Competing Proposal constitutes a Superior Proposal and any Target Director, after considering the matter in good faith, no longer considers the Scheme to be in the best interests of Shareholders.

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## **10. Public announcements and communications**

### **10.1 Announcement of Scheme**

As soon as practicable after the execution of this Deed, the Target and the Bidder will issue the Public Announcement.

### **10.2 Public announcements**

Where a party is required by applicable law or other applicable requirement (including the rules or requirements of a securities exchange on which the relevant party is listed) to make any announcement or to make any disclosure in connection with this Deed (including its termination) or the Scheme, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or other applicable requirement (including the rules or requirements of a securities exchange on which the relevant party is listed), but in any event prior notice, and has, to the extent reasonably practicable, consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that announcement or disclosure. Nothing in this clause requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law or other applicable requirement of an Authority.

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## **11. Warranties**

### **11.1 Warranties by the Target**

- 11.1.1 The Target represents and warrants to the Bidder that each Target Warranty is true and correct at the date of this Deed until (and including) the Second Court Date, unless a Target Warranty is stated to be given at a specified time (in which case, the Target represents and warrants to the Bidder that each such Target Warranty is true and correct at that time).



- 11.1.2 Each Target Warranty is subject to matters required or expressly permitted to be done by this Deed or another Transaction Document, and matters Fairly Disclosed in the Due Diligence Materials.

## 11.2 Warranties by the Bidder

The Bidder represents and warrants to the Target that each Bidder Warranty is true and correct at the date of this Deed until (and including) the Second Court Date, unless a Bidder Warranty is stated to be given at a specified time (in which case, the Bidder represents and warrants to the Target that each such Bidder Warranty is true and correct at that time).

## 11.3 Reliance by parties

Each party acknowledges that:

- 11.3.1 in entering into this Deed the other party has relied on the warranties provided by the first party under this clause 11; and
- 11.3.2 it has not entered into this Deed in reliance on any warranty made by or on behalf of the other party except those warranties set out in this Deed.

## 11.4 Indemnities

- 11.4.1 The Target indemnifies the Bidder and its Representatives against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Target Warranties.
- 11.4.2 The Bidder indemnifies the Target and its Representatives against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Bidder Warranties.

## 11.5 Status of representations and warranties

Each representation and warranty in this clause 11:

- 11.5.1 is severable;
- 11.5.2 will survive the termination of this Deed; and
- 11.5.3 is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this Deed.

## 11.6 Status and enforcement of indemnities

- 11.6.1 Each indemnity in this Deed is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this Deed.
- 11.6.2 It is not necessary for a party to incur expenses or to make any payment before enforcing a right of indemnity conferred by this Deed.

## 11.7 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the warranties given by it under this clause 11.

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## 12. Exclusivity

### 12.1 No existing discussions with a Third Party

Other than in relation to the discussions with the Bidder in connection with the Transaction, the Target represents and warrants to the Bidder that as at the date of this Deed:

- 12.1.1 no Target Group Member nor any Authorised Person of a Target Group Member is a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating a Competing Proposal; and
- 12.1.2 there is no current direct or indirect invitation to participate in discussions or negotiations, or any participation in discussions or negotiations, by a Target Group Member or any of their respective Authorised Persons, with any Third Party that concerns a Competing Proposal.

### 12.2 No-shop

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

- 12.2.1 solicit, invite, initiate or encourage any Third Party to make any enquiry, expression of interest, proposal or offer, or enter into any discussion or negotiation, or that could reasonably be expected to lead to, the making of a Competing Proposal; or
- 12.2.2 communicate to a Third Party any intention to do any of the things referred to in clause 12.2.1.

### 12.3 No-talk

Subject to clause 12.6.1, during the Exclusivity Period, the Target must not, and must ensure that each other Target Group Member and each Authorised Person of a Target Group Member does not, directly or indirectly:

- 12.3.1 negotiate or enter into or participate in correspondence, negotiations or discussions with any Third Party;
- 12.3.2 negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding with any Third Party; or
- 12.3.3 communicate to any Third Party any intention to do any of the things referred to in clauses 12.3.1 or 12.3.2,

in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal, even if:

- 12.3.4 that Third Party's actual, proposed or potential Competing Proposal was not directly or indirectly solicited, invited or initiated by a Target Group Member or any Authorised Person of a Target Group Member; or

12.3.5 that Third Party has publicly announced the Competing Proposal.

#### 12.4 **No due diligence**

12.4.1 Subject to clause 12.7, during the Exclusivity Period, except with the prior written consent of the Bidder, the Target must not, and must ensure that each Target Group Member and each Authorised Person of a Target Group Member does not, directly or indirectly, disclose, provide or otherwise make available to any Third Party, or permit any such person to receive any non-public information relating to the Target or any Target Group Member (or any of their respective businesses or operations) in connection with, with a view to obtaining or which could reasonably be expected to lead to, the formulation, development, finalisation or announcement of an actual, proposed or potential Competing Proposal (whether by that Third Party or another person), including providing such information for the purposes of the conduct of due diligence investigations in respect of the Target, any other Target Group Member or the business of the Target Group.

12.4.2 Subject to clause 12.7, if the Target proposes that any non-public information be disclosed, provided or otherwise made available to a Third Party in connection with, with a view to obtaining or which could reasonably be expected to lead to, the formulation, development, finalisation or announcement of an actual, proposed or potential Competing Proposal (whether by that Third Party or another person), then:

- (a) before such information is disclosed, provided or made available by or on behalf of the Target, the Target must enter into a confidentiality agreement with the Third Party which contains obligations of confidentiality on the Third Party which are no less onerous in any material respect than the obligations of confidentiality of the Bidder under the Confidentiality Agreement; and
- (b) any non-public information disclosed, provided or made available to that Third Party must also be provided to the Bidder as soon as reasonably practicable after the non-public information is disclosed, provided or made available to that Third Party (unless the information has already been provided to the Bidder or an Authorised Person of a Bidder Group Member), and in any event within 2 Business Days.

12.4.3 For the avoidance of doubt, any of the acts described in clause 12.4.2 may only be taken by the Target or any Target Group Member or Authorised Person of a Target Group Member if not proscribed by clause 12.4.1.

#### 12.5 **Notification of approaches**

12.5.1 During the Exclusivity Period, the Target must as soon as possible (and, in any event, no later than 10:00 am on the day being 2 Business Days after becoming aware of any such matters even if the two Business Day period, in whole or in part, falls outside the Exclusivity Period) notify the Bidder in writing of:

- (a) any negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate negotiations or discussions, in respect of any expression of interest, inquiry, offer or proposal in relation to any actual, proposed or potential Competing Proposal; or
- (b) a proposal (whether or not made to the Target or any Target Group Member or Authorised Person of a Target Group Member) in connection with, or in respect of any exploration or consummation of an actual, proposed or potential Competing Proposal,

whether such matters are solicited or unsolicited, and in writing or otherwise.

- 12.5.2 If the Target receives any Superior Proposal and the Target Board determines that it would be in the best interests of the shareholders of the Target to grant the proponent of such Superior Proposal with due diligence access, the Target must notify the Bidder within 2 Business Days in writing of that Superior Proposal (even if the 2 Business Day period, in whole or in part, falls outside the Exclusivity Period).
- 12.5.3 Subject to clause 12.7, a notification under clause 12.5.1 or clause 12.5.2 must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Proposal, together with all material terms and conditions (including price) of the actual, proposed or potential Competing Proposal (to the extent known). The Target must also notify the Bidder in writing as soon as possible after becoming aware of any material change in the matters previously notified to the Bidder in relation to such actual, proposed or potential Competing Proposal.

## 12.6 Matching right

- 12.6.1 If the Target receives a Competing Proposal and as a result, any Target Director proposes to either:
- (a) change, withdraw or modify his or her recommendation of the Scheme; or
  - (b) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal,
- the Target:
- (c) must use its best endeavours to ensure that no Target Director takes any action referred to in paragraphs (a) and (b); and
  - (d) must ensure that the Target, Target Directors or any Authorised Person does not enter into any legally binding agreement, arrangement or understanding (whether legally binding or otherwise) with respect to a Competing Proposal,
- until each of the following has occurred:
- (e) the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal;
  - (f) the Target has given the Bidder written notice (**Relevant Notice**) of the Target's Director's proposal to take the action referred to in clauses 12.6.1(a) or 12.6.1(b) (subject to the Bidder's rights under clause 12.6.3), including details of the grounds on which the Target Directors propose to take such action;
  - (g) subject to clause 12.6.2, the Target has provided the Bidder with the identity of the relevant third party (**Rival Acquirer**) and the material terms of the Competing Proposal and any information given to the Rival Acquirer (to the extent not already provided under clause 12.5);
  - (h) the rights under clause 12.6.3 have been exhausted; and
  - (i) the Target Directors have determined that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal after the

Bidder's rights under clause 12.6.3 have been exhausted and after evaluation of any Counter Proposal (defined below).

- 12.6.2 Prior to giving the Bidder the information under clause 12.6.1(g), the Target must advise the Rival Acquirer that the Rival Acquirer's name and other details which may identify the Rival Acquirer will be provided by the Target to the Bidder on a confidential basis.
- 12.6.3 If the Target gives a Relevant Notice to the Bidder under clause 12.6.1(f), the Bidder will have the right, but not the obligation, at any time during the period of at least (but not limited to) 4 full Business Days following the receipt of the Relevant Notice, to amend the terms of the Transaction including increasing the amount of consideration offered under the Transaction or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the Target Directors must review and make a determination in respect of the Counter Proposal in good faith.
- 12.6.4 If the Target Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to the Target and the Shareholders than the Competing Proposal (having regard to the matters noted in clause 12.6.1), then the Target and the Bidder must use their best endeavours to agree the amendments to this Deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and the Target must use its best endeavours to procure that the Target Directors recommend the Counter Proposal to the Shareholders and not recommend the applicable Competing Proposal.
- 12.6.5 For the purposes of this clause 12.6, each successive modification of a material term of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

## 12.7 **Fiduciary out**

The restrictions in clauses 12.3 and 12.4, and the obligation in clause 12.5.2, do not apply to the extent they restrict the Target Board from taking or refusing to take any action with respect to an actual, proposed or potential Competing Proposal, provided that:

- 12.7.1 the actual, proposed or potential Competing Proposal is bona fide; and
- 12.7.2 the Target Board has determined in Good Faith after:
- (a) consultation with the Target's financial advisers in respect of the financial aspects of the Competing Proposal, that the Competing Proposal is or would reasonably be expected to lead to a Superior Proposal; and
  - (b) receiving written advice from the Target's external legal adviser practising in the area of corporate law, that failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would constitute or would be likely to constitute a breach of the fiduciary duties or statutory obligations of the Target Board.

## 12.8 **Further exceptions**

Nothing in this Deed prevents the Target from:

- 12.7.1 continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to its business generally; or

- 12.7.2 taking any action in Good Faith in order to comply with its continuous disclosure obligations in accordance with the Listing Rules and the Corporations Act.

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## **13. Break Fee**

### **13.1 Background**

- 13.1.1 The Target and the Bidder acknowledge that, if they enter into this Deed and the Scheme is subsequently not implemented, the Target and the Bidder will incur significant costs which are expected to exceed those described in clause 13.2.
- 13.1.2 In light of the circumstances referred to in clause 13.1.1, the Bidder has requested that provision be made for the payments outlined in clause 13.3 as well as the obligations under clause 12, without which the Bidder would not have entered into this Deed.
- 13.1.3 In light of the circumstances referred to in clause 13.1.1, the Target has requested that provision be made for the payments outlined in clause 13.4 without which the Target would not have entered into this Deed.
- 13.1.4 The Target Board believes that the Scheme will provide benefit to the Target and the Shareholders and that it is appropriate for the Target to agree to the payments referred to in this clause 13 in order to secure the Bidder's participation in the Transaction.
- 13.1.5 The Bidder Board believes that the Scheme will provide benefit to the Bidder and its shareholders and that it is appropriate for the Bidder to agree to the payments referred to in this clause 13 in order to secure the Target's participation in the Transaction.
- 13.1.6 The Target has received separate legal advice in relation to this Deed and the operation of this clause 13.
- 13.1.7 The Bidder has received separate legal advice in relation to this Deed and the operation of this clause 13.

### **13.2 Costs incurred by the Bidder and the Target**

- 13.2.1 The Target Break Fee and the Bidder Break Fee have been calculated to reimburse the Bidder or the Target (as the case may be) for the following:
- (a) fees for reasonable legal and financial advice in planning and implementing the Transaction;
  - (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
  - (c) costs of management and directors' time in planning and implementing the Transaction; and
  - (d) out of pocket expenses incurred in planning and implementing the Transaction,

in each case, incurred by the Bidder or the Target directly or indirectly as a result of having entered into this Deed and pursuing the Transaction.

- 13.2.2 The parties acknowledge that the amount of fees, costs and Losses referred to in this clause 13.2 is inherently unascertainable and that, even after termination of this Deed, the costs will not be able to be accurately ascertained.

### 13.3 **Payment by the Target to the Bidder**

- 13.3.1 The Target agrees to pay to the Bidder the Target Break Fee if any of the following occur:

- (a) **(withdrawal or modification of recommendation)**: any Target Director:
- (i) fails to support or recommend the Scheme as contemplated by clauses 9.1 and 9.2;
  - (ii) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
  - (iii) makes any public statement to the effect that the Scheme is not, or is no longer, supported or recommended or supported by them; or
  - (iv) makes any public statement to the effect that they recommend a Competing Proposal,

and does not, within 3 Business Days (or any shorter period ending at 5:00 pm on the last Business Day before the Second Court Date), reinstate their recommendation of the Scheme, except:

- (v) in the circumstances contemplated in clause 9.1.2(c); or
  - (vi) as a result of any matter or thing giving the Target the right to terminate under clause 14.3.2;
- (b) **(Competing Proposal)** a Competing Proposal is made or announced prior to the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and within 6 months of the date of the End Date, a Third Party or an Associate of that Third Party:
- (i) completes a Superior Proposal; or
  - (ii) acquires a Relevant Interest in at least 50% of the Shares, or otherwise comes to Control or acquires or obtains an economic interest in all, or a substantial part of, the business, assets or undertakings of the Target Group; or
- (c) **(termination due to material breach)** the Bidder terminates this Deed in accordance with clause 14.2.1;
- (d) **(breach of exclusivity)** the Target breaches clause 12; or
- (e) **(no Target Prescribed Event)** the Condition set out in clause 3.1.9 has not been satisfied.

- 13.3.2 The Target must pay the Bidder the Target Break Fee within 20 Business Days of receipt by the Target of a demand for payment from the Bidder made after the occurrence of the event referred to in clause 13.3.1.

- 13.3.3 For the avoidance of doubt, the Target Break Fee is not payable merely because the resolution submitted to the Scheme Meeting in respect of the Scheme is not approved by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
- 13.3.4 For the avoidance of doubt, the Target is only liable to pay the Target Break Fee once.
- 13.4 **Payment by the Bidder to the Target**
- 13.4.1 The Bidder agrees to pay to the Target the Bidder Break Fee (exclusive of GST) if any of the following occur:
- (a) **(termination due to material breach)** the Target terminates this Deed in accordance with clause 14.3.2; or
  - (b) **(no Bidder Prescribed Event)** the Condition set out in clause 3.1.10 has not been satisfied.
- 13.4.2 The Bidder must pay the Target the Bidder Break Fee within 20 Business Days of receipt by the Bidder of a demand for payment from the Target made after the Target terminates this Deed in accordance with clause 14.3.2.
- 13.4.3 For the avoidance of doubt, the Bidder is only liable to pay the Bidder Break Fee once.
- 13.5 **No amount payable if Scheme becomes Effective**
- Notwithstanding the occurrence of any event under clause 13.3 and clause 13.4, if the Scheme becomes Effective:
- 13.5.1 no amount is payable under clause 13.3 or under clause 13.4; and
- 13.5.2 if any amount has already been paid under 13.3 or under clause 13.4, it must be refunded.
- 13.6 **Limitation of liability**
- The Target and the Bidder agree that, despite anything else in this Deed:
- 13.6.1 the maximum aggregate amount which the Bidder is required to pay in relation to a breach of this document by the Bidder, other than in the case of conduct designed or intended to frustrate the Scheme or fraud or wilful misconduct or wilful breach on the part of the Bidder, will be the amount of the Bidder Break Fee; and
- 13.6.2 the maximum aggregate amount which the Target is required to pay in relation to a breach of this document by the Target, other than in the case of conduct designed or intended to frustrate the Scheme or fraud or wilful misconduct or wilful breach on the part of the Target, will be the amount of the Target Break Fee.
- 13.7 **Survival**
- This clause 13 survives the termination of this Deed.



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## **14. Termination**

### **14.1 Termination if the Scheme is not implemented by the End Date**

This Deed terminates if the Scheme is not implemented by 11:59 pm on the End Date.

### **14.2 Termination by the Bidder**

14.2.1 The Bidder may terminate this Deed at any time before the Delivery Time in accordance with clause 14.4 if the Target is in material breach of this Deed which breach cannot be remedied or has not been remedied by the earlier of:

- (a) within 5 Business Days of receiving written notice from the Bidder to remedy that breach; or
- (b) 11:59 pm on the date immediately before the Second Court Date.

14.2.2 The Bidder may terminate this Deed at any time before the Delivery Time in accordance with clause 14.4 if any Target Director or the Target Board:

- (a) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
- (b) makes any public statement to the effect that the Scheme is not, or is no longer, supported or recommended or supported by them; or
- (c) makes any public statement to the effect that they recommend a Competing Proposal,

and does not or do not, within 3 Business Days (or any shorter period ending at 5:00 pm on the last Business Day before the Second Court Date), reinstate their recommendation of the Scheme.

14.2.3 The Bidder may terminate this Deed in accordance with clause 3.6.

### **14.3 Termination by the Target**

14.3.1 The Target may terminate this Deed in accordance with clause 14.4 if a majority of the Target Board:

- (a) change, withdraw, adversely modify, adversely qualify, or take an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
- (b) make any public statement to the effect that the Scheme is not, or is no longer, supported or recommended or supported by them; or
- (c) make any public statement to the effect that they recommend a Competing Proposal,

provided that:

- (d) the action described in clauses 14.3.1(a) to 14.3.1(c) (inclusive) that is taken by the Target Directors is permitted by clause 9.1.2 and 9.2.2; and

- (e) if the Bidder is entitled or will become entitled to the Bidder Break Fee as a result of that action, that the Bidder Break Fee has been paid to the Bidder in accordance with clause 13.

14.3.2 The Target may terminate this Deed at any time before the Delivery Time in accordance with clause 14.4 if the Bidder is in material breach of this Deed which cannot be remedied or has not been remedied by the earlier of:

- (a) within 5 Business Days of receiving notice from the Target to remedy that breach; and
- (b) midnight at the end of the day before the Second Court Date.

14.3.3 The Target may terminate this Deed in accordance with clause 3.6.

#### 14.4 **Notice of termination**

For the purposes of this clause 14, a terminating party must give written notice to the other party setting out the relevant circumstances and stating that it terminates this Deed.

#### 14.5 **Effect of termination**

In the event of termination of this Deed by either the Target or the Bidder pursuant to clause 3.6 or clauses 14.1, 14.2 or 14.3, this Deed will have no further force or effect and the parties will have no further obligations under this Deed, provided that:

- 14.5.1 this clause and clauses 1, 7.7, 13, 15 to 20 (inclusive) will survive termination;
- 14.5.2 each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this Deed; and
- 14.5.3 subject to clause 14.5.2, the parties are put back into the positions that they were in (including in respect of one another) immediately before entry into this Deed.

#### 14.6 **Remedies**

The parties acknowledge that damages may not be a sufficient remedy for breach of this Deed. Specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this Deed by any party, notwithstanding the ability of the other party to terminate this Deed or seek damages for such a breach or threatened breach, or to demand payment of the Bidder Break Fee or the Target Break Fee.

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### 15. **GST**

#### 15.1 **Definitions**

In this clause:

- 15.1.1 words and expressions that are not defined in this Deed but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
- 15.1.2 **GST** means GST within the meaning of the GST Law and includes penalties and interest; and

15.1.3 **GST Law** has the meaning given to that term in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

15.2 **GST exclusive**

Except as otherwise provided in this Deed, all consideration payable under this Deed in relation to any supply is exclusive of GST.

15.3 **Increase in consideration**

If GST is payable in respect of any supply made by a supplier under this Deed (**GST Amount**), the recipient must pay to the supplier an amount equal to the GST payable on the supply. Subject to clause 15.4, the recipient must pay the GST Amount at the same time and in the same manner as the consideration for the supply is to be provided under this Deed in full and without deduction, set off, withholding or counterclaim (unless otherwise provided in this Deed).

15.4 **Tax invoice**

The supplier must provide a tax invoice to the recipient before the supplier will be entitled to payment of the GST Amount under clause 15.3.

15.5 **Reimbursements**

If this Deed requires a party to pay, reimburse or contribute to any expense, loss or outgoing suffered or incurred by another party, the amount which the first party must pay, reimburse or contribute is the sum of:

15.5.1 the amount of the payment, reimbursement or contribution, less any input tax credit in respect of the payment, reimbursement or contribution to which the other party is entitled; and

15.5.2 if the payment, reimbursement or contribution is subject to GST, an amount equal to that GST.

15.6 **Adjustment events**

If an adjustment event occurs in relation to a taxable supply under this Deed:

15.6.1 the supplier must issue an adjustment note to the recipient within 7 days after becoming aware of the adjustment; and

15.6.2 any payment necessary to give effect to that adjustment must be made within 7 days after the date of receipt of the adjustment note.

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16. **Legal costs and other expenses**

16.1 **Parties to pay own costs**

Each party must pay its own legal costs and other expenses for the negotiation, preparation and execution of this Deed and related documents, unless expressly stated otherwise.

16.2 **Stamp duty and registration fees**

The Bidder must pay any stamp duty and registration fees and all related fines and penalties (except those arising from the default of another party) in relation to:

16.2.1 this Deed; and

16.2.2 any transactions under or in connection with this Deed.

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## **17. Notices**

### **17.1 Delivery of notice**

17.1.1 A notice or other communication given to a party under this Deed must be in writing and in English, and must be delivered to the party by:

- (a) delivering it personally to the party;
- (b) leaving it at the party's address set out in the notice details;
- (c) posting it by prepaid post to the party at the party's address set out in the notice details; or
- (d) email to the party's email address set out in the notice details.

17.1.2 If the person to be served is a company, the notice or other communication may be served at the company's registered office.

### **17.2 Notice details**

17.2.1 The notice details of each party are set out on page 1 of this Deed under the heading 'Parties' (or as notified by a party to the other parties according to this clause).

17.2.2 Any party may change its notice details by giving notice to the other parties.

### **17.3 Time of service**

17.3.1 A notice or other communication is taken to be delivered:

- (a) if delivered personally or left at the person's address, upon delivery;
- (b) if posted within Australia to an Australian address:
  - (i) using express post, 2 Business Days after posting; and
  - (ii) using any other prepaid post, 6 Business Days after posting;
- (c) if posted to an address in a different country, 10 Business Days after posting; and
- (d) if delivered by email, at the time the email left the sender's email system, unless the sender receives notification that the email was not received by the recipient.

17.3.2 Despite clause 17.3.1, a notice or other communication which is received after 5.00pm or on a non-Business Day (each in the place of receipt), is taken to be delivered at 9.00am on the next Business Day in the place of receipt.

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## **18. Governing law**

This Deed is governed by the law applying in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales.

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## **19. Interpretation**

### **19.1 Words and headings**

In this Deed, unless expressed to the contrary:

- 19.1.1 words denoting the singular include the plural and vice versa;
- 19.1.2 the word 'includes' in any form is not a word of limitation;
- 19.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 19.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this Deed; and
- 19.1.5 no rule of construction applies to the disadvantage of the party preparing this Deed on the basis that it prepared or put forward this Deed or any part of it.

### **19.2 Specific references**

In this Deed, unless expressed to the contrary, a reference to:

- 19.2.1 a gender includes all other genders;
- 19.2.2 any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;
- 19.2.3 any document (such as a deed, agreement or other document) is to that document (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time;
- 19.2.4 writing includes writing in digital form;
- 19.2.5 'this Deed' is to this Deed as amended from time to time;
- 19.2.6 'A\$', '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
- 19.2.7 a clause, schedule or attachment is a reference to a clause, schedule or attachment in or to this Deed;
- 19.2.8 any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
- 19.2.9 a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
- 19.2.10 a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and

- 19.2.11 any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

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## **20. General**

### **20.1 Variation**

This Deed may only be varied by a document executed by the parties.

### **20.2 Counterparts**

This Deed may be executed in counterparts, all of which taken together constitute one document.

### **20.3 Entire agreement and no reliance**

20.3.1 This Deed:

- (a) constitutes the entire agreement between the parties about the subject matter contained in it; and
- (b) supersedes and cancels any contract, deed, arrangement, related condition, collateral arrangement, condition, warranty, indemnity or representation relating to the subject matter contained in it, that was imposed, given or made by a party (or an agent of a party) prior to entering into this Deed.

20.3.2 The parties acknowledge that in entering into this Deed each party has not relied on any representations made by the other party (or its agents or employees) other than matters expressly set out in this Deed.

### **20.4 Severability**

20.4.1 Any provision of this Deed that is held to be illegal, invalid, void, voidable or unenforceable must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable.

20.4.2 If it is not possible to read down a provision as required by this clause, part or all of the clause of this Deed that is unlawful or unenforceable will be severed from this Deed and the remaining provisions continue in force.

### **20.5 Waiver**

The failure of a party at any time to insist on performance of any provision of this Deed is not a waiver of the party's right at any later time to insist on performance of that or any other provision of this Deed.

### **20.6 Further assurance**

Each party must promptly execute and deliver all documents and take all other action necessary or desirable to effect, perfect or complete the transactions contemplated by this Deed.

20.7 **Survival and enforcement of indemnities**

20.7.1 Each indemnity in this Deed is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Deed.

20.7.2 It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity conferred by this Deed.

20.8 **No merger**

The warranties, undertakings, agreements and continuing obligations in this Deed do not merge on completion of the transactions contemplated by this Deed.

20.9 **Business Day**

If a payment or other act is required by this Deed to be made or done on a day which is not a Business Day, the payment or act must be made or done on the next following Business Day.

20.10 **No assignment without consent all parties**

A party must not, without the prior written consent of the other party (**Other Party**):

20.10.1 assign or novate this Deed;

20.10.2 transfer any right or obligation arising from this Deed; or

20.10.3 mortgage, charge, create a Security Interest over, allow a Security Interest to exist over, or otherwise encumber any benefit arising from this Deed.

20.11 **Consent to electronic execution**

Each party consents to the signing of this Deed by electronic means. The parties agree to be legally bound by this Deed if it is signed in this way.

## Schedule 1

### Target Warranties

#### 1. Capacity, authority and solvency

##### 1.1 The Target:

- 1.1.1 is a corporation validly existing under the laws of its place of incorporation;
- 1.1.2 has the corporate power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
- 1.1.3 has not suffered an Insolvency Event;
- 1.1.4 has taken all necessary corporate action to authorise the entry into this Deed and has taken or will take all necessary corporate action to authorise the performance of this Deed and to carry out the transactions contemplated by this Deed; and
- 1.1.5 as at the date of this Deed, has the following capital structure:
  - (a) 90,155,925 Shares on issue; and
  - (b) has not issued any other Shares or other securities, rights or instruments which are still outstanding and may convert into, or give the holder the right to be issued, Shares,
- 1.1.6 is not under any obligation to issue, and no person has any right to require or call for the issue of, or been sent offer letters in relation to any Shares or other securities, rights or instruments issuable by the Target (whether such obligation or right is conditional or otherwise); and
- 1.1.7 does not have any cash incentive plans outstanding or offer letters in relation to such plans outstanding other than as Fairly Disclosed in the Due Diligence Materials.

##### 1.2 The Transaction Documents to which the Target is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:

- 1.2.1 the constitution or equivalent constituent documents of the Target or any of its Subsidiaries; or
- 1.2.2 any writ, order or injunction, judgment, law, rule, obligation or regulation to which the Target or any of its Subsidiaries is party, or by which the Target or any of its Subsidiaries is bound.

#### 2. Target Data Room Materials and other information

##### 2.1 The Due Diligence Material has been provided in Good Faith and is accurate in all material respects and:

- 2.1.1 is not misleading or deceptive, or likely to mislead or deceive (including by omission) in any material respect and



- 2.1.2 omits no information which could reasonably be expected to be material to the evaluation of the Target Group and its businesses, operations and affairs by the Bidder.
- 2.2 The Target has complied in all material respects with the Listing Rules including its continuous disclosure obligations under Listing Rule 3.1 and following release of the Public Announcement, there will be no information which it is withholding from disclosure in reliance on Listing Rule 3.1A.
- 2.3 There is no judgment, injunction, order or decree binding on any member of the Target Group that has or would be likely to have the effect of prohibiting, materially restricting or materially impairing after the Effective Date any business of the Target Group as presently being conducted.
- 2.4 There are no material actions, suits, arbitrations, legal or administrative proceedings taking place or, so far as the Target is aware, pending against any Target Group Member.
- 2.5 No Target Group Member is the subject of any investigation by an Authority and, so far as the Target is aware, there are no such investigations threatened or pending.
- 2.6 The Target Group and of its Authorised Persons has complied in all material respects with all Australian or foreign laws or regulations applicable to them or order of any Australian or foreign Authority having jurisdiction over them and has all licences and permits necessary to conduct its business as presently being conducted.
- 2.7 No Target Group Member is in breach of any Key Contract and, so far as the Target is aware, no counterparty to any Key Contract is in breach of any Key Contract.
- 2.8 No Authorisation is required to be obtained by the Target in order for it to execute, deliver and perform this Deed, other than those Authorisations set out in clause 3.1.
- 2.9 There are no material Security Interests over the assets of any Target Group Member.
- 3. Target Provided Information**
- 3.1 The Target Provided Information provided in accordance with this Deed and included in, or incorporated by reference into, the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any statement which is misleading or deceptive (including by the omission of information) in any material respect and will comply with applicable laws, all regulatory guides and the terms of this Deed as they apply to such information.
- 3.2 Any statement of opinion of belief contained in the Target Provided Information is honestly held and there are reasonable grounds for the holding of the belief.

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## Schedule 2

### Bidder Warranties

#### 1. Capacity, authority and solvency

On the date of this Deed and the Second Court Date, the Bidder:

- 1.1 is a corporation validly existing under the laws of its place of incorporation;
- 1.2 has the corporate power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
- 1.3 has not suffered an Insolvency Event;
- 1.4 has taken all necessary corporate action to authorise the entry into this Deed and has taken or will take all necessary corporate action to authorise the performance of this Deed and to carry out the transactions contemplated by this Deed; and
- 1.5 is legally bound by this Deed, and this Deed does not and will not result in a breach of, or default under any provision of, the Bidder's constitution or any term of any order, judgement or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party.

#### 2. Bidder Provided Information

The Bidder Provided Information provided in accordance with this Deed and included in, or incorporated by reference into, the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any statement which is misleading or deceptive (including by the omission of information) in any material respect and will comply with applicable laws and the terms of this Deed as they apply to such information.

#### 3. Financing

On the date of this Deed, the First Court Date, the date of the Scheme Meeting, the Second Court Date and the Implementation Date, the Bidder has or will have financing or funds available to provide all of the Top Up Cash Consideration in accordance with clause 5.1.1.

#### 4. Authorisations

On the date of this Deed, the First Court Date, the date of the Scheme Meeting and on the Second Court Date, the Bidder does not require any Authorisation in any jurisdiction to give effect to the Scheme other than Authorisations from ASIC, ASX and the Court.

#### 5. Capital structure

As at the date of this Deed, the total securities of the Bidder on issue are as follows:

- 5.1 355,683,921 ordinary shares in the Bidder; and
- 5.2 2,000,000 options to acquire ordinary shares in the Bidder.

#### 6. New Bidder Shares

On the date of this Deed and as at the Implementation Date, the Bidder does not require any Authorisation in order to offer and issue the New Bidder Shares under this Scheme, including under the Listing Rules and its Constitution.

**7. Continuous disclosure**

The Bidder has complied in all material respects with the Listing Rules including its continuous disclosure obligations under Listing Rule 3.1.

**8. Other**

- 8.1 There is no judgment, injunction, order or decree binding on any member of the Bidder Group that has or would be likely to have the effect of prohibiting, materially restricting or materially impairing after the Effective Date any business of the Bidder Group as presently being conducted.
- 8.2 There are no material actions, suits, arbitrations, legal or administrative proceedings taking place or, so far as the Bidder is aware, pending against any Bidder Group Member.
- 8.3 No Bidder Group Member is the subject of any investigation by an Authority and, so far as the Bidder is aware, there are no such investigations threatened or pending.
- 8.4 As far as the Bidder is aware, the Bidder Group and of its Authorised Persons have complied in all material respects with all Australian or foreign laws or regulations applicable to them or order of any Australian or foreign Authority having jurisdiction over them and, as far as the Bidder is aware, has all licences and permits necessary to conduct its business as presently being conducted.
- 8.5 No Authorisation is required to be obtained by the Bidder in order for it to execute, deliver and perform this Deed, other than those Authorisations set out in clause 3.1.



Execution page

Executed by the parties as a deed.

Executed by **PSC Insurance Group Limited** )  
**ACN 147 812 164** in accordance with section )  
127(1) and section 127(3) of the *Corporations Act* )  
2001 (Cth):

.....  
Signature of Director

.....  
Signature of Director/Company Secretary

.....  
Print full name

.....  
Print full name

Executed by **Ensurance Ltd ACN 148 142 634** in )  
accordance with section 127(1) and section 127(3) )  
of the *Corporations Act 2001* (Cth): )

.....  
Signature of Director

.....  
Signature of Director/Company Secretary

.....  
Print full name

.....  
Print full name





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## Attachment 2 Scheme

For personal use only



**Maddocks**

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123 Pitt Street,  
Sydney NSW 2000  
Australia

Telephone 61 3 9258 3555  
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DX 10284 Sydney Stock Exchange

## **Scheme of Arrangement**

**Ensurance Ltd ACN 148 142 634**  
and

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

**Interstate offices**  
Canberra Melbourne

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**Scheme of Arrangement**

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**Parties**

Name	<b>Ensurance Ltd ACN 148 142 634</b>
Address	'Westfield Tower 2', Level 21, 101 Grafton Street, Bondi Junction, NSW 2022
Email	<a href="mailto:tom.kent@au.ensurance.ltd">tom.kent@au.ensurance.ltd</a>
Contact	Tom Kent
Short name	<b>Target</b>
Name	<b>The persons registered as holders of fully paid ordinary shares in the Target as at the Record Date</b>
Short name	<b>Scheme Participants</b>

**The parties agree**

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**1. Definitions****1.1 Defined terms**

In this Scheme:

**Actual Transaction Costs** means the total transaction costs (excluding GST) incurred by the Target in connection with the Scheme as at the date that is 2 Business Days prior to the Implementation Date, including legal and other adviser costs.

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

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

**ASX** means, as the context requires, ASX Limited ACN 008 624 691 or the financial markets operated by it.

**Authority** means any:

- (a) government, government department, government agency or government authority;
- (b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function, including the Takeovers Panel; or

- (c) other entity or person (whether autonomous or not) having powers or jurisdiction under:
- (i) any statute, regulation, ordinance, by-law, order or proclamation, or the common law; or
  - (ii) the rules of any recognised stock or securities exchange.

**Bidder** means PSC Insurance Group Limited ACN 147 812 164.

**Bidder Share** means a fully paid ordinary share in the Bidder.

**Business Day** means a day that is not a Saturday, Sunday, bank holiday or public holiday in Victoria, Australia.

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

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

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

**Deed Poll** means the deed poll executed on or about 8 August 2023 executed by the Bidder in favour of the Scheme Participants substantially in the form of Attachment 4 of the Scheme Implementation Deed (or in such other form as agreed in writing by the Bidder and the Target).

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

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

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

**End Date** means the later of:

- (a) the date 6 months after the date of the Scheme Implementation Deed; or
- (b) such later date as the Bidder and the Target may agree in writing, each acting reasonably.

**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.

**Ineligible Foreign Scheme Shareholder** means those Scheme Participants who have a Registered Address in a place other than Australia, New Zealand, United Kingdom, Jersey, Gibraltar and British Virgin Islands.

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

**Minimum Purchase Price** means \$25.2 million.

**New Bidder Share** means a Bidder Share to be issued to Scheme Participants under the Scheme.

**New Bidder Share Adjustment** means that number of New Bidder Shares calculated by using the below formula:

Transaction Cost Adjustment (if any) / New Bidder Share Price.

**New Bidder Share Price** means the VWAP of the Bidder Shares over the period of 5 trading days prior to the Record Date.

**Nominee** means the person nominated by the Bidder to sell the New Bidder Shares that are attributable to Ineligible Foreign Scheme Shareholders under the terms of the Scheme (and / or a nominee of that person).

**Record Date** means 7:00 pm on the second Business Day after the Effective Date or such other date after the Effective Date as the Bidder and the Target agree in writing.

**Register** means the register of members of the Target kept on behalf of the Target by the Share Registry.

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

**Related Body Corporate** has the meaning given in sections 9 and 50 of the Corporations Act.

**Representatives** means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

**Scheme** means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by the Target and the Bidder.

**Scheme Consideration** means the consideration to be provided to Scheme Participants under the terms of this Scheme for the transfer of the Scheme Shares to the Bidder, comprised of the Scheme Scrip Consideration and any Top Up Cash Consideration as determined in accordance with clause 5.

**Scheme Implementation Deed** means the scheme implementation deed dated 8 August 2023 between the Bidder and the Target relating to (among other things) the implementation of this Scheme.

**Scheme Meeting** means the meeting or meetings of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act.

**Scheme Participant** means a Shareholder on the Record Date.

**Scheme Scrip Consideration** means such number of New Bidder Shares per Scheme Share to be issued to Scheme Participants under this Scheme, as determined by the following formula:

$$(5,000,000 \text{ New Bidder Shares less New Bidder Share Adjustment}) / \text{the number of Scheme Shares.}$$

**Scheme Shares** means all Shares held by the Scheme Participants as at the Record Date.

**Scheme Transfer** means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or may include a master transfer of all or part of the Scheme Shares.

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

**Separate Account** has the meaning given in clause 5.7.4(b).

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

**Share Registry** means Computershare Investor Services Pty Limited of Level 11, 172 St Georges Terrace, Perth, Western Australia, Australia.

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

**Subsidiary** has the meaning given in the Corporations Act.

**Top Up Cash Consideration** means the cash payable by the Bidder to the Scheme Participants per Scheme Share (if any), calculated in accordance with clause 5.3.

**Total Scrip Consideration Value** is equal to the total number of New Bidder Shares to be issued by the Bidder under the Scheme multiplied by the New Bidder Share Price.

**Transaction Cost Adjustment** means the amount (if any) by which the Actual Transaction Costs exceed \$500,000 (including GST).

**Trust Account** means an Australian dollar denominated trust account with an Australian bank which attracts interest at a commercial rate and is operated by the Target as trustee for the Scheme Participants (except that any interest on the amount deposited (less bank fees and other charges) will accrue for the benefit of the Bidder), details of which the Target must notify to Bidder no later than 5 Business Days before the Implementation Date.

**Unclaimed Money Act** means the *Unclaimed Money Act 1995* (NSW).

**VWAP** has the meaning given to "volume weighted average market price" as defined under Rule 19.12 of the Listing Rules.

---

## **2. Preliminary matters**

- 2.1 The Target is a listed public company limited by shares that is admitted to the official list of the ASX (ASX: ENA), incorporated in Australia and registered in Western Australia, Australia with its registered office at 'Westfield Tower 2', Level 21, 101 Grafton Street, Bondi Junction, NSW, Australia.
- 2.2 As at the date of the Scheme Implementation Deed, 90,155,925 Shares were on issue.
- 2.3 The Bidder is an Australian public company limited by shares that is admitted to the official list of the ASX and its shares are quoted on the ASX. The Bidder is registered in Victoria, Australia with its registered office at 96 Wellington Parade, East Melbourne, Victoria, Australia.
- 2.4 The Bidder and the Target have entered into the Scheme Implementation Deed and the Bidder has executed the Deed Poll.
- 2.5 If this Scheme becomes Effective:
  - 2.5.1 the Bidder must provide the Scheme Consideration in accordance with the terms of this Scheme and the Deed Poll; and

- 2.5.2 all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to the Bidder and the Target will enter the name of the Bidder in the Register in respect of the Scheme Shares.

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### **3. Conditions**

#### **3.1 Conditions precedent**

The Scheme is conditional on:

- 3.1.1 as at the Delivery Time, all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.5 of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- 3.1.2 neither the Scheme Implementation Deed nor the Deed Poll being terminated in accordance with its terms by the Delivery Time;
- 3.1.3 this Scheme being approved by the Court on the Second Court Date under section 411(4)(b) of the Corporations Act, including with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by the Target and the Bidder (such agreement or consent not to be unreasonably withheld or delayed);
- 3.1.4 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are agreed or consented to in writing by the Target and the Bidder (such agreement or consent not to be unreasonably withheld or delayed) having been satisfied; and
- 3.1.5 the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme having come into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

#### **3.2 Effect of conditions precedent**

The satisfaction of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and clause 5 and the binding effect of this Scheme.

#### **3.3 Certificate**

- 3.3.1 At the hearing on the Second Court Date, the Target and the Bidder will provide to the Court a certificate confirming whether or not the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived (but in the case of the condition in 3.1.1 only in respect of those conditions in clause 3.1 of the Implementation Deed (other than the condition in clause 3.1.5 relating to Court approval of the Scheme) included for that party's benefit.
- 3.3.2 The certificate given by the Target and the Bidder under clause 3.3.1 constitute conclusive evidence that the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived as at the Delivery Time.

#### **3.4 Termination and End Date**

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

- 3.4.1 either the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or
- 3.4.2 the Effective Date or the Implementation Date has not occurred on or before the End Date,

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

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## **4. Implementation of this Scheme**

### **4.1 Lodgement of Court orders with ASIC**

If the conditions set out in clauses 3.1.1 to 3.1.4 are satisfied, the Target must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible, and in any event by no later than 5:00 pm on the Business Day following the day on which the Court approves this Scheme or such later date as the Target and the Bidder agree in writing.

### **4.2 Transfer of Scheme Shares**

#### **4.2.1 On the Implementation Date:**

- (a) the Scheme Consideration must be provided in the manner contemplated in clause 5;
- (b) subject to the provision of the Scheme Consideration in accordance with clause 5 by the Bidder, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by the Target or its officers as attorney and agent for Scheme Participants under clause 8.5), by:
  - (i) the Target delivering to the Bidder a duly completed and executed Scheme Transfer (as the attorney and agent of each Scheme Participant as transferor under clause 8.5) to transfer all Scheme Shares to the Bidder (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares) for registration; and
  - (ii) the Bidder duly executing the Scheme Transfer (as transferee) and delivering it to the Target for registration.

#### **4.2.2 Immediately following receipt of the Scheme Transfer in accordance with clause 4.2.1(b), the Target must enter, or procure the entry of, the name of the Bidder in the Register in respect of all of the Scheme Shares.**

---

## **5. Scheme Consideration**

### **5.1 Scheme Consideration**

Subject to the terms of this Scheme, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant.

## 5.2 Determination of Scheme Consideration

The Scheme Consideration applicable to each Scheme Share held by a Scheme Shareholder is:

- 5.2.1 the Scheme Scrip Consideration; plus
- 5.2.2 the Top Up Cash Consideration (if any).

## 5.3 Determination of Top Up Cash Consideration

- 5.3.1 The Top Up Cash Consideration is calculated using the formula below:

$$\text{Top Up Cash Consideration} = (\text{Minimum Purchase Price} - \text{Total Scrip Consideration Value}) / \text{total number of Scheme Shares}$$

- 5.3.2 For the avoidance of doubt, if the Total Scrip Consideration Value is equal to or greater than the Minimum Purchase Price, there will be no Top Up Cash Consideration.

## 5.4 Provision of Scheme Scrip Consideration

- 5.4.1 The Bidder must, before no later than 12:00 noon (or such later time as the Bidder and the Target may agree in writing) on the Implementation Date, procure that the name of each Scheme Participant entitled to be issued New Bidder Shares under this Scheme is entered in the Bidder's register of members as the holder of those New Bidder Shares (and in relation to New Bidder Shares issued to a Scheme Participant, having the same holding name and address and other details as the holding of the relevant Target Shares). A Scheme Participant entitled to be issued New Bidder Shares under this Scheme may, using a direction form issued by the Bidder, direct that the New Bidder Shares to which they are entitled be issued to a Related Body Corporate of the Scheme Participant (in which case such Related Body Corporate's name and details will be entered into Bidder's register of members).
- 5.4.2 On the Implementation Date, the Bidder must send or procure the sending of a holding statement to each Scheme Participant to whom New Bidder Shares are issued under this Scheme, reflecting the issue of such New Bidder Shares.

## 5.5 Ineligible Foreign Scheme Shareholders

- 5.5.1 The Bidder will be under no obligation under the Scheme to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Scheme Shareholder as Scheme Consideration, and instead, the Bidder will issue the New Bidder Shares to which the Ineligible Foreign Scheme Shareholders would otherwise have been entitled as Scheme Consideration to the Nominee.
- 5.5.2 The Bidder will procure that the Nominee:
  - (a) as soon as reasonably practicable after the Implementation Date (and in any event within 15 days after the date on which the New Bidder Shares issued under the Scheme are quoted on the ASX) sells or procures the sale of all the New Bidder Shares issued to the Nominee pursuant to clause 5.5.1 in the ordinary course of trading on the ASX and in such manner, at such price and on such other terms as the Nominee reasonably determines; and
  - (b) as soon as reasonably practicable after settlement (and in any event within 10 Business Days of settlement) remits to the Bidder the proceeds of sale

(after deducting any reasonable brokerage or other selling costs, taxes and charges).

- 5.5.3 Promptly after the last sale of New Bidder Shares in accordance with clause 5.5.2, the Bidder will pay to each Ineligible Foreign Scheme Shareholder an amount equal to the proportion of the net proceeds of sale received by the Bidder pursuant to clause 5.5.2(b) to which that Ineligible Foreign Scheme Shareholder is entitled in full satisfaction of the Ineligible Foreign Scheme Shareholder's entitlement to the New Bidder Shares.
- 5.5.4 The Bidder will pay the relevant fraction of the net proceeds of sale referred to in clause 5.5.3 to each Ineligible Foreign Scheme Shareholder in accordance with the payment procedures set out in 5.7.3 and 5.7.4 below.
- 5.5.5 Each Ineligible Foreign Scheme Shareholder acknowledges and agrees that:
- (a) none of the Target, the Bidder or the Nominee give any assurance as to the price that will be achieved for the sale of the New Bidder Shares described in clause 5.5.2(a); and
  - (b) the Target, the Bidder and the Nominee each expressly disclaims any fiduciary duty to any Ineligible Foreign Scheme Shareholder which may arise in connection with this clause 5.

## 5.6 Status of New Bidder Shares

- 5.6.1 The New Bidder Shares must, on their issue:
- (a) be duly and validly issued,
  - (b) be fully paid; and
  - (c) rank equally in all respects with all other Bidder Shares on issue.
- 5.6.2 The Bidder will apply to ASX for the official quotation of the New Bidder Shares under the Scheme and use all reasonable endeavours to ensure that the New Bidder Shares are approved for official quotation by the ASX on an ordinary settlement basis from the first Business Day after the Implementation Date (or such later date as ASX may require).

## 5.7 Provision of Top Up Cash Consideration

- 5.7.1 The Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds, an amount equal to the aggregate amount of the Top Up Cash Consideration payable to each Scheme Participant, into the Trust Account, such amount to be held by the Target as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account).
- 5.7.2 Subject to the Bidder complying with clause 5.7.1, on the Implementation Date, the Target must pay or procure the payment from the Trust Account to each Scheme Participant the Top Up Cash Consideration attributable to that Scheme Participant (if any) in respect of the relevant Scheme Participant's Scheme Shares.
- 5.7.3 The Target's obligation under clause 5.7.2 will be satisfied by the Target:
- (a) where a Scheme Participant has, before the Record Date, made an election in accordance with the requirements of the 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 of Australian currency by electronic means in accordance with that election; or

- (b) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Participant by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.9), for the relevant amount.

5.7.4 In the event that:

- (a) either:
  - (i) a Scheme Participant does not have an address recorded in the Register; or
  - (ii) the Target as the trustee for the Scheme Participant believes that a Scheme Participant is not known at the Scheme Participant's address recorded in the Register,

and no account has been notified in accordance with clause 5.7.3 or a deposit into such an account is rejected or refunded; or

- (b) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.8,

the Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the Unclaimed Money Act) and the Target as the trustee for the Scheme Participant 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 Unclaimed Money Act. To avoid doubt, if the amount is not credited to the Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. The Target must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- 5.7.5 To the extent that, following satisfaction of the Target's obligations under this clause 5, there is a surplus in the amount held by the Target as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by the Target to the Bidder.

5.8 **Cancellation and reissue of cheques**

- 5.8.1 The Target may cancel a cheque issued under this clause 5 if the cheque:

- (a) is returned to the Target; or
- (b) has not been presented for payment within six months after the date on which the cheque was sent.

- 5.8.2 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to the Target (or the Share Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under this clause 5.8 must be reissued.

## 5.9 Joint holders

In the case of Scheme Shares held in joint names:

- 5.9.1 any Scheme Consideration to be paid as cash will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date;
- 5.9.2 any Scheme Consideration to be provided as New Bidder Shares must be issued to and registered in the names of the joint holders and entry in the Bidder's share register must take place in the same order as the holders' names appear in the Target's share register; and
- 5.9.3 any cheque or other document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.

## 5.10 Orders of a Court or other Authority

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

- 5.10.1 requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with this Scheme, then the Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- 5.10.2 prevents the Target from providing consideration to any particular Scheme Participant in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, the Target shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as provision of the consideration in accordance with this Scheme is permitted by that order or direction or otherwise by law.

## 5.11 Fractional entitlements

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent or a Bidder Share, the fractional entitlement will be rounded down to the nearest whole cent or Bidder Share (as applicable).

---

## 6. Dealings in Scheme Shares

### 6.1 Determination of Scheme Participants

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

- 6.1.1 in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
- 6.1.2 in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Record Date and occurs at the place where the Register is kept,

and the Target must not accept for registration, nor 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 transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

## **6.2 Register**

- 6.2.1 The Target must register or procure the registration of registrable transmission applications or transfers of Shares in accordance with clause 6.1 by no later than the Record Date.
- 6.2.2 The Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of the Shares received after 5.00pm on the Record Date, other than to the Bidder in accordance with this Scheme.
- 6.2.3 If this Scheme becomes Effective, each entry which is current on the Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration on the terms of this Scheme in respect of the Shares relating to that entry.
- 6.2.4 If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, 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 will be entitled to disregard any such disposal, purported disposal or agreement or other dealing.
- 6.2.5 For the purpose of determining entitlements to the Scheme Consideration, the Target must procure the maintenance of the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.
- 6.2.6 All statements of holding for Shares (other than statements of holding in favour of the Bidder) will cease to have effect after the Record Date as documents of title in respect of those Shares and, as from that date, each entry current at that date on the Register (other than entries in respect of the Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- 6.2.7 As soon as possible after the Record Date, and in any event at least 3 Business Days before the Implementation Date, the Target will procure that details of the names, Registered Addresses and holdings of Shares for each Scheme Participant as shown in the Register as at the Record Date are made available to the Bidder in the form the Bidder reasonably requires.

---

## **7. Quotation of Shares**

- 7.1 The Target must apply to ASX for suspension of trading in Shares on ASX with effect from the close of trading on the Effective Date.
- 7.2 On a date after the Implementation Date to be determined by the Bidder (acting reasonably and subject to the Listing Rules), the Target must apply to ASX for the termination of the official quotation of Shares on ASX and to have the Target removed from the official list of ASX.

---

## **8. General Scheme provisions**

### **8.1 Consent to amendments to this Scheme**

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

- 8.1.1 the Target may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented in writing; and
- 8.1.2 each Scheme Participant agrees to any such alterations or conditions which counsel for the Target has consented in accordance with clause 8.1.1.

### **8.2 Scheme Participants' agreements and warranties**

8.2.1 Each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares to Bidder together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees that after the transfer of their Scheme Shares to the Bidder, any statement of holdings for Shares relating to their Scheme Shares will not constitute evidence of title to those Scheme Shares; and
- (d) acknowledges and agrees that this Scheme binds the Target and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).

8.2.2 Each Scheme Participant is taken to have warranted to the Bidder, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder, on the Implementation Date that, as at the Implementation Date:

- (a) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to the Bidder, be fully paid and free from all:
  - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
  - (ii) restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their Scheme Shares to the Bidder together with any rights attaching to those Scheme Shares; and
- (c) they have no existing right to be issued any Shares or any other Target securities.

8.2.3 The Target undertakes that it will provide the warranty in clause 8.2.2 to the Bidder as agent and attorney of each Scheme Participant.

### 8.3 Title to and rights in Scheme Shares

- 8.3.1 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to the Bidder, vest in the Bidder free from all:
- (a) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
  - (b) restrictions on transfer of any kind.
- 8.3.2 Subject to the provision of the Scheme Consideration to each Scheme Participant in accordance with clauses 5.7.2 and 5.7.3, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by the Target of the Bidder in the Register as the holder of the Scheme Shares. The Bidder's entitlement to be registered in the Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration by the Bidder in accordance with clause 5 and until the Target procures the registration of the Bidder as the holder of all Scheme Shares in the Register, each Scheme Participant:

- 8.4.1 is deemed to have irrevocably appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Shareholders' resolution whether in person, by proxy or by corporate representative;
- 8.4.2 undertakes not to attend or vote at any Shareholders' meetings or sign any Shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4.1);
- 8.4.3 must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- 8.4.4 acknowledges and agrees that in exercising the powers conferred by clause 8.4.1, the Bidder and any director, officer, secretary or agent nominated by the Bidder under that clause may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

### 8.5 Authority given to the Target

Each Scheme Participant, without the need for any further act:

- 8.5.1 on the Effective Date, irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:
- (a) enforcing the Deed Poll against the Bidder; and
  - (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to and to implement this Scheme and

the transactions contemplated by it, including executing, as agent and attorney of each Scheme Participant, the Scheme Transfer as contemplated by clause 4.2,

and the Target accepts such appointment; and

- 8.5.2 on the Implementation Date, irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) to do and execute all acts, matters, things and documents on the part of each Scheme Participant necessary to implement this Scheme, including (without limitation) executing, as agent and attorney of each Scheme Participant, the Scheme Transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5.1,

and the Target accepts such appointment.

The Target, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally, or jointly and severally).

## 8.6 **Binding effect of this Scheme**

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

---

## 9. **Interpretation**

- 9.1 In this Scheme, unless expressed to the contrary:

- 9.1.1 words denoting the singular include the plural and vice versa;
- 9.1.2 the word 'includes' in any form is not a word of limitation;
- 9.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 9.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this Scheme; and
- 9.1.5 a reference to:
  - (a) a gender includes all other genders;
  - (b) any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;
  - (c) any instrument (such as a deed, agreement or document) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time and from time to time;
  - (d) writing includes writing in digital form;
  - (e) 'this Scheme' is to this Scheme as amended from time to time;

- (f) 'A\$', '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
- (g) a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Scheme;
- (h) a reference to time in this Scheme is a reference to Western Standard Time as observed in Perth, Western Australia;
- (i) any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
- (j) a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
- (k) a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and
- (l) any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

9.2 A clause in this Scheme must not be construed adversely to a party merely because that party prepared it or caused it to be prepared.

---

## 10. General

### 10.1 Stamp duty

Bidder will:

- 10.1.1 pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to the Bidder pursuant to this Scheme or the Deed Poll; and
- 10.1.2 indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 10.1.1.

### 10.2 Consent

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

### 10.3 Notices

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

10.4 **Governing law and jurisdiction**

10.4.1 This Scheme is governed by the laws in force in New South Wales, Australia.

10.4.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.4.2(a).

10.5 **Further action**

The Target (on its own behalf and on behalf of each Scheme Participant) must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 **No liability when acting in good faith**

Each Scheme Participant agrees that none of the Target, the Bidder or any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



For personal use only



Maddocks

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**Attachment 3**  
**Deed Poll**

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## Maddocks

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DX 10284 Sydney Stock Exchange

## Deed Poll

**In favour of each person registered as a holder of fully paid ordinary shares in  
Ensurance Ltd ACN 148 142 634 as at the Record Date**

**PSC Insurance Group Limited**  
ACN 147 812 164

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## Deed Poll

### Parties

Name	<b>PSC Insurance Group Limited ACN 147 812 164</b>
Address	Level 4, 96 Wellington Parade, East Melbourne VIC 3002
Email	<a href="mailto:damian.rossi@pscinsurancegroup.com.au">damian.rossi@pscinsurancegroup.com.au</a>
Contact	Damian Rossi
Short name	<b>Bidder</b>

#### In favour of

Name	<b>Each person registered as a holder of fully paid ordinary shares in Ensurance Ltd ACN 148 142 634 as at the Record Date</b>
Short name	<b>Scheme Participant</b>

### Background

- A. On 8 August 2023, the Bidder and Ensurance Ltd ACN 148 142 634 (**Target**) entered into a scheme implementation deed (**Scheme Implementation Deed**).
- B. Under the Scheme Implementation Deed, the Bidder has, among other things, agreed to provide the Scheme Consideration to the Scheme Participants in consideration for the acquisition by the Bidder of all of the Scheme Shares (being all of the fully paid ordinary shares issued in the capital of the Target at the Record Date).
- C. In accordance with the Scheme Implementation Deed, the Bidder enters into this deed poll for the purpose of covenanting in favour of the Scheme Participants to perform its obligations and actions under the Scheme.

## 1. Definitions and Interpretation

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

The rules in clause 19 of the Scheme Implementation Deed apply in interpreting this deed poll (unless the context makes it clear that a rule is not intended to apply), save that references to 'Deed' in that clause will be taken to be references to 'deed poll'.

The Bidder acknowledges and agrees that:

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

## 2.1 Conditions

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

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

- 2.2.1 the Scheme Implementation Deed is terminated in accordance with its terms; or
- 2.2.2 the Scheme does not become Effective by the End Date,
- unless the Target and the Bidder otherwise agree in writing.

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

- 2.3.1 the Bidder is released from their obligations to further perform this deed poll; and

- 2.3.2 each Scheme Participant retains any rights, powers or remedies they have against the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

---

### **3. Scheme obligations and actions**

#### **3.1 Performance of the Scheme**

Subject to clause 2, the Bidder undertakes in favour of each Scheme Participant that it will duly and punctually observe and perform all obligations and actions attributed to it under the Scheme as if named as a party to the Scheme, including all obligations and actions attributed to it relating to the provision, or procuring the provision, of the Scheme Consideration, in accordance with the terms of the Scheme.

#### **3.2 Bidder Shares to rank equally**

The Bidder covenants in favour of each Scheme Participant that the Bidder Shares which are issued to Scheme Participants in accordance with the Scheme will:

- 3.2.1 rank equally with all other Bidder Shares on issue; and
- 3.2.2 be issued fully paid and free from any Security Interest.

---

### **4. Warranties**

The Bidder represents and warrants in favour of each Scheme Participant, in respect of itself, that it:

- 4.1.1 is a corporation validly existing under the laws of its place of incorporation;
- 4.1.2 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;
- 4.1.3 has not suffered an Insolvency Event;
- 4.1.4 has taken all necessary corporate action to authorise the 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; and
- 4.1.5 is legally bound by this deed poll, and this deed poll does not and will not result in a breach of, or default under any provision of, its constitution or any term of any order, judgment or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party.

---

### **5. Continuing obligations**

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

- 5.1.1 the Bidder having fully performed its obligations under this deed poll; or
- 5.1.2 termination of this deed poll under clause 2.2.

## 6.1 Further assurances

## 6.2 Stamp duty

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

- (a) in legible writing in English;
- (b) signed by the person making the communication or that person's duly authorised agent; and
- (c) given by hand delivery, pre-paid post or email in accordance with the details set out below:

Email: [catherine.merity@maddocks.com.au](mailto:catherine.merity@maddocks.com.au) and  
[rosamond.sayer@maddocks.com.au](mailto:rosamond.sayer@maddocks.com.au)

- (a) if delivered personally or left at the person's address, upon delivery;
- (b) if posted within Australia to an Australian address:
  - (i) using express post, 2 Business Days after posting; and
  - (ii) using any other prepaid post, 6 Business Days after posting;



- 6.3.3 Any notice or other communication that, pursuant to clause 6.3.2 would be deemed to be given:

- where references to time are to time in the place the recipient is located.

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

6.5.1 A party waives a right under this deed poll only by written notice by it that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

- 6.5.3 A provision of this deed poll may not be varied unless:

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

6.6.1 The rights of each Scheme Participant created by this deed poll must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of the Bidder.

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## 6.7

6.7.1 This deed poll is governed by the laws in force in New South Wales, Australia.

6.7.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.7.2(a).



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## Execution Page

**Executed** as a deed poll.

**Signed, sealed and delivered by PSC** )  
**Insurance Group Limited ACN 147 812 164** )  
in accordance with Section 127 of the  
*Corporations Act 2001* (Cth):

.....  
Signature of Director

.....  
Signature of Director/Company secretary

.....  
Print full name

.....  
Print full name