

12 October 2017

ASX Release

MANTRA GROUP'S BOARD UNANIMOUSLY RECOMMENDS SCHEME OF ARRANGEMENT WITH ACCORHOTELS

The Board of Directors of Mantra Group Limited (**Mantra** or the **Company**) (ASX:MTR) is pleased to announce that it has entered into a binding agreement with Accor S.A. (**AccorHotels**) whereby AccorHotels will acquire all of the shares of Mantra at a price of A\$3.96¹ cash per share (on a fully diluted basis), including a potential special dividend, by way of a scheme of arrangement (**Scheme**). A Scheme Implementation Agreement (**SIA**) has been signed to give effect to this Transaction.

Under the terms of the Scheme, Mantra shareholders will be entitled to receive A\$3.96 cash per share (**Cash Consideration**) subject to all applicable conditions being satisfied or waived and the Scheme being implemented. The Cash Consideration represents an implied market capitalisation of A\$1,182.2 million and an implied enterprise value of A\$1,254.6 million for the year ended 30 June 2017, on a fully diluted basis.²

In addition, Mantra will have the discretion to pay shareholders a special dividend of up to a maximum of 23.5 cents per share (**Special Dividend**) which will be deducted from the A\$3.96 headline value. The size of any potential special dividend (if declared) will be determined by the Mantra Board having regard to a range of factors, including the availability of franking credits.

Mantra's Board unanimously recommends the Scheme

The Directors of Mantra unanimously recommend that Mantra shareholders vote in favour of the Scheme, and intend to vote Mantra shares in their control in favour of the Scheme, in each case in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Mantra shareholders. The Scheme is also subject to certain regulatory approvals being met.

¹ Being A\$4.02 per share less the FY17 final dividend of A\$0.06 per share that has already been paid.

² Based on net debt of A\$72.4 million as at 30 June 2017 and 298,534,978 fully diluted shares on issue.

The Mantra Board recommends that Mantra shareholders vote in favour of the Scheme for the following reasons:

- **Significant premium:** The Cash Consideration of A\$3.96 per share represents an attractive premium of:
 - 22.6% over the previous closing price of Mantra shares on 6 October 2017, the last trading day prior to confirmation that Mantra received an indicative and non-binding proposal from AccorHotels;³
 - 29.2% over the 30 day volume weighted average price of Mantra shares up to and including 6 October 2017;⁴
 - 33.1% over the 90 day volume weighted average price of Mantra shares up to and including 6 October 2017.⁵
- **Attractive multiple:** The Cash Consideration of A\$3.96 per share equates to an Underlying FY17 P/E multiple⁶ of 23.7x and an Underlying FY17 EV/EBITDAI multiple of 12.4x, both of which are considered attractive.
- **Certainty of value:** the 100% cash proposal provides Mantra shareholders with certainty of value and the opportunity to realise in full their investment for cash.
- **Limited conditionality:** the Scheme is subject to limited conditions and is not subject to further financing arrangements or due diligence.

Mantra has appointed an Independent Expert to determine whether the Scheme is in the best of interests of Mantra shareholders. The Independent Expert's report will be included in a Scheme Booklet, which is expected to be distributed to shareholders in February 2018 (subject to the regulatory approval process).

Mantra's Chairman, Mr Peter Bush said: "Mantra's Board has concluded that the sale of the Company at a significant premium to market is an attractive outcome for shareholders. After careful consideration, the Board believes that the offer price of A\$3.96 cash per share recognises the strategic value of our business and our success in becoming a leading accommodation provider. The offer represents compelling value and provides an attractive opportunity for shareholders to realise this value."

Mr Bush also said "AccorHotels has a global capability and deep skills that will benefit Mantra's customers and provide opportunities for our team members".

AccorHotel's Chairman and CEO, Mr Sebastien Bazin, said: "We have long admired the Mantra business, both in respect of its brands and properties as well as its people and processes. We will be looking to bring together the best of both companies to provide an enhanced experience for our customers and employees in what is an exciting period of growth of the industry in Australia and New Zealand."

³ Last closing price of A\$3.23 on 6 October 2017.

⁴ Volume weighted average price of A\$3.07 adjusted for the FY17 final dividend of A\$0.06 per share.

⁵ Volume weighted average price of A\$2.98 adjusted for the FY17 final dividend of A\$0.06 per share.

⁶ Based on NPATA (net profit after tax adjusted to add back expense relating to amortisation of lease rights).

Details of the Scheme Implementation Agreement

The implementation of the Scheme is subject to a number of customary conditions including the approval of Mantra's shareholders and the Federal Court of Australia, as well as necessary regulatory approvals, including from Australia's Foreign Investment Review Board (**FIRB**) and the Australian Competition and Consumer Commission (**ACCC**).

The SIA contains customary exclusivity provisions. It also details the circumstances under which Mantra may be required to pay a reimbursement fee to AccorHotels, and those circumstances under which AccorHotels may be required to pay a reimbursement fee to Mantra. Full details of the terms and conditions of the Scheme are set out in the SIA, a copy of which is attached to this announcement.

Indicative timetable and next steps

Mantra shareholders do not need to take any action at the present time.

A Scheme Booklet containing information relating to the Scheme, the Independent Expert's report on whether the Scheme is in the best interests of Mantra shareholders, reasons for the Directors' recommendation, and details of the Scheme meeting is expected to be mailed to Mantra shareholders in February 2018.

Mantra shareholders will be given the opportunity to vote on the Scheme at a Scheme Meeting expected to be held in March 2018. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented by the end of March 2018. These dates are indicative and subject to change.

Mantra has retained Highbury Partnership Pty Ltd as financial adviser, and Baker McKenzie and Hogan Lovells as legal advisers.

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Scheme Implementation Agreement

Mantra Group Limited

AAPC Limited

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Title **Scheme Implementation Agreement**

Date 12 October 2017

Parties **Mantra Group Limited** (ABN 69 137 639 395) of Level 15, 50 Cavill Avenue
Surfers Paradise QLD 4217 (**Mantra**)

AAPC Limited (ACN 009 175 820) of Level 30, Angel Place, 123 Pitt Street,
Sydney NSW 2000 (**AAPC**)

Recitals

- A AAPC proposes to acquire all of the fully paid ordinary shares of Mantra by means of a scheme of arrangement under Part 5.1 of the Corporations Act.
- B Mantra and AAPC propose to implement the Scheme on the terms and conditions of this Agreement.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 In this Agreement, unless the context otherwise requires:

Agreed Dividend means a fully franked cash dividend of A\$0.06 in respect of the financial year ended 30 June 2017.

AAPC Group means AAPC and each of its Related Bodies Corporate.

AAPC Indemnified Party means each member of AAPC Group and their respective Representatives.

AAPC Information means information about AAPC provided by AAPC or its Representatives to Mantra in writing for inclusion in the Scheme Booklet, including:

- (a) information about AAPC, its Related Bodies Corporate, businesses and interests and dealings in Mantra Shares, its intentions for Mantra employees, and funding;
- (b) any other information required under the Corporations Act, Corporations Regulations or RG 60 to enable the Scheme Booklet to be prepared; and
- (c) any other information that the parties agree is AAPC Information and that is identified in the Scheme Booklet as such.

AAPC Reimbursement Fee means the Reimbursement Fee payable by AAPC to Mantra in accordance with clause 12.

AAPC Warranties means the representations and warranties of AAPC set out in clause 10.5.

ACCC means the Australian Competition and Consumer Commission.

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

AIFRS means the International Financial Reporting Standards as adopted in Australia.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Agreement and Mantra were the designated body.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market which it operates.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney and Brisbane.

Claim means a claim, notice, demand, action, proceeding, litigation, prosecution, arbitration, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute.

Competing Proposal means a proposed transaction or arrangement which if entered into or completed would mean that a person or persons other than AAPC or its Related Bodies Corporate will:

- (a) acquire or become the holder of, or have a right to acquire or have economic or beneficial interest in or control of, directly or indirectly, 20% or more of the business, assets, income or earnings of Mantra and its Subsidiaries, taken as a whole;
- (b) directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the ordinary shares in Mantra;
- (c) acquire Control of Mantra;
- (d) require Mantra to abandon, or otherwise not to proceed with, the Transaction; or
- (e) otherwise directly or indirectly acquire or merge with Mantra,

whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Competitively Sensitive Information has the meaning given in the Protocols.

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

Confidentiality Agreement means the Mutual Confidentiality Agreement between Mantra and AAPC dated 26 July 2017, and includes the Protocols that are annexed to that agreement.

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

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

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed to in writing by AAPC and Mantra.

Deed Poll means the deed poll to be executed by AAPC prior to the First Court Date substantially in the form of Annexure 3 or in such other form as the parties agree in writing, under which AAPC covenants in favour of Mantra Shareholders to perform its obligations under this Agreement and the Scheme.

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

Effective Date with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means:

- (a) 5.00 pm on 30 June 2018; or
- (b) such other date and time agreed in writing between Mantra and AAPC.

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

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

Fairly Disclosed means disclosed in sufficient detail so as to enable AAPC or a reasonable bidder experienced in transactions similar to the Transaction and experienced in a business similar to the business conducted by the Mantra Group, to identify the nature and scope of the relevant matter, event or circumstance.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee;
- (d) finance or capital lease;
- (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or

- (f) obligation to deliver goods or provide services paid for in advance by any financier.

FIRB means the Foreign Investment Review Board.

First Court Date means the date of the hearing by the Court of the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means a:

- (a) government, whether foreign, federal, state, territorial or local;
- (b) department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or
- (c) commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local,

and includes ASX, ASIC, the ACCC, FIRB and the Takeovers Panel.

GST means goods and services tax as defined in *A New Tax Systems (Goods and Services Tax) Act 1999* (Cth), or any like tax.

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 Mantra Shareholders present and voting, either in person or by proxy.

Implementation Date means the third Business Day after the Scheme Record Date.

Independent Expert means an expert independent of the parties engaged by Mantra to opine on whether the Scheme is fair and reasonable and in the best interests of Mantra Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Mantra for inclusion in the Scheme Booklet, which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interests of Mantra Shareholders, and includes any update of that report by the Independent Expert.

Insolvency Event means, in relation to an entity:

- (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;
- (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;
- (c) the entity executing a deed of company arrangement;
- (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this Agreement;
- (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or
- (f) the entity being deregistered as a company or otherwise dissolved.

Intellectual Property Rights means all intellectual and industrial property rights and interests throughout the world, whether registered or unregistered, including trade marks, designs, patents, inventions, semi-conductor, circuit and other eligible layouts, copyright and

analogous rights, trade secrets, know how, processes, concepts, confidential information and all other intellectual property rights as defined in Article 2 of the convention establishing the World Intellectual Property Organisation of 14 July 1967 as amended from time to time.

Listing Rules means the listing rules of ASX as amended from time to time.

Long Term Incentive Plan means Mantra's Long Term Incentive Plan dated November 2014 a copy of which was contained in the Mantra Due Diligence Information.

Mantra Board means the board of directors of Mantra as constituted from time to time.

Mantra Consolidated Tax Group the consolidated group of which Mantra is the head company (where 'consolidated group' and 'head company' have the same meaning as in the Tax Act).

Mantra Contract means any agreement, contract, deed or other arrangement or instrument to which a member of the Mantra Group is a party.

Mantra Data Room means the online data room located at https://dataroom.ansarada.com/_mvc/ProjectBastille%7C31443/1583996 maintained by or on behalf of Mantra and made available to AAPC and its Representatives.

Mantra Due Diligence Information means:

- (a) the documents and information contained in the Mantra Data Room;
- (b) written responses from Mantra or its Representatives to requests for further information made by AAPC and its Representatives,

in each case, which are made available in the Mantra Data Room before execution of this Agreement, as listed in the index in a form agreed by AAPC and Mantra prior to execution of this Agreement and initialled by AAPC and Mantra or their solicitors on their behalf for the purpose of identification.

Mantra Group means Mantra and each of its Subsidiaries.

Mantra Group Member means any member of the Mantra Group.

Mantra Indemnified Party means each member of Mantra Group and their respective Representatives.

Mantra Information means all information included in the Scheme Booklet other than AAPC Information and the Independent Expert's Report.

Mantra Management means Bob East, Stephen Hobson, Tomas Johnsson, Kevan Funnell, Mark Hodge, Michelle Lalli, St. John Lord, Cherie McGill, Luke Moran, Garry Rich and Fiona Van Wyk.

Mantra Material Adverse Change means an event, change, condition, matter, circumstance or thing occurring before, on or after the date of this Agreement (each a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be reasonably likely to have:

- (a) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Mantra Group taken as a whole;
- (b) without limiting the generality of paragraph (a) above:

- (i) the effect of a diminution in the value of the consolidated net assets of the Mantra Group, taken as a whole, by at least A\$47 million against what it would reasonably have been expected to have been but for such Specified Event; or
- (ii) the effect of a diminution in the consolidated earnings before interest and tax of the Mantra Group, taken as a whole, by at least A\$10 million in any financial year for the Mantra Group against what they would reasonably have been expected to have been but for such Specified Event,

other than those events, changes, conditions, matters, circumstances or things:

- (c) required or permitted by this Agreement, the Scheme or the transactions contemplated by either;
- (d) that are Fairly Disclosed:
 - (i) in the Mantra Due Diligence Information;
 - (ii) in publicly available ASX or ASIC filings by Mantra or any of its Subsidiaries since 19 June 2014;
- (e) relating to the Agreed Dividend and Special Dividend;
- (f) done or not done at the written request or with the written approval of AAPC (which approval must not be unreasonably withheld or delayed) and any direct consequences arising as a result of such matters;
- (g) resulting from a change to legislation or regulation, any judicial administrative interpretation of the law or any practice or policy of a Government Agency (whether or not retrospective in effect);
- (h) resulting from changes in generally accepted accounting principles or the interpretation of them;
- (i) arising in consequence of an act of war, terrorism or natural disaster; or
- (j) resulting from changes in general economic or political conditions or the securities market in general.

Mantra Prescribed Event means the occurrence of any of the following:

- (a) Mantra or any of its Subsidiaries converting all or any of its shares into a larger or smaller number of shares;
- (b) Mantra or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Mantra or any of its Subsidiaries entering into a buy-back agreement, or resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Mantra or any of its Subsidiaries issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option;
- (e) Mantra or any of its Subsidiaries issuing or agreeing to issue securities or other instruments convertible into shares or debt securities;

- (f) Mantra or any of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) Mantra or any of its Subsidiaries creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
- (h) Mantra or any of its Subsidiaries resolving that it be wound up;
- (i) a liquidator, provisional liquidator or administrator of Mantra or any of its Subsidiaries being appointed;
- (j) the making of an order by a court for the winding up of Mantra or any of its Subsidiaries;
- (k) Mantra or any of its Subsidiaries executing a deed of company arrangement;
- (l) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Mantra or any of its Subsidiaries being appointed;
- (m) Mantra or any of its Subsidiaries making any material change or amendment to its constitution, articles of incorporation or comparable governing documents; or
- (n) Mantra or any of its Subsidiaries making any change to their accounting practices or policies, other than to comply with generally accepted Australian accounting standards or AIFRS,

however none of the above events will constitute a Mantra Prescribed Event where:

- (a) AAPC has approved the event (which approval must not be unreasonably withheld or delayed) in writing;
- (b) the event was Fairly Disclosed:
 - (i) in the Mantra Due Diligence Information;
 - (ii) in publicly available ASX or ASIC filings by Mantra or any of its Subsidiaries since 19 June 2014;
- (c) Mantra or its Subsidiary (as the case may be) is required to undertake the event in connection with the Scheme or this Agreement in accordance with the terms of this Agreement or the Scheme;
- (d) the event is an issue of Mantra Shares on vesting (including accelerated or discretionary vesting) of Performance Rights, or the issue of Performance Rights under an employee incentive scheme in accordance with clause 8.3;
- (e) the event is a winding up, dissolution or other Insolvency Event in relation to a Mantra Group Member that is a dormant, unused or immaterial Subsidiary; or
- (f) it is required by law or by an order of a court or Government Agency.

Mantra Reimbursement Fee means the Reimbursement Fee payable by Mantra to AAPC in accordance with clause 12.

Mantra Share means an issued fully paid ordinary share in Mantra.

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

Mantra Shareholder Approval means a resolution by Mantra Shareholders in favour of the Scheme passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act or, in the circumstances contemplated by clause 3.16, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act.

Mantra Warranties means the representations and warranties of Mantra set out in clause 10.1.

Material Intellectual Property means any Intellectual Property Rights used in or relating to the business of the Mantra Group that are material in the context of the business of the Mantra Group taken as a whole.

Material Operational Contracts means:

- (a) contracts relating to management letting rights or hotel management rights, management agreements, marketing services agreements, franchise agreements, license agreements, development agreements, representation agreements, partnership agreements, caretaking, letting or building management agreements, to which a Mantra Member Group is a party; and
- (b) any real property leases to which a Mantra Group Member is a party.

Material Operational Contracts Loss means a loss of:

- (a) management, licence and reservation fees in relation to Material Operational Contracts of the kind listed in paragraph (a) of the definition of Material Operational Contracts; and
- (b) earnings before interest, tax, depreciation and amortisation attributable to Material Operational Contracts of the kind listed in paragraph (b) of the definition of Material Operational Contracts.

NZCC means the New Zealand Commerce Commission.

Officer means, in relation to an entity, its directors, officers, employees or agents.

Performance Right means a right granted under the Long Term Incentive Plan rules to acquire a Mantra Share subject to the terms of the Long Term Incentive Plan, as set out in clause 10.1(g)(ii) and any new Performance Rights granted in accordance with clause 8.3.

Performance Rights Holder means a person who holds a Performance Right.

Protocols means the 'Communication Protocols' and the 'Clean Team Protocols' that are annexed to the Confidentiality Agreement.

Register means the register of shareholders of Mantra maintained by or on behalf of Mantra in accordance with section 168(1) of the Corporations Act.

Regulator's Draft means the draft of the Scheme Booklet in a form which is agreed between the parties and that is provided to ASIC for approval pursuant to subsection 411(2) of the Corporations Act.

Regulatory Consents has the meaning given to that term in clause 3.1(f).

Related Body Corporate has the meaning given to that term in the Corporations Act.

Reimbursement Fee means A\$11,800,000.

Representative means, in relation to an entity:

- (a) each of the entity's Related Bodies Corporate; and
- (b) each of the Officers and Advisers of the entity or any of its Related Bodies Corporate.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Mantra and Scheme Shareholders, substantially in the form set out in Annexure 2 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Booklet means the explanatory statement to be prepared by Mantra in respect of the Transaction in accordance with the terms of this Agreement and to be dispatched to Mantra Shareholders.

Scheme Consideration means \$4.02 per Scheme Share, minus the per-share cash amount of the Agreed Dividend and Special Dividend.

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

Scheme Record Date means 7.00 pm on the third Business Day (or such other Business Day as the parties agree in writing) after the Effective Date.

Scheme Share means a Mantra Share as at the Scheme Record Date.

Scheme Shareholder means each person who holds Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

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

Special Dividend means a fully franked cash dividend of up to A\$0.235 per share to be determined by the Mantra Board (having taken advice from its external accounting advisers including as to the adequacy of profits and franking credits to pay the dividend) and to be disclosed in the Scheme Booklet, and to be paid by Mantra with a record date that is the Scheme Record Date or otherwise agreed.

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

Superior Proposal a bona fide Competing Proposal of the kind referred to in paragraphs (c) or (e) of the definition of Competing Proposal (and not resulting from a breach by Mantra or any of its Representatives of any of its obligations under clause 11 of this Agreement) which the Mantra Board acting in good faith, and after receiving written legal advice from its legal advisor and written financial advice from its financial adviser, determines:

- (a) is reasonably capable of being valued taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent and the identity of the proponent; and

- (b) would, if completed substantially in accordance with its terms, result in a transaction more favourable to Mantra Shareholders than the Transaction (as the Transaction may be amended or varied following application of the matching right set out in clause 11.6), taking into account all terms and conditions of the Competing Proposal.

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

Third Party means a person other than AAPC and its Related Bodies Corporate.

Timetable means the indicative timetable set out in Annexure 1.

Transaction means the proposed acquisition by AAPC, in accordance with the terms and conditions of this Agreement, of all Mantra Shares through the implementation of the Scheme.

Transition Committee a committee comprised of up to 5 senior Mantra executives and up to 5 senior AAPC executives, and other persons as agreed by the parties.

Treasurer has the same meaning as it has for the purposes of the FATA.

Interpretation

1.2 In this Agreement:

- (a) unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this Agreement) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (v) to a party means a party to this Agreement;
 - (vi) to an item, Recital, clause, Schedule or Annexure is to an item, Recital, clause, Schedule or Annexure of or to this Agreement;
 - (vii) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Agreement;
 - (viii) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators; and
 - (C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;

- (ix) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
- (x) to proceedings includes litigation, arbitration and investigation;
- (xi) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;
- (xii) to time is to prevailing Sydney time; and
- (xiii) to \$ means the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this Agreement;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

Construction

- 1.3 This Agreement may not be construed adversely to a party only because that party or its legal advisers were responsible for preparing it.

2. Agreement to propose Scheme

Proposal of Scheme

- 2.1 Mantra will propose and implement the Scheme in accordance with this Agreement and the Corporations Act.
- 2.2 AAPC will comply with its obligations under the Scheme and the Deed Poll, and provide reasonable assistance to Mantra in proposing and implementing the Scheme in accordance with this Agreement.

Timetable

- 2.3 The parties acknowledge the Timetable as an indicative timetable and will consult with each other regularly in relation to:
- (a) performing their respective obligations within the framework established by the Timetable; and
 - (b) any need to modify the Timetable.

3. Conditions precedent and pre-implementation steps

Conditions to Scheme

3.1 Subject to this clause 3, the Scheme will not become Effective and the obligations of the parties in relation to the Scheme (including the obligations of AAPC under clause 4) will not become binding until each of the following conditions is satisfied or waived (to the extent and in the manner set out in this clause 3):

- (a) **(Orders convening Scheme Meeting)** The Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act.
- (b) **(Mantra Shareholder Approval)** Mantra Shareholder Approval is obtained at the Scheme Meeting.
- (c) **(Court approval of Scheme)** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (d) **(Order lodged with ASIC)** An office copy of the Court order approving the Scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act on or before the End Date.
- (e) **(No prohibitive orders)** No law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction or Government Agency or other legal restraint or prohibition preventing or materially restricting the Scheme is in effect at 8.00am on the Second Court Date.
- (f) **(Regulatory Consents)** All approvals or consents required from any Government Agency to implement the Transaction are obtained (or deemed obtained) on terms which AAPC (acting reasonably) considers acceptable and not withdrawn, cancelled or revoked before 8.00am on the Second Court Date (**Regulatory Consents**), including:
 - (i) ASIC and ASX providing all consents, waivers and approvals and doing all other acts necessary or which AAPC and Mantra agree are reasonably desirable to implement the Scheme and such consents, waivers, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked before 8.00am on the Second Court Date;
 - (ii) **(FIRB)** either:
 - (A) the Treasurer giving a no objection notification under the FATA in respect of the Transaction either unconditionally or on terms that AAPC (acting reasonably) considers acceptable, and the period during which the acquisition may be made, as specified in the notification, has not elapsed; or
 - (B) the relevant periods specified in the FATA having elapsed such that the Treasurer is prohibited by section 77 of the FATA from making an order or decision in respect of the Transaction and the Transaction is not prohibited by section 82 of the FATA;
 - (iii) **(ACCC)** either:

- (A) AAPC receiving informal merger clearance on an unconditional basis or on terms and conditions that AAPC (acting reasonably) considers acceptable, in respect of the Transaction by notice in writing from the ACCC stating, or stating to the effect, that the ACCC does not propose to intervene or seek to prevent the Transaction, or any direct or indirect investment by AAPC or its Related Bodies Corporate in Mantra, and that notice has not been withdrawn, revoked or adversely amended by 8.00am on the Second Court Date; or
- (B) AAPC obtaining an unconditional authorisation, approval, notification or declaration of no restraint or intervention from the Australian Competition Tribunal or the Federal Court of Australia for the Transaction on terms and conditions that AAPC (acting reasonably) considers acceptable, and any direct or indirect investment by AAPC or its Related Bodies Corporate in Mantra, and such authorisation, approval, notification or declaration has not been withdrawn, revoked or adversely amended or appealed;
- (iv) (NZCC) the receipt by AAPC, in writing on terms and conditions that AAPC (acting reasonably) considers acceptable, of clearance pursuant to section 66 of the *New Zealand Commerce Act 1986* in respect of the Transaction.
- (g) **(No Mantra Prescribed Event)** No Mantra Prescribed Event occurs between (and including) the date of this Agreement and 8.00am on the Second Court Date.
- (h) **(No Mantra Material Adverse Change)** No Mantra Material Adverse Change occurs or otherwise becomes known to AAPC between (and including) the date of this Agreement and 8.00am on the Second Court Date.
- (i) **(Mantra Warranties)** Each of the Mantra Warranties being true and correct in all material respects on the date of this Agreement until 8.00am on the Second Court Date, as specified in clause 10.1.
- (j) **(AAPC Warranties)** Each of the AAPC Warranties being true and correct in all material respects on the date of this Agreement until 8.00am on the Second Court Date, as specified in clause 10.5.
- (k) **(Independent Expert's report)** The Independent Expert provides the Independent Expert's Report to Mantra, stating that in its opinion the Scheme is in the best interests of Mantra Shareholders, on or before the date on which the Scheme Booklet is registered with ASIC under the Corporations Act, and the Independent Expert does not change or publicly withdraw this conclusion before 8.00am on the Second Court Date.

Benefit and waiver of Conditions

- 3.2 The Conditions in clauses 3.1(e) and 3.1(f)(i) are for the benefit of both parties and any breach or non-fulfilment of any of them may only be waived in accordance with applicable law and with the written agreement of both parties.
- 3.3 The Conditions in clauses 3.1(j) and 3.1(k) are for the sole benefit of Mantra and any breach or non- fulfilment of any of them may only be waived by Mantra in writing.
- 3.4 The Conditions in clauses 3.1(g), 3.1(h) and 3.1(i) are for the sole benefit of AAPC and any breach or non-fulfilment of any of them may only be waived by AAPC in writing.

- 3.5 The Conditions in clauses 3.1(f)(ii) to 3.1(f)(iv) are for the sole benefit of AAPC and any breach or non-fulfilment of any of them may only be waived by AAPC in writing, provided that AAPC may not waive a Condition in clauses 3.1(f)(ii) to 3.1(f)(iv) if it would result in a contravention of any law by any AAPC Group Member or any Mantra Group Member.
- 3.6 The Conditions in clauses 3.1(a), 3.1(b), 3.1(c) and 3.1(d) cannot be waived.
- 3.7 Any waiver of the breach or non-fulfilment of any Condition by a party who is entitled to do so under this clause 3 is only effective if such waiver is in writing and a copy of the waiver is provided to the other party prior to 8.00am on the Second Court Date.
- 3.8 A party entitled to waive a Condition may do so in its absolute discretion. If the party who has the benefit of a Condition waives a breach or non-fulfilment of the Condition on one or more terms, and the other party agrees to those terms, then those terms will apply notwithstanding any inconsistency with clause 3.7. If the other party does not agree to the terms of any waiver, the relevant Condition will not be waived.

Procuring satisfaction of Conditions

- 3.9 AAPC must use reasonable endeavours to ensure that:
- (a) each of the Conditions in clause 3.1(f) and 3.1(j) is satisfied as expeditiously as possible after the date of this Agreement and in any event on or before the End Date, and continues to be satisfied at all times until the last time it is required to be satisfied (as the case may require), including by providing all reasonable assistance to Mantra which is necessary to satisfy such Conditions; and
 - (b) there is no occurrence within the control of AAPC or its Subsidiaries that would prevent any Condition in clause 3.1 from being satisfied (provided, for the avoidance of doubt, that this clause 3.9(b) does not limit AAPC's right to consider whether any terms and conditions attached to Regulatory Consents are acceptable to it (acting reasonably)).
- 3.10 Without limiting clause 3.9, AAPC must, subject to the Protocols:
- (a) consult with Mantra in good faith (including in relation to review of and comments on draft applications) and promptly apply for all Regulatory Consents (as applicable), and provide Mantra with a copy of all such applications;
 - (b) take all the steps for which it is responsible as part of the process to obtain the necessary Regulatory Consents, including responding to all requests for information in respect of an application for Regulatory Consent at the earliest practicable time;
 - (c) provide all information and assistance reasonably requested by the relevant Government Agency in respect of an application for Regulatory Consent;
 - (d) consult with Mantra in advance in relation to all material communications with any Government Agency relating to any Regulatory Consent; and
 - (e) reasonably consider any request from Mantra and its Representatives to be present and make submissions at any meetings with any Government Agency (and, if approved, permit Mantra and/or its Representatives to attend and make submissions at such meeting).
- 3.11 Mantra must use reasonable endeavours to ensure that:

- (a) each of the Conditions in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d), 3.1(e), 3.1(f), 3.1(g), 3.1(h), 3.1(i) and 3.1(k) is satisfied as expeditiously as possible and in any event on or before the End Date and continues to be satisfied at all times until the last time it is required to be satisfied (as the case may require);
- (b) there is no occurrence within the control of Mantra or its Subsidiaries that would prevent the Conditions from being satisfied (provided, for the avoidance of doubt, that this clause 3.11(b) does not limit Mantra's right to consider whether any terms and conditions attached to the Regulatory Consents referred to in clause 3.1(f)(i) are acceptable to it (acting reasonably)); and
- (c) it provides AAPC with all information and assistance reasonably requested by AAPC and the relevant Government Agency in connection with the application necessary to satisfy the Conditions in clause 3.1(f). Where the information is confidential or commercially sensitive to Mantra, it will provide the information in accordance with the Protocols or otherwise provide the information directly to the relevant Government Agency.

Failure of a Condition

3.12 Subject to clause 5.5, if the parties become aware that a Condition is not satisfied or has become incapable of being satisfied before the End Date and neither of the following has occurred:

- (a) the Independent Expert has opined to the effect that the Scheme is not in the best interests of Mantra Shareholders; or
- (b) a Superior Proposal has been received,

then unless the relevant Condition is (where capable of waiver) waived, the parties must consult in good faith with a view to determining whether:

- (c) the Scheme may proceed by way of alternative means or methods;
- (d) to extend the relevant time or date for satisfaction of the Conditions;
- (e) to change or adjourn the Second Court Date to another date agreed by the parties; or
- (f) to extend the End Date.

3.13 If the parties are unable to reach agreement under clause 3.12 within 5 Business Days of the date on which they both become aware that the relevant Condition is not satisfied or has become incapable of being satisfied (or, if earlier, by 8.00am on the Second Court Date), or the parties are not required in the circumstances to consult under clause 3.12, then unless the relevant Condition is waived (and subject to clause 3.14) the party entitled to the benefit of that Condition, or either party in the case of a Condition which is for the benefit of both of them, may terminate this Agreement at any time prior to 8.00am on the Second Court Date with immediate effect by written notice to the other party.

3.14 A party may not terminate this Agreement under clause 3.13 if a Condition has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the Condition from being satisfied, due to an act or omission by that party or any of its Related Bodies Corporate which:

- (a) results in a breach of this Agreement; and

- (b) either alone or together with other circumstances prevents that Condition being satisfied or capable of being satisfied.
- 3.15 For the avoidance of doubt, nothing in clauses 3.12 to 3.14 affects the obligation of Mantra or AAPC (as applicable) to pay the Reimbursement Fee to the other party if it is required to do so under clause 12.

Share splitting

- 3.16 If the Scheme is not approved by Mantra Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and AAPC and Mantra agree (acting reasonably) that Share Splitting or some other abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied, then Mantra must:
 - (a) apply for an order of the Court of the type 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
 - (b) make such submissions to the Court and file such evidence as counsel engaged by Mantra to represent it in Court proceedings related to the Scheme, in consultation with AAPC, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

Notice of changes

- 3.17 Each party must promptly notify the other party after it becomes aware that any Condition has been satisfied, has become incapable of being satisfied or is not reasonably capable of being satisfied.
- 3.18 Upon receipt of notice given under clause 3.17, a party must give notice to the notifying party as soon as practicable as to whether or not it waives the breach or non-fulfilment of any Condition which has become incapable of being satisfied.
- 3.19 Each party must promptly notify the other party of any change, matter, event or circumstance causing, or which is reasonably likely to cause:
 - (a) a representation or warranty in this Agreement to be breached; or
 - (b) a material breach of this Agreement,and must provide the other party with reasonable details of the relevant breach.

Certificates

- 3.20 On the Second Court Date:
 - (a) AAPC will provide a certificate to the Court confirming whether or not the Conditions in clauses 3.1(e), 3.1(f) and 3.1(j) have been satisfied or waived in accordance with the terms of this Agreement and must provide a draft of that certificate to Mantra by 4.00pm on the Business Day prior to the Second Court Date;
 - (b) Mantra will provide a certificate to the Court confirming whether or not the Conditions in clause 3.1 (other than the Conditions in clauses 3.1(c) and 3.1(j)) have been satisfied or waived in accordance with the terms of this Agreement and must

provide a draft of that certificate to AAPC by 4.00pm on the Business Day prior to the Second Court Date.

4. Scheme of arrangement

Scheme

- 4.1 Mantra will propose the Scheme, the general effect of which will be that, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to AAPC and Scheme Shareholders will be entitled to receive the Scheme Consideration for each Scheme Share held on the Scheme Record Date.
- 4.2 Mantra 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 AAPC (which consent must not be unreasonably withheld or delayed).
- 4.3 AAPC undertakes and warrants to Mantra (in its own right and separately as trustee or nominee for each Scheme Shareholder) that if the Scheme becomes Effective, AAPC will, in consideration for the transfer to AAPC of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, pay the Scheme Consideration to each Scheme Shareholder.
- 4.4 AAPC must, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the total Scheme Consideration for all Scheme Shares in an Australian dollar denominated trust account operated by Mantra as trustee for the Scheme Shareholders.
- 4.5 Subject to the Scheme becoming Effective, the transactions which form part of the Scheme will be implemented in the following sequence on the Implementation Date:
 - (a) each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder as at the Record Date; and
 - (b) in exchange, all existing Scheme Shares as at the Record Date will be transferred to AAPC.

Deed Poll

- 4.6 AAPC covenants in favour of Mantra (in its own right and separately as trustee for each of the Mantra Shareholders) to execute and deliver the Deed Poll prior to the First Court Date.
-

5. Implementation of the Scheme

Mantra's obligations

- 5.1 Mantra must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable, and, without limitation, including taking each of the following steps:
 - (a) **(Scheme Booklet)** Prepare the Scheme Booklet in compliance with all applicable laws and relevant Government Agency policies (in particular with the Corporations Act, ASIC guidance and policies, and the Listing Rules).

- (b) **(Commission the Independent Expert's Report)** Promptly appoint an Independent Expert to prepare and provide the Independent Expert's Report, and provide all reasonable assistance and information to the Independent Expert to enable it to do so.
- (c) **(Access to Register)** During the Exclusivity Period, provide AAPC with a complete copy of the Register upon reasonable request by AAPC and comply with any reasonable request of AAPC for Mantra to give directions to Mantra Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time (and provide AAPC with a copy of the beneficial holder analysis report showing the results of the directions and any beneficial holder analysis report each time it is obtained from Mantra's share registry).
- (d) **(Approval of AAPC Information)** Seek consent from AAPC for the form and context in which the AAPC Information appears in the Scheme Booklet.
- (e) **(Liaison with ASIC)** As soon as practicable, provide a draft Scheme Booklet to ASIC for review and approval for the purposes of section 411(2) of the Corporations Act, and liaise with ASIC to resolve any issues raised during the period of ASIC's consideration of the draft Scheme Booklet.
- (f) **(Section 411(17)(b) statement)** Apply to ASIC for:
 - (i) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (ii) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- (g) **(First Court hearing)** Apply to the Court for orders under section 411(1) of the Corporations Act directing Mantra to convene the Scheme Meeting.
- (h) **(Registration of Scheme Booklet)** If the Court directs Mantra to convene the Scheme Meeting, as soon as possible after such orders are made, request ASIC to register the Scheme Booklet in accordance with section 412(6) of the Corporations Act.
- (i) **(Convening Scheme Meeting)** Take all reasonable steps necessary to comply with the orders of the Court, including dispatching the Scheme Booklet to Mantra Shareholders, and convening and holding the Scheme Meeting.
- (j) **(Mantra new information)** Provide to Mantra Shareholders any further or new information which arises after the Scheme Booklet has been dispatched and prior to the Scheme Meeting which is necessary to ensure that the information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
- (k) **(Court approval)** If Mantra Shareholder Approval is obtained at the Scheme Meeting and, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied or waived on or prior to 8.00am on the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme.
- (l) **(Lodge copy of Court order)** Lodge with ASIC an office copy of the Court order approving the Scheme (if made) in accordance with section 411(10) of the Corporations Act by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by AAPC).
- (m) **(Implementation of the Scheme)** If the Scheme becomes Effective:

- (i) execute proper instruments of transfer of, and effect and register the transfer of, the Scheme Shares to AAPC on the Implementation Date;
 - (ii) provide AAPC and its share registry with all information necessary, or reasonably requested, in order to assist AAPC to pay the Scheme Consideration; and
 - (iii) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme.
- (n) **(Consultation)** Consult with AAPC in relation to the content and presentation of the documents required for the purpose of the Scheme, including:
 - (i) providing to AAPC the draft Scheme Booklet and the Independent Expert's Report for the purpose of enabling AAPC to review and comment on those draft documents. In relation to the Independent Expert's Report, AAPC's review is to be limited to a factual accuracy review;
 - (ii) taking all comments made by AAPC into account in good faith when producing a revised draft of the Scheme Booklet;
 - (iii) providing to AAPC a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and enable AAPC to review the Regulator's Draft before the date of its submission;
 - (iv) Court documents (such as the originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from AAPC and its Representatives on those documents.
- (o) **(ASIC and ASX review)** keep AAPC informed of any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by AAPC.
- (p) **(Compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations.
- (q) **(Listing)** subject to clause 5.1(r), not do anything to cause Mantra Shares to cease being quoted on ASX or to become permanently suspended from quotation prior to implementation of the Transaction unless AAPC has agreed in writing.
- (r) **(Suspension of trading)** apply to ASX to suspend trading in Mantra Shares with effect from the close of trading on the Effective Date.

AAPC's obligations

5.2 AAPC must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable, including taking each of the following steps:

- (a) **(AAPC Information)** Provide to Mantra, in a form appropriate for inclusion in the Scheme Booklet, the AAPC Information. AAPC must take all steps to ensure that AAPC Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) as at the date the Scheme Booklet is dispatched to Mantra Shareholders;

- (b) **(Confirmation of AAPC Information)** Promptly after Mantra requests that AAPC does so, confirm in writing to Mantra that it consents to the inclusion of the AAPC Information in the Scheme Booklet, in the form and context in which the AAPC Information appears.
- (c) **(Independent Expert's Report)** Promptly provide all assistance and information to the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet.
- (d) **(Assistance with Scheme Booklet and Court documents)** Promptly provide any assistance or information reasonably requested by Mantra or its Advisers in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to Mantra Shareholders) and any documents required to be filed with the Court in respect of the Scheme.
- (e) **(Review of Scheme Booklet)** As soon as reasonably practicable after delivery, review the drafts Scheme Booklet to be provided to ASIC for review and approval, and provide comments on that draft in good faith;
- (f) **(AAPC new information)** Provide to Mantra any further or new information which arises after the Scheme Booklet has been dispatched and prior to the Scheme Meeting which is necessary to ensure that the AAPC Information disclosed to Mantra Shareholders is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
- (g) **(Scheme Consideration)** If the Scheme becomes Effective, paying the Scheme Consideration in accordance with the terms and conditions of the Scheme and Deed.
- (h) **(Reasonable assistance)** Without limiting any obligation of AAPC under any other provision of this Agreement, provide any assistance or information reasonably requested by Mantra for the purpose of implementing the Scheme.
- (i) **(Compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations.

Conduct of Court proceedings

- 5.3 Nothing in this Agreement gives any party any right or power to make undertakings to the Court for or on behalf of another party without that party's written consent.
- 5.4 Each party agrees to give all undertakings to the Court in all Court proceedings which it is reasonably required to give (on an individual basis) to obtain Court approval and confirmation of the Scheme as contemplated by this Agreement.
- 5.5 If the Court refuses to grant an order convening the Scheme Meeting or approving the Scheme, the parties must consult with each other in good faith as to whether to appeal the Court's decision. If Mantra and AAPC agree to appeal the Court's decision, the parties will also agree the cost of the appeal which is to be borne by each party and any necessary extension to the End Date.
- 5.6 Subject to this Agreement, each party must use its reasonable endeavours to implement the Scheme in good faith and in a timely and co-operative fashion with the other party, and substantially in accordance with the Timetable.

Appointment of directors

- 5.7 As soon as practicable on or after the Implementation Date and subject to receipt by Mantra of signed consents to act from nominee directors of AAPC, Mantra must:
- (a) take all actions necessary to appoint nominees of AAPC to the Mantra Board and the board of directors of each member of the Mantra Group; and
 - (b) procure that those directors on the Mantra Board and the board of directors of each member of the Mantra Group which AAPC specifies, resign with immediate effect (and request that the relevant directors release Mantra from any claims they may have against a Mantra Group Member).

Deeds of Access, Indemnity and Insurance

- 5.8 AAPC acknowledges that, notwithstanding any other provision of this Agreement, Mantra may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for up to a 7-year period on terms consistent with the directors and officers run-off insurance policy Mantra has in place at the date of this Agreement, and that any actions to facilitate that insurance will not be a Mantra Prescribed Event or breach any provision of this Agreement.
- 5.9 Mantra receives and holds the benefit of clause 5.8 as trustee for each director and officer of a member of the Mantra Group.

6. Mantra Board recommendation

- 6.1 Subject to clause 6.2, Mantra must ensure that the Scheme Booklet includes:
- (a) a unanimous recommendation by the Mantra Board that Mantra Shareholders vote in favour of the Scheme, qualified by words to the effect of 'in the absence of a Superior Proposal' and 'subject to the independent expert concluding that the scheme is in the best interests of Mantra shareholders' (**Recommendation**); and
 - (b) a statement by each director of Mantra that he or she intends to vote in favour of the Scheme in respect of Mantra Shares held or controlled by that director, qualified by words to the effect of 'in the absence of a Superior Proposal' and 'subject to the independent expert concluding that the scheme is in the best interests of Mantra shareholders' (**Voting Intention**).
- 6.2 Mantra must use reasonable endeavours to procure that the Mantra Board collectively, and the members of the Mantra Board individually, do not withdraw, change, adversely modify or in any way qualify their Recommendation or Voting Intention unless:
- (a) Mantra has received a Superior Proposal and Mantra has complied with its obligations under clause 11;
 - (b) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Mantra Shareholders, or concludes that the Scheme is in the best interests of Mantra Shareholders but then changes or publicly withdraws this conclusion prior to 8.00am on the Second Court Date; or
 - (c) the Mantra Board or an individual director of Mantra has determined, after receiving written legal advice from its legal advisors, that failure to withdraw, change, modify or in any way qualify their Recommendation or Voting Intention would be reasonably

likely to constitute a breach of their fiduciary or statutory obligations as a director, or would otherwise be unlawful.

7. Transition

Access to information

- 7.1 Between (and including) 1 December 2017 and the Implementation Date, Mantra must, and must cause each other Mantra Group Member to:
- (a) afford to AAPC and its Representatives reasonable access to information (subject to any existing confidentiality obligations owed to third parties) and senior executives of the Mantra Group;
 - (b) keep AAPC reasonably informed of the conduct of the Mantra Group's business; and
 - (c) provide regular reports on the financial affairs of the Mantra Group, including providing the Mantra's Group's monthly management accounts;
- for the purpose of:
- (d) implementation of the Scheme;
 - (e) AAPC obtaining an understanding of the operations of the Mantra Group's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of the plans of AAPC for those businesses following implementation of the Scheme; and
 - (f) any other purpose agreed between the parties,
- provided that:
- (g) AAPC will focus on material issues, having regard to management commitments and the impact of providing the relevant information on Mantra's business;
 - (h) nothing in this clause will require Mantra to provide information concerning Mantra's directors and management's consideration of the Scheme;
 - (i) providing information to AAPC pursuant to this clause does not result in unreasonable disruptions to the Mantra Group's business;
 - (j) Mantra may provide to AAPC its records through the Mantra Data Room or at a place other than Mantra's business premises; and
 - (k) the parties acknowledge that their rights and obligations under this clause 7.1 shall be subject to the Protocols and all applicable laws or requirements of any Government Agency.
- 7.2 Between (and including) the date of this Agreement and the Implementation Date, Mantra must afford to AAPC and its Representatives:
- (a) reasonable access to Kevan Funnell, St. John Lord and Garry Rich; and
 - (b) continued access to the full Mantra Data Room and must continue to keep the Mantra Data Room reasonably updated in relation to material information regarding the conduct of the Mantra Group's business.

Transition Committee

7.3 Each party will, as soon as practicable after the date of this Agreement, notify the other party of its appointees to the Transition Committee.

7.4 Without limiting clause 7.1, between (and including) 1 December 2017 and the Implementation Date, the Transition Committee will, subject to the Protocols:

- (a) oversee implementation of the Scheme;
- (b) assist AAPC in obtaining an understanding of the operations and conduct of the Mantra Group's business;
- (c) seek to determine how to best integrate the AAPC Group's business and the Mantra Group's business;

provided that:

- (d) each party will focus on material issues, having regard to management commitments and the impact of providing the relevant information on the other party's business;
- (e) nothing in this clause will require either party to provide information concerning its directors' and management's consideration of the Scheme;
- (f) providing information pursuant to this clause does not result in unreasonable disruptions to either party's business;
- (g) the parties acknowledge that their rights and obligations under this clause 7.4 are subject to the Protocols and all applicable laws or requirements of any Government Agency,

and for the avoidance of doubt, the Transition Committee is a consultative body only that will make recommendations to the parties.

7.5 The parties must use all reasonable endeavours to procure that the Transition Committee meets (by teleconference) no less than once a month, commencing on 1 December 2017.

Change of control

7.6 For the purposes of clause 7.7:

- (a) AAPC will identify to Mantra any change of control termination rights in Mantra Contracts which may be triggered or exercised; and
- (b) Mantra will notify AAPC if it receives any written notice from any counterparty to a Mantra Contract that the counterparty terminates, or adversely varies, amends or modifies, or intends to do any of those matters in relation to, the relevant Mantra Contract, or exercise or enforce any right under that Mantra Contract which is adverse to the Mantra Group,

as a direct or indirect result of:

- (c) AAPC and Mantra entering into or implementing the Transaction or otherwise performing its obligations under this Agreement; or
- (d) AAPC acquiring Control of Mantra.

7.7 In respect of the Mantra Contracts identified or notified under clause 7.6:

- (a) Mantra and AAPC will agree a proposed course of action (which, among other things, will have due regard to applicable legal restrictions) and then Mantra will initiate contact, including joint discussions if required, with the relevant counterparties and request that they provide any consents or confirmations which are required or in Mantra's opinion appropriate. AAPC must not contact any such counterparties without Mantra being present or without Mantra's prior written consent (which is not to be unreasonably withheld or delayed);
 - (b) Mantra must take all reasonable action necessary to give any notifications required or obtain such consents or confirmations as expeditiously as possible, including by promptly providing any information reasonably required by counterparties;
 - (c) AAPC must cooperate with and use reasonable endeavours to assist Mantra to obtain such consents or confirmations as expeditiously as possible, including by promptly providing any information reasonably required by counterparties, and have appropriate senior Officers of AAPC attend meetings if reasonably requested or required by Mantra.
-

8. Performance Rights

Vesting of Performance Rights

- 8.1 Mantra must take such action as is necessary on or after the date on which Mantra Shareholder Approval is obtained and prior to the Scheme Record Date to ensure that any Performance Rights which have not already vested, vest and convert into Mantra Shares, including by procuring that the Mantra Board:
 - (a) resolves that Mantra Shareholder Approval constitutes a 'Change of Control Event' (as defined in the Long Term Incentive Plan);
 - (b) resolves to waive unsatisfied vesting conditions and accelerate the exercise period such that all Performance Rights convert or are exercised prior to the Scheme Record Date; and
 - (c) notify Performance Rights Holders of the accelerated vesting of their Performance Rights prior to the Scheme Meeting.
- 8.2 Mantra must, prior to the Scheme Record Date, issue the number of Mantra Shares required under the terms of the vested Performance Rights so that former Performance Rights Holders may participate in the Scheme.

New grants

- 8.3 Despite anything else in this Agreement, Mantra may grant up to a total of 481,357 Performance Rights after the date of this Agreement, provided those Performance Rights are dealt with in accordance with clause 8.1.
-

9. Conduct of business

Mantra business

- 9.1 During the Exclusivity Period, Mantra must:
 - (a) and must ensure that its Subsidiaries will conduct their businesses in the ordinary and proper course of business consistent with the manner in which each such business and

operations have been conducted in the 12 month period prior to the date of this Agreement; and

- (b) not enter into any material line of business or other material activities in which the Mantra Group is not engaged as at the date of this Agreement (whether by way of acquisition or otherwise).

9.2 Without limiting clause 9.1, during the Exclusivity Period, Mantra must, and must procure that each of its Subsidiaries:

- (a) use reasonable endeavours to preserve its relationships with customers, suppliers, licensors, licensees and joint venturers and others with whom it has material business dealings;
- (b) use reasonable endeavours to retain all directors and senior executives of the Mantra Group holding such positions on the date of this Agreement; and
- (c) maintain its assets in good working order as is reasonably necessary to operate all material aspects of its business.

Prohibited actions

9.3 Subject to clause 9.6, during the Exclusivity Period, Mantra must not, and must procure that each of its Subsidiaries does not:

- (a) undertake or agree to undertake capital expenditure in excess of \$2 million in aggregate in respect of the Mantra Group;
- (b) enter into any contract or commitment (including in respect of Financial Indebtedness) involving expenditure:
 - (i) individually, in excess of \$1 million per annum;
 - (ii) individually, in excess of \$5 million over the life of the contract or commitment; and
 - (iii) when aggregated with all such contracts or commitments of the Mantra Group, in excess of \$10 million per annum,

in each case excluding:

- (iv) any extension or renewal of any existing contract in accordance with the existing terms of the contract or pursuant to an existing option granted under the contract;
- (v) contracts entered into in the ordinary course of business, consistent with past practice of the Mantra Group, in relation to the day-to-day operation of the Art Series hotels and any other new Mantra Group hotels which are Fairly Disclosed in the Mantra Due Diligence Information;
- (c) enter into or vary any individual employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees whose total remuneration package is \$250,000 or more per annum;
- (d) pay bonuses to or otherwise accelerate or increase compensation or benefits for one or more of its officers, directors, other executives or employees (including the value of any share or other equity participation or benefit received as part of the package) except as required by law or any existing contract or agreement, provided that the

aggregate of all bonuses and increases in compensation or benefits (including those Fairly Disclosed) is no greater than A\$2,200,000 on an annual basis (save for CPI increases or other increases required by an existing contract or agreement, in each case, in respect of hotel and call centre employees of the Mantra Group);

- (e) acquire or dispose, or agree or offer to acquire or dispose, of any business, goodwill, tangible or fixed assets, entity or undertaking, the value of which exceeds \$2 million, individually or \$5 million across the Mantra Group when aggregated with all such businesses, goodwill, tangible or fixed assets, entities or undertakings;
- (f) pay an Officer a termination or retention payment, other than as provided for in an existing employment contract in place at the date of this Agreement and which is Fairly Disclosed in the Mantra Due Diligence Information;
- (g) in relation to Financial Indebtedness of the Mantra Group from, and debit balances of the Mantra Group with, any bank or other financial institution, increase that Financial Indebtedness from their levels as at the date of this Agreement as Fairly Disclosed in the Mantra Due Diligence Information (except for drawdowns on those facilities which are Fairly Disclosed in the Mantra Due Diligence Information, including as amended or varied in the manner Fairly Disclosed in the Mantra Due Diligence Information);
- (h) provide material financial accommodation to, (irrespective of what form of Financial Indebtedness that accommodation takes) or guarantee, indemnify or provide security for the obligations of, any person (except intra-group debt or Mantra's intra-group deed of cross guarantee disclosed to ASIC or as may be required under this Agreement);
- (i) exceed current bank borrowing or cash reserve limitations;
- (j) enter into, or agree to enter into, any material joint venture, partnership or similar arrangement;
- (k) take any action which would reasonably be expected to give rise to a Mantra Prescribed Event;
- (l) other than the Agreed Dividend and the Special Dividend each on one occasion, declare, pay or distribute any dividend, bonus or other share of its profits or assets or return or agree to return any capital to its members;
- (m) amending the terms of the Long Term Incentive Plan;
- (n) materially amend or modify any contracts relating to the Sihot and other key software used by the Mantra Group; or
- (o) sell, assign, transfer, license, waive, abandon or allow to lapse any Material Intellectual Property;
- (p) enter into a contract or commitment curtailing or restricting, or amend any existing contract or commitment to add or amend any provisions or undertakings curtailing or restricting, the kinds of businesses which a Mantra Group Member or its affiliates may conduct or restraining a Mantra Group Member or its affiliates from competing with any person or conducting activities in any market;
- (q) enter into a contract or other arrangement that:
 - (i) contains most favoured customer terms or pricing provision;

- (ii) grants any exclusive rights, rights of first refusal, rights of first offer, rights of first negotiation or other similar rights in favour of any Third Party, where the term of the contract exceeds 12 months,

or amend any existing contract or other arrangement to add or amend the provisions above;

- (r) waive any material Third Party default where the financial impact on the Mantra Group will be in excess of A\$100,000 (individually) or A\$500,000 (when aggregated with any other Third Party default waived after execution of this Agreement);
- (s) accept as a compromise of a matter less than the full compensation due to a member of the Mantra Group where the financial impact of the compromise on the Mantra Group is more than A\$100,000 (individually) or A\$500,000 (when aggregated with any other compromises made after execution of this Agreement);
- (t) enter into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
- (u) enter into, or resolve to enter into, a transaction with any related party of Mantra (other than a related party which is a member of the Mantra Group), as defined in section 228 of the Corporations Act;
- (v) enter into any enterprise bargaining agreement or similar agreement other than pursuant to contractual arrangements in effect on the date of this Agreement and which are Fairly Disclosed in the Mantra Due Diligence Information;
- (w) amending in any material respect any:
 - (i) arrangement with its Advisers, or entering into arrangements with a new Adviser, in respect of the Transaction or the acquisition by the Mantra Group of the Art Series hotel assets; or
 - (ii) broker or success fee arrangements, or entering into a new broker or success fee arrangements, where the fee level or fee estimate (including any success fee) in connection with the arrangement exceeds \$100,000; or
- (x) do anything that would result in a change in the Mantra Consolidated Tax Group.

9.4 During the Exclusivity Period, Mantra must not terminate, and must procure that no Mantra Group Member terminates, one or more Material Operational Contracts which could reasonably be expected to directly or indirectly result in Material Operational Contracts Loss of an aggregate of A\$10 million or more per annum.

Notification

9.5 From the date of this Agreement until the Second Court Date unless AAPC agrees otherwise in writing, subject to the Protocols, Mantra will promptly notify AAPC in writing:

- (a) of anything of which it becomes aware that:
 - (i) makes any material information publicly filed by Mantra (either on its own account or in respect of any other Mantra Group Member) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;

- (ii) makes any of the Mantra Warranties false, inaccurate, misleading or deceptive in any material respect; and
- (b) without limiting clause 9.5(a):
 - (i) upon Mantra or a Mantra Group Member becoming aware of any written notice or other communication from any Third Party alleging that its consent or approval is or may be required in connection with the Transaction;
 - (ii) any written notice from any counterparty to a Mantra Contract (other than a Mantra supplier contract) that there has been a material breach by a Mantra Group Member relating to that Mantra Contract (other than a Mantra supplier contract), or that such counterparty intends to terminate or rescind that Mantra Contract (other than a Mantra supplier contract);
 - (iii) of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Mantra Group;
 - (iv) of any material changes to its relationships with customers, suppliers, licensors, licensees and others with whom it has material business dealings; or
 - (v) of any departures of key employees and senior executives of the Mantra Group, being the employees identified as "Restricted Persons" for the purposes of clause 9.9 of the Confidentiality Agreement.

Permitted activities

- 9.6 Any restriction on conduct which is imposed in clause 9.3 does not apply to the extent that:
- (a) the conduct, or the intention to carry out the conduct, was Fairly Disclosed in the Mantra Due Diligence Information, or is conduct in respect of any actual or potential transactions that form part of Mantra's pipeline which were Fairly Disclosed;
 - (b) Mantra or its Subsidiary (as the case may be):
 - (i) is required to undertake the conduct in connection with the Scheme, or this Agreement;
 - (ii) is expressly permitted by this Agreement to undertake the conduct;
 - (iii) is required to undertake the conduct by law, or as a result of rights granted in connection with ASIC class order relief applicable in respect of a member of Mantra Group (which is Fairly Disclosed in the Mantra Due Diligence Information); or
 - (c) the conduct is approved by AAPC (which approval must not be unreasonably withheld or delayed); or
 - (d) it would be prohibited by the Protocols.

Dividends

- 9.7 Notwithstanding any other provision of this Agreement, Mantra may, but is not required to, determine or declare the Special Dividend. The record date for the Special Dividend is the Scheme Record Date unless otherwise agreed.

10. Warranties

Mantra Warranties

10.1 Mantra represents and warrants to AAPC (on its own behalf and separately as trustee for each of the other AAPC Indemnified Parties) at the date of this Agreement and on each subsequent day until and including 8:00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that, subject to any information Fairly Disclosed in the Mantra Due Diligence Information or otherwise Fairly Disclosed by Mantra or its Subsidiaries in publicly available ASX or ASIC filings since 19 June 2014:

- (a) it and each of its Subsidiaries is a corporation validly existing under the laws of its place of incorporation;
- (b) it has taken all necessary corporate action to authorise entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
- (d) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which any member of the Mantra Group is a party or is subject or by which any member of the Mantra Group is bound;
- (e) no Insolvency Event has occurred in relation to it or a Mantra Group Member (excluding any Mantra Group Members that are dormant, unused or immaterial Subsidiaries), nor has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this Agreement;
- (f) no Mantra Prescribed Event has occurred;
- (g) as at the date of this Agreement Mantra's issued equity securities comprise:
 - (i) 297,428,917 ordinary shares;
 - (ii) 624,704 Performance Rights,

and there are no other options, warrants, shares, performance rights, convertible notes or other securities on issue, or offers or agreements, and Mantra is under no obligation, to issue or grant any options, warrants, shares, performance rights, convertible notes or other securities, including any securities that may convert into Mantra Shares, other than arrangements to grant Performance Rights in accordance with clause 8.3;

- (h) as at the date of this Agreement, no member of the Mantra Group has received notice of:
 - (i) any material breach by a member of the Mantra Group of Australian or foreign laws or regulations applicable to them or orders of Australian or foreign Government Agencies having jurisdiction over them; or

- (ii) any failure to hold any material licences, authorisations and permits necessary for them to conduct the business of the Mantra Group as presently being conducted;
- (i) to the best of the knowledge of Mantra Management, as at the date of this Agreement:
 - (i) each member of the Mantra Group has complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign Government Agencies having jurisdiction over them; and
 - (ii) the Mantra Group have all material licences, authorisations and permits necessary for them to conduct the business of the Mantra Group as presently being conducted;
- (j) any company, partnership, trust, joint venture in which Mantra or another Mantra Group Member owns or has a material interest in is as notified in writing by Mantra to AAPC prior to entry into this Agreement;
- (k) it has provided complete and accurate information regarding fee levels or fee estimates in all:
 - (i) arrangements with its Advisers in respect of the Transaction and the acquisition by the Mantra Group of the Art Series hotel assets; and
 - (ii) broker or success fee arrangements where the fee level or fee estimate (including any success fee) in connection with the arrangement exceeds \$100,000;
- (l) the Mantra Information:
 - (i) will be prepared and included in the Scheme Booklet in good faith and on the understanding that AAPC and each other AAPC Indemnified Party will rely on that information for the purpose of determining to proceed with the Transaction;
 - (ii) will comply in all material respects with the requirements of the Corporations Act, applicable ASIC guidance and policies, and the Listing Rules;
- (m) the Mantra Information it has provided to the Independent Expert:
 - (i) will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
 - (ii) is accurate and not misleading or deceptive in any material respect and it has not omitted any information required to make the information provided to the Independent Expert not materially misleading or deceptive;
- (n) as at the date the Scheme Booklet is dispatched to Mantra Shareholders, the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the AAPC Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (o) it is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the Corporations Act, and Mantra is not relying on Listing Rule

3.1A to withhold any information from disclosure other than in relation to the Transaction;

- (p) it has collated and prepared all of Mantra Due Diligence Information in good faith for the purposes of a due diligence process, and to the best of the knowledge of the Mantra Management, each having made reasonable enquiries, being Officers of Mantra who were involved in the due diligence process:
 - (i) the information contained in the Mantra Due Diligence Information is accurate in all material respects;
 - (ii) Mantra has not included any such information in the Mantra Due Diligence Information that is misleading in any material respect; and,
 - (iii) no such information has been omitted from the Mantra Due Diligence Information that would render the Mantra Due Diligence Information misleading in any material respect; and
- (q) it is not aware of any information relating to the Mantra Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this Agreement that has or could reasonably be expected to give rise to a Mantra Material Adverse Change that has not been Fairly Disclosed in publicly available ASX or ASIC filings by Mantra or any of its Subsidiaries since 19 June 2014 or in the Mantra Due Diligence Information; and
- (r) to the best of the knowledge of Mantra Management, as at the date of this Agreement, there does not exist any material breach or material default on the part of a Mantra Group Member or any other party to a Material Operational Contract.

Mantra indemnity

- 10.2 Mantra agrees with AAPC (on AAPC's own behalf and separately as trustee for each of the other AAPC Indemnified Parties) to indemnify and keep indemnified the AAPC Indemnified Parties from and against all Claims, liabilities and loss which any of the AAPC Indemnified Parties may suffer or incur by reason of any breach of any of the Mantra Warranties.
- 10.3 For the purposes of clause 10.2, AAPC is taken to be acting as agent and trustee on behalf of and for the benefit of each of the AAPC Indemnified Parties. Mantra acknowledges that AAPC and each of the AAPC Indemnified Parties may bring action directly against Mantra in respect of any breach of the Mantra Warranties.
- 10.4 The indemnities in this Agreement (including in clause 10.2):
 - (a) are severable;
 - (b) are a continuing obligation;
 - (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Agreement; and
 - (d) will survive termination of this Agreement.

AAPC Warranties

- 10.5 AAPC represents and warrants to Mantra (on its own behalf and separately as trustee for each of the other Mantra Indemnified Parties) at the date of this Agreement and on each subsequent

day until and including 8:00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has taken all necessary corporate action to authorise entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
- (d) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which AAPC is a party or is subject or by which AAPC is bound;
- (e) it has obtained (or will comply with clause 3.9 with a view to obtaining, prior to 8.00am on the Second Court Date) all necessary consents and approvals, including all Regulatory Consents required, to enable it to perform this Agreement;
- (f) the AAPC Information provided will:
 - (i) comply in all material respects with the requirements of the Corporations Act, applicable ASIC guidance and policies, and the Listing Rules; and
 - (ii) be provided on the understanding that each of the Mantra Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet, and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (g) all AAPC Information provided by or on behalf of AAPC to the Independent Expert to enable the Independent Expert's Report to be prepared and completed:
 - (i) is accurate and not misleading or deceptive in any material respect (whether by omission or otherwise); and
 - (ii) will be provided on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Scheme Booklet; and
- (h) as at the date the Scheme Booklet is dispatched to Mantra Shareholders, the AAPC Information, in the form and context in which it appears in the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be false, misleading or deceptive in any material respect (whether by omission or otherwise);
- (i) all information in relation to AAPC included in the submission provided by AAPC to the ACCC for the purposes of seeking to satisfy the Condition in clause 3.1(f)(iii) is, to the best of the knowledge of Lindsay Leaser (AAPC's Vice President of Development Pacific), materially complete, accurate and not misleading in all material respects (including by omission); and
- (j) at 8.00am on the Second Court Date, AAPC will have available to it, sufficient cash amounts from internal cash resources or external funding (including debt financing) to satisfy AAPC's obligation to pay the Scheme Consideration in accordance with this Agreement and the Deed Poll.

AAPC indemnity

- 10.6 AAPC agrees with Mantra (on Mantra's own behalf and separately as trustee for each of the other Mantra Indemnified Parties) to indemnify and keep indemnified the Mantra Indemnified Parties from and against all Claims, liabilities and loss which any of the Mantra Indemnified Parties may suffer or incur by reason of any breach of any of the AAPC Warranties.
- 10.7 For the purposes of clause 10.6, Mantra is taken to be acting as agent and trustee on behalf of and for the benefit of each of the Mantra Indemnified Parties. AAPC acknowledges that Mantra and each of the Mantra Indemnified Parties may bring action directly against AAPC in respect of any breach of the AAPC Warranties.
- 10.8 The indemnities in this Agreement (including in clause 10.6):
- (a) are severable;
 - (b) are a continuing obligation;
 - (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Agreement; and
 - (d) will survive termination of this Agreement.

Release

- 10.9 Each party:
- (a) releases its rights against, and will not make any Claim against, any past or present Representative of the other party (other than a member of the AAPC Group or the Mantra Group (as the case may be)) in relation to anything done or purported to be done in connection with the Scheme, any transaction contemplated by or warranty given in this Agreement, any information provided to it by the other party or in relation to its execution or delivery of this Agreement, to the extent that the past or present Representative has acted in good faith and has not engaged in any wilful misconduct. Nothing in this clause 10.9(a) excludes any liability that may arise from wilful misconduct or bad faith on the part of any person; and
 - (b) holds the releases in clause 10.9(a) in respect of its past and present Representatives as trustee for those Representatives.
- 10.10 Each AAPC Warranty and Mantra Warranty:
- (a) is severable;
 - (b) will survive termination of this Agreement; and
 - (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this Agreement.

No other warranties or reliance

- 10.11 Each party acknowledges that no other party (nor any person acting on that other party's behalf) has made any warranty, representation or other inducement to it to enter into this Agreement, except for the representations and warranties expressly set out in this Agreement.
- 10.12 Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any warranty, representation or other inducement by or on behalf of any other party, except for any warranty or representation expressly set out in this Agreement.

11. Exclusivity

No existing discussions

- 11.1 Mantra represents and warrants to AAPC that it is not in any negotiations or discussions in respect of any Competing Proposal with any other person.

No shop and no talk

- 11.2 During the Exclusivity Period, Mantra must not, and must ensure that each of its Representatives does not, directly or indirectly:
- (a) **(no shop)** solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.2(a); or
 - (b) **(no talk)** subject to clause 11.3:
 - (i) participate in or continue any negotiations or discussions with any Third Party in relation to, or which would reasonably be expected to lead to the making of, an actual, proposed or potential Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (iii) disclose or otherwise provide any material non-public information about the business or affairs of the Mantra Group to a Third Party with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Mantra Group); or
 - (iv) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.2(b).

Fiduciary exception

- 11.3 Clauses 11.2(b) does not prohibit or require any action or inaction by Mantra or any of its Representatives in relation to an actual, proposed or potential Competing Proposal to the extent that compliance with that clause would, in the opinion of the Mantra Board, formed in good faith after receiving written advice from its external legal advisers, constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of Mantra, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of this clause 11.

Notification of approaches

- 11.4 During the Exclusivity Period, Mantra must as soon as possible, and in any event, within 2 Business Days of becoming aware of any of the matters set out below, notify AAPC in writing if it, or any of its Representatives, becomes aware of any:
- (a) negotiations or discussions, approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

- (b) proposal made to Mantra or any of its Representatives, in connection with, or in respect of any exploration or completion of, a Competing Proposal; or
- (c) provision by Mantra or any of its Representatives of any material non-public information concerning the business or operations of Mantra or the Mantra Group to any to a Third Party in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in paragraphs (a) to (c) may only be taken by Mantra if not prohibited by clause 11.2.

11.5 In a notification given under clause 11.4, Mantra must disclose to AAPC:

- (a) the fact that the approach has been made, the nature of any Competing Proposal, all material details of the Competing Proposal, and in the case of clause 11.4(c), all the information which is being made available provided that any Competitively Sensitive Information disclosed will only be used and accessed by AAPC in accordance with the Protocols; and
- (b) the identity of the Third Party making or proposing the relevant actual, proposed or potential Competing Proposal.

Matching right

11.6 Without limiting clause 11.2, during the Exclusivity Period, Mantra must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Mantra or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal unless:

- (a) the Mantra Board acting in good faith determines that the Competing Proposal is a Superior Proposal;
- (b) Mantra has provided AAPC with the information required by clause 11.5, including all material terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal;
- (c) Mantra has given AAPC at least 5 Business Days after the date of the provision of the information referred to in clause 11.6(b) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and
- (d) AAPC has not proposed to Mantra or announced a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 5 Business Day period in clause 11.6(c) above,

and Mantra agrees that each successive material modification of a proposed Competing Proposal will constitute a new proposed Competing Proposal for the purposes of the requirements of this clause 11.6.

11.7 If AAPC proposes to Mantra amendments to the Scheme that constitute a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (**Bidder Counterproposal**) by the expiry of the 5 Business Day period in clause 11.6(c) above, Mantra must procure that the Mantra Board considers the Bidder Counterproposal and if the Mantra Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Mantra Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and

conditions of the Bidder Counterproposal, then Mantra and AAPC must use their best endeavours to agree the amendments to this Agreement that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable, and Mantra must use its best endeavours to procure that each of the directors of Mantra continues to recommend the Transaction (as modified by the Bidder Counterproposal) to Mantra Shareholders.

12. Reimbursement Fee

Background to Reimbursement Fee

- 12.1 AAPC and Mantra acknowledge that, if they enter into this Agreement and the Scheme is subsequently not implemented, each party will incur significant costs, including those set out in clause 12.8.
- 12.2 In these circumstances, the parties agree that provision should be made for the payments outlined in clauses 12.4 and 12.5, without which neither AAPC nor Mantra would have entered into this Agreement or otherwise agreed to implement the Scheme.
- 12.3 Each of AAPC and Mantra represents and warrants that:
- (a) it has taken advice from its legal advisors and financial advisors on the operation of this clause 12; and
 - (b) it considers that the implementation of the Scheme will provide benefits to it and that it is appropriate for it to agree to the payments referred to in clauses 12.4 and 12.5 in order to secure the other party's participation in the Transaction.

Mantra Reimbursement Fee triggers

- 12.4 Mantra must pay the Mantra Reimbursement Fee to AAPC, without set-off or withholding, if:
- (a) during the Exclusivity Period, any one or more members of the Mantra Board fails to recommend the Scheme or withdraws, adversely revises or adversely qualifies his or her support of the Scheme or his or her recommendation that Mantra Shareholders vote in favour of the Scheme, or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason, unless:
 - (i) the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or addendum to, that report) that the Scheme is not in the best interest of Mantra Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal); or
 - (ii) Mantra has the right to terminate this Agreement under clause 13.1 and has given the appropriate termination notice to AAPC;
 - (b) during the Exclusivity Period, any one or more members of the Mantra Board recommends that Mantra Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Mantra Shares held or controlled by him or her), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;

- (c) a Competing Proposal of any kind is announced by a Third Party during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 9 months of the date of such announcement, that Third Party or any Associate of that Third Party:
 - (i) completes a Competing Proposal or enters into a Competing Proposal which is subsequently completed;
 - (ii) without limiting clause 12.4(c)(i), acquires (either alone or in aggregate) a Relevant Interest in more than 50% of Mantra Shares or acquires (either alone or in aggregate) Control of Mantra;
- (d) a Mantra Prescribed Event occurs after the date of this Agreement; or
- (e) AAPC has terminated this Agreement pursuant to clause 13.1(a) and the Transaction does not complete.

AAPC Reimbursement Fee triggers

- 12.5 AAPC must pay the AAPC Reimbursement Fee to Mantra, without set-off or withholding, if Mantra has terminated this Agreement pursuant to clause 13.1(a) and the Transaction does not complete.

Timing of payment of Reimbursement Fee

- 12.6 A demand by either party for payment of the Reimbursement Fee under clause 12.4 or 12.5 (as applicable) must:
- (a) be in writing;
 - (b) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (c) state the circumstances which give rise to the demand; and
 - (d) nominate an account in the name of the party into which the other party is to pay the Reimbursement Fee.
- 12.7 The party paying the Reimbursement Fee must pay the amount into the account nominated by the other party, without set-off or withholding, within 5 Business Days after receiving a demand for payment where the party is entitled under clause 12.4 or 12.5 (as applicable) to the Reimbursement Fee.

Basis of Reimbursement Fee

- 12.8 The Reimbursement Fee has been calculated to reimburse each party for costs including the following:
- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
 - (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 by the party and the party's employees, advisers and agents in planning and implementing the Transaction,

and the parties agree that:

- (e) the costs actually incurred by each party will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Reimbursement Fee is a genuine and reasonable pre-estimate of those costs.

Compliance with law and policy

12.9 This clause 12 does not impose an obligation on a party to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:

- (a) is declared by the Takeovers Panel to constitute ‘unacceptable circumstances’; or
- (b) is determined to be unenforceable or unlawful by a court,

provided that all proper avenues of appeal and review, judicial and otherwise, have been exhausted.

Reimbursement Fee payable only once

12.10 Where the Reimbursement Fee becomes payable to a party under clause 12.4 or 12.5 (as applicable) and is actually paid to the party, that party cannot make any claim against the other party for payment of any subsequent Reimbursement Fee.

Limitation of liability

12.11 Notwithstanding any other provision in this Agreement (including any indemnities), but subject to clause 12.9:

- (a) the maximum liability of a party to the other party under or in connection with this Agreement including in respect of any breach of the Agreement will be the Mantra Reimbursement Fee referred to in clause 12.4 or the AAPC Reimbursement Fee referred to in clause 12.5 (as applicable); and
- (b) a payment by a party in accordance with this clause 12 represents the sole and absolute liability of that party under or in connection with this Agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by that party in connection with this Agreement.

No Reimbursement Fee if Scheme Effective

12.12 Despite anything to the contrary in this Agreement, the Reimbursement Fee will not be payable to a party if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.4 or 12.5 (as applicable) and, if the Reimbursement Fee has already been paid it must be refunded by the party that has received the Reimbursement Fee.

13. Termination

Termination by either party

13.1 Without limiting any other termination rights under this Agreement, either party may terminate this Agreement by giving the other party written notice at any time before 8.00am on the Second Court Date:

- (a) if the:

- (i) other party is in material breach of any term of this Agreement, or there has been a material breach of a representation or warranty given by the other party under clauses 10.1 or 10.5 (as applicable) before the Second Court Date; and
- (ii) the party wishing to terminate this Agreement has given the other party a written notice setting out details of the breach and stating its intention to terminate this Agreement; and
- (iii) the breach has not been remedied 5 Business Days (or any shorter period ending immediately before 8.00am on the Second Court Date) from the date the notice under clause 13.1(a)(ii) is given;
- (b) in the circumstances set out in, and in accordance with, clause 3.13; or
- (c) if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date.

Termination by AAPC

13.2 AAPC may terminate this Agreement by giving Mantra written notice at any time before 8.00am on the Second Court Date if any member of the Mantra Board:

- (a) fails to recommend the Scheme or withdraws, adversely revises or adversely qualifies his or her support of the Scheme or his or her recommendation that Mantra Shareholders vote in favour of the Scheme, or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason; or
- (b) recommends that Mantra Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Mantra Shares held or controlled by him or her), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period.

Termination following Superior Proposal

13.3 Without limiting any other termination rights under this Agreement, Mantra may terminate this Agreement by giving written notice to AAPC at any time before 8.00am on the Second Court Date if at least a majority of the Mantra Board:

- (a) publicly recommend a Superior Proposal, as permitted under clause 6.2;
- (b) do not, within 3 Business Days, reinstate their recommendation of the Transaction; and
- (c) Mantra has paid the Mantra Reimbursement Fee to AAPC (if that fee is payable in accordance with clause 12.4).

Effect of termination

13.4 If any party terminates this Agreement under clauses 3 or 13, this Agreement and the parties' obligations under it cease, other than clauses 1, 10.4, 10.8, 10.9, 10.10, 12, 13.4, 14 and 15.2, which will survive termination.

- 13.5 Termination of this Agreement under clauses 3 or 13 does not affect any accrued rights of a party in respect of a breach of this Agreement prior to termination.
-

14. Confidentiality, Protocols and public announcements

Confidentiality and Protocols

- 14.1 The parties continue to be bound by the Confidentiality Agreement, provided that if there is any conflict or inconsistency between the terms of this Agreement and the Confidentiality Agreement, the terms of this Agreement will prevail to the extent of the conflict or inconsistency.
- 14.2 Notwithstanding any other provision of this Agreement, where this Agreement requires a party to provide information or materials to the other party, that requirement is subject to the condition that any "competitively sensitive information" (as defined in the Protocols) so provided will only be accessed and used by the other party in accordance with the Protocols.
- 14.3 The standstill restrictions set out in clause 9 of the Confidentiality Agreement continue to apply to AAPC for the balance of the 9 month period referred to in clause 9.2 of the Confidentiality Agreement, in accordance with the terms of the Confidentiality Agreement.

Public announcements

- 14.4 Immediately after the execution of this Agreement, Mantra must issue a public announcement about the Transaction in a form agreed to by AAPC (acting reasonably).
- 14.5 Except as permitted under clause 14.4, neither party may make a public announcement about this Agreement (including any termination of this Agreement), the Scheme Booklet or the Scheme unless:
- (a) the other party has given its prior approval to form of the announcement (acting reasonably); or
 - (b) any applicable law or the Listing Rules requires an announcement to be made, subject to clause 14.6.
- 14.6 If applicable law or the Listing Rules require a party to make an announcement or disclosure about the subject of this Agreement, the Scheme Booklet or the Scheme, that party may only do so after it has given the other party prior notice (of at least 1 Business Day if possible, subject to complying with all applicable laws and the Listing Rules) and consulted with the other party about the form and content of the announcement or disclosure.

Statements on termination

- 14.7 Without limiting clause 14.5, the parties must act in good faith and use all reasonable endeavours to issue an agreed statement or announcement in respect of any termination of this Agreement.
-

15. Notices

Requirements

- 15.1 All notices must be:
- (a) in legible writing and in English;

- (b) addressed to the recipient at the address or fax number set out below or to any other address or fax number that a party may notify to the other:

to **Mantra**:

Address:	Level 15, 50 Cavill Avenue Surfers Paradise QLD 4217
Attention:	St John Lord, General Counsel with a copy to: Lauren Magraith / Guy Sanderson, Baker McKenzie
Fax no:	+61 2 9225 1595 (Any notice provided by facsimile must also be provided by email to the addresses set out below)
Email:	stjohn.lord@mantragroup.com.au fiona.vanwyk@mantragroup.com.au with a copy to: Lauren.Magraith@bakermckenzie.com Guy.Sanderson@bakermckenzie.com

to **AAPC**:

Address:	Level 30, Angel Place, 123 Pitt Street, Sydney NSW 2000
Attention:	Jenny Selby, General Counsel Pacific with a copy to: Rebecca Maslen-Stannage / Malika Chandrasegaran Herbert Smith Freehills
Fax no:	+612 9280 9939 with a copy to: +61 2 9322 4000
Email:	Jenny.SELBY@accor.com / COSEC.AU@accor.com with a copy to: Rebecca.Maslen-Stannage@hsf.com Malika.Chandrasegaran@hsf.com

- (c) signed by the party making the communication or by a person duly authorised by that party; and

- (d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia), email or facsimile.

Receipt of notices

15.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the receiving party;
- (b) if sent by prepaid post, 2 Business Days (if posted within Australia to an address in Australia) or 5 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to the receiving party's fax number; or
- (d) if sent by email, the first to occur of:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email),

unless the sender receives an automated message that that email has not yet been delivered or an automated "out of office" reply,

but if a notice is served by hand, or is received by the receiving party's fax or email system, on a day that is not a Business Day, or after 5:00pm on a Business Day, the notice will be considered to have been received by the receiving party at 9.00am on the next Business Day.

16. General

Entire agreement

16.1 To the extent permitted by law, in relation to the subject matter of this Agreement, this Agreement:

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

Further assurances

16.2 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

GST

16.3 Unless expressly included, the consideration for any supply under or in connection with this Agreement does not include GST.

- 16.4 To the extent that any supply made by a party to another party (**Recipient**) under or in connection with this Agreement is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Agreement for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- 16.5 The amount of GST payable in accordance with clause 16.4 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

Costs

- 16.6 Subject to clause 16.7, each party must bear its own costs and expenses (including professional fees and stamp duty) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the implementation or attempted implementation of the Scheme.

Stamp duty

- 16.7 AAPC must pay all stamp duty and any related fines or penalties in respect of this Agreement, the Deed Poll and the acquisition of the Scheme Shares in accordance with the Scheme and indemnify Mantra (on Mantra's own behalf and separately as trustee or nominee for the other Mantra Indemnified Parties and Mantra Shareholders) against any liability arising from failure to comply with this clause 16.7.

No merger

- 16.8 The rights and obligations of the parties do not merge on completion of any transaction contemplated under this Agreement. They survive the execution and delivery of any assignment or other document entered into to implement any transaction contemplated under this Agreement.

Assignment

- 16.9 A party cannot assign, novate or otherwise transfer or deal in any other way with any of its rights or obligations under this Agreement without the other party's prior written consent, which consent may be withheld at the absolute discretion of the party from whom consent is sought.

Waiver and exercise of rights

- 16.10 A waiver by a party of a provision of, or of a right under, this Agreement is only binding on the party granting the waiver if it is given in writing and is signed by the party or an authorised officer of the party granting the waiver.
- 16.11 A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- 16.12 A single or partial exercise of a right by a party does not preclude another exercise of that right or the exercise of another right.
- 16.13 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the party so failing or exercising its right from later doing so.

Amendment

- 16.14 Except as expressly provided to the contrary in this Agreement, this Agreement may only be amended by a document signed by or on behalf of each party.

Counterparts

- 16.15 This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

Rights cumulative

- 16.16 Except as expressly provided to the contrary in this Agreement or as permitted by law, the rights, powers and remedies provided in this Agreement are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Agreement.

Consents or approvals

- 16.17 A party may give its approval or consent conditionally or unconditionally, or withhold its approval or consent, in its absolute discretion unless this Agreement expressly provides otherwise.

Governing law and jurisdiction

- 16.18 This Agreement is governed by the laws of New South Wales.
- 16.19 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Execution

Executed as an agreement.

Signed by
Mantra Group Limited
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)


Signed by
AAPC Limited
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:



Signature of director

SIMON ROGER McGRATH

Name of director (please print)



Signature of director/secretary

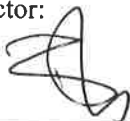
PHILIP JOSEPH BASHA

Name of director/secretary (please print)

Execution

Executed as an agreement.

Signed by
Mantra Group Limited
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:



Signature of director

Kerry Robert East

Name of director (please print)



Signature of ~~director~~/secretary

Fiona van Wyk

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

Signed by
AAPC Limited
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:

Signature of director

Name of director (please print)

Signature of director/secretary

Name of director/secretary (please print)

Annexure 1

Timetable

Event	Indicative date
Provide Scheme Booklet to ASIC for review and comment	January 2018
First Court Date	February 2018
Scheme Booklet registered by ASIC and lodged with ASX	February 2018
Dispatch Scheme Booklet to Mantra Shareholders	February 2018
Scheme Meeting	March 2018
Second Court Date (SCD)	March 2018
Notify ASX of Court approval of the Scheme	SCD
Effective Date (lodge office copy of Court order approving the Scheme with ASIC)	SCD
Mantra Shares suspended from trading on ASX	SCD
Scheme Record Date	SCD + three Business Days
Implementation Date	SCD + six Business Days

Annexure 2

Scheme of arrangement

Scheme of Arrangement

Mantra Group Limited

Scheme Shareholders

Scheme of Arrangement

under section 411 of the *Corporations Act 2001* (Cth)

between **Mantra Group Limited** (ABN 69 137 639 395) of Level 15, 50 Cavill Avenue, Surfers Paradise QLD 4217 (**Mantra**)

and Each person who is registered as the holder of Mantra Shares on the Register as at the Scheme Record Date (**Scheme Shareholders**)

Operative provisions

1. Definitions and interpretation

Definitions

1.1 In this document, unless the context requires otherwise:

AAPC means AAPC Limited (ACN 009 175 820).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market which it operates.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney or Brisbane.

CHESS means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement Pty Ltd.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed in writing by Mantra and AAPC.

Deed Poll means the deed poll in respect of the Scheme executed by AAPC in favour of each Scheme Shareholder.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order.

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

End Date means:

- (a) 5.00pm on 30 June 2018; or
- (b) such other date as agreed in writing by Mantra and AAPC.

Implementation Agreement means the scheme implementation agreement dated [*] October 2017 between Mantra and AAPC in connection with the implementation of this Scheme.

Implementation Date means the third Business Day following the Scheme Record Date, or such other Business Day as Mantra and AAPC agree in writing.

Listing Rules means the official listing rules of ASX as amended from time to time.

Mantra Group means Mantra and each of its Subsidiaries.

Mantra Share means an issued fully paid ordinary share in Mantra.

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

Register means the register of shareholders of Mantra maintained in accordance with the Corporations Act.

Scheme Consideration means [\$•], being \$3.96 per Scheme Share, minus the per-share cash amount of the Special Dividend.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Mantra and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Mantra and AAPC.

Scheme Meeting means the meeting of Mantra Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Order means the orders of the Court approving the Scheme under section 411(4)(b) of the Corporations Act.

Scheme Record Date means 7.00pm on the third Business Day (or such other Business Day as Mantra and AAPC agree in writing) after the Effective Date.

Scheme Share means a Mantra Share on issue as at the Scheme Record Date.

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

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Registry means Link Market Services Limited (ACN 083 214 537).

Special Dividend means a fully franked cash dividend to be paid by Mantra in accordance with clause 9.7 of the Implementation Agreement.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Interpretation

1.2 In this document:

- (a) unless the context requires otherwise, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iii) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this document;

- (iv) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (v) to any time is to Sydney, Australia time;
 - (vi) to "\$" is to the lawful currency of Australia;
 - (vii) to a party means a party to this Scheme;
 - (viii) to a "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any regulatory authority;
 - (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
 - (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - (d) headings are for convenience only and do not affect interpretation of this document;
 - (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
 - (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.
-

2. Preliminaries

- 2.1 Mantra is a public company limited by shares, incorporated in Australia and admitted to the official list of ASX.
- 2.2 AAPC is a public company limited by shares and incorporated in Australia.
- 2.3 If the Scheme becomes Effective:
 - (a) AAPC must provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll; and
 - (b) all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to AAPC, and Mantra must enter AAPC in the Register as the holder of the Scheme Shares on the Implementation Date.
- 2.4 Mantra and AAPC have entered into the Implementation Agreement and agreed to implement the Scheme on the terms and conditions set out in the Implementation Agreement.
- 2.5 AAPC has executed the Deed Poll under which it has covenanted in favour of each Scheme Shareholder, subject to the Scheme becoming Effective, to perform its obligations as contemplated by this Scheme and to do all things necessary or desirable to implement the Scheme, including to provide or procure the provision of the Scheme Consideration.

3. Conditions precedent

Conditions precedent to Scheme

3.1 The Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent in clause 3.1 of the Implementation Agreement (other than those relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Agreement, before 8:00am on the Second Court Date;
- (b) neither the Implementation Agreement nor the Deed Poll having been terminated as at 8.00am on the Second Court Date;
- (c) the Court making the Scheme Order, including with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Mantra and AAPC;
- (d) any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme and agreed to by Mantra and AAPC, having been satisfied or waived; and
- (e) an office copy of the Scheme Order (and, if applicable, any orders under section 411(6) of the Corporations Act) is lodged with ASIC as contemplated by section 411(10) of the Corporations Act on or before the End Date,

and the provisions of clauses 4 and 5 will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 Prior to or at the Court hearing on the Second Court Date, Mantra and AAPC must provide to the Court a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent to the Scheme have been satisfied or waived.
- 3.3 The giving of a certificate by Mantra and AAPC under clause 3.2 will, in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

Termination

- 3.4 Without limiting any rights under the Implementation Agreement, if the Implementation Agreement or Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective, unless AAPC and Mantra otherwise agree in writing, Scheme Shareholders release Mantra and AAPC from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

and the Scheme will lapse and be of no further force or effect.

End Date

- 3.5 The Scheme will lapse and have no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Implementation of Scheme

Lodgement of Scheme Order

- 4.1 Mantra must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order as soon as practicable and no later than 5.00pm on the first Business Day after the date on which the Court makes that Scheme Order.

Transfer of Scheme Shares

- 4.2 Subject to the Scheme becoming Effective, the following will occur on the Implementation Date in the order set out below:
- (a) the Scheme Consideration must be provided in the manner contemplated by clauses 4.5 to 4.7; and
 - (b) the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, must be transferred to AAPC without the need for any further act by any Scheme Shareholder (other than acts performed by Mantra as attorney and agent for Scheme Shareholders under clause 7.1 of this Scheme) by:
 - (i) Mantra delivering to AAPC a duly completed share transfer form executed on behalf of the Scheme Shareholders (which may be a master share transfer form) to transfer all the Scheme Shares to AAPC; and
 - (ii) AAPC duly executing and delivering this transfer form to Mantra for registration.
- 4.3 Immediately following receipt of the transfer form, Mantra must enter, or procure the entry of, the name and address of AAPC in the Register as the holder of all the Scheme Shares.
- 4.4 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to AAPC, will, at the time of transfer of them to AAPC, vest in AAPC free from all mortgages, charges, liens, encumbrances, pledges, security interests, other interests of third parties of any kind (whether legal or otherwise) and any restrictions on transfer of any kind.

Provision of Scheme Consideration

- 4.5 AAPC 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 Scheme Consideration payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by Mantra as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to AAPC's account).
- 4.6 Subject to AAPC complying with clause 4.5, on the Implementation Date, Mantra must pay or procure the payment from the trust account referred to in clause 4.5 to each Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Scheme Record Date.
- 4.7 Mantra's obligation under clause 4.6 will be satisfied by Mantra:
- (a) where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the Share Registry to receive dividend payments from Mantra by electronic funds transfer to a bank account nominated by

the Scheme Shareholder, 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 Shareholder by prepaid post to their address shown in the Register as at the Scheme Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.9), for the relevant amount.

- 4.8 To the extent that, following satisfaction of Mantra's obligations under clause 4.6, there is a surplus in the amount held by Mantra as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by Mantra to AAPC.

Joint holders

- 4.9 In the case of Scheme Shares held in joint names, any Scheme Consideration 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 Scheme Record Date.

Orders of a Court or Government Agency

- 4.10 If written notice is given to Mantra (or the Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:
- (a) requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with this Scheme, then Mantra shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (b) prevents Mantra from providing consideration to any particular Scheme Shareholder in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, Mantra shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder 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.

Unclaimed monies

- 4.11 If:
- (a) in the case of a payment under clause 4.7(a), the transfer is rejected or refunded or a bank account which has been nominated is no longer valid; or
 - (b) in the case of a dispatch of a cheque under clause 4.7(b):
 - (i) the cheque is returned to Mantra;
 - (ii) the cheque is not presented within six months after the Implementation Date; or
 - (iii) Mantra reasonably believes that a Scheme Shareholder is not known at a Scheme Shareholder's registered address,

then Mantra may cancel the relevant cheque and credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Mantra to be held until the Scheme Shareholder claims the amount, or the amount is dealt with in accordance with any applicable

unclaimed moneys legislation. An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Mantra must maintain records (for the minimum period required by applicable law) of the amounts paid, the people who are entitled to the amounts, and any transfers of the amounts.

5. Dealings in Mantra Shares

Determination of Scheme Shareholders

- 5.1 For the purpose of determining the identity of Scheme Shareholders, dealings in Mantra Shares or other alterations to the Register must only be recognised if:
- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Mantra Shares by the Scheme Record Date; and
 - (b) in all other cases, share transfer forms in registrable form or registrable transmission applications in respect of those dealings are received by the Share Registry by the Scheme Record Date,

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

Register

- 5.2 Mantra must register any registrable transfers or transmission applications of the kind referred to in clause 5.1(b) by the Scheme Record Date.
- 5.3 If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date (other than in accordance with this Scheme), and any attempt to do so will have no effect and Mantra will be entitled to disregard any such disposal.
- 5.4 For the purpose of determining entitlements to the Scheme Consideration, Mantra must, until the Scheme Consideration has been provided to Scheme Shareholders, maintain or procure the maintenance of the Register in accordance with this clause 5. The Register in this form will solely determine entitlements to the Scheme Consideration.
- 5.5 From the Scheme Record Date, each certificate or holding statement for Scheme Shares will cease to have any effect as a document of title in respect of the Scheme Shares or otherwise (other than holding statements in favour of AAPC or its successors in title).
- 5.6 Each entry on the Register as at the Scheme Record Date (other than entries in respect of AAPC or its successors in title) will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
-

6. Quotation of Mantra Shares

- 6.1 Mantra must apply to ASX for suspension of trading in Mantra Shares on ASX with effect from the close of trading on the Effective Date.

- 6.2 After the Scheme has been fully implemented in accordance with its terms, Mantra must apply to ASX for the termination of the official quotation of Mantra Shares on ASX and to have Mantra removed from the official list of ASX.
-

7. General Scheme provisions

Appointment of Mantra as agent and attorney

- 7.1 Each Scheme Shareholder, without the need for any further act irrevocably appoints Mantra and each of the directors and officers of Mantra (jointly and severally) as its agent and attorney for the purpose of doing all things and executing all deeds, instruments, transfers and other documents that may be necessary or desirable to give full effect to the Scheme and the transactions contemplated by it, including but not limited to:

- (a) enforcing the Deed Poll against AAPC; and
- (b) executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a proper instrument of transfer of Scheme Shares,

and Mantra accepts such appointment. Mantra may sub-delegate its functions, authorities or powers under this clause 7.1 as agent and attorney of each Scheme Shareholder to any or all of its directors or officers.

- 7.2 Each Scheme Shareholder irrevocably consents to Mantra and AAPC doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme.

Agreement by Scheme Shareholders

- 7.3 Each Scheme Shareholder:

- (a) agrees to the transfer of its Scheme Shares together with all rights and entitlements attaching to those Scheme Shares to AAPC in accordance with the terms of the Scheme;
- (b) agrees to the variation, cancellation or modification (if any) of the rights attached to its Mantra Shares constituted by or resulting from the Scheme; and
- (c) acknowledges that this Scheme binds Mantra and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).

Warranty by Scheme Shareholders

- 7.4 Each Scheme Shareholder is deemed to have warranted to Mantra and AAPC and appointed and authorised Mantra as its attorney and agent to warrant to AAPC, on the Implementation Date, that:

- (a) all of its Scheme Shares (including all rights and entitlements attaching to them) transferred to AAPC under the Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests, other interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer of any kind; and
- (b) it has full power and capacity to sell and transfer its Scheme Shares (including all rights and entitlements attaching to them) to AAPC.

Mantra undertakes that it will provide this warranty to AAPC as agent and attorney of each Scheme Shareholder.

Title to Scheme Shares

- 7.5 On and from the Implementation Date, subject to Alice providing the Scheme Consideration in accordance with clause 4.5, and pending registration by Mantra of AAPC in the Register as the holder of the Scheme Shares, AAPC will be beneficially entitled to the Scheme Shares.

Appointment of AAPC as sole proxy

- 7.6 Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by this Scheme, on and from the Implementation Date and until registration by Mantra of AAPC in the Register as the holder of the Scheme Shares, each Scheme Shareholder:
- (a) without the need for any further act, irrevocably appoints AAPC as its agent and attorney to appoint any officer or agent nominated by AAPC as its sole proxy and where applicable, corporate representative to:
 - (i) attend shareholders' meetings of Mantra;
 - (ii) exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder; and
 - (iii) sign any shareholders' resolution of Mantra;
 - (b) undertakes not to attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than under this clause 7.6;
 - (c) must take all other actions in the capacity of a registered holder of Scheme Shares as AAPC reasonably directs; and
 - (d) acknowledges and agrees that in exercising the powers referred to in this clause 7.6, AAPC and each of the directors, officers and secretaries of AAPC may act in the best interests of AAPC as the intended registered holder of the Scheme Shares.
- 7.7 Mantra undertakes in favour of each Scheme Shareholder that it will appoint the officer or agent nominated by AAPC as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with clause 7.6(a).

Scheme alterations and conditions

- 7.8 If the Court proposes to approve the Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act, Mantra may, by its counsel or solicitors, and with the consent of AAPC, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders.

Effect of Scheme

- 7.9 The Scheme binds Mantra and all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the meeting or vote against the Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Mantra.

No liability when acting in good faith

- 7.10 Neither Mantra nor AAPC, nor any of their respective officers or agents, will be liable to a Mary Shareholder for anything done or omitted to be done in the performance of the Scheme or the Deed Poll in good faith.

Notices

- 7.11 Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Mantra, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Mantra's registered office or at the Share Registry.
- 7.12 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Mantra Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

Further assurances

- 7.13 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Scheme and the transactions contemplated by this Scheme.

Costs and stamp duty

- 7.14 AAPC must pay all stamp duty (if any) and any fines, penalties and interest with respect to stamp duty in respect of this Scheme .

Governing law and jurisdiction

- 7.15 This Scheme is governed by the laws of New South Wales. Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure 3

Deed Poll

Deed Poll

By AAPC Limited

in favour of each Scheme Shareholder

Title **Deed Poll**

Date **[insert date]** 2017

By **AAPC Limited** (ACN 009 175 820) of Level 30, Angel Place, 123 Pitt Street, Sydney NSW 2000 (**AAPC**)

in favour of **each Scheme Shareholder**, being a person who is registered as the holder of Mantra Shares on the Register as at the Scheme Record Date

Recitals

- A Mantra and AAPC are parties to a scheme implementation agreement dated 12 October 2017 (**Implementation Agreement**) in respect of the Scheme and associated matters.
- B AAPC is entering into this Deed Poll to covenant in favour of each Scheme Shareholder that it will perform all of its obligations under the Implementation Agreement and all actions attributed to it under the Scheme.

Operative provisions

1. Definitions and interpretation

- 1.1 In this Deed Poll, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Mantra and Scheme Shareholders in respect of all Scheme Shares (**Scheme**), unless otherwise defined or the context requires otherwise.
- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this document" in that clause are to be read as references to "this Deed Poll".
-

2. Nature of Deed Poll

- 2.1 AAPC acknowledges that:
- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not a party to it; and
 - (b) under the Scheme, each Scheme Shareholder irrevocably appoints Mantra and each of the directors and officers of Mantra (jointly and severally) as its agent and attorney to enforce this Deed Poll against AAPC.
-

3. Conditions precedent and termination

Conditions precedent

- 3.1 This Deed Poll and AAPC's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 AAPC's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect if:
- (a) the Implementation Agreement is terminated prior to the occurrence of the Effective Date for the Scheme; or
 - (b) the Scheme does not become Effective on or before the End Date,
- unless AAPC and Mantra otherwise agree in writing.

Consequences of termination

- 3.3 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available:
- (a) AAPC is released from its obligations to further perform this Deed Poll; and
 - (b) each Scheme Shareholder retains the rights or remedies it has against AAPC in respect of any breach of this Deed Poll which occurred before its termination.

4. Provision of Scheme Consideration

- 4.1 Subject to clause 3, AAPC undertakes to each Scheme Shareholder to:
- (a) Deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by Mantra as trustee for the Scheme Shareholders (except that any interest on the amounts deposited (less bank fees and other charges) will be credited to AAPC's account); and
 - (b) undertake all other actions attributed to it under, otherwise comply with its obligations in, the Scheme as if it were a party to the Scheme,
- subject to and in accordance with the provisions of the Scheme.

5. Representations and warranties

- 5.1 AAPC represents and warrants in favour of each Scheme Shareholder that:
- (a) it is a corporation validly existing under the laws of the place of its incorporation;
 - (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
 - (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
 - (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms; and
 - (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgement, law, rule or regulation to which it is a party or subject or by which it is bound.

6. Continuing obligations

- 6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:
- (a) AAPC having fully performed its obligations under this Deed Poll; and
 - (b) the termination of this Deed Poll under clause 3.2.
-

7. Notices

- 7.1 Any notice or other communication given to AAPC under or in connection with this Deed Poll must be:
- (a) in legible writing and in English;
 - (b) directed to AAPC at the address for notices set out below:

Address: Level 30, Angel Place, 123 Pitt Street, Sydney NSW 2000

Attention: Jenny Selby, General Counsel Pacific

with a copy to:

Rebecca Maslen-Stannage / Malika Chandrasegaran Herbert Smith Freehills

Email: Jenny.SELBY@accor.com / COSEC.AU@accor.com

with a copy to:

Rebecca.Maslen-Stannage@hsf.com

Malika.Chandrasegaran@hsf.com
 - (c) signed by the sender or a person duly authorised by the sender; and
 - (d) sent to AAPC by hand, prepaid post (airmail if to or from a place outside Australia) or email.
- 7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by AAPC, a notice will be considered to have been received:
- (a) if sent by hand, when left at the address of AAPC;
 - (b) if sent by pre-paid post, 2 Business Days (if posted within Australia to an address in Australia) or 5 Business Days (if posted from one country to another) after the date of posting; or
 - (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,
- whichever happens first,

but if a notice is served on a day that is not a Business Day, or after 5.00pm on a Business Day, the notice will be considered to have been received by AAPC at 9.00am on the next Business Day.

8. General

Stamp duty

8.1 AAPC:

- (a) must pay all stamp duties (if any) and any fines, penalties and interest with respect to stamp duty in respect of the Scheme or this Deed Poll or the steps to be taken under them (including the acquisition or transfer of Scheme Shares); and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

Waiver

- 8.2 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- 8.3 No waiver of a breach of any term of this Deed Poll will operate as a waiver of another breach of that term or of a breach of any other term of this Deed Poll.
- 8.4 Nothing in this Deed Poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.
- 8.5 A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

Variation

- 8.6 A provision of this Deed Poll may not be varied unless the variation is agreed to in writing by AAPC and Mantra, and if the variation occurs on or after the First Court Date, the Court indicates that the variation would not of itself preclude approval of the Scheme. A variation which complies with this clause is effective when AAPC enters into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of AAPC and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of AAPC and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity.

Further assurances

- 8.9 Each party must, at its own expense, do everything, including executing any documents, necessary to give full effect to this Deed Poll and the transactions contemplated by this Deed Poll.

Governing law and jurisdiction

- 8.10 This Deed Poll is governed by the laws of New South Wales.
- 8.11 AAPC irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed.

Signed sealed and delivered

by **AAPC Limited**

in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)

Further assurances

- 8.9 Each party must, at its own expense, do everything, including executing any documents, necessary to give full effect to this Deed Poll and the transactions contemplated by this Deed Poll.

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