



facsimile

To: ASX Company Announcements Platform **Fax:** 1300 135 638
SCO Company Secretary **Fax:** (02) 9372 9900

From: Ravi Bains **Fax:** (02) 8225 5114
Citigroup Global Markets Australia Pty Limited

Date: 28 November 2017 **Pages:** 23 (including cover sheet)

Subject: Submission of Form 603 re: SCOTTISH PACIFIC GROUP LIMITED [SCO.AX]

If you do not receive all pages, please telephone on 61 2 8225 4815

This fax is confidential and may be privileged. If you are not the intended recipient, please notify the sender immediately by telephone.

Citigroup Global Markets Australia Pty Limited ("Citi") acted as sole bookrunner and sole underwriter on a sale of 11,564,114 ordinary fully paid securities in SCO (the "Sale Securities") by Next Capital (Services A) Pty Limited as trustee for Next Capital Fund IIA and Next Capital (Services B) Pty Limited as trustee for Next Capital Fund IIB (the "Sellers"). In connection with the sale, Citi entered into a block trade agreement with the Seller on 27 November 2017 (the "Agreement").

Pursuant to the operation of section 608(1), 608(8) and 606 of the Corporations Act and clause 2.1 of the Agreement, Citi gained a relevant interest of 8.31% of SCO's ordinary fully paid securities upon execution of the Agreement. Please find enclosed Citi's notice of initial substantial shareholder including details of its relevant interest, and a copy of the Agreement.

Citi will file a ceasing to be substantial shareholder notice following settlement of the Sale Securities.

Notice of initial substantial shareholder
**Form 603
Corporations Act
Section 671B**

To: Scottish Pacific Group Limited ("SCO", Ordinary Fully Paid)

1. Details of substantial shareholder

Citigroup Global Markets Australia Pty Limited (ACN 003 114 832) and each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).

The holder became a substantial holder on 27 November 2017.

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in on the date the substantial holder became a substantial holder are as follows:

Class of securities	Number of securities	Person's vote	Voting Power
SCO, Ordinary Fully Paid	11,564,114	11,564,114	8.31%

3. Details of relevant interests

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Citigroup Global Markets Australia Pty Limited	<p>Citigroup Global Markets Australia Pty Limited entered into a block trade agreement on 27 November 2017 ("Agreement", please see attached).</p> <p>Pursuant to sections 608(1), 608(8) and 606 of the Corporations Act and clause 2.1 of the Agreement, Citigroup Global Markets Australia Pty Limited obtained a relevant interest upon</p>	11,564,114 Stock Ordinary Fully Paid

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED
 ABN 64 003 114 832 AFSL 240992
 A participant of ASX Group
 Level 22, Citigroup Centre, 2 Park Street, Sydney NSW 2000

TELEPHONE: 61 2 8225 4815
 FACSIMILE: 61 2 8225 5114

	execution of the Agreement.	
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4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Class and number of securities
Citigroup Global Markets Australia Pty Limited	Citigroup Global Markets Australia Pty Limited	11,564,114 Stock Ordinary Fully Paid

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration	Class and number of securities
Citigroup Global Markets Australia Pty Limited	27 November 2017	N/A	11,564,114 Stock Ordinary Fully Paid

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Citigroup Global Markets Australia Pty Limited, ACN 003 114 832	Each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Citigroup Global Markets Australia Pty Limited	Level 22, Citigroup Centre 2 Park St Sydney NSW 2000

Dated this day, 28 November 2017.

Ravi Bains
Head of Markets Compliance Australia
Citigroup Global Markets Australia Pty Limited

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COMMERCIAL-IN CONFIDENCE

27 November 2017

The shareholders listed in Schedule 1 (each a **Vendor** and together the **Vendors**)

Dear Sirs

Sale of shares in Scottish Pacific Group Limited (ABN 45 164 013 110)

1. Introduction

This agreement sets out the terms and conditions upon which the Vendors engage Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) (**Lead Manager**) to dispose of 11,564,114 existing fully paid ordinary shares in Scottish Pacific Group Limited (ABN 45 164 013 110) (**Company**) held by the Vendors (in the proportions set out in Schedule 1) (**Sale Shares**) (**Sale**) and the Lead Manager agrees to procure the disposal of the Sale Shares and to provide underwriting thereof, subject to clause 2, in accordance with the terms of this agreement.

2. Sale of shares

2.1 Sale

The Vendors agree to sell the Sale Shares and the Lead Manager agrees to:

- (a) manage the sale of the Sale Shares by procuring purchasers for the Sale Shares at the price of A\$3.22 per Sale Share (**Sale Price**) before deducting any fees payable to the Lead Manager under this agreement; and
- (b) to underwrite and guarantee the sale of the Sale Shares by purchasing, at the Sale Price per Sale Share, the Sale Shares which have not been purchased by third party purchasers (or the Lead Manager's related bodies corporate or Affiliates) in accordance with clause 2.1(a) as at 9.45am on the Trade Date (as defined in the Timetable in Schedule 2) (or such time as the parties agree in writing) (**Balance Shares**),

In accordance with the terms of this agreement. The Lead Manager acknowledges and agrees that the identity of purchasers, and the offers to them, must comply with the requirements of this clause 2 and, subject to the foregoing, may include the Lead Manager's respective related bodies corporate and Affiliates (as defined in clause 11.5).

2.2 Restricted Securities

Notwithstanding anything else in this agreement, where the acquisition of some or all of the Balance Shares by the Lead Manager is prohibited or restricted by the application of section 606 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or would require the Lead Manager or an Affiliate of the Lead Manager to give a notice to the Treasurer under section 81 of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) (**Relevant Event**), the Vendors and the Lead Manager agree that:

- (a) each Vendor shall retain such number of Balance Shares that it is required to retain (with the number of Balance Shares to be retained by each Vendor being equal to its respective proportion of the Balance Shares having regard to the number of fully paid ordinary shares held by each Vendor as set out in Schedule 1) in order to prevent the occurrence of a Relevant Event (**Restricted Securities**) and the Lead Manager shall advise each Vendor of the number of Restricted Securities which it is required to retain;
- (b) the Lead Manager must still comply with its obligations to pay to each Vendor the amount provided under clause 2.4 but the portion of that amount that is equal to the number of any Restricted Securities multiplied by the Sale Price will be provided to such Vendor as an interest free loan (**Advance Amount**);
- (c) each Vendor is only required to repay the Advance Amount from and to the extent it receives or is entitled to receive proceeds from the sale of the Restricted Securities under this clause 2.2, and each Vendor is not responsible for any shortfall in repayment from the proceeds of the sale of the Restricted Securities and the Lead Manager will bear the loss arising from any such shortfall;
- (d) the Lead Manager must procure purchasers for any Restricted Securities as agent for each Vendor in the ordinary course of the Lead Manager's business prior to 7.00pm on the date that is 20 Business Days after the date of this agreement (**End Date**), with settlement of the sale of the Restricted Securities occurring on or before the second Business Day following the sale of the relevant Restricted Securities;
- (e) each Vendor will transfer Restricted Securities in accordance with the directions of the Lead Manager to settle those sales; and
- (f) the Lead Manager is entitled to apply, by way of set off, the proceeds from the purchase of the Restricted Securities against the Advance Amount, immediately upon the Lead Manager's receipt of those proceeds.

The parties acknowledge that the Lead Manager does not acquire any "interest in a security" (including within the meaning of FATA) or "relevant interest" (within the meaning of the Corporations Act) in, or rights in respect of (whether by way of security or otherwise), any Restricted Securities, except to act as agent for the Vendors in procuring the sale of those Restricted Securities, and does not have the power to require that any Restricted Securities be transferred to it (or its associates) or to its order as referred to in FATA.

2.3 Sale and Settlement Date

The Lead Manager shall procure that the sale of the Sale Shares under clause 2.1 shall be effected by 9:45am on the Trade Date (as defined in the Timetable in Schedule 2), by way of one or more special crossings (in accordance with the Operating Rules of ASX Limited (**ASX**)) at the Sale Price, with settlement to follow on a T+2 basis in accordance with the ASX Settlement Operating Rules (**Settlement Date**).

2.4 Sale Shares

Subject to clause 10, by 3.00pm on the Settlement Date, the Lead Manager shall arrange for the payment to each Vendor, or as each Vendor directs, of an amount equal to:

- (a) the Sale Price multiplied by the number of Sale Shares being sold by that Vendor; less
- (b) the Vendor's Respective Proportion (as defined below) of any fees payable under clause 4 (together with any GST payable on those fees),

by transfer to each Vendor's account for value (in cleared funds) against delivery of the Sale Shares being sold by the relevant Vendor. For the purposes of this agreement, the **Respective Proportion** for each Vendor equals the Sale Shares being sold by the Vendor divided by the total number of Sale Shares.

2.5 Timetable

The Lead Manager must conduct the Sale in accordance with the timetable set out in Schedule 2 (**Timetable**) (unless the Vendors consent in writing to a variation).

2.6 Account opening

On or before the Trade Date, the Lead Manager or its nominated Affiliate will (where relevant) open separate accounts in the names of each Vendor in accordance with its usual practice, and do all such things necessary to enable it to act as Lead Manager to sell the Sale Shares in accordance with the terms of this agreement.

2.7 Manner of Sale

- (a) **Exempt investors and permitted jurisdictions** The Lead Manager will conduct the Sale by way of an offer only to persons:

- (i) if in Australia, who do not need disclosure under Part 6D.2 of the Corporations Act ;
- (ii) if outside Australia, to institutional and professional investors in the Permitted Jurisdictions (as defined below) but not elsewhere to whom offers for the sale of the Sale Shares may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration, qualification or filing with, or approval by, a government agency or regulatory body (other than any such requirement with which the Vendors, in their sole and absolute discretion, are willing to comply), as determined by agreement between the Vendors and the Lead Manager; and
- (iii) in accordance with any foreign offer restrictions provided to the Lead Manager before the execution of this agreement.

Permitted Jurisdictions means Belgium, Denmark, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, United Arab Emirates (excluding Dubai International Financial Centre) and United Kingdom.

- (b) **Investor agreements.** The Lead Manager will ensure that investors that purchase Sale Shares confirm, including through deemed representations and warranties:

- (i) their status as an investor meeting the requirements of this clause 2.7 and clause 2.8;
 - (ii) that they are able to make the relevant purchase in compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the FATA and related policy); and
 - (iii) that their bids constitute irrevocable acceptances of a Vendor's offer to sell Sale Shares, conditional only upon the Lead Manager sending a confirmation of the relevant allocation to the Vendor.
- (c) **Conduct and methodology.** The Sale will be conducted by the Lead Manager, in consultation with the Vendors and their advisers, as follows:
- (i) the Vendors and their advisers are to be given all reasonable access to feedback from prospective and targeted participants; and
 - (ii) the Lead Manager must give regular information to the Vendors and their advisers about the progress of the Sale, including information as to the Lead Manager's current views on demand and allocation, through meetings or teleconferences, and in any event must provide such information upon reasonable request by the Vendors or their advisers.

2.8 U.S. Securities Act

The Sale Shares shall only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act of 1933 (U.S. Securities Act)) in reliance on Regulation S under the U.S. Securities Act (Regulation S).

3. Offer and Acceptance

3.1 Offer

By the Vendors executing this agreement and providing a copy of the agreement, for execution, to the Lead Manager, the Vendors offer to enter into this agreement in accordance with the terms and conditions set out in this agreement.

3.2 Acceptance of Offer

- (a) By the Lead Manager executing this agreement or a counterpart of this agreement and complying with clause 3.2(b) the Lead Manager accepts the offer set out in clause 3.1 and agrees to be bound by the terms and conditions set out in this agreement.
- (b) This offer can only be accepted by the Lead Manager:
 - (i) sending to the email address of each Vendor as set out in Schedule 1, a scanned image of the Lead Manager's completed signature block as an attachment to an email which states that provision of that attachment constitutes acceptance of the terms of this agreement; and
 - (ii) immediately forwarding a copy of that email (including its attachment) to the Vendor's solicitors as described in Schedule 1.

3.3 Formation

This agreement binds the Lead Manager and the Vendors immediately upon the Vendors receiving the Lead Manager's acceptance of each Vendor's offer in accordance with clause 3.2(b).

4. Fees and costs

- (a) In consideration of performing its obligations under this agreement the Lead Manager shall be entitled to such fees as the parties agree.
- (b) The parties will each bear their own legal costs (if any) and all their other out-of-pocket expenses (if any) in connection with this agreement and the transactions contemplated by it.

5. Moratorium

- (a) Each Vendor represents and warrants that it will not, in the period between completion of the transfer of the Vendor Shares on the Settlement Date and 4.15pm on the date that Scottish Pacific publically releases its audited results for the first half of financial year 2018 and files such results with the ASX, deal in all or any ordinary shares held by it after the sale of the Vendor Shares pursuant to this Agreement excluding:
 - (i) in order to satisfy demand from eligible shareholders under a Company initiated dividend reinvestment plan (if any);
 - (ii) a repurchase (including under a buy-back, reduction of capital or other means) of ordinary shares by the Company;
 - (iii) any acceptance by the Vendor of a takeover offer for the Company in accordance with Chapter 6 of the Corporations Act or transfer pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act;
 - (iv) a sale, transfer or disposal to a third party where it is a condition of the sale that the third party announce an intention to acquire, or propose a transaction to acquire, greater than 50% of all ordinary shares;
 - (v) a sale, transfer or disposal of a number of ordinary shares to a strategic third party purchaser that is subject to a representation and warranty on substantially the same terms as this clause 5(a)(i). For the avoidance of any doubt, any agreement by the strategic third party purchaser will be in respect of the residual term of the period defined in clause 5(a);
 - (vi) the sale of any Restricted Securities in accordance with clause 2; and
 - (vii) a sale, transfer or disposal to an Affiliate of the Vendor that is subject to a representation and warranty on substantially the same terms as this clause 5(a)(i) in respect of the ordinary shares sold, transferred or disposed. For the avoidance of any doubt, any agreement by the Affiliate will be in respect of the residual term of the period defined in clause 5(a).
- (b) Each party to this Agreement acknowledges that the representation and warranty in clause 5(a)(i) is not intended to and does not give the Lead Manager any power to dispose of, or control the disposal of, the ordinary shares the subject of the representation and warranty

to the extent that the Lead Manager would be in breach of applicable laws to have such power, and a breach of the representation and warranty in those circumstances will only give rise to a right to damages and the parties acknowledge that, in such circumstances damages are an adequate remedy for a breach of the representation and warranty. Each party acknowledges that the representation and warranty in clause 5(a)(i) has been provided to only address the financial consequences of the Vendor disposing of, or dealing with, any Ordinary Shares held by it. Each party to this Agreement acknowledges that the Lead Manager is not entitled to a remedy of specific performance for a breach of the representation and warranty set out in clause 5(a)(i).

- (c) For the purposes of clause 5(a)(i), "Deal", in respect of the "Ordinary Shares", means:
- (i) sell, assign, transfer or otherwise dispose of;
 - (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
 - (iii) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Vendor to sell, assign, transfer or otherwise dispose of; or
 - (iv) decrease or agree to decrease an economic interest in,
- the Ordinary Shares.

6. Representations and Warranties

6.1 Representations and warranties by Vendors

As at the date of this agreement and on each day until and including the Settlement Date, each Vendor represents and warrants, severally and in respect of itself, to the Lead Manager that each of the following statements is true, accurate and not misleading.

- (a) **(body corporate)** It is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) **(capacity)** It has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) **(authority)** It has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;
- (d) **(agreement effective)** this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(ownership, encumbrances)** It is the registered holder and sole legal owner of the Sale Shares noted against its name in Schedule 1 and will transfer the full legal and beneficial ownership of those Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transferee(s) in the register of shareholders of the Company;
- (f) **(Sale Shares)** to the best of its knowledge, following sale by it, the Sale Shares will rank equally in all respects with all other ordinary shares of the Company on issue as at the date of the Sale, including with respect to dividends;

- (g) **(on-sale)** the Sale Shares may be offered for sale on the financial market operated by ASX without disclosure to investors under Part 6D.2 of the Corporations Act;
- (h) **(power to sell)** it has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares;
- (i) **(no insider trading offence)** at the time of execution of this agreement by the Vendor, other than Information relating to the Sale, the Vendor is not in possession of any non-public Information or Information which is not generally available which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the Sale Shares or other securities in the Company and the sale of the Sale Shares will not constitute a violation by it of Division 3 of Part 7.10 of the Corporations Act;
- (j) **(trustee)** where it is a trustee of a trust, it has been validly appointed as trustee of that trust, there is no current proposal to replace it as trustee of that trust and it has the right to be indemnified out of the assets of that trust;
- (k) **(breach of law)** it will perform its obligations under this agreement so as to comply with all applicable laws in Australia, including in particular the Corporations Act and the FATA and the jurisdictions specified in clause 2.7(a)(ii);
- (l) **(no directed selling efforts)** with respect to those Sale Shares sold in reliance on Regulation S, none of it, any of its Affiliates, or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (m) **(foreign private issuer)** to the best of its knowledge, the Company is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act;
- (n) **(no stabilisation or manipulation)** neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;
- (o) **(wholesale client)** it is a "wholesale client" within the meaning of section 761G of the Corporations Act;
- (p) **(no SUSMI)** to the best of its knowledge, there is no "substantial U.S. market interest" (as defined in Rule 902(j) under the U.S. Securities Act) in the Sale Shares or any security of the same class or series as the Sale Shares;
- (q) **(Sanctions)** neither it nor to the best of its knowledge, after due enquiry any director, officer, agent, employee or Affiliate or other person acting on behalf of it is currently subject to any sanctions administered or enforced by the Office of Foreign Assets Control of the US Department of the Treasury, the United Nations Security Council, Her Majesty's Treasury, the European Union or any of its Member States, or other relevant sanctions authority (Sanctions), or located, organised or resident in a country or territory that is the subject of Sanctions; and the Vendor will not directly or indirectly use the proceeds of the Sale, or lend, contribute or otherwise make available these proceeds to any subsidiary, joint venture partner or other person or entity, to fund or facilitate any activities of any person or entity or in any country or territory that is subject to any

Sanctions, or in any other manner that will result in a violation of Sanctions by any person participating in the Sale (whether as a Lead Manager, placing agent, investor, adviser or otherwise);

- (r) **(anti-money laundering)** Its operations are and have been conducted at all times in compliance with all financial record keeping and reporting requirements imposed by law or regulation and in compliance with the money laundering and proceeds of crime statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency (collectively, the Money Laundering Laws) to the extent that they apply to the Vendor and no action, suit or proceeding by or before any court or government agency, authority or body or any arbitrator involving the Vendor or any of its Affiliates with respect to the Money Laundering Laws is pending or threatened; and
- (s) **(no bribery)** neither it or, to the best of its knowledge after due enquiry, any director, officer, employee, Affiliate or other person acting on behalf of it has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, or (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, in each case, in violation of any Applicable Law, including, but not limited to the United States Foreign Corrupt Practices Act of 1977 if it is applicable.

6.2 Representations and warranties of Lead Manager

As at the date of this agreement and on each day until and including the Settlement Date, the Lead Manager represents to each of the Vendors that each of the following statements is correct.

- (a) **(body corporate)** It is a body corporate validly existing and duly established and duly incorporated under the laws of its place of incorporation;
- (b) **(capacity)** It has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) **(authority)** It has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;
- (d) **(licences)** It holds all licences, permits and authorisations necessary for it to fulfil its obligations under this agreement and has complied with the terms and conditions of the same in all material respects;
- (e) **(agreement effective)** this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (f) **(breach of law)** It will perform its obligations under this agreement (and ensure, in relation to the Sale, that its related bodies corporate and Affiliates act in a manner) so as to comply with applicable securities laws and regulations in Australia and any other jurisdiction in which the Sale is conducted provided that the Lead Manager will not be in breach of this warranty to the extent that any breach is caused or contributed to by an act or omission of a Vendor which constitutes a breach by a Vendor of its representations, warranties and undertakings in clause 6.1 or is caused or contributed to by a misrepresentation by or on the part of an offeree or purchaser of Sale Shares;

- (g) **(stabilization)** neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;
- (h) **(no registration)** it acknowledges that the offer and sale of the Sale Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and
- (i) **(no directed selling efforts)** with respect to those Sale Shares sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act).

6.3 Reliance

Each party giving a representation and warranty under this agreement acknowledges that the other parties have relied on the above representations and warranties in entering into this agreement and will continue to rely on these representations and warranties in performing their obligations under this agreement. The above representations and warranties continue in full force and effect notwithstanding completion of this agreement.

6.4 Notification

Each party agrees that it will tell the other parties immediately upon becoming aware of any of the following occurring prior to the completion of the sale of the Sale Shares:

- (a) any material change affecting any of the foregoing representations and warranties; or
- (b) any of the foregoing representations or warranties becoming materially untrue or materially incorrect.

7. Undertakings

7.1 Restricted Activities

Each Vendor undertakes to the Lead Manager to:

- (a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:
 - (i) the Corporations Act and any other applicable securities laws relevant to the Sale;
 - (ii) its constitution;
 - (iii) the ASX Listing Rules;
 - (iv) any legally binding requirement of ASIC or the ASX, as they apply to that Vendor; and
- (b) immediately notify the Lead Manager of any breach of any warranty or undertaking given by it under this agreement,

each of these undertakings being material terms of this agreement.

8. Indemnity

- 8.1** Each Vendor agrees with the Lead Manager that it will keep the Lead Manager and its Related Bodies Corporate (as that term is defined in the Corporations Act), and their respective directors, officers and employees (Indemnified Parties) indemnified against any losses, damages, liabilities, costs, claims, actions and demands (including any reasonable expenses arising in connection therewith) (Losses) to the extent that such Losses are incurred in connection with the Sale or as a result of a breach of this agreement by it, including any breach of any of the above representations or warranties given by it, and will reimburse the Lead Manager for all out of pocket costs, charges and expenses which it may reasonably pay or incur in connection with investigating, disputing or defending any such action, demand or claim for which it is indemnified under this agreement.
- 8.2** The indemnity in clause 8.1 does not extend to, and is not to be taken as, an indemnity against any Losses of an Indemnified Party to the extent any Losses have resulted from:
- (a) any fraud, recklessness, willful misconduct or gross negligence of the Indemnified Party;
 - (b) any penalty or fine which the Indemnified Party is required to pay as a result of any contravention of any law, except to the extent such contravention is caused or contributed to by the Vendors or their directors, officers, employees or representatives;
 - (c) any amount in respect of which the indemnity payable to an Indemnified Party would be illegal, void or unenforceable under any applicable law;
 - (d) any announcements, advertisements or publicity made or distributed in relation to the sale of the Sale Shares without the prior written approval of the Vendors or their advisers (other than any announcements, advertisements or publicity in relation to the sale of the Sale Shares made or distributed under legal compulsion where time did not permit the Lead Manager to obtain such prior written approval); or
 - (e) a breach by the Lead Manager of this agreement save to the extent such breach results from an act or omission on the part of a Vendor or a person acting on behalf of the Vendor, where the Lead Manager took reasonable steps to avoid or mitigate the occurrence of such breach,
- and in all cases Losses does not include loss, damage or costs of subscription suffered solely as a result of the Lead Manager performing its obligations under clause 2.1(b)).
- 8.3** Each of the Vendors and an Indemnified Party must not settle any action, demand or claim to which the indemnity in clause 8.1 relates without the prior written consent of the Vendors or the Lead Manager, as applicable, such consent not to be unreasonably withheld.
- 8.4** The indemnity in clause 8.1 is a continuing obligation, separate and independent from the other obligations of the parties under this agreement and survives termination or completion of this agreement. It is not necessary for the Lead Manager to incur expense or make payment before enforcing that indemnity.
- 8.5** The indemnity in clause 8.1 is granted to the Lead Manager both for itself and on trust for each of the Indemnified Parties.
- 8.6** Subject to clause 8.7, the parties agree that if for any reason the indemnity in clause 8.1, is unavailable or insufficient to hold harmless any Indemnified Party against any Losses against which the Indemnified Party is stated to be indemnified under this agreement (other than expressly

excluded), the respective proportional contributions of the Vendors and the Indemnified Party or the Indemnified Parties in relation to the relevant Losses will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Vendors and the Indemnified Party or the Indemnified Parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission.

- 8.7** The Vendors agree with each of the Indemnified Parties that in no event will the Lead Manager and its associated Indemnified Parties be required to contribute under clause 8.6 to any Losses in an aggregate amount that exceeds the aggregate of the fees paid to the Lead Manager under this agreement.
- 8.8** If an Indemnified Party pays an amount in relation to Losses where it is entitled to contribution from a Vendor under clause 8.6 the Vendors agree promptly to reimburse the Indemnified Party for that amount.
- 8.9** If a Vendor pays an amount to the Indemnified Parties in relation to Losses where it is entitled to contribution from the indemnified Parties under clause 8.6 the Indemnified Parties must promptly reimburse the Vendors for that amount.

9. Announcements

- 9.1** The Vendors and the Lead Manager will consult each other in respect of any material public releases by any of them concerning the Sale or the sale of the Sale Shares. The prior written consent of the Vendors must be obtained prior to the Lead Manager making any release or announcement or engaging in publicity in relation to the Sale or the sale of the Sale Shares and such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction.
- 9.2** The Lead Manager may, after completion of all of its obligations under this agreement and with the prior written approval of the Vendors, place advertisements in financial and other newspapers and journals at its own expense describing the services provided to the Vendors under this agreement provided such advertisements are in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction and are consistent with other publicly available information in relation to the subject matter of the announcement.

10. Event of termination

10.1 Right of termination.

If, at any time during the Risk Period (as defined in clause 10.4), a Vendor is in default of any of the terms and conditions imposed on it under this agreement or breaches any representation, warranty or undertaking given or made by it under this Agreement then the Lead Manager may terminate this agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to the Vendors.

10.2 Materiality

No event listed in clause 10.1 entitles the Lead Manager to exercise its termination rights under this agreement unless, in the bona fide opinion of the Lead Manager, it:

- (a) has, or would reasonably be expected to have, a material adverse effect on:
- (i) the willingness of persons to purchase the Sale Shares; or

- (ii) the price at which ordinary shares in the Company are sold on the ASX; or
- (b) would reasonably be expected to give rise to a liability of the Lead Manager under the Corporations Act or any other applicable law.

10.3 Effect of termination

Where, in accordance with this clause 10, the Lead Manager terminates its obligations under this agreement:

- (a) the obligations of the Lead Manager under this agreement immediately end; and
- (b) any entitlements of the Lead Manager accrued under this agreement, including the right to be indemnified, up to the date of termination survive.

10.4 Risk Period

For the purposes of this clause, the "Risk Period" means the period commencing on the execution of this agreement and ending at the earlier of:

- (a) 9.45am on the Trade Date; or
- (b) the time of the special crossing (or if more than one special crossing, the occurrence of the first special crossing) of the Sale Shares referred to in clause 2.3.

11. Miscellaneous

11.1 Entire agreement

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

11.2 Governing law

This agreement is governed by the laws of New South Wales, Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, and waives any right to claim that those courts are an inconvenient forum.

11.3 No assignment

No party may assign its rights or obligations under this agreement without the prior written consent of the other parties.

11.4 Notices

Any notice, approval, consent, agreement, waiver or other communication in connection with this agreement must be in writing.

11.5 Affiliates

In this agreement the term "Affiliates" means any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a person. "Control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities by contract or agency or otherwise and the term "person" is deemed to include a partnership.

11.6 Business Day

In this agreement "Business Day" means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, New South Wales Australia.

11.7 Interpretation

In this agreement:

- (a) headings and sub-headings are for convenience only and do not affect interpretation;
- (b) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (c) a reference to "dollars" and "\$" is to Australian currency;
- (d) a reference to a right or obligation of any 2 or more persons confers that right, or imposes that obligation, severally and not jointly and severally; and
- (e) all references to time are to Sydney, New South Wales, Australia time.

11.8 Severability

Any provision of this agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

11.9 Waiver and variation

A provision of, or right vested under, this agreement may not be:

- (a) waived except in writing signed by the party granting the waiver, or
- (b) varied except in writing signed by the parties.

11.10 No merger

The rights and obligations of the parties will not merge on the termination or expiration of this agreement. Any provision of this agreement remaining to be performed or observed by a party, or having effect after the termination of this agreement for whatever reason remains in full force and effect and is binding on that party.

11.11 Counterparts

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

11.12 Acknowledgement

Each Vendor acknowledges that:

- (a) the Lead Manager is not obliged to disclose to a Vendor or utilise for the benefit of a Vendor, any non-public information which the Lead Manager obtains in the normal course of its business where such disclosure or use would result in a breach of any obligation of confidentiality and any internal Chinese wall policies of the Lead Manager;
- (b) without prejudice to any claim a Vendor may have against the Lead Manager, no proceedings may be taken against any director, officer, employee or agent of the Lead Manager in respect of any claim that a Vendor may have against the Lead Manager;
- (c) it is contracting with the Lead Manager on an arm's length basis to provide the services described in this agreement and the Lead Manager has not and is not assuming any duties or obligations (fiduciary or otherwise) in respect of it other than those expressly set out in this Agreement;
- (d) in performing this agreement, the Lead Manager will rely on the information provided to it by or on behalf of the Vendors and information in the public domain without having independently verified the same, and the Lead Manager does not assume any responsibility for the accuracy or completeness of such information;
- (e) the Lead Manager may perform the services contemplated by this agreement in conjunction with their respective Affiliates, and any Affiliates performing these services are entitled to the benefits of and are subject to the terms of this agreement; and nothing in this agreement will be construed so as to give the Lead Manager or any of its associates voting power of more than 20% in the Company. In particular, the Lead Manager will not have the power to exercise, or control the exercise of, a right to vote attached to or the power to dispose of, or control the exercise of the power to dispose of, any Sale Shares in excess of 20% of the Company and nothing in this agreement obliges the Lead Manager to acquire Sale Shares where to do so would result in the Lead Manager or its associates having a voting power, relevant interest in the Company in excess of 20%; and
- (f) the Lead Manager is a full service securities and corporate advisory firm and, along with its respective Affiliates, the Lead Manager is engaged in various activities, including writing research, securities trading, investment management, financing and brokerage activities and financial planning and benefits counselling for both companies and individuals. In the ordinary course of these activities, the Lead Manager, its Affiliates, employees and officers may be providing, or may be in the future providing, financial or other services to other parties with conflicting interests to a Vendor and may receive fees for those services and may actively trade the debt and equity securities (or related derivative securities) for the Lead Manager's own account and for the account of their customers and may at any time hold long and short positions in such securities.

11.13 Trustee limitation of liability

- (a) In this clause 11.13:
 - (i) 'the Trustee' means Next Capital (Services A) Pty Limited as trustee for Next Capital Fund IIA or Next Capital (Services B) Pty Limited as trustee for Next Capital Fund IIB; and
 - (ii) 'the Trust' means the underlying trust of Next Capital Fund IIA or Next Capital Fund IIB (as the case may be).
- (b) The Trustee enters into this agreement only in its capacity as trustee of each of the Trusts and in no other capacity. A liability arising under or in connection with this agreement, is

limited to, and can only be enforced against the Trustee only to the extent to which it can be satisfied out of the assets of the Trust out of which the Trustee is actually indemnified for the liability. The limitation of the Trustee's liability applies despite any other provision of this agreement or any other document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this agreement.

- (c) The parties other than the Trustee, may not sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to property of the Trust), a liquidator, an administrator, or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to property of the Trust).
- (d) The provisions of this clause 11.13 do not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because there is a reduction in the extent of the Trustee's indemnification out of the assets of the Trust, as a result of the Trustee's fraud, negligence or breach of trust.
- (e) No attorney, agent, receiver or receiver and manager appointed in accordance with this agreement has authority to act on behalf of the Trustee in a way which exposes the Trustee to personal liability and no act or omission of any such person will be considered fraud, negligence or breach of trust of the Trustee for the purpose of clause 11.13(d).
- (f) The Trustee is not obliged to do or refrain from doing anything under this agreement (including, without limitation, incur any liability) unless the Trustee's liability is limited in the same manner as set out in clauses sections 11.13(a) to 11.13(d) of this clause 11.13.
- (g) The Trustee warrants to each other party that it has a right of indemnification as referred to in clause (b) above (Indemnity) and undertakes that it will notify each of such parties as soon as it is reasonably practicable on such right being reduced, qualified or limited in any material respect.

Yours sincerely,

Citigroup Global Markets Australia Pty Limited



John McLean
Managing Director
Head of Capital Markets Origination
Australia/NZ
Citi



Dragi Ristovski
Managing Director
Financial Sponsors,
Australia/NZ
Citi

Accepted and agreed to as of the date of this agreement:

Executed on 27th November 2017

by

Next Capital (Services A) Pty Limited as trustee for
the Next Capital Fund IIA



Signature

Signature

Andrew Lockhart

John White

Name

Name

Executed on 27th November 2017
by

Next Capital (Services B) Pty Limited as trustee for
the Next Capital Fund IIB



Signature

Patrick Elliott

Name



←

Signature

Mark Peters

Name

Schedule 1**Vendors solicitors**

Firm	Attention	email address
MinterEllison	Daniel Scotti, Partner	daniel.scotti@minterellison.com.au

Vendors

Vendor	Address	Email address	Sale Shares
NEXT CAPITAL (SERVICES A) PTY LIMITED ACN 115 384 300 as trustee for Next Capital Fund IIA	LEVEL 30, 25 BLIGH STREET, SYDNEY NSW 200	mark.peters@nextcapital.com.au	5,782,057
NEXT CAPITAL (SERVICES B) PTY LIMITED ACN 117 027 853 as trustee for Next Capital Fund IIB	LEVEL 30, 25 BLIGH STREET, SYDNEY NSW 200	mark.peters@nextcapital.com.au	5,782,057

Schedule 2**Timetable**

Key events	Time	Date
Books open	7.30am	Monday, 27 November 2017
Books close	by 9.30am	Monday, 27 November 2017
Trade Date (T) (Special crossing/s by)	by 9.45am	Monday, 27 November 2017
Settlement Date (T + 2)		Wednesday, 29 November 2017