

ASX Announcement

8 April 2019

IPH submits revised proposal to acquire Xenith IP

IPH Limited (**IPH**) announces it has submitted a revised proposal to acquire Xenith IP Group Limited (**Xenith**) for a combination of cash and IPH shares valued at \$2.15 per Xenith share¹ (**Revised IPH Proposal**). The Revised IPH Proposal follows constructive discussions between IPH and Xenith regarding key terms.

IPH believes the Revised IPH Proposal provides compelling benefits for Xenith's shareholders, its leading IP attorneys and other stakeholders. A copy of the Revised IPH Proposal is attached.

"We believe our Revised IPH Proposal to Xenith provides a great opportunity to bring together two high quality IP businesses and to draw on the strengths, skills and advantages of each member firm to realise opportunities for our people, our clients and our shareholders", said Dr Andrew Blattman, Managing Director & CEO, IPH Limited.

Key highlights of the Revised IPH Proposal include:

- under the Revised IPH Proposal Xenith shareholders will receive 'Standard Consideration' of \$1.28 cash and 0.1261 IPH shares for every Xenith share, representing a total value of \$2.15 per Xenith share based on IPH's closing price on 5 April 2019 of \$6.90 per share, valuing the remaining equity of Xenith (not already owned by IPH) at approximately \$154 million;
- a "Mix and Match" facility whereby Xenith shareholders may elect to receive 'Maximum Scrip Consideration' (up to 100% scrip consideration) or 'Maximum Cash Consideration' (up to 100% cash consideration) per Xenith share, subject to scale-back². This structure provides flexibility in addressing the particular preferences of individual shareholders and enables Xenith shareholders to participate in the growth, development and potential upside for the combined group and as part of an ASX 200 group;
- IPH is seeking to agree and sign the Revised IPH Proposal with Xenith by 12 April 2019.

The Revised IPH Proposal is subject to certain conditions as outlined in the Revised IPH Proposal attached.

¹ Based on the IPH closing price as at 5 April 2019

² Allocation will be subject to scale-back (if necessary) on a pro rata basis to ensure that, for all of the Xenith shares to be acquired by IPH under the Revised IPH Proposal (which excludes any already owned by IPH), the maximum cash consideration payable by IPH is ~\$91.4m and maximum shares to be issued by IPH is ~15.6m

Under Xenith's current proposed Scheme Implementation Deed with QANTM Intellectual Property Limited (**QANTM**), QANTM must be notified of the Revised IPH Proposal and, subject to QANTM's 'matching right', following a period of three business days IPH and Xenith will be in a position to execute a Scheme Implementation Deed with IPH.

The proposed transaction is consistent with IPH's strategy of pursuing domestic transactions with strong strategic and financial merit. The proposed acquisition will be immediately accretive to IPH earnings. IPH has assumed conservative annual synergies to be achieved over three years. The proposed transaction would be funded by a combination of existing debt facilities and the issuance of IPH shares.

IPH looks forward to the expiration of the 'matching right' period and will update the market accordingly.

For more information, please contact:

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Pizzeys and AJ Park, is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products. These services are provided across Australia, New Zealand, Papua New Guinea, the Pacific Islands and Asia from offices in Sydney, Brisbane, Melbourne, Canberra, Auckland, Wellington, Singapore, Kuala Lumpur, Jakarta, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 630 people, including some of the most highly regarded IP professionals in the Asia-Pacific region. The team services a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, foreign associates and local clients. IPH was the first IP services group to list on the Australian Securities Exchange.

8 April 2019

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Dear Ms Krieger and Mr Dower,

OFFER TO ACQUIRE XENITH IP GROUP LIMITED

IPH Limited (**IPH**) is pleased to submit this revised offer to acquire Xenith IP Group Limited (**Xenith**) for cash and scrip consideration with an equivalent value of \$2.15 per Xenith share¹ on the terms and conditions set out in the attached scheme implementation deed (**IPH Scheme Implementation Deed**), summarised in this letter (**Revised IPH Proposal**). The Revised IPH Proposal provides for Xenith shareholders a superior outcome to the current Xenith scheme of arrangement (the **QIP Merger**) proposed with QANTM Intellectual Property Group Limited (**QANTM**).

We consider it is important to be able to provide Xenith shareholders with an alternative to the current QIP Merger. We have engaged with the Xenith Board to that end, in order to ensure that shareholders can receive the best possible outcome for their investment in Xenith.

1. SUMMARY OF THE REVISED IPH PROPOSAL

1.1 Key points

- Under the Revised IPH Proposal, Xenith shareholders will receive improved base consideration (**Standard Consideration**) of:
 - \$1.28 cash; and
 - 0.1261 IPH shares.

The Revised IPH Proposal represents a total value of \$2.15 per Xenith share based on IPH's closing price on 5 April 2019 being \$6.90 per share (which is also a slight discount to IPH's immediately preceding 5 day VWAP), substantially in excess of the implied QIP Merger consideration of \$1.65² and a 72.6% premium to the undisturbed Xenith share price on 26 November 2018 (the trading day prior to the announcement of the QIP

¹ Based on the IPH closing share price as at 5 April 2019.

² Based on the QIP closing share price as at 5 April 2019.

Merger). The Base Consideration provides significant certainty of value by means of the immediate cash component.

- In addition, the IPH Proposal will include for Xenith shareholders, a “Mix and Match” facility as further outlined in section 1.2 under which Xenith shareholders may elect to receive maximum scrip consideration of up to 0.3116 IPH Shares (i.e. 100% scrip) or maximum cash consideration of up to \$2.15 (i.e. 100% cash) per Xenith Share, subject to scale-back.³
- The Revised IPH Proposal (and IPH’s offer to enter into the Scheme Implementation Deed) is subject to satisfaction of the following conditions:
 - Xenith providing a copy of the Revised IPH Proposal (including this letter and the Scheme Implementation Deed) to QANTM in accordance with the requirements of the scheme implementation deed for the QIP Merger;
 - Xenith releasing an ASX announcement on the date of this letter to the effect that it has received the Revised IPH Proposal and provided a copy to QANTM in relation to its “matching rights”;
 - there being no extension of the minimum time being granted in relation to the current “matching rights” provisions under the QIP Merger;
 - that Xenith’s transaction costs relating to the QIP Merger and Revised IPH Proposal, inclusive of the QIP Merger break fee, do not exceed \$8m; and
 - Xenith entering into, and providing to IPH a duly executed counterpart of, the Scheme Implementation Deed on or before 12 April 2019.
- The Scheme Implementation Deed also contains further standard conditions for a scheme of arrangement, including prescribed occurrences.

1.2 Improved transaction terms

A summary comparison of IPH’s revised offer is shown below.

	Initial IPH Proposal	Revised IPH Proposal (Standard Consideration)
Cash consideration	\$1.28	\$1.28
IPH shares	0.1056	0.1261
Implied Value per XIP Share (as at 5 April 2019)	\$2.00	\$2.15
Offer Premium		
To Independent Expert Valuation (mid-point) ⁴	32%	42%
To XIP’s undisturbed closing price prior to the QIP Merger ⁵	61%	73%
To XIP’s undisturbed 12 month VWAP prior to the QIP Merger ⁵	59%	71%

³ Allocation will be subject to scale-back (if necessary) on a pro rata basis to ensure that, for all of the Xenith shares to be acquired by IPH under the Revised IPH Proposal (which excludes any already owned by IPH), the maximum cash consideration payable by IPH is ~\$91.4m and the maximum shares to be issued by IPH is ~15.6m.

⁴ The mid-point of the valuation range of \$1.40 to \$1.63 of a minority interest in Xenith as included in the Independent Expert’s Report included in the Scheme Booklet issued by Xenith in relation to the QIP Merger.

⁵ Based on the XIP closing share price as at 26 November 2018, prior to the QIP Merger’s announcement.

1.3 “Mix and Match” facility

The Revised IPH Proposal includes a “Mix and Match” facility which provides Xenith shareholders flexibility in consideration structure. In addition to the Standard Consideration structure outlined above, the offer is able to address the particular preferences of individual shareholders.

Shareholders may elect to receive up to 100% scrip consideration (subject to scale-back³), which has advantages including increased opportunity to benefit from the growth prospects of the combined group. Alternatively, shareholders may elect to receive up to 100% cash consideration (subject to scale-back³), which has advantages including greater immediate liquidity and certainty of value.

Under the “Mix and Match” facility Xenith shareholders may elect to receive in exchange for their Xenith shares, one of the following options:

- Standard Consideration (comprising \$1.28 cash and 0.1261 IPH shares per Xenith share);
- Maximum Scrip Consideration (comprising up to 0.3116 IPH shares per Xenith share or 100% scrip consideration). To the extent that maximum scrip elections cannot be satisfied in full as a result of the scale-back described below, the rest of the consideration would be payable in cash; or
- Maximum Cash Consideration (comprising up to \$2.15 cash per Xenith share or 100% cash consideration). To the extent that maximum cash elections cannot be satisfied in full as a result of the scale-back described below, the rest of the consideration would be payable in IPH shares.

The default position for Xenith shareholders who do not make a valid election for Maximum Scrip Consideration or Maximum Cash Consideration will be the receipt of Standard Consideration.

Allocation will be subject to scale-back (if necessary) on a pro rata basis to ensure that, for all of the Xenith shares to be acquired by IPH under the Revised IPH Proposal (which excludes any already owned by IPH), the maximum cash consideration payable by IPH is \$91.3m and the maximum shares to be issued by IPH is 15.6m.

2. DETAILS OF THE REVISED IPH PROPOSAL

2.1 Vision for the combined group

IPH has developed and grown its businesses in the Australian, New Zealand and Asia Pacific markets to position itself as a leading IP provider to secondary markets, consistent with Xenith’s stated strategic priorities.

IPH seeks to provide Xenith shareholders, staff and other stakeholders the opportunity to participate in and contribute to this vision as a combined group. The Revised IPH Proposal will enable the combined group to build upon further and leverage its existing successful position and geographic reach. The combined group will draw on the strengths and advantages of each of the group’s member firms and the skills, connections and experience of our highly regarded and experienced IP attorneys.

2.2 Strategic fit

IPH and Xenith are complementary in terms of their member firms' key service offerings as full-service patent and trade mark attorney and IP lawyers, the heritage of those firms' and their client focussed cultures. Together IPH and Xenith can focus on innovation, growth opportunities and evolving to meet challenges to be faced in the future.

The participation of Xenith in the IPH Group will enable the combined group to broaden its Australian domestic base, presence and service offerings, provide the opportunity to accelerate growth in the Asia Pacific, leverage its geographic spread and facilitate its attorneys in best servicing their clients throughout the entire region.

Both Xenith and IPH have recognised that the IP industry will continue to require innovation in technology, professional development and education, service delivery and service offerings. Together a combined group will also be best positioned to exploit future corporate opportunities and respond to changing market, regulatory, client and employee needs.

As a part of the IPH Group we see the opportunity to create a leading Australian business in the Asia-Pacific by enhancing and leveraging the businesses and service offerings of Xenith across the Group and region, and by utilising the benefits of scale in corporate, back office and innovation.

We would be pleased to arrange meetings with the professional staff of Xenith's businesses to outline IPH's vision for the combined group and benefits for employees and shareholders.

2.3 Certainty of value and improved liquidity for Xenith shareholders

The Standard Consideration comprises significant cash consideration (\$1.28 per Xenith share or approximately 60% of total consideration per Xenith share) providing certainty of value for XIP shareholders compared to the scrip-only consideration of the QIP Merger and the uncertainty in the value of the QIP Merger created by the extended timeframe for realising the estimated cost synergies and savings.

IPH has further enhanced the Revised IPH Proposal through the provision of a "Mix and Match" facility to provide Xenith's shareholders with the ability to elect to receive the maximum possible exposure to IPH scrip or cash consideration subject to scale-back.

The Revised IPH Proposal allows for sharing in the financial benefits through ownership of IPH shares and participation in a combined group with market capitalisation in excess of \$1.3 billion. The IPH shares will provide enhanced stock liquidity, and inclusion in the ASX 200 index.

2.5 Opportunities for Xenith's IP Practices and Attorneys

The IPH Group operates a true multi-national business with significant contributions at the management and professional level from its leading attorneys in Australia, New Zealand, Singapore, Hong Kong, China and other Asian offices. These contributions provide access to a deeper and broader scope of experience and skills, and supports the evolution of our service offerings.

Each business within the IPH Group has its own distinct culture aligned to the Group's vision. The strengths and advantages of the individual member firms has greatly contributed to the success of the overall group. IPH is proud of its client and performance focused culture across

its patent, trade mark and IP law businesses. We look forward to welcoming Xenith's IP attorneys who will further contribute to and enhance our overall group pursuing the common purpose of servicing our clients.

The IPH Group has an established and substantial Asian geographic platform in which it has invested for over 20 years. This leading IP platform offers Xenith's IP practices, their attorneys and clients the ability to expand and leverage the IPH Group's strengths across the region, including by providing significant and immediate opportunities in Asia, as has been demonstrated with our existing businesses.

The Revised IPH Proposal will also provide the opportunity for eligible employees to align their interests and be rewarded on a range of measures relevant to them by participation in the IPH Group employee incentive plan. This plan has now been offered to or rolled out across all IPH attorney businesses in the Group providing significant potential financial benefits for eligible staff in the form of both immediate cash payments and IPH shares (without reduction in base pay). Approximately 138 staff are participating in the FY2019 staff incentive plan.

The Revised IPH Proposal also provides significant promotion and development opportunities. IPH has promoted 28 Principals in the period since listing, has a high rate of retention of ex-vendor Principals in acquisitions, a low level of staff turnover and has continued to attract lateral appointments at both the Principal and professional staff levels.

3. A COMPELLING OPPORTUNITY

We believe that a combination of IPH and Xenith represents a compelling proposition including benefits for each company's:

- shareholders through the potential for enhanced earnings and a significant premium;
- staff in the form of growth opportunities, incentive payments and career progression; and
- customers in an enhanced offering of services, including across the Asia Pacific region to assist them to protect their valuable intellectual property assets and grow through innovation.

Yours sincerely



Richard Grellman AM
Chairman



Andrew Blattman PhD
Chief Executive Officer

Execution version

Scheme Implementation Deed

IPH Limited (**IPH**)

Xenith IP Group Limited (**XIP**)

Scheme Implementation Deed

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Details

Date

Parties

Name	IPH Limited ACN 169 015 838
Short form name	IPH
Notice details	Level 24, Tower 2, Darling Park, 201 Sussex Street, Sydney NSW 2000 Email: pheuzenroeder@iphltd.com.au Attention: Philip Heuzenroeder

Name	Xenith IP Group Limited ACN 607 873 209
Short form name	XIP
Notice details	Level 21, 60 Margaret Street, Sydney, NSW 2000 Email: craig.dower@xenithip.com / lesley.kennedy@xenithip.com Attention: Craig Dower / Lesley Kennedy

Background

- A The directors of XIP intend to propose to XIP Shareholders for their approval a merger with IPH under which IPH will acquire all of the XIP Shares by way of a scheme of arrangement under section 411 of the Corporations Act, the effect of which would be to make XIP a wholly owned subsidiary of IPH (**Proposed Transaction**).
- B IPH and XIP have agreed to implement the Proposed Transaction on the terms and conditions of this deed.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

Adviser means in relation to an entity:

- (a) a financier to the entity in connection with the Scheme; or
- (b) a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Scheme by the entity.

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 the Scheme and XIP or IPH (as the context requires) was the designated body.

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

Break Fee means the IPH Break Fee or the XIP Break Fee (as the context requires).

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

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means a XIP Competing Proposal or an IPH Competing Proposal, as the context requires.

Competition Act means the *Competition and Consumer Act 2010* (Cth).

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

Consolidated Group means a Consolidated Group or a MEC group as those terms are defined in section 995-1 of the ITAA 1997.

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

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

Court means the Federal Court of Australia or any other court of competent jurisdiction agreed between IPH and XIP.

Court Approval Date means the date the Court approves the Scheme for the purposes of section 411(4)(b) of the Corporations Act.

Deed Poll means the deed poll to be executed by IPH in favour of all Scheme Shareholders in the form set out in Schedule 8 (or such other form agreed in writing between the parties acting reasonably).

Director IPH Shares means IPH Shares that an IPH Board Member has a relevant interest in.

Director XIP Shares means XIP Shares that a XIP Board Member has a relevant interest in.

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

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

Election Form has the meaning given in clause 4.5(a).

Election Time has the meaning given in the Scheme.

End Date means 31 October 2019, subject to any extension under clause 3.4.

Excluded Shareholder means any XIP Shareholder who is a IPH or any Associate of the IPH Group.

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

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

Explanatory Booklet means the explanatory booklet to be prepared by XIP in respect of the Scheme in accordance with the terms of this deed and to be despatched to XIP Shareholders.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Head Company has the same meaning as that term is defined in section 995-1 of the ITAA 1997.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date agreed to in writing between the parties.

Independent Expert means the independent expert in respect of the Scheme appointed by XIP.

Independent Expert's Report means a report (including any updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interest of XIP Shareholders.

Ineligible Foreign Scheme Shareholder means a Scheme Shareholder whose address in the XIP Share Register is a place outside:

- (a) Australia and its external territories,
- (b) New Zealand;
- (c) Singapore, provided they are an Institutional Shareholder; or
- (d) any other jurisdiction as may be agreed in writing by IPH and XIP, provided that IPH is satisfied, acting reasonably, that it is permitted to allot and issue New IPH Shares to that Scheme Shareholder under the Scheme by the laws of that place either unconditionally or after compliance with conditions that IPH in its sole discretion regards as acceptable and not unduly onerous or impracticable.

Institutional Shareholder means a shareholder as defined under the Securities and Futures Act (Singapore).

Insolvency Event means in the case of any entity:

- (a) it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets;
- (b) it stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- (c) it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or Claim the subject of a good faith dispute);
- (d) it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken;

- (e) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for:
 - (i) its winding up, dissolution or administration; or
 - (ii) it entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,
 (other than frivolous or vexatious applications, orders, proceedings, notices or steps);
- (f) a receiver, receiver and manager, administrative receiver or similar officer is appointed to:
 - (i) a security interest becomes enforceable or is enforced over; or
 - (ii) a distress, attachment or other execution is levied or enforced or applied for over, all or a substantial part of its assets; or
- (g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.

Investigating Accountant's Report means a report prepared by one of PwC or EY, as selected by XIP, on some or all of the financial information included in the Explanatory Booklet.

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

IPH Accounts means the audited individual and consolidated accounts (including the financial statements, notes forming part of or intended to be read with the financial statements, directors' report and declaration, and auditor's report) of IPH at and for the year ended 30 June 2018.

IPH Board means the board of directors of IPH and an **IPH Board Member** means any director of IPH comprising part of the IPH Board.

IPH Break Fee means \$1,900,000.

IPH Competing Proposal means any offer, proposal or expression of interest, transaction or arrangement (including, by way of takeover bid or scheme of arrangement) under which, if ultimately completed substantially in accordance with its terms, a person or two or more persons who are Associates would directly or indirectly:

- (a) acquire a relevant interest or voting power in or become the holder of more than 20% of the IPH Shares;
- (b) acquire, obtain a right to acquire, or otherwise obtain an economic interest in, 20% or more by value of the business or property of IPH or any member of the IPH Group;
- (c) acquire Control of IPH;
- (d) otherwise acquire or merge with IPH or amalgamate with, or acquire a significant shareholding or economic interest in IPH or any member of IPH Group or 20% or more by value of the total assets or business of any member of IPH Group, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchases, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for IPH or the IPH Group or other synthetic merger or any other transaction or arrangement; or
- (e) IPH will cease to be admitted to the official list of ASX or the IPH Shares will cease to be officially quoted on the market operated by ASX,

or which may otherwise compete with, or be inconsistent in any material respect with the consummation of, the Proposed Transaction.

IPH Conditions means the conditions precedent set out under the heading 'IPH Conditions' in clause 3.1.

IPH Consolidated Tax Group means the Consolidated Group of which IPH is the Head Company.

IPH Final Dividend means a cash dividend, to be paid by IPH (in its absolute discretion and in accordance with its stated dividend policy, which provides for a payout ratio of 80-90% of earnings based on liquidity (adjusted NPAT)), to IPH Shareholders on a record date falling after 20 August 2019 and before the Implementation Date, in respect of the year ending 30 June 2019 and which is

not franked in excess of the then available franking credits of IPH, up to a maximum of 90% of cash NPAT (calculated in accordance with the audited consolidated accounts of IPH in respect of the year ending 30 June 2019, where "NPAT" is statutory net profit after tax of the IPH Group), less the amount of the IPH Interim Dividend.

IPH Finance Facility means the syndicated facility agreement between, among others, IPH, The HongKong and Shanghai Banking Corporation Limited, Sydney Branch and Westpac Banking Corporation executed on 11 February 2019.

IPH Group means IPH and each of its subsidiaries (excluding, at any time, XIP and its subsidiaries to the extent that XIP and its subsidiaries are subsidiaries of IPH at that time). A reference to a **member of the IPH Group** or an **IPH Group Member** is a reference to IPH or any such subsidiary.

IPH Information means information about the IPH Group provided or approved by IPH or any of its Advisers to XIP in writing for inclusion in the Explanatory Booklet.

IPH Interim Dividend means the cash dividend of \$0.12 per IPH Share paid by IPH on 13 March 2019 in respect of the half year ending 31 December 2018, as announced on ASX on 14 February 2019.

IPH Material Adverse Change means any event, occurrence or matter (or the disclosure or discovery of any event, occurrence or matter) that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have the effect of:

- (a) a diminution in the consolidated net assets of the IPH Group (calculated on the basis of AIFRS as at the date of this deed) of at least \$13,380,000 compared to the consolidated net assets of the IPH Group as shown in the IPH Accounts but excluding any diminution caused by a non-cash impairment charge under the AIFRS; or
- (b) a diminution in the consolidated underlying net profit after tax but before the amortisation charge on acquired intangibles of the IPH Group (calculated on the basis of AIFRS as at the date of this deed) of at least \$5,190,000 per annum on a recurring basis; or
- (c) the IPH Group being unable to carry on its business in substantially the same manner as carried on as at the date of this deed,

other than changes, events, occurrences or matters:

- (d) required or permitted by this deed;
- (e) to the extent Fairly Disclosed in public announcements issued by IPH on or by the day before the date of this deed on ASX; or
- (f) which do not relate specifically to the IPH Group and which are beyond the control of IPH and which arise from:
 - (i) changes in exchange rates or interest rates; or
 - (ii) general economic or business conditions; or
 - (iii) arising as a result of any changes of accounting standards or laws in Australia; or
 - (iv) to the extent any losses or liabilities arising from such change, event, occurrence or matter are covered by insurance which the IPH Group's insurers have agreed to pay; or
- (g) in the industry in which the IPH Group operates that do not disproportionately affect the IPH Group taken as a whole, as compared to other companies participating in the same industry as the IPH Group, including the XIP Group.

IPH Parties means the members of the IPH Group and their respective directors, officers, employees and Advisers.

IPH Performance Rights means the IPH performance rights currently on issue in respect of IPH Shares granted or to be granted under IPH's Employee Incentive Plan.

IPH Prescribed Occurrences means any of the occurrences set out in Schedule 4, provided that none of the following will constitute an IPH Prescribed Occurrence:

- (a) anything required or permitted to be done by any member of the IPH Group by this deed;

- (b) anything approved in writing by XIP;
- (c) anything Fairly Disclosed in public announcements issued by IPH to ASX on or by the day before the date of this deed,

and provided further that the occurrences set out in Part 2 of Schedule 4 will not constitute IPH Prescribed Occurrences if they occur in the ordinary course of the IPH Group's ordinary business.

IPH Representation and Warranty means a representation and warranty of IPH set out in Schedule 1.

IPH Retention Rights means the IPH retention rights currently on issue in respect of IPH Shares granted or to be granted under IPH's Employee Incentive Plan.

IPH Shareholder means a person who is registered as the holder of at least one IPH Share.

IPH Shares means a fully paid ordinary share in the capital of IPH.

IPH Sub means a direct or indirect wholly owned subsidiary of IPH, nominated in writing by IPH to XIP under clause 4.3.

IPH Superior Proposal means a bona fide IPH Competing Proposal which in the determination of the IPH Board acting in good faith in order to satisfy what the IPH Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and, if appropriate, financial advisers):

- (a) is reasonably likely to be completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including the ability of the proposing party to consummate the transactions contemplated by the IPH Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to IPH Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the IPH Competing Proposal.

Joint Conditions means the conditions precedent set out under the heading 'Joint Conditions' in clause 3.1.

Joint Information means the information to be included in the Explanatory Booklet regarding the profile of the combined XIP Group/IPH Group, assuming the Scheme is approved and implemented, and risk factors associated with the Scheme, being information that is to be prepared jointly by XIP and IPH.

Liability means a debt, obligation, liability, loss, expense, cost or damage of any kind and however arising, including any penalty, fine or interest and including those which are prospective or contingent and those the amount of which for the time being is not ascertained or ascertainable.

Listing Rules means the official listing rules of ASX.

Marketable Parcel has the meaning given in the Scheme.

Material Agreements means the agreements specified in:

- (a) Schedule 5 for the purposes of the definition of Third Party Consents and Schedule 3; and
- (b) Schedule 6 for the purposes of Schedule 4.

Maximum Cash Consideration has the meaning given in the Scheme.

Maximum Scrip Consideration has the meaning given in the Scheme.

New IPH Shares means the new IPH Shares to be issued under the terms of the Scheme.

Proposed Transaction has the meaning given in Recital A.

QIP means QANTM Intellectual Property Limited ACN 612 441 326.

QIP Scheme Implementation Deed means the scheme implementation deed between XIP and QIP dated 26 November 2018.

QIP Transaction means the proposed acquisition of XIP by QIP pursuant to the QIP Scheme Implementation Deed.

Regulatory Approvals means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without notification.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- (c) any regulatory organisation established under statute,

in Australia whether federal, state, territorial or local or other applicable jurisdiction.

Relevant Date means in relation to a condition precedent, the date or time specified in this deed for its fulfilment (or where no such date or time is specified, the Business Day before the End Date), subject to extension under clause 3.4.

Representative means in relation to IPH or XIP:

- (a) each other member of the IPH Group or the XIP Group (as applicable);
- (b) an officer or employee of a member of the IPH Group or the XIP Group (as applicable); or
- (c) an Adviser to a member of the IPH Group or the XIP Group (as applicable).

RG 60 means Regulatory Guide 60 issued by ASIC on 20 September 2011.

Sale Facility has the meaning given in the Scheme.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between XIP and the Scheme Shareholders under which IPH proposes to acquire all of the XIP Shares substantially in the form of Schedule 7, subject to any alterations or conditions:

- (a) agreed to in writing by IPH and XIP, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by IPH and XIP.

Scheme Consideration has the meaning given in the Scheme.

Scheme Meeting means the meeting of the XIP Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between the parties.

Scheme Resolution means the approval of the Scheme by the XIP Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

Scheme Share means a XIP Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a XIP Shareholder at the Scheme Record Date (other than an Excluded Shareholder).

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, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Standard Consideration has the meaning given in the Scheme.

Superior Proposal means an IPH Superior Proposal or a XIP Superior Proposal, as the context requires.

Tax means all forms of taxes, duties, imposts, charges, withholdings, rates, levies or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines, expenses and other additional statutory charges, incidental or related to the imposition.

Tax Law means any law in relation to any Tax.

Tax Relief means any relief, allowance, exemption, credit, exclusion set-off, deduction, loss, refund or rebate granted or available in respect of Tax under any Tax Law.

Third Party means any person or entity (including a Regulatory Authority) other than a member of the IPH Group or a member of the XIP Group.

Third Party Consent means the waiver or consent in writing in a form reasonably satisfactory to IPH from the relevant counterparty to a Material Agreement (or any other agreement or arrangement to which a member of the XIP Group is party which IPH considers material (acting reasonably) in the context of the XIP Group) and which if not provided results or could result in such agreement or arrangement being terminated or varied or any action being taken or arising in each case as a result of the implementation of the Scheme.

Timetable means the indicative timetable for the implementation of the Scheme set out in Schedule 9, including any amendments to that timetable agreed by the parties in writing and acting reasonably.

XIP Accounts means the audited individual and consolidated accounts (including the financial statements, notes forming part of or intended to be read with the financial statements, directors' report and declaration, and auditor's report) of XIP at and for the year ended 30 June 2018.

XIP Board means the board of directors of XIP and a **XIP Board Member** means any director of XIP comprising part of the XIP Board.

XIP Break Fee means \$1,900,000.

XIP Competing Proposal means any offer, proposal or expression of interest, transaction or arrangement (including, by way of takeover bid or scheme of arrangement other than the Proposed Transaction) under which, if ultimately completed substantially in accordance with its terms, a person or two or more persons who are Associates would directly or indirectly:

- (a) acquire a relevant interest or voting power in or become the holder of more than 20% of the XIP Shares;
- (b) acquire, obtain a right to acquire, or otherwise obtain an economic interest in, 20% or more by value of the business or property of XIP or any member of the XIP Group;
- (c) acquire Control of XIP;
- (d) otherwise acquire or merge with XIP or amalgamate with, or acquire a significant shareholding or economic interest in XIP or any member of XIP Group or 20% or more by value of the total assets or business of any member of XIP Group, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchases, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for XIP or the XIP Group or other synthetic merger or any other transaction or arrangement; or
- (e) XIP will cease to be admitted to the official list of ASX or the XIP Shares will cease to be officially quoted on the market operated by ASX,

or which may otherwise compete with, or be inconsistent in any material respect with the consummation of, the Proposed Transaction.

XIP Conditions means the conditions precedent set out under the heading 'XIP Conditions' in clause 3.1.

XIP Consolidated Tax Group means the Consolidated Group of which XIP is the Head Company.

XIP Director means a XIP Board Member.

XIP Final Dividend means a cash dividend, to be paid by XIP (in its absolute discretion and in accordance with its stated dividend policy, which provides for a payout ratio of 70-90% of NPATA), to XIP Shareholders on a record date falling after 20 August 2019 and before the Implementation Date, in respect of the year ending 30 June 2019 and which is not franked in excess of the then available

franking credits of XIP, up to a maximum of 90% of statutory NPATA (calculated in accordance with the audited consolidated accounts of XIP in respect of the year ending 30 June 2019, where "NPATA" is statutory net profit after tax but before the amortisation charge on acquired intangible assets of the XIP Group), less the amount of the XIP Interim Dividend.

XIP Finance Facility means the senior facility agreement between, among others, XIP and Australia and New Zealand Banking Group Limited as amended and restated pursuant to the Amendment and Restatement Deed dated 2 February 2017.

XIP Group means XIP and each of its subsidiaries. A reference to a **member of the XIP Group** or **XIP Group Member** is a reference to XIP or any such subsidiary.

XIP Information means information about the XIP Group prepared by XIP or any of its Advisers for inclusion in the Explanatory Booklet.

XIP Interim Dividend means cash dividend of \$0.0325 per XIP Share paid by XIP on 29 March 2019 in respect of the half year ending 31 December 2018, as announced on ASX on 27 February 2019.

XIP Material Adverse Change means any event, occurrence or matter (or the disclosure or discovery of any event, occurrence or matter) that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have the effect of:

- (a) a diminution in the consolidated net assets of the XIP Group (calculated on the basis of AIFRS as at the date of this deed), of at least \$12,553,000 compared to the consolidated net assets of the XIP Group as shown in the XIP Accounts but excluding any diminution caused by a non-cash impairment charge under the AIFRS; or
- (b) a diminution in the consolidated underlying net profit after tax but before the amortisation charge on acquired intangibles of the XIP Group (calculated on the basis of AIFRS as at the date of this deed) of at least \$1,100,000 per annum on a recurring basis; or
- (c) the XIP Group being unable to carry on its business in substantially the same manner as carried on as at the date of this deed,

other than changes, events, occurrences or matters:

- (d) required or permitted by this deed;
- (e) to the extent Fairly Disclosed in public announcements issued by XIP to ASX on or by the day before the date of this deed; or
- (f) which do not relate specifically to the XIP Group and which are beyond the control of XIP and which arise from:
 - (i) changes in exchange rates or interest rates; or
 - (ii) general economic or business conditions;
 - (iii) arising as a result of any changes to accounting standards or laws in Australia; or
 - (iv) to the extent any losses or liabilities arising from such change, event, occurrence or matter are covered by insurance which the XIP Group's insurers have agreed to pay; or
- (g) in the industry in which the XIP Group operates that do not disproportionately affect the XIP Group taken as a whole, as compared to other companies participating in the same industry as the XIP Group, including the IPH Group.

XIP Parties means the members of the XIP Group and their respective directors, officers, employees and Advisers.

XIP Performance Rights means the XIP performance rights currently on issue in respect of XIP Shares granted or to be granted under the XIP Share Plans.

XIP Prescribed Occurrence means any of the occurrences set out in Schedule 3, provided that none of the following will constitute a XIP Prescribed Occurrence:

- (a) anything required or permitted to be done by any member of the XIP Group by this deed;
- (b) anything approved in writing by IPH;

- (c) anything Fairly Disclosed in public announcements issued by XIP to ASX on or before the day before the date of this deed,

and provided further that the occurrences set out in Part 2 of Schedule 3 will not constitute XIP Prescribed Occurrences if they occur in the ordinary course of the XIP Group's ordinary business.

XIP Public Announcement means the public announcement in relation to the Scheme to be issued by XIP to ASX in accordance with clause 9.1.

XIP Registry means Computershare Investor Services Pty Limited or any replacement provider of share registry services to XIP.

XIP Representation and Warranty means a representation and warranty of XIP set out in Schedule 2.

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

XIP Share Plans means:

- (a) the Xenith IP Group Limited Performance Rights Plan approved by the XIP Board in the financial year ended 30 June 2016; and
- (b) the Xenith IP Employee Incentive Plan the issue of rights under which was approved by XIP Shareholders at the annual general meeting for Xenith held on 28 November 2018.

XIP Shareholder means a person who is registered in the XIP Share Register as the holder of at least one XIP Share.

XIP Share Register means the register of members of XIP maintained in accordance with the Corporations Act.

XIP Superior Proposal means a bona fide XIP Competing Proposal which in the determination of the XIP Board acting in good faith in order to satisfy what the XIP Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and, if appropriate, financial advisers):

- (a) is reasonably likely to be completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including the ability of the proposing party to consummate the transactions contemplated by the XIP Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to XIP Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the XIP Competing Proposal.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The rules below apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or attachment is a reference to a clause of, or schedule or attachment to, this deed.
- (f) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document, and includes the recitals, schedules and attachments to that agreement or document.
- (g) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).

- (h) 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.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to dollars and \$ is to Australian currency.
- (l) All references to time are to Sydney, Australia time.
- (m) Mentioning anything after 'includes', 'including', 'for example', or similar expressions, does not limit what else might be included.
- (n) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.
- (o) A reference to 'officer', 'related body corporate', 'subsidiary', 'relevant interest' or 'voting power' is to that term as it is defined in the Corporations Act.
- (p) A reference to Fairly Disclosed means disclosed to any of IPH or XIP, as the context requires, or any of their respective Representatives in sufficient detail so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in the patent and trademark industries to identify and understand the nature and scope of the relevant matter, event or circumstance.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.5 Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.6 Statements on the basis of knowledge

- (a) Any statement made by XIP on the basis of its knowledge is made on the basis that its knowledge is limited to the knowledge that any of its directors, chief executive officer or chief financial officer has or would have if he had made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates.
- (b) Any statement made by IPH on the basis of its knowledge is made on the basis that its knowledge is limited to the knowledge that any of its directors, chief executive officer or chief financial officer has or would have if he had made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates.

1.7 Reasonable endeavours

Any provision of this deed which requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
 - (b) to commence any legal action or proceeding against any person,
- except where that provision expressly specifies otherwise.

2. Agreement to Proceed with Scheme

2.1 XIP to propose the Scheme

XIP agrees to propose and implement the Scheme on and subject to the terms of this deed.

2.2 IPH to assist

IPH agrees to assist XIP to propose and implement the Scheme on and subject to the terms of this deed.

3. Conditions Precedent and Pre-implementation Steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of IPH under clauses 4.4 and 4.5 are not binding, unless each of the following conditions precedent is satisfied or waived in accordance with clause 3.3:

Joint Conditions

(Conditions precedent for the benefit of all parties)

- (a) **(ASIC and ASX consents)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals or have done such other acts which are reasonably necessary to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00am on the Second Court Date;
- (b) **(Other Regulatory Authority approvals)** before 8.00am on the Second Court Date:
 - (i) all other approvals of a Regulatory Authority which XIP and IPH agree are necessary to implement the Scheme are obtained and have not been withdrawn or revoked; and
 - (ii) none of the following has been issued or made, and remain in effect at 8.00am on the Second Court Date:
 - (A) a conditional or unconditional decision, determination or statement by any Regulatory Authority to the effect that it objects to the Scheme, and that decision, determination or statement would have the effect or likely effect of materially impeding the implementation of the Scheme;
 - (B) a preliminary or final decision, determination, or order issued by any Regulatory Authority preventing the Scheme; or
 - (C) a temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or the Takeovers Panel or other legal restraint or prohibition preventing the Scheme;
- (c) **(ASX Quotation)** before 8.00am on the Second Court Date ASX grants quotation of all the New IPH Shares subject only to the approval of the Scheme by the Court, the implementation of the Scheme as approved by the Court and usual and customary conditions of ASX of a procedural or administrative nature;
- (d) **(XIP Shareholder approval)** before 8.00am on the Second Court Date, the Scheme is approved by XIP Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;

- (e) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (f) **(Independent Expert's Report)** the Independent Expert's Report contains an opinion of the Independent Expert to the effect that the Scheme is in the best interests of XIP Shareholders and the Independent Expert maintains that opinion (including by not withdrawing or changing that opinion) at all times up to 8.00am on the Second Court Date;

IPH Conditions

(Conditions precedent for the benefit of IPH only)

- (g) **(termination of QIP Transaction)** the QIP Scheme Implementation Deed is validly terminated;
- (h) **(No XIP Material Adverse Change)** no XIP Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date;
- (i) **(No XIP Prescribed Occurrence)** no XIP Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;
- (j) **(XIP Warranties)** the XIP Representations and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date; and
- (k) **(XIP Performance Rights)** before 8.00am on the Second Court Date, arrangements have been put in place and all necessary Regulatory Approvals, consents and waivers have been obtained so that all of the XIP Performance Rights will be dealt with as contemplated by 4.6.

XIP Conditions

(Conditions precedent for the benefit of XIP only)

- (l) **(No IPH Material Adverse Change)** no IPH Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date;
- (m) **(No IPH Prescribed Occurrence)** no IPH Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date; and
- (n) **(IPH Warranties)** the IPH Representations and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date.

3.2 Satisfaction

- (a) IPH and XIP must use reasonable endeavours to procure that the Joint Conditions (other than the condition precedent in clause 3.1(d)) are satisfied.
- (b) IPH must use reasonable endeavours to procure that the XIP Conditions are satisfied.
- (c) XIP must use reasonable endeavours to procure that the IPH Conditions (and the condition precedent in clause 3.1(d)) are satisfied.
- (d) IPH and XIP must provide reasonable assistance in satisfying the other conditions precedent in clause 3.1, and ensure that there is no occurrence within the control of a member of the IPH Group or the XIP Group (as the context requires) that would prevent any condition precedent in clause 3.1 being satisfied.
- (e) XIP must ensure that no XIP Prescribed Occurrence occurs, and that no occurrence within the control of a member of the XIP Group takes place which would cause a XIP Material Adverse Change to occur, in each case on or before the End Date.
- (f) IPH must ensure that no IPH Prescribed Occurrence occurs, and that no occurrence within the control of a member of the IPH Group takes place which would cause an IPH Material Adverse Change to occur, in each case on or before the End Date.
- (g) IPH and XIP must:
 - (i) consult and co-operate fully with the other party in relation to the satisfaction of the conditions precedent, including in relation to all material communications with Regulatory Authorities in relation to Regulatory Approvals;

- (ii) consult with each other in advance in relation to the progress of obtaining, and all material communications with Regulatory Authorities regarding any of, the Regulatory Approvals (provided that a party is not prevented from taking any step (including communicating with a Regulatory Authority) in respect of a Regulatory Approval if the other party has unduly delayed responding under this clause and has been notified of the same);
 - (iii) provide all assistance and information reasonably requested by the other party in connection with any application or material communication to be made by that other party to a Regulatory Authority in relation to a Regulatory Approval;
 - (iv) keep each other informed of progress in relation to each Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed by, or to, any Regulatory Authority in relation to a Regulatory Approval);
 - (v) promptly provide to the other party all material communications with Regulatory Authorities in relation to Regulatory Approvals;
 - (vi) promptly notify the other if it becomes aware that any condition precedent has been satisfied; and
 - (vii) promptly notify the other of any failure to satisfy a condition precedent or of any fact or circumstance that may result in a condition precedent becoming incapable of being satisfied or that may result in a condition precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under this clause).
- (h) Without in any way limiting the obligations of the parties under this clause, in relation to the termination of the QIP Transaction referred to in clause 3.1(g):
- (i) XIP must take all action necessary to validly terminate the QIP Scheme Implementation Deed in a manner in which XIP does not incur any Liability to QIP as a result of, or in connection with, that termination other than in respect of payment of the 'XIP Break Fee' (as defined in the QIP Scheme Implementation Deed) on the date of this deed and provide a copy of all associated correspondence to IPH;
 - (ii) XIP must consult with IPH in advance in relation to all material written communications (whether direct or via a Representative) with QIP and its representatives relating to the termination of the QIP Transaction and, without limitation:
 - (A) provide IPH with draft of any material written communications to be sent to QIP or its representatives and take any reasonable comments made by IPH into account in good faith when making any amendments; and
 - (B) provide copies of any material written communications sent to or received from QIP or its representatives to IPH promptly upon despatch or receipt (as the case may be).
- (i) On the Second Court Date:
- (i) IPH and XIP must give the Court a joint certificate (or such other evidence as the Court requires) confirming whether or not the Joint Conditions (other than the condition precedent at clause 3.1(e)) have been satisfied or waived;
 - (ii) IPH and XIP must give the Court a joint certificate confirming whether the condition in clause 3(a)(ii) of the Scheme has been satisfied;
 - (iii) IPH must:
 - (A) give the Court a certificate (or such other evidence as the Court requires) confirming (in respect of matters within its knowledge) whether or not the XIP Conditions have been satisfied or waived; and
 - (B) give XIP a draft of its certificate by 5.00pm on the Business Day before the Second Court Date; and
 - (iv) XIP must:

- (A) give the Court a certificate (or such other evidence as the Court requires) confirming (in respect of matters within its knowledge) whether or not the IPH Conditions have been satisfied or waived; and
- (B) give IPH a draft of its certificate by 5.00pm on the Business Day before the Second Court Date.

3.3 Waiver of conditions precedent

- (a) The conditions precedent in clauses 3.1(d) and 3.1(e) cannot be waived.
- (b) The remaining Joint Conditions are for the benefit of IPH and XIP and may only be waived by both of them in writing.
- (c) The IPH Conditions are for the sole benefit of IPH and may only be waived by IPH in writing.
- (d) The XIP Conditions are for the sole benefit of XIP and may only be waived by XIP in writing.
- (e) A party entitled to waive a condition precedent may do so conditionally or unconditionally in its absolute discretion provided that any waiver must take place on or prior to the 8.00am on the Second Court Date.
- (f) If a party waives the breach or non-fulfilment of a condition precedent, that waiver will not preclude it from suing the other party for any breach of this deed that resulted from the breach or non-fulfilment of the condition precedent that was waived or arising from the same event which gave rise to the breach or non-fulfilment of the condition precedent.
- (g) Waiver of a breach or non-fulfilment in respect of a condition precedent does not constitute:
 - (i) a waiver of the breach or non-fulfilment of any other condition precedent resulting from the same event; or
 - (ii) a waiver of the breach or non-fulfilment of that condition precedent resulting from any other event.

3.4 If a condition precedent is not fulfilled or waived

If a condition precedent cannot be fulfilled (or has not been fulfilled or waived) by the Relevant Date, or the Scheme has not become Effective by the End Date, XIP and IPH must, prior to any termination under clause 3.7, consult in good faith and act reasonably (and obtain appropriate advice) for a period of at least 10 Business Days to develop potential structures and approaches and to determine whether:

- (a) the Scheme may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods (to avoid doubt, any such alternative means or methods must not involve any material additional economic cost (including increasing the amount of any Tax payable or reducing any Tax Relief available) to IPH or to XIP or any XIP Shareholder or be materially less advantageous to IPH or XIP Shareholders);
- (b) to extend the Relevant Date;
- (c) to adjourn or change the date of the Scheme Meeting; and/or
- (d) to extend the End Date.

Without limiting the above, if a condition precedent is not satisfied by the date contemplated in the Timetable as the Second Court Date, XIP and IPH agree (unless there is no reasonable prospect that the condition precedent will be satisfied) that the Second Court Date be deferred until such date (not later than the Business Day before the End Date) as reasonably required to enable more time to satisfy the condition precedent.

3.5 Appeal process

- (a) Without limiting clause 3.4, if the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, XIP must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent barrister who is a Queens Counsel or Senior Counsel with at least 15 years' experience advises in writing, a copy of which is provided to IPH, that in their view an appeal would have no reasonable prospect of success).

- (b) Any costs incurred as a result of the operation of clause 3.5(a) are to be borne equally by XIP and IPH.

3.6 Scheme voted down

Without limiting clause 3.4 or clause 3.5, if the Scheme is not approved by a majority in number of the XIP Shareholders (other than Excluded Shareholders) present and voting (in person or by proxy) at the Scheme Meeting (headcount test), that fact will not of itself be treated as preventing the condition precedent in clause 3.1(d) from being satisfied, and XIP must, if counsel for IPH has certified that there are reasonable prospects of success on such an application, do everything it reasonably can to obtain Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act, and an order of the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act that the headcount test need not be satisfied, and must consult and co-operate fully with IPH in that regard.

3.7 Termination on failure of condition precedent

- (a) Subject to clause 3.4, if:

- (i) the Scheme has not become Effective by the End Date; or
- (ii) any event occurs which would, or in fact does, prevent a condition precedent being satisfied and that condition precedent is not waived by XIP or IPH or both (as applicable) in accordance with clause 3.3,

then, subject to clause 3.7(b):

- (iii) where the condition precedent is a Joint Condition either party may terminate this deed by giving notice to the other party;
 - (iv) where the condition precedent is an IPH Condition, IPH may terminate this deed by giving notice to XIP; and
 - (v) where the condition precedent is a XIP Condition, XIP may terminate this deed by giving notice to IPH.
- (b) A party will not be entitled to terminate this deed under clause 3.7(a) if the relevant occurrence, or the failure of the satisfaction of a condition precedent, or of the Scheme becoming Effective, arises out of, or is substantially contributed to by:
 - (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party.
 - (c) Subject to any rights or obligations arising under or under clauses that are expressed to survive termination of this deed, on termination of this deed no party will have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued before termination.

4. Transaction Steps

4.1 Scheme

XIP must propose the Scheme under which:

- (a) all of the Scheme Shares will be transferred to IPH; and
- (b) the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 No amendment to the Scheme without consent

XIP 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 IPH.

4.3 IPH Sub

- (a) IPH may notify XIP in writing no later than 3 Business Days prior to the Implementation Date that IPH nominates the IPH Sub as the party to whom all of the Scheme Shares are to be transferred under the Scheme.
- (b) If IPH gives XIP a notice under clause 4.3(a):

- (i) references in this deed to IPH as the transferee of the Scheme Shares are references to the IPH Sub;
- (ii) IPH must procure that the IPH Sub accepts the transfer of the Scheme Shares and otherwise takes whatever actions are required of the IPH Sub to facilitate the implementation of the Scheme; and
- (iii) IPH remains liable to XIP for the due performance of the actions attributed to the IPH Sub under clause 4.3(b).

4.4 Scheme Consideration

- (a) The Scheme Consideration to be provided in respect of each Scheme Share is as described in clause 5 of the Scheme.
- (b) Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms of this deed and the Scheme. Such Scheme Consideration will be received in the form of either the Maximum Cash Consideration, the Maximum Scrip Consideration or the Standard Consideration, in accordance with the election process outlined in clause 4.5 and in the Scheme (and subject to the provisions contained in the Scheme for the sale on their behalf of New IPH Shares attributable to Ineligible Foreign Scheme Shareholders and certain Scheme Shareholders who would otherwise receive less than a Marketable Parcel of New IPH Shares).
- (c) IPH undertakes to XIP (in its own right and as trustee on behalf of the Scheme Shareholders) that, in consideration of the transfer to IPH of each Scheme Share under the terms of the Scheme, on the Implementation Date it will accept that transfer and IPH will provide each Scheme Shareholder the Scheme Consideration in accordance with the terms of the Scheme.

4.5 Scheme Consideration election mechanism

- (a) XIP must ensure that the Scheme Booklet sent to XIP Shareholders (other than Excluded Shareholders) is accompanied by a form of election (**Election Form**) under which each XIP Shareholder (other than Excluded Shareholders) is requested to elect to receive either Maximum Cash Consideration, Maximum Scrip Consideration or Standard Consideration in respect of all of their XIP Shares, and which sets out the election process, including that if no election is made the XIP Shareholder will be taken to have elected to receive Standard Consideration.
- (b) The Election Form must include the relevant matters set out in the Scheme (including, where any New IPH Shares included in a Scheme Shareholder's Scheme Consideration comprise less than a Marketable Parcel, an option for the relevant Shareholder to 'opt out' of having those New IPH Shares sold through the Sale Facility) and must otherwise be in a form agreed by the parties in writing.
- (c) XIP must procure that, to the extent practicable, Scheme Shareholders who acquired XIP Shares after the date of the despatch of the Scheme Booklet and Election Form receive an Election Form on request to XIP.

4.6 Allotment and issue of New IPH Shares

- (a) Subject to the Scheme becoming Effective, IPH must:
 - (i) issue the New IPH Shares to Scheme Shareholders in accordance with the Scheme on terms such that each New IPH Share will rank equally in all respects with each existing IPH Share;
 - (ii) use all reasonable endeavours to ensure that the New IPH Shares are approved for official quotation on ASX and that trading in the New IPH Shares commences as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on an ordinary (T+2) settlement basis by the first Business Day after the Implementation Date; and
 - (iii) ensure that on issue, each New IPH Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

- (b) In order to facilitate the provision of the Scheme Consideration, XIP must provide, or procure the provision of, to IPH or a nominee of IPH:
 - (i) reasonable written updates of the elections that have been received in the period up to the Election Time;
 - (ii) written details of the final elections made by each Scheme Shareholder, within one Business Day after the Election Time; and
 - (iii) a complete copy of the Share Register as at the Scheme Record Date (which must include the name, Registered Address and registered holding of each Scheme Shareholder as at the Scheme Record Date), within one Business Day after the Scheme Record Date.

The details and information to be provided under this clause 4.6(b) must be provided in such form as IPH, its Representatives or share registry may reasonably require.

- (c) IPH will not issue any New IPH Shares to Ineligible Foreign Scheme Shareholders, and instead will issue the New IPH Shares that would otherwise have been issued to the Ineligible Foreign Scheme Shareholders to a nominee appointed by IPH in accordance with the terms of the Scheme. IPH will procure that the nominee sells those New IPH Shares on-market at such price and on such other terms as the nominee determines in good faith and, promptly after the last sale of those New IPH Shares, remits the proceeds from that sale to XIP. XIP will then remit the proceeds it receives (less any applicable brokerage, taxes, duty and other costs and charges) to the Ineligible Foreign Scheme Shareholders in accordance with their entitlement in accordance with the terms of the Scheme.

4.7 XIP Performance Rights

XIP must take all steps in accordance with the plan rules governing the XIP Performance Rights to give notice to Craig Dower that all of the XIP Performance Rights held by or to be granted to him (being 454,880 XIP Performance Rights) have vested early, with the balance held by or to be granted to him lapsing, and to issue the corresponding number of XIP Shares to Craig Dower by no later than the Scheme Record Date, and XIP must otherwise ensure that there are no XIP Performance Rights on issue on the Scheme Record Date.

5. Implementation

5.1 XIP's obligations

XIP must take all necessary steps to propose and (subject to all of the conditions in clause 3.1 being satisfied or waived in accordance with their terms) implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with IPH on a regular basis about its progress in that regard), including by doing any acts it is authorised and able to do on behalf of the XIP Shareholders and each of the matters below.

- (a) **(Preparation of Explanatory Booklet)** Prepare the Explanatory Booklet in accordance with clause 5.3.
- (b) **(Directors' recommendation)** include in the Explanatory Booklet a statement by the XIP Board:
 - (i) unanimously recommending that XIP Shareholders vote in favour of the Scheme in the absence of a Superior Proposal; and
 - (ii) that each XIP Board Member will (in the absence of a Superior Proposal) vote, or procure the voting of, any Director XIP Shares at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting.
- (c) **(Confirmation of the XIP Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to the XIP Shareholders, either:
 - (i) confirm in writing to IPH that the XIP Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or

- (ii) make the changes required to ensure that the XIP Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (d) **(Joint Information)** Promptly contribute to and assist with the preparation and verification of the Joint Information.
- (e) **(Confirmation of Joint Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to the XIP Shareholders, either:
 - (i) confirm in writing to IPH that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to IPH the changes required to ensure that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission,
 to the extent that any part of the Joint Information is prepared or contributed solely by XIP.
- (f) **(Regulatory notifications)** In relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by XIP in relation to the Scheme.
- (g) **(Independent Expert)** Appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare the Independent Expert's Report as soon as practicable (but ensuring that clause 5.1(z) is complied with in briefing the Independent Expert).
- (h) **(Consult with IPH on ancillary documents)** Consult with IPH as to the content and presentation of all relevant originating process, affidavits, submissions and draft minutes of Court orders and other civil procedure documents to be filed with the Court in connection with the Scheme and the termination of the QIP Transaction, such consultation to include allowing IPH a reasonable opportunity to review and make comments on drafts of those documents, consider in good faith, for the purpose of amending those drafts, comments from IPH and its Representatives on those drafts, and provide IPH with copies of any correspondence with ASIC and ASX in connection with the Scheme and the termination of the QIP Transaction (and an opportunity to comment on drafts of any substantive written communications to ASIC or ASX).
- (i) **(approval of draft for ASIC)** As soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the XIP Board, or of a committee of the XIP Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act.
- (j) **(liaison with ASIC)** As soon as reasonably practicable after the date of this deed:
 - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with this deed to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet and keep IPH reasonably informed of any matters raised by ASIC in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with IPH, to resolve any such matters.
- (k) **(approval of Explanatory Booklet)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the XIP Board, or of a committee of the XIP Board appointed for the purpose, is held to consider approving the Explanatory Booklet for despatch to the XIP Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act.
- (l) **(Section 411(17)(b) statement)** Apply to ASIC for a statement under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme.

- (m) **(first Court hearing)** Apply to the Court under section 411(1) of the Corporations Act for orders directing XIP to convene the Scheme Meeting.
- (n) **(ASIC registration)** Request ASIC to register under section 412(6) of the Corporations Act the explanatory statement for the Scheme as contained in the Explanatory Booklet.
- (o) **(Scheme Meeting)** Use all reasonable endeavours necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the XIP Shareholders and convening and holding the Scheme Meeting, and using reasonable endeavours to ensure that all the XIP Shareholders vote as a single class and with equal weight being given to their votes.
- (p) **(updating Explanatory Booklet)** Until the date of the Scheme Meeting, promptly update the Explanatory Booklet with any information that arises after the Explanatory Booklet has been dispatched that is necessary to ensure that the Explanatory Booklet does not contain any material statement that is false or misleading in a material respect (including because of any material omission from that statement).
- (q) **(Proxy reports)** Cause the XIP Registry to report to it and IPH on the status of proxy forms received by the XIP Registry for the Scheme Meeting, at 10 Business Days before the Scheme Meeting, at each subsequent Business Day up to the deadline for receipt of proxy forms and at such deadline, and provide such other information as it may receive concerning the voting intentions of the XIP Shareholders to IPH.
- (r) **(Court approval)** Subject to the conditions precedent in clause 3.1 (other than that in clause 3.1(e)) being or likely to be satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme, and consult with IPH as to the content of all relevant affidavits, submissions and draft minutes of Court orders.
- (s) **(Court order)** Lodge with ASIC an office copy of any Court order approving the Scheme in accordance with the Timetable (or such later date as IPH may agree in writing).
- (t) **(Third Party Consents)** XIP must consult with IPH concerning Third Party Consents and use its best endeavours to obtain any Third Party Consents. XIP must involve IPH in meetings or discussions with Third Parties relating to the obtaining of Third Party Consents and keep IPH informed of progress in obtaining any such Third Party Consents (and must do everything it can to ensure that the relevant counterparties provide information promptly as to how they propose to exercise their rights and keep IPH informed of all such information) and assist IPH generally in relation to matters required for the implementation of the Scheme, and consult with IPH in relation to the foregoing.
- (u) **(Implementation of Scheme)** If the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, within the timeframe contemplated by the Timetable;
 - (ii) procure ASX to suspend trading in the XIP Shares from the close of trading on the Effective Date;
 - (iii) with effect from the Scheme Record Date, determine the identity of Scheme Shareholders and their entitlements to the Scheme Consideration;
 - (iv) subject to IPH satisfying its obligations under clause 4.4 execute proper instruments of transfer of the Scheme Shares on behalf of the Scheme Shareholders and procure the registration in the XIP Share Register of all transfers of Scheme Shares to IPH under those instruments on the Implementation Date;
 - (v) use its best endeavours to ensure that the termination of official quotation and removal of XIP from the official list of the ASX does not occur until after the Implementation Date; and
 - (vi) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme.
- (v) **(Acquirer Information)** Without the prior written consent of IPH, not use the IPH Information or the Joint Information (to the extent any part of the latter is prepared or contributed solely

by IPH) for any purposes other than those expressly contemplated by this deed or the Scheme.

- (w) **(Compliance with laws)** Do everything reasonably within its power to ensure that the Scheme is effected in accordance with all applicable laws and regulations.
- (x) **(Engagement with major XIP Shareholders and employee XIP Shareholders)** In cooperation with IPH, consult with major XIP Shareholders and XIP Shareholders that are employees of the XIP Group regarding the Scheme and encourage the public support of the Scheme by major XIP Shareholders and XIP Shareholders that are employees of the XIP Group.
- (y) **(Practical assistance)** Make the officers and employees of the XIP Group available for any meetings with the XIP Shareholders which IPH may seek, and permit IPH to accompany them at such meetings and take such other steps as IPH may require to facilitate an explanation by IPH of the merits of the Scheme.
- (z) **(Presentation of information to the Independent Expert)** Allow IPH such opportunities as it reasonably requests (and equal opportunity with XIP) to present to the Independent Expert in relation to its business, to assist the Independent Expert's understanding of those matters, and, to the extent any parts of the Independent Expert's Report are made available for review, provide those to IPH and convey IPH's comments to the Independent Expert (and enable IPH to meet with the Independent Expert), and ensure that the Independent Expert is briefed in a manner which is balanced and fair to IPH. XIP must ensure that IPH receives equal access with XIP in briefing the Independent Expert. Any correspondence with the Independent Expert must be copied to all parties.
- (aa) **(Suspension of trading)** apply to ASX to suspend trading in XIP Shares with effect from the close of trading on the Effective Date.

5.2 IPH's obligations

IPH must take all necessary steps to facilitate the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with XIP on a regular basis about its progress in that regard), including by doing each of the following:

- (a) **(IPH Information)** Prepare and provide to XIP the IPH Information for inclusion in the Explanatory Booklet to comply with all applicable laws, including the Corporations Act, RG 60 and the ASX Listing Rules relevant to the IPH Information and consult with XIP as to the content and presentation of the IPH Information in the Explanatory Booklet, such consultation to include allowing XIP a reasonable opportunity to review and make comments on successive drafts of the IPH Information before lodgement of the Explanatory Booklet with ASIC.
- (b) **(Joint Information)** Promptly contribute to and assist with the preparation and verification of the Joint Information.
- (c) **(Confirmation of Joint Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to the XIP Shareholders, either:
 - (i) confirm in writing to XIP that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to XIP the changes required to ensure that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission, to the extent that any part of the Joint Information is prepared or contributed solely by IPH.
- (d) **(Regulatory notifications)** In relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by IPH in relation to the Scheme.

- (e) **(Assist Independent Expert)** Promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report as soon as practicable.
- (f) **(Review drafts of Explanatory Booklet)** As soon as practicable after delivery, review drafts of the Explanatory Booklet prepared by XIP and provide any comments on those drafts, with this review to incorporate a review of any parts of the Independent Expert's Report that have been supplied for review.
- (g) **(Confirmation of the IPH Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to the XIP Shareholders, either:
 - (i) confirm in writing to XIP that the IPH Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to XIP the changes required to ensure that the IPH Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (h) **(Consult with XIP on ancillary documents)** Consult with XIP as to the content and presentation of all relevant affidavits and other civil procedure documents to be filed by IPH with the Court.
- (i) **(Deed Poll)** Before the First Court Date, enter into the Deed Poll and deliver it to XIP. If the Scheme becomes Effective, discharge its obligations under and in accordance with the Deed Poll.
- (j) **(Court representation)** If requested by XIP or if IPH acting reasonably considers it necessary or appropriate, procure that it is represented by counsel at the Court hearings convened for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act, at which, through its counsel or solicitors, IPH will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this deed, the Scheme and the Deed Poll.
- (k) **(XIP Information)** Without the prior written consent of XIP, not use the XIP Information or the Joint Information (to the extent any part of the latter is prepared or contributed solely by XIP) for any purposes other than those expressly contemplated by this deed or the Scheme.
- (l) **(Scheme Consideration)** If the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4.4 on the Implementation Date and apply for the New IPH Shares issued to Scheme Shareholders to be officially quoted on ASX and that trading in the New IPH Shares commences as soon as practicable after the Effective Date, initially by deferred settlement trading and thereafter on a normal settlement basis.
- (m) **(Compliance with laws)** Do everything reasonably within its power to ensure that the Scheme is effected in accordance with all applicable laws and regulations.

5.3 Explanatory Booklet - preparation principles

- (a) As soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, XIP must prepare the Explanatory Booklet in compliance with:
 - (i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 5.3.
- (b) The Explanatory Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting;
 - (iii) the XIP Information;

- (iv) the IPH Information;
 - (v) the Joint Information;
 - (vi) a copy of this deed (without the schedules or annexures) or a summary of it;
 - (vii) a copy of the executed Deed Poll;
 - (viii) a copy of the Independent's Expert Report; and
 - (ix) the Election Form.
- (c) The Explanatory Booklet must include a statement that:
- (i) other than the IPH Information, the Independent Expert's Report and the Investigating Accountant's Report, the Explanatory Booklet has been prepared by XIP and is the responsibility of XIP, and that no IPH Party assumes any responsibility for the accuracy or completeness of the Explanatory Booklet (other than the IPH Information and the Joint Information);
 - (ii) the IPH Information has been provided by IPH and is the responsibility of IPH, and that no XIP Party assumes any responsibility for the accuracy or completeness of IPH Information; and
 - (iii) the Joint Information has been provided by IPH and XIP and is their joint responsibility.
- (d) The Explanatory Booklet must include information on the XIP Directors' recommendations in connection with the Scheme in compliance with paragraph 8301 of Schedule 8 to the Corporations Regulations.
- (e) XIP must make available to IPH drafts of the Explanatory Booklet (including any part of the draft of the Independent Expert's Report that has been made available to XIP), consult with IPH in relation to the content of those drafts, and consider in good faith, for the purpose of amending those drafts, comments from IPH on those drafts, such consultation to include allowing IPH a reasonable opportunity to review and make comments on successive drafts of the XIP Information before lodgement of the Explanatory Booklet with ASIC. IPH acknowledges and agrees that XIP has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as expressly provided in this deed with respect to the IPH Information.
- (f) XIP must seek approval from IPH for the form and context in which the IPH Information appears in the Explanatory Booklet, which approval IPH must not unreasonably withhold or delay, and XIP must not lodge the Explanatory Booklet with ASIC until such approval is obtained from IPH.
- (g) XIP must take all reasonable steps to ensure that the Explanatory Booklet (other than the IPH Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to the XIP Shareholders.
- (h) IPH must take all reasonable steps to ensure that the IPH Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to the XIP Shareholders.
- (i) IPH and XIP must jointly take all reasonable steps to ensure that the Joint Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to the XIP Shareholders.
- (j) XIP must provide to IPH all such further or new information of which XIP becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (k) IPH must provide to XIP all such further or new information of which IPH becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the IPH Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.

- (l) XIP and IPH each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of the XIP Shareholders and IPH and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 5.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.
- (m) IPH must undertake appropriate verification processes in relation to the IPH Information and the Joint Information (to the extent any part of the latter is prepared or contributed solely by IPH) contained in the Explanatory Booklet.
- (n) XIP must undertake appropriate verification processes in relation to the XIP Information and the Joint Information (to the extent any part of the latter is prepared or contributed solely by XIP) contained in the Explanatory Booklet.

5.4 Conduct of the XIP business

- (a) Subject to clause 5.6, from the date of this deed up until and including the Implementation Date, XIP must ensure that XIP and the other members of the XIP Group:
 - (i) conduct their businesses in the ordinary course and substantially (subject to any applicable laws, regulations and Regulatory Approvals) in the manner in which each such business and operation has been conducted in the period before the date of this deed and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
 - (ii) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
 - (iii) not enter any lines of business or other activities in which members of the XIP Group are not engaged at the date of this deed;
 - (iv) respond to any reasonable request from IPH and its Representatives (including in response to requests for information from securities exchanges and Regulatory Authorities) for information concerning the XIP Group and its business and operations; and
 - (v) provide IPH and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of members of the XIP Group, and otherwise provide reasonable co-operation to IPH and its Representatives, for the purpose of doing all things necessary or desirable under this deed or in connection with the Scheme (including compliance with any regulatory or securities exchange reporting requirements), any financing undertaken by IPH in connection with the Scheme and any plans for the integration of the XIP Group into the IPH Group following the Implementation Date.
- (b) Nothing in this clause 5.4 requires XIP to provide IPH with any information:
 - (i) in breach of an obligation of confidentiality to any person; or
 - (ii) concerning the consideration of the Scheme by the XIP Board or the XIP management,

or to provide access or co-operation to the extent it would result in a disruption to any material aspects of the XIP Group's businesses and operations.

5.5 Conduct of IPH business

- (a) Subject to clause 5.6, from the date of this deed up until and including the Implementation Date, IPH must ensure that IPH and the IPH Group:
 - (i) conduct their businesses in the ordinary course and substantially (subject to any applicable laws, regulations and Regulatory Approvals) in the manner in which each such business and operation has been conducted in the period before the date of

this deed and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;

- (ii) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
 - (iii) not enter any lines of business or other activities in which members of the IPH Group are not engaged at the date of this deed;
 - (iv) respond to any reasonable request from XIP and its Representatives (including in response to requests for information from securities exchanges and Regulatory Authorities) for information concerning the IPH Group and its business and operations; and
 - (v) provide XIP and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of members of the IPH Group, and otherwise provide reasonable co-operation to XIP and its Representatives, for the purpose of doing all things necessary or desirable under this deed or in connection with the Scheme (including compliance with any regulatory or securities exchange reporting requirements).
- (b) Nothing in this clause 5.5 requires IPH to provide XIP with any information:
- (i) in breach of an obligation of confidentiality to any person; or
 - (ii) concerning the consideration of the Scheme by the IPH Board or IPH management, or to provide access or co-operation to the extent it would result in a disruption to any material aspects of the IPH Group's businesses and operations.

5.6 Permitted activities

The obligations of XIP or IPH under clauses 5.4 and 5.5 respectively, do not apply in respect of any matter:

- (a) undertaken by a member of the XIP Group or the IPH Group, as the case maybe, in conducting its businesses in the usual and ordinary course and consistent with past practice, excluding the declaration or payment of any dividend, provided that, if the Implementation Date occurs after 20 August 2019, IPH may declare and pay the IPH Final Dividend and XIP may declare and pay the XIP Final Dividend;
- (b) undertaken by a member of the XIP Group or the IPH Group which was the subject of an announcement to the ASX in respect of the matter prior to the date of this deed;
- (c) required to be done or procured by XIP or IPH, as the case may be, under, or which is otherwise contemplated by this deed or the Scheme;
- (d) the undertaking of which:
 - (i) in the case of XIP, IPH; and
 - (ii) in the case of IPH, XIP,has approved in writing (which approval must not be unreasonably withheld or delayed).

5.7 XIP Board Recommendations and Intentions

- (a) XIP must ensure that the XIP Public Announcement states:
 - (i) that the QIP Scheme Implementation Deed has been terminated; and
 - (ii) that the XIP Board:
 - (A) unanimously considers the Scheme to be in the best interests of the XIP Shareholders; and

(B) unanimously recommends that the XIP Shareholders vote in favour of the Scheme Resolution,

in each case in the absence of a Superior Proposal for XIP and subject to the Independent Expert's Report concluding that the Scheme is in the best interests of the XIP Shareholders (**Recommendation**).

- (b) XIP represents and warrants that the XIP Board and each of the XIP Directors will:
- (i) not withdraw the statements and recommendations set out in the XIP Public Announcement;
 - (ii) in the Explanatory Booklet, state that the XIP Board unanimously considers the Scheme to be in the best interests of the XIP Shareholders and unanimously recommends that the XIP Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal for XIP, and will not withdraw those statements or recommendations once made; and
 - (iii) does not make any public statement to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended,
- unless any of the following occur:
- (iv) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of the XIP Shareholders;
 - (v) XIP receives a Competing Proposal and, subject to XIP complying with clause 10.7, a majority of the XIP Board determines that the Competing Proposal constitutes a Superior Proposal and any XIP Director, after considering the matter in good faith, no longer considers the Scheme to be in the best interests of the XIP Shareholders;
 - (vi) an IPH Material Adverse Change occurs; or
 - (vii) an IPH Prescribed Occurrence occurs.
- (c) XIP must ensure that the XIP Public Announcement and the Explanatory Booklet state that each XIP Director intends to cause any XIP Shares in which they have a relevant interest to be voted in favour of the Scheme Resolution (**Voting Intention**), which statement must not be qualified in any way other than by words to the effect of 'in the absence of a Superior Proposal' and other than in the case of the Explanatory Booklet or any other document issued after the issue of the Explanatory Booklet, 'subject to the Independent Expert concluding that the Scheme is in the best interests of the XIP Shareholders'.
- (d) IPH acknowledges that each XIP Director may, at any time after the date of this deed, publicly (or otherwise) withdraw, change or in any way qualify their Voting Intention if:
- (i) a Superior Proposal is made;
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of XIP Shareholders;
 - (iii) an IPH Material Adverse Change occurs; or
 - (iv) an IPH Prescribed Occurrence occurs.
- (e) XIP represents and warrants to IPH that each XIP Director has confirmed their agreement not to do anything inconsistent with their Voting Intention (including withdrawing, changing, or in any way qualifying their Recommendation or Voting Intention) other than in circumstances referred to in clause 5.7(d).

5.8 Integration Committee

- (a) From the date of the announcement of the Scheme the parties agree to form an operational integration committee (**Integration Committee**) to facilitate and plan for the Scheme and integration of the businesses of the XIP Group with the businesses of the IPH Group following the Implementation Date. The Integration Committee will comprise members of the management of each of XIP and IPH and such other persons as the chief executive officers may agree from time to time.

- (b) The Integration Committee will meet (in person or by telephone) as and when deemed necessary from the date of this deed until the Scheme is fully implemented.
- (c) The Integration Committee will consider all matters relevant to implementing the Scheme, including the following:
 - (i) the structure and timetable for accomplishing the Scheme;
 - (ii) integration planning issues;
 - (iii) superannuation funds;
 - (iv) communication strategies, including with ASX, employees, shareholders and other stakeholders of each party and the media; and
 - (v) consultation with appropriate Regulatory Authorities in relation to any Regulatory Approvals.
- (d) Without limiting clause 5.8(c), XIP must procure that its members of the Integration Committee provide to IPH's members of the Integration Committee all such input and assistance as those members may reasonably require or reasonably request with respect to the development of IPH's merger integration plan.

6. Actions on and following Implementation Date

6.1 XIP Board composition

XIP represents and warrants to IPH that it has been advised by each XIP Director that he or she will, and XIP must procure that the XIP Board will, on the Implementation Date, take all actions necessary to ensure that:

- (a) at least three nominees of IPH are lawfully appointed as directors of XIP, subject to the relevant persons having provided a consent to act as directors of XIP; and
- (b) all existing directors of XIP resign from their office as a XIP Director by providing to the XIP Board their resignation in writing (such resignation to include a statement to the effect that the outgoing director has no claim outstanding against any member of the XIP Group,

such that, on the Implementation Date, the XIP Board comprises three nominees from IPH, but so that a properly constituted board of directors exists at all relevant times.

6.2 Sequence of actions on the Implementation Date

On the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:

- (a) IPH will provide the Scheme Consideration in accordance with the Scheme;
- (b) the XIP Board will be reconstituted in accordance with clause 6.1; and
- (c) IPH will acquire all of the Scheme Shares.

7. Representations and Warranties

7.1 IPH Representations and Warranties

- (a) IPH represents and warrants to XIP (in its own right and separately as trustee or nominee for each of the other XIP Parties) that each IPH Representation and Warranty is true and correct.
- (b) Each IPH Representation and Warranty is subject to matters required or permitted to be done by this deed and to matters Fairly Disclosed in announcements issued by IPH on ASX up to and including the day before the date of this deed.

7.2 XIP Representations and Warranties

- (a) XIP represents and warrants to IPH (in its own right and separately as trustee or nominee for each of the other IPH Parties) that each XIP Representation and Warranty is true and correct.
- (b) Each XIP Representation and Warranty is subject to matters required or permitted to be done by this deed and to matters Fairly Disclosed in announcements issued by XIP on ASX up to and including the day before the date of this deed.

7.3 Timing of representations and warranties

Unless expressed to be given at a particular time (in which case it is given at that time), each IPH Representation and Warranty and each XIP Representation and Warranty is given:

- (a) at the date of this deed; and
- (b) at all times up until 8.00am on the Second Court Date.

7.4 Survival of representations

Each IPH Representation and Warranty and XIP Representation and Warranty:

- (a) is severable; and
- (b) survives the termination of this deed (but does not survive, and will be taken to have no further force or effect following implementation of the Scheme).

8. Releases

8.1 XIP Parties

- (a) Without limiting IPH's rights under clause 12, IPH (for itself and as agent of every member of the IPH Group) releases all rights against and agrees with XIP that it will not make a Claim against any XIP Party (other than XIP) in connection with:
 - (i) XIP's execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of XIP in this deed; or
 - (iii) the implementation of the Scheme,except to the extent the relevant XIP Party has not acted in good faith or has engaged in wilful misconduct.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. XIP receives and holds the benefit of this clause as trustee for each other XIP Party.

8.2 IPH Parties

- (a) Without limiting XIP's rights under clause 12, XIP releases its rights against and agrees with IPH that it will not make a Claim against any IPH Party (other than IPH) in connection with:
 - (i) IPH's execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of IPH in this deed; or
 - (iii) the implementation of the Scheme,except to the extent that the relevant IPH Party has not acted in good faith or has engaged in wilful misconduct.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. IPH receives and holds the benefit of this clause as trustee for each other IPH Party.

8.3 Directors' and officers' insurance

- (a) IPH acknowledges that XIP will:

- (i) prior to the Effective Date, arrange for the cover currently provided under its directors' and officers' insurance policy which expires on 28 September 2019 (**XIP Policy**) to be extended for a further period of 12 months; and
- (ii) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the XIP Policy to be amended so as to provide run off cover in accordance with the terms of the XIP Policy for a 7 year period from the end of the term of the XIP Policy, and pay all premiums required so as to ensure that insurance cover is provided under the XIP Policy on those terms until that date.

8.4 Obligations in relation to directors' and officers' insurance

- (a) From the Implementation Date, XIP must not:
 - (i) vary or cancel the XIP Policy; or
 - (ii) unless required under the XIP Policy, commit any act or omission that may prejudice any claim by a director or officer of XIP under the XIP Policy as extended under clause 8.3(a)(ii) above.
- (b) Nothing in clauses 8.3 or 8.4 shall require IPH or XIP to incur any additional premium after the Implementation Date or require XIP to not fulfil its contractual obligations under the XIP Policy.
- (c) XIP receives and holds the benefit of this clause as trustee for each other XIP Party.

9. Public Announcements

9.1 Announcement of the Scheme

Immediately after the execution of this deed, each party must each issue a public announcement in relation to the Scheme to ASX in a form agreed to in writing between them.

9.2 Other public announcements

Subject to clause 9.3, prior to making any public announcement or disclosure of or in relation to the Scheme or any other transaction the subject of this deed or the Scheme each party must use its reasonable endeavours to consult with the other party as to, and seek to agree with the other party (each party acting reasonably and in good faith), the timing, form and content of that announcement or disclosure.

9.3 Required announcement

Where a party is required by applicable law, the ASX Listing Rules or any other applicable securities exchange regulation to make any announcement or to make any disclosure in connection with the Scheme or any other transaction the subject of this deed or the Scheme, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practical.

9.4 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end but without limitation, clauses 9.2 and 9.3 apply to any such statements or disclosures.

10. Exclusivity

10.1 No existing negotiations

Other than in relation to the discussions between the parties in connection with the Proposed Transaction and this deed, each party represents and warrants to the other, that as at the date of this deed, it, its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate are not participating in negotiations with a third party that concern, or that could reasonably be expected to lead to a Competing Proposal or to a party abandoning or not proceeding

with the Proposed Transaction, other than in relation to the QIP Transaction (in respect of which clause 3.2(h) applies).

10.2 No shop restriction

During the Exclusivity Period, each party must not, and must ensure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not, directly or indirectly, solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal or to a party abandoning or not proceeding with the Proposed Transaction.

10.3 No talk restriction

Subject to clause 10.5, during the Exclusivity Period, each party must not, and must ensure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not, directly or indirectly:

- (a) negotiate or enter into or participate in negotiations or discussions with any person; or
- (b) communicate any intention to do any of the things referred to in clause 10.3(a),

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by a party or any of its Related Bodies Corporate, or that person has publicly announced the Competing Proposal.

10.4 No due diligence

Without limiting the general nature of clause 10.3 and subject to clause 10.5, during the Exclusivity Period each party must not, and must ensure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not make available to any Third Party, or permit any Third Party, to receive any non public information relating to any member of the XIP Group or the IPH Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal

10.5 Exceptions

The restrictions in clause 10.3 and 10.4 do not prohibit any action or inaction by a party, any of its Related Bodies Corporate or any of the Representatives of those Related Bodies Corporate from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 10.5) provided that:

- (a) the Competing Proposal has not been directly or indirectly solicited, invited, encouraged or initiated in breach of clause 10.2;
- (b) the Competing Proposal is bona fide and is made by or on behalf of a person that the party's board considers is of reputable commercial standing; and
- (c) the party's board has determined in good faith (after consultation with its financial and legal advisers) that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and that failing to take the action or refuse to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of its board.

10.6 Notification

- (a) Subject to clause 10.6(c), during the Exclusivity Period, each party must promptly notify the other party if:
 - (i) it is approached, directly or indirectly, by any Third Party to take any action of a kind referred to in clauses 10.3 or 10.4; or
 - (ii) it proposes to take any action of a kind referred to in clauses 10.3 or 10.4 (for the avoidance of doubt, such notice being given before the taking of the relevant action).
- (b) A notification given under clause 10.6(a) must include a summary of 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) Despite anything in clauses 10.6(a) and 10.6(b), each obligation of a party under that clause does not apply:
 - (i) to the extent it restricts the IPH Board or the XIP Board from taking (or refusing to take) any action with respect to a Competing Proposal which was not directly or indirectly solicited, invited, encouraged or initiated in breach of clause 10.2; and
 - (ii) to the extent that the IPH Board or the XIP Board, after receiving legal advice from its external legal advisers, determines that complying with such obligation would be likely to involve a breach of the fiduciary or statutory duties owed by any members of the IPH Board or the XIP Board or other contractual obligation.

10.7 Response to Competing Proposal

- (a) During the Exclusivity Period, each party must not, and must ensure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not publicly recommend a Competing Proposal or enter into any legally binding agreement, arrangement or understanding to give effect to or implement a Competing Proposal unless the party (**Notifying Party**) has provided the other party (**Matching Party**) with full details of the Competing Proposal, including, without limitation, the identity of the relevant Third Party, the consideration offered under its Competing Proposal and any conditions to the Competing Proposal, and at least 3 Business Days to match the terms of the Competing Proposal. The Notifying Party's obligations under this clause 10.7 apply in respect of each new Competing Proposal and any material variation or amendment to a Competing Proposal.
- (b) If the Notifying Party determines that the Matching Party matches or exceeds the terms of a Competing Proposal (**Counter Proposal**), then the Notifying Party and the Matching Party and each of their respective Representatives must use their best endeavours to agree the amendments to this deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended deed to give effect to those amendments and to implement the Counter Proposal, and the Notifying Party must use its best endeavours to procure that its board unanimously recommends the Counter Proposal to its shareholders and not recommend the applicable Competing Proposal.

10.8 Normal provision of information

Nothing in this clause prevents a party or its Representatives or agents from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Regulatory Authority; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

10.9 Acknowledgement

Each of XIP and IPH has required the other to agree to the obligations set out in this clause in consideration of it proceeding with the Scheme and incurring significant costs in doing so. In the absence of obtaining these obligations from the other party, each of XIP and IPH would not have entered into this deed.

11. Break Fee

11.1 Background

- (a) The parties acknowledge that, if the parties enter into this deed and the Scheme is subsequently not implemented, each party will incur significant costs including those described in clause 11.2.

- (b) In the circumstances, the parties have agreed that provision be made for the payments outlined in clauses 11.3 and 11.4, without which the parties would not have entered into this deed or otherwise agreed to implement the Scheme.
- (c) IPH and the IPH Board and XIP and the XIP Board believe, each having taken advice from its external legal adviser and Financial Adviser, that the implementation of the Scheme will provide benefits to it and its shareholders and that it is appropriate for IPH (in respect of the IPH Break Fee) and XIP (in respect of the XIP Break Fee) to agree to the payments referred to in clauses 11.3 and 11.4.

11.2 Calculation of Break Fees

- (a) The XIP Break Fee and the IPH Break Fee have been calculated to reimburse IPH (in the case of the XIP Break Fee) or XIP (in the case of the IPH Break Fee) for the following:
 - (i) fees for legal and financial advice in planning and implementing the Proposed Transaction;
 - (ii) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
 - (iii) costs of management and directors' time in planning and implementing the Proposed Transaction;
 - (iv) out of pocket expenses incurred in planning and implementing the Proposed Transaction; and
 - (v) any damage to the counterparty's reputation associated with a failed transaction and the implications of those damages if the counterparty seeks to execute alternative acquisitions in the future,

in each case, incurred by the counterparty directly or indirectly as a result of having entered into this deed and pursuing the Proposed Transaction.
- (b) The parties acknowledge that:
 - (i) the amount of fees, costs and losses referred to in this clause 11.2 are inherently unascertainable and that, even after termination of this deed, the costs will not be able to be accurately ascertained; and
 - (ii) the XIP Break Fee and the IPH Break Fee are genuine and reasonable pre-estimates of those fees, costs and losses (it being acknowledged by the parties that the costs would most likely be in excess of this amount).

11.3 Payment by XIP to IPH

Subject to clauses 11.5 and 11.11, XIP agrees to pay to IPH the XIP Break Fee if:

- (a) **(XIP Competing Proposal)** a XIP Competing Proposal is publicly announced prior to the End Date and within twelve months from the date of the public announcement of such XIP Competing Proposal the proponent of that XIP Competing Proposal:
 - (i) completes, implements and consummates that XIP Competing Proposal; or
 - (ii) without limiting clause 11.3(a)(i), acquires a relevant interest in at least 50% of the XIP Shares under a transaction that is or has become unconditional or otherwise acquires Control of XIP or the XIP Group;
- (b) **(Termination)** IPH terminates this deed in accordance with its rights under clause 12.1, other than clause 12.1(c);
- (c) **(XIP Material Adverse Change)** the Condition in clause 3.1(h) is breached or not satisfied prior to 8.00am on the Second Court Date (except if that Condition is breached as a sole result of a change in any applicable law) and IPH terminates this deed in accordance with clause 12.1(c);
- (d) **(XIP Prescribed Occurrence)** the Condition in clause 3.1(i) is breached or not satisfied prior to 8.00am on the Second Court Date and IPH terminates this deed in accordance with clause 12.1(c); or

- (e) **(Termination of QIP Transaction)** the Condition in clause 3.1(g) is breached or not satisfied prior to 8.00am on the Second Court Date and IPH terminates this deed in accordance with clause 12.1(c),

within five Business Days of receipt by XIP of a demand for payment from IPH made after the occurrence of an event referred to in this clause 11.3.

11.4 Payment by IPH to XIP

Subject to clauses 11.5 and 11.11, IPH agrees to pay to XIP the IPH Break Fee if:

- (a) **(IPH Competing Proposal)** an IPH Competing Proposal is publicly announced prior to the End Date and within twelve months from the date of the public announcement of such IPH Competing Proposal the proponent of that IPH Competing Proposal:
 - (i) completes, implements and consummates that IPH Competing Proposal; or
 - (ii) without limiting clause 11.4(a)(i), acquires a relevant interest in at least 50% of the IPH Shares under a transaction that is or has become unconditional or otherwise acquires Control of IPH or the IPH Group;
- (b) **(Termination)** XIP terminates this deed in accordance with its rights under clause 12.1, other than 12.1(c);
- (c) **(IPH Material Adverse Change)** the Condition in clause 3.1(l) is breached or not satisfied prior to 8.00am on the Second Court Date (except if that Condition is breached as a sole result of a change in any applicable law) and XIP terminates this deed in accordance with clause 12.1(c);
- (d) **(IPH Prescribed Occurrence)** the Condition in clause 3.1(m) is breached or not satisfied prior to 8.00am on the Second Court Date and XIP terminates this deed in accordance with clause 12.1(c); or
- (e) **(Scheme Consideration)** IPH does not provide the Scheme Consideration in accordance with the terms and conditions of this deed and the Deed Poll,

within five Business Days of receipt by IPH of a demand for payment from XIP made after the occurrence of an event referred to in this clause 11.4.

11.5 Payment conditions

- (a) Despite the occurrence of any event under clause 11.3 or 11.4, no amount is payable under the clause if the Scheme becomes Effective.
- (b) XIP or the IPH can only ever be liable to pay the XIP Break Fee (in respect of XIP) or the IPH Break Fee (in respect of IPH) once.

11.6 XIP Limitation of liability

Despite any other provisions of this deed but subject to clause 11.9(b):

- (a) the maximum liability of XIP to IPH under or in connection with this deed including in respect of any breach of the agreement will be the XIP Break Fee; and
- (b) a payment by XIP to IPH in accordance with this clause 11 represents the sole and absolute liability of XIP under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by XIP in connection with this deed.

11.7 IPH Limitation of liability

Despite any other provisions of this deed but subject to clause 11.10(b):

- (a) the maximum liability of IPH to XIP under or in connection with this deed including in respect of any breach of the agreement will be the IPH Break Fee; and
- (b) a payment by IPH to XIP in accordance with this clause 11 represents the sole and absolute liability of IPH under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by IPH in connection with this deed.

11.8 Timing of payment

If a Break Fee is payable under this clause, XIP or IPH (as the case may be) must pay that Break Fee without set-off or withholding within 5 Business Days of receipt of a tax invoice for payment from the other party.

11.9 IPH exclusive remedy

- (a) Subject to clause 11.9(b), each party agrees that if an amount is paid by XIP to IPH as required under this clause 11, that payment constitutes IPH's sole and exclusive remedy for any liability arising under or in connection with this deed in respect of that act or event.
- (b) Clauses 11.9(a) and 11.6(a) will not apply in relation to any wilful misconduct by XIP, in which case IPH will retain all rights and remedies it has or may have in connection with this deed in respect of that act or event in excess of any payment made by XIP under this clause 11.

11.10 XIP exclusive remedy

- (a) Subject to clause 11.10(b), each party agrees that if an amount is paid by IPH to XIP as required under this clause 11, that payment constitutes XIP's sole and exclusive remedy for any liability arising under or in connection with this deed in respect of that act or event.
- (b) Clauses 11.10(a) and 11.7(a) will not apply in relation to any wilful misconduct by IPH, in which case XIP will retain all rights and remedies it has or may have in connection with this deed in respect of that act or event in excess of any payment made by IPH under this clause 11.

11.11 Compliance with law

- (a) This clause 11 imposes obligations on XIP only to the extent that the performance of all or part of those obligations:
 - (i) do not constitute unacceptable circumstances, as declared by the Australian Takeovers Panel;
 - (ii) do not breach the fiduciary or statutory duties of the XIP Board, as determined by a court; and
 - (iii) are not otherwise held to be unlawful or unenforceable by a court.

If and to the extent any of the above apply, IPH must reimburse all or part of the XIP Break Fee within 5 Business Days of receipt of a demand for reimbursement from XIP, which demand must be accompanied by reasonable evidence of any of the above applying and the extent to which it applies.

- (b) This clause 11 imposes obligations on IPH only to the extent that the performance of all or part of those obligations:
 - (i) do not constitute unacceptable circumstances, as declared by the Australian Takeovers Panel;
 - (ii) do not breach the fiduciary or statutory duties of the IPH Board, as determined by a court; and
 - (iii) are not otherwise held to be unlawful or unenforceable by a court.

If and to the extent any of the above apply, XIP must reimburse all or part of the IPH Break Fee within 5 Business Days of receipt of a demand for reimbursement from IPH, which demand must be accompanied by reasonable evidence of any of the above applying and the extent to which it applies.

12. Termination

12.1 General rights

- (a) IPH or XIP (**Non-Defaulting Party**) may terminate this deed by written notice to the other at any time before 8.00am on the Second Court Date if:

- (i) the other has breached any material provision of this deed including any XIP Representation and Warranty or IPH Representation and Warranty (as applicable);
 - (ii) the party wishing to terminate has given written notice to the other in a timely manner setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (iii) the relevant circumstances are not remedied within 5 Business Days after the time the notice of intention to terminate is given (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date).
- (b) IPH may terminate this deed by written notice to XIP at any time before 8.00am on the Second Court Date if XIP fails to issue the XIP Public Announcement in accordance with clause 9.1 or if, after issuing the XIP Public Announcement, the board of XIP:
- (i) makes a public statement withdrawing or adversely changing or modifying its or their recommendation that the XIP Shareholders vote in favour of the Scheme Resolution or makes a recommendation or statement that is inconsistent with such recommendation or statement; or
 - (ii) without limiting the foregoing, makes a public statement indicating that they no longer support the Scheme or that they support another transaction (including, without limitation, a Competing Proposal).
- (c) IPH or XIP may terminate this deed by written notice to the other in the circumstances set out in, and in accordance with, clause 3.7.
- (d) IPH may terminate this deed by written notice to XIP if XIP has materially breached any provision of clause 10.
- (e) XIP may terminate this deed by written notice to IPH if IPH has materially breached any provision of clause 10.
- (f) XIP may terminate this deed by written notice to IPH if, at any time before 8.00am on the Second Court Date, the XIP Board publicly recommends a XIP Competing Proposal that is a XIP Superior Proposal, and provided that the XIP Competing Proposal was not connected with a breach of XIP's obligations in clause 10.
- (g) IPH may terminate this deed by written notice to XIP if, at any time before 8.00am on the Second Court Date, the IPH Board publicly recommends an IPH Competing Proposal that is an IPH Superior Proposal, and provided that the IPH Competing Proposal was not connected with a breach of IPH's obligations in clause 10.

12.2 Automatic termination

This deed will terminate automatically without the need for action by any party in the event that:

- (a) the XIP Shareholders fail to approve the Scheme Resolution; or
- (b) if clause 3.6 requires XIP to apply for the order referred to in that clause, the order is refused with the result that the Scheme is not approved by the XIP Shareholders.

12.3 Effect of termination

If this deed is validly terminated by a party in compliance with clauses 3.7 or 12.1, this deed will be of no force or effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued before termination and the provisions of this clause and of clauses 1, 7.4, 8.1, 8.2, 9, 11, 13, 14 and 15, which will remain in force after the termination.

12.4 Termination by written agreement

The parties may terminate this deed by another written agreement between them.

13. GST

13.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal

to the amount of GST payable, or notionally payable, on that supply (**GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

13.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability, it may be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

13.3 Adjustment events

If an adjustment event occurs in relation to a supply under or in connection with this deed, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties and the supplier shall issue an adjustment note to the recipient.

13.4 Survival

This clause will continue to apply after expiration or termination of this deed.

13.5 Definitions

Unless the context requires otherwise, words used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) have the same meaning in this clause.

14. Notices

Any notice, demand, consent or other communication (**Notice**) given or made under this deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the email address specified in the Details or the last notified details of the intended recipient to the sender;
- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, 2 Business Days after the date of posting (if posted to an address in the same country) or 7 Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of email, immediately unless the sender receives a message indicating delivery to the recipient has not been successful,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5.00pm (local time) it will be taken to have been duly given or made at the 9.00am on the next business day in that place.

15. General Provisions

15.1 Amendment

This deed maybe amended only by another deed executed by all the parties.

15.2 Assignment

A party cannot assign, charge, encumber or otherwise deal with at law or in equity any of its rights or obligations under this deed, or attempt or purport to do so, without the prior consent of each other party.

15.3 Costs and stamp duty

Each party must each bear their own costs arising out of the negotiation, preparation and execution of this deed. All stamp duty (including fines, penalties and interest) payable on or in connection with this

deed and any instrument executed under or any transaction evidenced by this deed must (subject to the remaining provisions of this clause) be borne by IPH.

15.4 Counterparts

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

15.5 Entire agreement

This deed contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct relied on by the parties and supersedes all earlier conduct and prior agreements and understandings between the parties in connection with its subject matter.

15.6 Further assurances

Each party must do anything reasonably necessary (including executing agreements and documents) to give full effect to this deed.

15.7 Governing law and jurisdiction

This deed is governed by the laws of New South Wales. In relation to it and related non contractual matters each party irrevocably submits to the non exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

15.8 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Scheme.

15.9 No third party beneficiary

This deed is binding upon and inures solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed, express or implied, is intended to or will confer it on any other person, other than the IPH Parties and the XIP Parties (to the extent set out in clause 8), any third party beneficiary rights.

15.10 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

15.11 Severability of provisions

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

Schedule 1 - IPH Representations and Warranties

1. IPH is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this deed has been properly authorised by all necessary corporate action and IPH has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed.
3. This deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which IPH is a party or is bound.
4. As at the date of this deed, there are 197,341,566 IPH Shares, 1,519,285 IPH Performance Rights and 73,411 IPH Retention Rights on issue, and IPH has not issued (and is not required to issue) any other securities or instruments which are still outstanding (or may become outstanding) and which may convert into IPH securities by way of new issue other than under a dividend reinvestment plan (including under any underwriting of that plan) or an incentive scheme or option or performance share plans for the benefit of employees and directors only (including any security issued upon conversion, vesting or exercise of rights attaching to any security issued under an incentive scheme, option or performance share plan).
5. The IPH Information provided to XIP for inclusion in the Explanatory Booklet will:
 - (a) be provided in good faith;
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60, including disclosure of all the information that would be required under paragraphs (c), (f), (g), (h), (i), (k), (l) and (m) of section 636(1) of the Corporations Act to be included in a bidder's statement if IPH were offering the Scheme Consideration as consideration under a takeover bid; and
 - (c) be provided on the understanding that XIP will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act.
6. The Joint Information provided by IPH to XIP for inclusion in the Explanatory Booklet will, to the extent that the Joint Information relates solely to IPH or has been prepared by IPH:
 - (a) be provided in good faith;
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60, including disclosure of all the information that would be required under paragraphs (c), (f), (g), (h), (i), (k), (l) and (m) of section 636(1) of the Corporations Act to be included in a bidder's statement if IPH were offering the Scheme Consideration as consideration under a takeover bid; and
 - (c) be provided on the understanding that XIP will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act.
7. All information provided by or on behalf of IPH to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in good faith and 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 Explanatory Booklet.
8. As at the date the Explanatory Booklet is despatched to the XIP Shareholders, the IPH Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise).

9. As at the date of this deed, IPH is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure and its public disclosures to ASX (taken as a whole) are not misleading in any material respect (whether by omission or otherwise).
10. IPH will, as a continuing obligation, provide to XIP all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the IPH Information (and any Joint Information provided by IPH to XIP or contributed to by IPH), in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise).
11. No IPH Prescribed Occurrence has occurred.
12. There are no restrictions on IPH issuing New IPH Shares to Scheme Shareholders in accordance with the Scheme and there are no restrictions to those New IPH Shares being quoted on the financial market conducted by ASX (initially on a deferred settlement basis and thereafter on an ordinary settlement basis), other than receiving permission from ASX to have those IPH Shares so quoted.
13. The New IPH Shares to be issued in accordance with clause 4.5 and the terms of the Scheme will be duly authorised and validly issued or transferred, fully paid and free of all security interests and third party rights and will rank equally with all other IPH Shares then on issue.
14. IPH has a reasonable basis to expect that it will, by the Implementation Date, have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements, including the IPH Finance Facility) to satisfy IPH's obligations to pay the cash component of the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll.
15. The IPH Finance Facility has been duly executed by the parties to it and constitutes legally valid and enforceable obligations on, and rights of, those parties that are enforceable in accordance with its terms.
16. Without the prior written consent of XIP, no IPH Group Member will amend or waive any of its rights under, or agree to amend or waive any of its rights under, the IPH Finance Facility in any respect which will, or is reasonably likely to, prejudice IPH's ability to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll.

Schedule 2 - XIP Representations and Warranties

1. XIP is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this deed by XIP has been properly authorised by all necessary corporate action and XIP has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed.
3. This deed constitutes legal, valid and binding obligations on XIP and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which XIP or any of its Subsidiaries is a party or to which they are bound.
4. As at the date of this deed, there are 88,717,931 XIP Shares and 593,240 XIP Performance Rights on issue, and XIP has not issued (and is not required to issue) any other securities or instruments which are still outstanding (or may become outstanding) and which may convert into XIP securities by way of new issue other than under a dividend reinvestment plan (including under any underwriting of that plan) or an incentive scheme or option or performance share plans for the benefit of employees and directors only (including any security issued upon conversion, vesting or exercise of rights attaching to any security issued under an incentive scheme, option or performance share plan).
5. The XIP Information contained in the Explanatory Booklet:
 - (a) will be prepared and included in the Explanatory Booklet in good faith; and
 - (b) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60.
6. The Joint Information provided by XIP for inclusion in the Explanatory Booklet will, to the extent that the Joint Information relates solely to XIP or has been prepared by XIP:
 - (a) be provided in good faith; and
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (c) be provided on the understanding that IPH will rely on that information for the purposes of preparing the section of the Explanatory Booklet containing the Joint Information,
7. As at the date the Explanatory Booklet is despatched to the XIP Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the IPH Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise).
8. XIP will, as a continuing obligation (but in respect of the IPH Information and Joint Information, only to the extent that IPH provides XIP with updates to the IPH Information and Joint Information), ensure that the Scheme Booklet is updated or supplemented to include all further or new information which arises after the Scheme Booklet has been despatched to XIP Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission).
9. As at the date of this deed, XIP is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure and its public disclosures to ASX (taken as a whole) are not misleading in any material respect (whether by omission or otherwise).
10. No XIP Prescribed Occurrence has occurred.
11. As at the date of this deed, the total issued capital of XIP is:
 - (a) 88,717,931 XIP Shares; and

(b) 593,240 XIP Performance Rights,

and there are no other XIP options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing).

Schedule 3 - XIP Prescribed Occurrences

Part 1

Changes to capital structure, distributions

1. XIP converts all or any of its shares into a larger or smaller number of shares.
2. Any XIP Group Member (other than a direct or indirect wholly-owned subsidiary of XIP) resolves to reduce its share capital in any way or reclassify, combine, split, redeem or repurchase directly or indirectly any of its shares.
3. Any XIP Group Member (other than a direct or indirect wholly-owned subsidiary of XIP):
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. Any XIP Group Member (other than a direct or indirect wholly-owned subsidiary of XIP) declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members, other than, if the Implementation Date occurs after 20 August 2019, the XIP Final Dividend.
5. Any XIP Group Member issues, agrees to issue or incurs any obligation (including any contingent obligation) to issue or have transferred to any person securities in or of it or any other XIP Group Member, other than:
 - (a) to XIP or a direct or indirect wholly-owned subsidiary of XIP; or
 - (b) the XIP Shares, to the holders as at the date of this deed of XIP Performance Rights as required by their terms following a valid exercise or vesting of XIP Performance Rights.
6. Any XIP Group Member issues or grants, agrees to issue or grant or incurs any obligation (including any contingent obligation) to issue, grant or have transferred to any person:
 - (a) options over shares or other securities convertible into shares in or of it or any other XIP Group Member; or
 - (b) any debt securities (including any performance rights or options).

Entering into, varying or terminating agreements

7. Except with respect to agreements or arrangements with clients in relation to provision of professional services in relation to trademark or patents or legal professional services, a XIP Group Member:
 - (a) enters into, varies in a materially adverse respect or terminates:
 - (i) a Material Agreement;
 - (ii) an agreement with respect to derivative instruments (including swaps, futures, contracts, forward commitments, commodity or currency derivatives or options) or similar investments;
 - (iii) a joint venture, partnership or similar arrangement; or
 - (iv) an agreement or understanding restraining any XIP Group Member from competing with any person or conducting activities in any market;

- (b) enters into, varies in a materially adverse respect or terminates any agreement or arrangement where the agreement or arrangement concerned involves an amount (including any payment, incurring of expenditure or foregoing of revenue by a XIP Group Member) or assets or liabilities to the value, of more than \$750,000 (per annum, in any case involving recurring payments), other than in the ordinary course of business; or
- (c) waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$750,000 (per annum, in any case involving recurring payments) (and for the purposes of the above a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related),

without XIP having first obtained the approval of IPH in respect of such event (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Borrowing or lending other than in the ordinary course

- 8. A XIP Group Member incurs or makes available any finance debt other than in the ordinary course of business.

Encumbering assets

- 9. A XIP Group Member creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or substantially all, of its business or property, other than by operation of law in the ordinary course of business.

Insolvency Events

- 10. A XIP Group Member suffers an Insolvency Event or (without limitation) becomes unable to pay its debts as and when due.

Changes to the nature of business

- 11. A XIP Group Member ceases, or threatens to cease, to carry on its business or makes a material change to the nature of its business.

Varying or granting employee benefits

- 12. Any XIP Group Member:
 - (a) paying any bonus to, or increasing the compensation of, any officer or employee of any XIP Group Member;
 - (b) accelerating the rights of any officer or employee of any XIP Group Member to compensation or benefits of any kind (including under any XIP executive or employee share plan);
 - (c) granting to any officer or employee of any XIP Group Member any increase in severance or termination pay or superannuation entitlements or issuing any XIP Shares or securities convertible to the XIP Shares to any of those persons; or
 - (d) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of XIP or relating to the officers or employees of any XIP Group Member,

where the aggregate incremental cost to the XIP Group of all such actions exceeds \$500,000, provided that paragraphs 12(a) to (d) above will not prevent the entry into:

- (e) any agreements or arrangements with new lateral principals or new employees hired to replace a person ceasing employment with an XIP Group Member (**XIP Ex-Employee**), provided that the new principal or employee is hired on materially the same terms as the XIP

Ex-Employee, with any costs greater than 110% of the XIP Ex-Employee's costs reducing the \$500,000 cap referred to immediately above;

- (f) any enterprise bargaining agreement, Australian workplace agreement or other similar agreement with a group of the XIP Group operational employees if that occurs in the ordinary course of business as a result of the fact that existing arrangements of that kind with that group of operational employees will expire before the End Date.

Disposing of subsidiaries etc

- 13. XIP or a XIP Group member disposes, or agrees to dispose, of shares in a subsidiary or any XIP Group Member is deregistered or dissolved.

Part 2

Changes to accounting methods

- 14. Any XIP Group Member making a change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any XIP Group Member, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation.

Related party Scheme

- 15. A XIP Group Member entering into or resolving to enter into a transaction with any related party of XIP (other than a related party which is a XIP Group Member) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the ASX Listing Rules.

Changes to arrangements with financial advisers

- 16. A XIP Group Member amending in any material respect any arrangement with its financial adviser, or entering into arrangements with a new financial adviser which arrangements with any such new financial adviser may involve the payment of any further fees in respect of the Scheme.

Tax deconsolidation

- 17. A XIP Group Member doing anything that would result in a de-consolidation of the XIP Consolidated Tax Group, other than acquiring or disposing of a wholly owned subsidiary (subject always to the other provisions of this deed).

Part 3

Consultation and co-operation

- 18. Notwithstanding anything else in this deed, in respect of:
 - (a) the issue of any benefits under a long-term incentive scheme; or
 - (b) any variation of the employment arrangements (including remuneration packages) in place in respect of the principals of an XIP Group Member,

subject to any restrictions or requirements under applicable law (including competition law), before taking an action referred to above, XIP must consult with IPH and co-operate in good faith to agree a course of action that is in the best interests of the parties.

Schedule 4 - IPH Prescribed Occurrences

Part 1

Changes to capital structure, distributions

1. IPH converts all or any of its shares into a larger or smaller number of shares.
2. Any IPH Group Member (other than a direct or indirect wholly-owned subsidiary of IPH) resolves to reduce its share capital in any way (other than pursuant to IPH's on-market buy back as announced on ASX on 8 May 2018) or reclassify, combine, split, redeem or repurchase directly or indirectly any of its shares.
3. Any IPH Group Member (other than a direct or indirect wholly-owned subsidiary of IPH):
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act, other than pursuant to IPH's on-market buy back as announced on ASX on 8 May 2018.
4. Any IPH Group Member (other than a direct or indirect wholly-owned subsidiary of IPH) declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members, other than, if the Implementation Date occurs after 20 August 2019, the IPH Final Dividend.
5. Any IPH Group Member issues, agrees to issue or incurs any obligation (including any contingent obligation) to issue or have transferred to any person securities in or of it or any other IPH Group Member, other than:
 - (a) to IPH or a direct or indirect wholly-owned subsidiary of IPH; or
 - (b) the IPH Shares, to the holders as at the date of this deed of IPH options as required by their terms following a valid exercise of IPH options.
6. Any IPH Group Member issues or grants, agrees to issue or grant or incurs any obligation (including any contingent obligation) to issue, grant or have transferred to any person:
 - (a) options over shares or other securities convertible into shares in or of it or any other IPH Group Member; or
 - (b) any debt securities (including any performance rights or options), other than:
 - (c) the issue of IPH Shares pursuant to the terms of the IPH Performance Rights and the IPH Retention Rights on issue at the date of this deed; or
 - (d) the issue of IPH Performance Rights and IPH Retention Rights to employees of the IPH Group in respect of the financial year ending 30 June 2020 (up to a maximum aggregate number of such IPH Performance Rights and IPH Retention Rights of 2,000,000).

Entering into, varying or terminating agreements

7. Except with respect to agreements or arrangements with clients in relation to provision of professional services in relation to trademark or patents or legal professional services, an IPH Group Member:
 - (a) enters into, varies in a material respect or terminates:
 - (i) a Material Agreement;

- (ii) an agreement with respect to derivative instruments (including swaps, futures, contracts, forward commitments, commodity or currency derivatives or options) or similar investments other than in the ordinary course of business and consistent with prior practice;
 - (iii) a joint venture, partnership or similar arrangement; or
 - (iv) an agreement or understanding restraining any IPH Group Member from competing with any person or conducting activities in any market material to the IPH Group;
- (b) enters into, varies in a materially adverse respect or terminates any agreement or arrangement where the agreement or arrangement concerned involves an amount (including any payment, incurring of expenditure or foregoing of revenue by an IPH Group Member) or assets or liabilities to the value, of more than \$2,500,000 (per annum, in any case involving recurring payments), other than in the ordinary course of business; or
- (c) waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$2,500,000 (per annum, in any case involving recurring payments) (and for the purposes of the above a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related),

without IPH having first obtained the approval of XIP in respect of such event (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Borrowing or lending other than in the ordinary course

8. An IPH Group Member incurs or makes available any finance debt other than in the ordinary course of business.

Encumbering assets

9. An IPH Group Member creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or substantially all, of its business or property, other than by operation of law in the ordinary course of business or pursuant to the existing obligations under the IPH Finance Facility.

Insolvency Events

10. An IPH Group Member suffers an Insolvency Event or (without limitation) becomes unable to pay its debts as and when due.

Changes to the nature of business

11. An IPH Group Member ceases, or threatens to cease, to carry on its business or makes a material change to the nature of its business.

Varying or granting employee benefits

12. Any IPH Group Member:
- (a) paying any bonus to, or increasing the compensation of, any officer or employee of any IPH Group Member;
 - (b) accelerating the rights of any officer or employee of any IPH Group Member to compensation or benefits of any kind (including under any executive or employee share plan);
 - (c) granting to any officer or employee of any IPH Group Member any increase in severance or termination pay or superannuation entitlements or issuing any shares in IPH or securities convertible to shares in IPH to any of those persons; or

- (d) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of the IPH Group or relating to the officers or employees of any IPH Group Member,

where the aggregate incremental cost to the IPH Group of all such actions exceeds \$2,500,000 provided that paragraphs 12(a) to (d) inclusive above will not prevent the entry into:

- (e) any agreements or arrangements with new lateral principals or new employees hired to replace a person ceasing employment with an IPH Group Member (**IPH Ex-Employee**), provided that the new principal or employee is hired on materially the same terms as the IPH Ex-Employee, with any costs greater than 110% of the IPH Ex-Employee's costs reducing the \$2,500,000 cap referred to immediately above; or
- (f) any enterprise bargaining agreement, Australian workplace agreement or other similar agreement with a group of the IPH Group operational employees if that occurs in the ordinary course of business as a result of the fact that existing arrangements of that kind with that group of operational employees will expire before the End Date.

Disposing of subsidiaries etc

- 13. An IPH Group Member disposes, or agrees to dispose, of shares in a subsidiary or any IPH Group Member (other than an IPH Group Member that does not hold any material assets) is deregistered or dissolved.

Part 2

Changes to accounting methods

- 14. Any IPH Group Member making a change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any IPH Group Member, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation.

Related party Scheme

- 15. An IPH Group Member entering into or resolving to enter into a transaction with any related party of IPH (other than a related party which is an IPH Group Member) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the ASX Listing Rules.

Changes to arrangements with financial advisers

- 16. An IPH Group Member amending in any material respect any arrangement with its financial adviser, or entering into arrangements with a new financial adviser which arrangements with any such new financial adviser may involve the payment of any further fees in respect of the Scheme.

Tax deconsolidation

- 17. An IPH Group Member doing anything that would result in a de-consolidation of the IPH Consolidated Tax Group, other than acquiring or disposing of a wholly owned subsidiary (subject always to the other provisions of this deed).

Schedule 5 - XIP Material Agreements

1. XIP Finance Facility
2. Service Agreement for Patent Renewals between CPA Global Limited and ShelstonIP dated 26 November 2009
3. Service Agreement for Trade Mark Renewals between CPA Global Limited and ShelstonIP dated 26 November 2009
4. Agency Agreement between inovia Holdings Pty Ltd and ShelstonIP dated 1 May 2013
5. Voluntary Escrow Agreement in relation to Artmarn Pty Ltd in its capacity as trustee of The Robert Wulff Family Trust (as Holder) entered into by the Holder, Xenith IP Group Limited, and Robert Philip Wulff & Sara Jane Wulff dated 24 November 2016 Deed of Consent to Assignment of Lease between Mirvac Funds Limited MTAA Superannuation Fund (60 Margaret St, Sydney) Property Pty Ltd (as landlord), Shelford Services Pty Limited (as tenant) and Xenith IP Services Pty Limited (Assignee) in respect of Level 21 and Suites 2203 and 2204, 60 Margaret Street, Sydney
6. Lease between Mirvac Funds Limited and One Managed Investments Funds Limited (as lessor) and Xenith IP Services Pty Ltd (as lessee) in relation to level 8, 60 Margaret Street, Sydney
7. Lease between Mirvac Capital Pt Ltd (as lessor) and Xenith IP Services Pty Ltd (as lessee) in relation to Part Volume 2222 Folio 295, being Suite 1, Part Level 20 Allendale Square, 77 St Georges Terrace, Perth, dated 1 December 2017
8. Incentive Deed between Mirvac Capital Pty Ltd (as lessor) and Xenith IP Services Pty Ltd (as lessee) in relation to Suite 1, Part Level 20, Allendale Square, 77 St Georges Terrace, Perth, Western Australia dated 1 December 2017
9. GPT Commercial Lease between GPT Platform Limited (as owner) and Watermark Australasia Pty Limited (as tenant) in relation Part Level 1, 'Vantage', 109-13 Burwood Road, Hawthorn dated 2 August 2016
10. Lease between Mirvac Capital Pty Ltd (as lessor) and (Xenith IP Services Pty Ltd (as lessee) in relation to Lot 50 on Diagram 46143 and being the whole of the land in Certificate of Title Volume 2222 Folio 295, being Part Level 22 Allendale Square, 77 St George's Terrace, Perth dated 1 December 2017
11. Incentive Deed between Mirvac Capital Pty Ltd (as lessor) and Xenith IP Services Pty Ltd (as tenant) in relation to Part Level 22, Allendale Square, 77 St Georges Terrace, Perth, Western Australia dated 1 December 2017
12. Lease between The Trust Company (Australia) Limited (as lessor) and Griffith Hack Pty Ltd (as lessee) in relation to Part level 22, 300 Queen Street, Brisbane
13. Deed of Consent to Assignment of Lease between Horizon MP Management Pty Ltd (as landlord), Griffith Hack Lawyers Pty Ltd (as tenant) and GH PTM Pty Ltd (as new tenant) in relation to Part Level 10, 161 Collins Street, Melbourne dated 6 March 2017
14. Consent to Assignment of Lease between Cromwell Seven Hills Pty Ltd (as landlord, Griffith Hack Pty Ltd (as existing tenant) and GH PTM Pty Ltd (as new tenant) in relation to Part level 28, Suite 28.02 and Level 29, Northpoint Tower, 100 Miller Street, North Sydney dated 30 January 2017
15. Consent to assignment of lease between Cromwell Seven Hills Pty Ltd (as landlord), Griffith Hack Pty Ltd in as trustee for Griffith Hack Unit Trust (as existing tenant) GH PTM Pty Ltd (as new tenant) in respect of part level 28, suite 28.01, suite 28.02 and level 29, Northpoint Tower, 100 Miller Street, North Sydney dated 30 January 2017
16. Sublease between Ozton Pty Limited (as sublessor), Russell Andrew Berry, Antony John Fowler Ward, Gregory Richard Munt and Anthony Paul Mizzi (as tenants in common in equal shares) in respect of

suites 28.01, 28.02 (comprising the whole of level 28) and level 29, 100 Miller Street, North Sydney dated 16 September 2011

17. Deed of Consent to Assignment of Lease between Horizon MP Management Pty Ltd (as landlord), Griffith Hack Lawyers Pty Ltd in its capacity as trustees for the Griffith Hack Lawyers Unit Trust and Griffith Hack Pty Ltd in its capacity as trustee for Griffith Hack Unit Trust (as tenant) and GH PTM Pty Ltd (as new tenant) in respect of Part Level 10, 161 Collins Street, Melbourne dated 6 March 2017
18. Lease between The Trust Company (Australia) Limited (as lessor) and Griffith Hack Pty Ltd (as lessee) in respect of Part of the 22nd floor of 300 Queen Street, Brisbane dated 13 October 2016
19. Licence over storeroom #9, Level 6, 100 Miller Street, North Sydney between Cromwell Property Services Pty Ltd and Griffith Hack dated 2 August 2016

Schedule 6 - IPH Material Agreements

1. IPH Finance Facility
2. Service Agreement for Patent Renewals between Computer Patent Annuities Limited and Spruson & Ferguson Unit Trust dated 5 November 2009 (as novated to Spruson & Ferguson Pty Ltd)
3. Service Agreement for Trade Mark Renewals between Computer Patent Annuities Limited and Spruson & Ferguson Unit Trust dated 5 November 2009 (as novated to Spruson & Ferguson Pty Ltd)
4. Sublease between DPT Operator Pty Limited (ABN 43 092 182 888) as trustee of the DP Trust and DPPT Operator Pty Ltd Limited (ABN 94 092 173 754) as trustee of the DPP Trust (as sublessors) and Spruson & Ferguson Pty Limited (ACN 601 269 250) (as sublessee) in relation to Folio Identifiers 12/801770, 17/801770, 60/1009964 and 42/864696 part being Level 24, Tower 2, Darling Park, 201 Sussex Street, Sydney New South Wales dated 24 October 2017
5. Works and Incentive deed between DPT Operator Pty Limited (ABN 43 092 182 888), DPPT Operator Pty Limited (ABN 94 092 173 754) and Spruson & Ferguson Pty Limited (ACN 601 269 050) in relation to the sublease of Level 24, Tower 2, Darling Park, 201 Sussex Street, Sydney NSW 2000
6. Lease between Perpetual Trustee Company Limited (ACN 000 001 007) and Brookfield Multiplex 324 Queen Street Landowner Pty Ltd (ACN 107 007 723) (as lessor) and William George Bennett, Thomas Mark Boyce, Jennifer Ann Mackie, Vaughan Peter Barlow and Martin Rex Richardson (as lessees) in relation to Part Level 20, 324 Queen Street, Brisbane Qld 4000 dated 16 March 2011
7. Deed of assignment between Perpetual Trustee Company Limited (ACN 000 001 007) and Brookfield 324 Queen Street Landowner Pty Ltd (ACN 107 007 723) (as lessors), DEXUS Wholesale Property Limited (ACN 006 036 442) (as responsible entity), William George Bennett, Thomas Mark Boyce, Jennifer Anne Mackie, Vaughan Peter Barlow, Martin Rex Richardson, Bernard Michael Nutt, Andrew Warren Lee, Lars Oliver Koch, Robert William James Finzi (as existing lessees) and Pizeys Patent and Trade Mark Attorney Pty Ltd (ABN 64 607 169 648) (as new lessee) in relation to Part Level 20, 324 Queen Street, Brisbane dated 12 April 2016
8. Lease between Perpetual Trustee Company Limited (ABN 42 000 001 007) (as lessor) and Fisher Adams Kelly Pty Ltd (ACN 125 299 881) (as lessee) in relation to Part Level 6 of the building at 175 Eagle Street, Brisbane Queensland 4000 dated 27 November 2014
9. Lease between Westfield Management Limited (ACN 001 670 579) and GPT RE Limited (ACN 107 426 504) (as lessors), William George Bennett, John Leslie Woodhams, Mark Andrew Smith, Vaughan Peter Barlow, Thomas Mark Boyce, Jennifer Ann Mackie and Andrew David Dark (as lessees) in relation to Suite S3/S5 on SLP 6033 in Westfield Woden dated 4 May 2010 (as assigned to Pizeys Patent and Trade Mark Attorneys Pty Ltd)
10. Lease between Gateway Land Limited (UEN 198101428H) (as lessor) and Spruson & Ferguson (Asia) Pte. Ltd. (UEN 200100515C) (as lessee) in relation to 152 Beach Road #30-01/08, #37-05/06 & #04-08, The Gateway East Singapore 189721 dated 29 January 2019
11. Lease between Singway (B.V.I.) Company Limited (as lessor) and Ella Cheong (Hong Kong) Limited (as lessee) in relation to rooms 5001-03 on the 50th Floor of Hopewell Centre, 183 Queens Road East, Wanchai Hong Kong
12. Agreement to Lease between AMP NZ Office Willis Street Limited (as lessor) and the Partners of AJ Park Patent Attorneys and AJ Park Law (as lessees) in relation to Levels 21 and 22, storage space on Level 1 and 11 single car spaces and 1 tandem car park of the State Insurance Tower, 1 Willis Street, Wellington dated 30 June 2010 (as assigned to AJ Park IP Limited)
13. Lease between AMP NZ Office Quay Tower Limited (as lessor) and the Partners of AJ Park Patent Attorneys and AJ Park Law (as lessees) in relation to Levels 13 and 14 and 10 car parks, of Quay Tower, 29 Customs Street West, Auckland dated 9 October 2004 (as assigned to AJ Park IP Limited)

Schedule 7 - Form of Scheme

Execution version

Scheme of Arrangement

Xenith IP Group Limited ABN 88 607 873 209
Scheme Shareholders

Scheme of Arrangement

Xenith IP Group Limited ABN 88 607 873 209

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Details

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

Between the parties

Xenith IP Group Limited ABN 88 607 873 209 Level 21, 60 Margaret Street, Sydney NSW 2000 (**XIP**)

and

Each Scheme Shareholder

Agreed terms

1. Defined terms & interpretation

1.1 Definitions

In this Scheme:

Available Cash Consideration the amount of cash determined by subtracting from the Maximum Cash Pool the aggregate amount of cash consideration payable by IPH under this Scheme to Scheme Shareholders who elect, or are deemed to have elected, Standard Consideration.

Available Scrip Consideration means the number of New IPH Shares determined by subtracting from the Maximum Scrip Pool the aggregate number of New IPH Shares to which Scheme Shareholders who elect, or are deemed to have elected, Standard Consideration are entitled under this Scheme.

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 Scheme and XIP or IPH (as the context requires) was the designated body.

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

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

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

CHESS Holdings has the meaning given in the Settlement Rules.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing between XIP and IPH.

Deed Poll means the deed poll executed by IPH under which IPH covenants in favour of the Scheme Shareholders to perform the actions attributed to it under this Scheme.

Delivery Time means, in relation to the Second Court Date, 8am before the commencement of the hearing or, if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve this Scheme in accordance with section 411(4)(b) of the Corporations Act.

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

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

Election has the meaning given in clause 5.1(a).

Election Form means the election form provided with the Scheme Booklet under which each XIP Shareholder (other than an Excluded Shareholder) may elect to receive either Standard Consideration, Maximum Cash Consideration or Maximum Scrip Consideration in respect of all of their XIP Shares.

Election Time means the date which is 2 Business Days prior to the Scheme Record Date (unless ASIC requires an earlier date, in which case such earlier date shall apply) or any other date agreed between XIP and IPH.

End Date means:

- (a) 31 October 2019; or
- (b) such other date and time agreed in writing between IPH and XIP.

Excluded Shareholder means any XIP Shareholder who is IPH or an Associate of the IPH Group.

Fixed Value of an IPH Share means \$6.90.

Gross Proceeds has the meaning given in clause 5.7(c).

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date after the Scheme Record Date agreed to in writing between XIP and IPH.

Implied Offer Value means \$2.15.

Ineligible Foreign Scheme Shareholder means a Scheme Shareholder whose address in the XIP Share Register as at the Scheme Record Date is a place outside:

- (a) Australia or its external territories.
- (b) New Zealand;
- (c) Singapore, provided they are an Institutional Shareholder; or
- (d) any other jurisdiction as may be agreed in writing by IPH and XIP, provided that IPH is satisfied, acting reasonably, that it is permitted to allot and issue New IPH Shares to that Scheme Shareholder under the Scheme by the laws of that place either unconditionally or after compliance with conditions that IPH in its sole discretion regards as acceptable and not unduly onerous or impracticable.

IPH means IPH Limited ACN 169 015 838.

IPH Group means IPH and each of its Related Bodies Corporate (excluding, at any time, XIP and its Subsidiaries to the extent that XIP and its Subsidiaries are subsidiaries of IPH at that time). A reference to a **member of the IPH Group** or a **IPH Group Member** is a reference to IPH or any of its Related Bodies Corporate.

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

Issuer Sponsored Holdings has the meaning given in the Settlement Rules.

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

Market Integrity Rules means any rules made by ASIC under section 798G of the Corporations Act that apply to ASX or any other prescribed financial market on which shares are quoted.

Maximum Cash Consideration means the consideration determined in accordance with clause 5.3.

Maximum Cash Pool means \$113,558,951.68:

- (a) less the result of multiplying the number (if any) of XIP Shares held by any Excluded Shareholder on the Scheme Record Date by \$1.28;
- (b) plus the result of multiplying the number (if any) of XIP Performance Rights which are satisfied by the issue of new XIP Shares in accordance with the Scheme Implementation Deed by \$1.28.

Maximum Scrip Consideration means the consideration determined in accordance with clause 5.4.

Maximum Scrip Pool means 19,350,795 New IPH Shares:

- (a) less the result of multiplying the number (if any) of XIP Shares held by any Excluded Shareholder on the Scheme Record Date by 70% of the Scrip Equivalent of the Implied Offer Value;
- (b) plus the result of multiplying the number (if any) of XIP Performance Rights which are satisfied by the issue of new XIP Shares in accordance with the Scheme Implementation Deed by 70% of the Scrip Equivalent of the Implied Offer Value.

New IPH Shares means the new IPH Shares to be issued under the terms of the Scheme.

Performance Right means a performance right granted by XIP to acquire by way of issue one or more XIP Shares on satisfaction of particular performance conditions.

Registered Address means, in relation to a XIP Shareholder, its address shown in the XIP Share Register as at the Scheme Record Date.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- (c) any regulatory organisation established under statute,

in Australia whether federal, state, territorial or local.

Sale Agent means the sale agent appointed to sell the Sale Shares pursuant to clause 5.7 of this Scheme (and where appropriate in relation to holdings by it of securities, includes a nominee or custodian holding for it).

Sale Facility means the facility provided for in clause 5.7.

Sale Shares has the meaning given in clause 5.7(a).

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between XIP and the Scheme Shareholders, subject to any alterations or conditions agreed or any alterations or conditions that are:

- (a) agreed to in writing by XIP and IPH, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by XIP and IPH.

Scheme Booklet means the scheme booklet published by XIP and dated on or around [date] 2019.

Scheme Consideration means, for each XIP Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of:

- (a) the Standard Consideration;
- (b) the Maximum Cash Consideration; or
- (c) the Maximum Scrip Consideration,

subject to the terms of this Scheme.

Scheme Implementation Deed means the Scheme Implementation Deed dated on or about [date] 2019 between XIP and IPH.

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

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between XIP and IPH.

Scheme Share means a XIP Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a XIP Shareholder at the Scheme Record Date (other than an Excluded Shareholder).

Scrip Equivalent of Implied Offer Value means the Implied Offer Value divided by the Fixed Value of an IPH Share.

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 this 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.

Selling Scheme Shareholder a Scheme Shareholder in respect of whom New IPH Shares are provided to the Sale Agent in the circumstances referred to in clause 5.7(a).

Settlement Rules means the ASX Settlement Operating Rules.

Small Parcel is a parcel of New IPH Shares having a value of less than \$500 based on the closing price of IPH Shares on ASX on the trading day prior to the Scheme Record Date.

Standard Consideration means the consideration described in clause 5.2.

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

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

XIP Performance Rights means the XIP performance rights granted under:

- (a) the Xenith IP Group Limited Performance Rights Plan approved by the XIP Board in the financial year ended 30 June 2016; or
- (b) the Xenith IP Employee Incentive Plan the issue of rights under which was approved by XIP Shareholders at the annual general meeting for Xenith held on 28 November 2018.

XIP Registry means Computershare Investor Services Pty Limited or any replacement provider of share registry services to XIP.

XIP Share means an issued fully paid ordinary share in the capital of XIP.

XIP Shareholder means a person who is registered in the XIP Share Register as the holder of at least one XIP Share.

XIP Share Register means the register of members of XIP maintained in accordance with the Corporations Act.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause or schedule is a reference to a clause of or schedule to this Scheme.
- (f) A reference to an **agreement** or **document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes, except to the extent this Scheme expressly provides otherwise the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this Scheme or an agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) 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.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to dollars and \$ is to Australian currency.
- (l) All references to time are to Melbourne, Australia time.
- (m) Mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included.
- (n) Unless otherwise defined, a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act.

1.3 Business Day

Where the day on or by which any act, matter or thing under this Scheme is to be done is not a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 Listing requirements included as law

A listing rule or operating rule of a financial market and a Market Integrity Rule will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 XIP

- (a) XIP is a public company limited by shares, registered in New South Wales and admitted to the official list of ASX.
- (b) The XIP Shares are officially quoted on ASX. As at the date of the Scheme Implementation Deed:
 - (i) 88,717,931 XIP Shares were on issue which are officially quoted on ASX; and
 - (ii) 593,240 XIP Performance Rights were on issue which are not quoted on any financial market.

2.2 IPH

IPH is a publicly listed company limited by shares registered in Victoria, Australia.

2.3 General

- (a) XIP and IPH have agreed by executing the Scheme Implementation Deed to implement this Scheme.
- (b) This Scheme attributes actions to IPH but does not itself impose an obligation on it to perform those actions, as IPH is not a party to this Scheme. IPH has agreed, by executing the Deed Poll, to perform the actions attributed to IPH under this Scheme, including the provision of the Scheme Consideration to the Scheme Shareholders.

2.4 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) IPH will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and
- (b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to IPH, and XIP will enter IPH in the XIP Share Register as the holder of the Scheme Shares with the result that XIP will become a wholly-owned subsidiary of IPH.

3. Conditions

- (a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:
 - (i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(e)) of the Scheme Implementation Deed (Court approval) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the Delivery Time on the Second Court Date;
 - (ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms by no later than the Delivery Time on the Second Court Date;

- (iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by XIP and IPH;
 - (iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied; and
 - (v) the orders of the Court made under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date XIP and IPH agree in writing).
- (b) The satisfaction of the conditions referred to in clause 3(a) of this document is a condition precedent to the operation of clauses 4 and 5.

4. Implementation

4.1 Lodgement of Court orders

XIP must lodge with ASIC office copies of any Court orders under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme as soon as reasonably practicable after the Court approves this Scheme and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to IPH, without the need for any further act by any Scheme Shareholder (other than acts performed by XIP or its officers as agent and attorney of the Scheme Shareholders under clause 8.6 or otherwise), by:
 - (i) XIP delivering to IPH a duly completed and executed share transfer form to transfer all the Scheme Shares to IPH, executed on behalf of the Scheme Shareholders by XIP; and
 - (ii) IPH duly executing such transfer form and delivering it to XIP for registration; and
- (b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), XIP must enter, or procure the entry of, the name of IPH in the XIP Share Register in respect of the Scheme Shares transferred to IPH in accordance with this Scheme.

5. Scheme Consideration

5.1 Election

- (a) A Scheme Shareholder may make an election (**Election**) to receive one of:
 - (i) Standard Consideration;
 - (ii) Maximum Cash Consideration; or
 - (iii) Maximum Scrip Consideration,

for all of their Scheme Shares by completing the Election Form, such Election being subject to the terms of this Scheme including without limitation clauses 5.5, 5.6, 5.7 and 5.11.
- (b) A Scheme Shareholder will be deemed to have elected to have the total scrip component of the Scheme Consideration to which it will become entitled in accordance with the terms of this Scheme sold on its behalf pursuant to the Sale Facility, if:
 - (i) that total scrip component comprises a number of New IPH Shares that is a Small Parcel; and
 - (ii) the Scheme Shareholder has not completed the appropriate section of the Election Form indicating that they wish to receive their total scrip component even where it comprises a number of New IPH Shares that is a Small Parcel.

- (c) Subject to clause 5.1(j), for an Election to be valid:
 - (i) the Scheme Shareholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and
 - (ii) the Election Form must be received by the XIP Registry before the Election Time at the address specified by XIP in the Scheme Booklet and on the Election Form.
- (d) An Election made by a Scheme Shareholder, whether valid or not, will be irrevocable unless IPH in its discretion agrees to the revocation of the Election (such discretion to be exercised fairly and equitably having regard to the circumstances at the time).
- (e) If:
 - (i) a valid Election is not made by a Scheme Shareholder; or
 - (ii) no Election is made by a Scheme Shareholder,
 then that Scheme Shareholder will be deemed to have elected to receive Standard Consideration in respect of all of their Scheme Shares.
- (f) Subject to clause 5.1(g), an Election made or deemed to be made by a Scheme Shareholder under this clause 5.1 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Scheme Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Scheme Record Date is greater or less than, or the same as, the Scheme Shareholder's holding at the time it made its Election.
- (g) A Scheme Shareholder who is noted on the XIP Share Register as holding one or more parcels of XIP Shares as trustee or nominee for, or otherwise on account of, another person, may in the manner considered appropriate by XIP and IPH (acting reasonably including after consultation with the XIP Registry), make separate Elections under this clause 5.1 in relation to each of those parcels of XIP Shares (subject to it providing to XIP and IPH any substantiating information they reasonably require), and an Election made in respect of any such parcel, or an omission to make an Election in respect of any such parcel, will not be taken to extend to the other parcels.
- (h) Subject to clauses 5.1(i) and 5.1(j), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 5.1(c).
- (i) IPH will determine, in its sole discretion, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. IPH is not required to communicate with any Scheme Shareholder prior to making this determination. The determination of IPH will be final and binding on the Scheme Shareholder.
- (j) Notwithstanding clause 5.1(c), IPH may, in its sole discretion, at any time and without further communication to Scheme Shareholder, deem any Election Form it receives from a Scheme Shareholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

5.2 Standard Consideration

If a Scheme Shareholder elects or is deemed to have elected to receive Standard Consideration then, subject to clauses 5.5, 5.6, 5.7 and 5.11, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:

- (a) a cash amount equal to \$1.28; and
- (b) 0.1261 New IPH Shares.

5.3 Maximum Cash Consideration

- (a) If a Scheme Shareholder elects to receive Maximum Cash Consideration, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:
 - (i) if the Available Cash Consideration is not required by clause 5.3(b) to be pro rated amongst Scheme Shareholders who elect Maximum Cash Consideration, the Implied Offer Value in cash per Scheme Share; and
 - (ii) if the Available Cash Consideration is required by clause 5.3(b) to be pro rated amongst Scheme Shareholders who elect Maximum Cash Consideration:

- (A) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation), provided that such amount is not to exceed the Implied Offer Value per Scheme Share:

$$\mathbf{A \div B}$$

Where:

A = the Available Cash Consideration; and

B = the total number of Scheme Shares held at the Scheme Record Date by all Scheme Shareholders who elect Maximum Cash Consideration; and

- (B) a number of New IPH Shares per Scheme Share calculated as follows (which shall include any fraction of a New IPH Share arising from the calculation):

$$\mathbf{(\text{Implied Offer Value} - X) \div Y}$$

Where:

X = the amount of cash per Scheme Share determined in accordance with clause 5.3(a)(ii)(A); and

Y = the Fixed Value of an IPH Share.

- (b) For the purpose of this clause 5.3, the Available Cash Consideration is required to be pro rated amongst Scheme Shareholders who elect Maximum Cash Consideration if the amount determined by multiplying the Implied Offer Value by the total number of Scheme Shares held by all Scheme Shareholders who elect Maximum Cash Consideration exceeds the Available Cash Consideration.

5.4 Maximum Scrip Consideration

- (a) If a Scheme Shareholder elects to receive Maximum Scrip Consideration then, subject to clauses 5.5, 5.6, 5.7 and 5.11, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:

- (i) if the Available Scrip Consideration is not required to be pro rated by clause 5.4(b) amongst Scheme Shareholders who elect Maximum Scrip Consideration, a number of New IPH Shares per Scheme Share equal to the Scrip Equivalent of the Implied Offer Value; and

- (ii) if the Available Scrip Consideration is required by clause 5.4(b) to be pro rated amongst Scheme Shareholders who elect Maximum Scrip Consideration:

- (A) a number of New IPH Shares per Scheme Share calculated as follows (which shall include any fraction of a New IPH Share arising from the calculation), provided that such number is not to exceed the Scrip Equivalent of the Implied Offer Value:

$$\mathbf{A \div B}$$

Where:

A = the Available Scrip Consideration; and

B = the total number of Scheme Shares held at the Scheme Record Date by all Scheme Shareholders who elect Maximum Scrip Consideration; and

- (B) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation):

$$\mathbf{\text{Implied Offer Value} - (X \times Y)}$$

Where:

X = the number of New IPH Shares per Scheme Share determined in accordance with clause 5.4(a)(ii)(A); and

Y = the Fixed Value of an IPH Share.

- (b) For the purpose of this clause 5.4, the Available Scrip Consideration is required to be pro-rated amongst Scheme Shareholders who elect Maximum Scrip Consideration if the number of New IPH Shares determined by multiplying the Scrip Equivalent of the Implied Offer Value by the total number of Scheme Shares held by all Scheme Shareholders who elect Maximum Scrip Consideration exceeds the Available Scrip Consideration.

5.5 Fractions and splitting

- (a) Any entitlement of a Scheme Shareholder under this Scheme (including under clause 5.3(a)(ii)(B) or clause 5.4(a)(ii)(A)) to be provided a fraction of a New IPH Share will be rounded down to the nearest whole number of New IPH Shares (but only after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares).
- (b) Any cash amount payable to a Scheme Shareholder under this Scheme must be rounded to the nearest whole cent (but only after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares).
- (c) If IPH is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of XIP Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, or otherwise in connection with the Scheme, IPH may direct XIP to give notice to those Scheme Shareholders:
 - (i) setting out the names and Registered Addresses of all of them;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the XIP Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those XIP Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no XIP Shares.

5.6 Ineligible Foreign Scheme Shareholders

IPH will be under no obligation to provide or cause to be provided, and must not provide, any New IPH Shares under this Scheme to any Ineligible Foreign Scheme Shareholder and, instead, subject to clause 5.11, must procure that those New IPH Shares (including fractions of New IPH Shares) which, but for this clause 5.6, would be required to be so provided are dealt with on behalf of the Ineligible Foreign Scheme Shareholders in accordance with clause 5.7.

5.7 Sale Facility

- (a) New IPH Shares:
 - (i) to which a Scheme Shareholder is entitled, but in respect of which an Election, or deemed Election, under clause 5.1(b) has been made or otherwise operates; or
 - (ii) that are required to be dealt with under this clause by clause 5.6,must not be provided to the relevant Scheme Shareholder and, instead, must be provided to the Sale Agent by IPH, or caused to be provided to the Sale Agent by IPH, on or before the Implementation Date (rounded down after being aggregated, if necessary, to the nearest whole number) (together, the **Sale Shares**) and subsequently sold in accordance with this clause 5.7.
- (b) The Sale Facility will only be available in respect of New IPH Shares provided to the Sale Agent in the circumstances referred to in clause 5.7(a). Any purported election by a Scheme Shareholder to participate in the Sale Facility in any other circumstance will, unless IPH elects otherwise, be invalid and not recognised for any purpose.
- (c) IPH must procure that as soon as practicable after the Implementation Date and, in any event, not more than 15 Business Days after the Implementation Date, the Sale Agent, in consultation with IPH, sells or procures the sale of all the Sale Shares in the ordinary course of trading on ASX in such manner, at such price or prices and on such other terms as the

Sale Agent determines in good faith, and remits to XIP the proceeds of the sale (**Gross Proceeds**).

- (d) Promptly after receiving the Gross Proceeds in respect of the sale of all of the New IPH Shares referred to in clause 5.7(a), XIP must pay, or procure the payment, to each Selling Scheme Shareholder (in accordance with this clause 5.7) an amount calculated as follows:

$$A \div B \times C$$

Where:

A = the Gross Proceeds (less any applicable brokerage, taxes, duty and other costs and charges);

B = the total number of New IPH Shares provided to the Sale Agent under clause 5.7(a); and

C = the number of New IPH Shares provided to the Sale Agent under clause 5.7(a) in respect of that Selling Scheme Shareholder (which, for the avoidance of doubt, may be or include a fraction of a New IPH Share).

- (e) None of IPH, XIP or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New IPH Shares described in clause 5.7(a). The sale of New IPH Shares under this clause 5.7 will be at the risk of the Selling Scheme Shareholder.
- (f) XIP must make or procure the making of payments to Selling Scheme Shareholders under clause 5.7(d) by either (in the absolute discretion of XIP):
- (i) where a Selling Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the XIP Registry to receive dividend payments from XIP by electronic funds transfer to a bank account nominated by the Selling Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, whether or not the Selling Scheme Shareholder has made an election referred to in clause 5.7(f)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Selling Scheme Shareholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Selling Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.11).
- (g) If XIP receives professional advice that any withholding or other tax is required by law to be withheld from a payment to a Selling Scheme Shareholder, XIP is entitled to withhold the relevant amount before making the payment to the Selling Scheme Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.7(d)). XIP must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Selling Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Selling Scheme Shareholder.
- (h) Payment of an amount to a Selling Scheme Shareholder in accordance with this clause 5.7 will be in full satisfaction of the obligations of IPH and XIP to the Selling Scheme Shareholder under the Scheme in respect of:
- (i) in the case of an Ineligible Foreign Scheme Shareholder or a Scheme Shareholder who is deemed to have made the election in clause 5.1(b), the scrip component of that Selling Scheme Shareholder's Scheme Consideration; and
 - (ii) otherwise, any entitlement to a fraction of a New IPH Share comprising part of the scrip component of that Selling Scheme Shareholders' Scheme Consideration.
- (i) Where the provision of New IPH Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
- (i) IPH will provide the maximum possible number of New IPH Shares to the Scheme Shareholder without giving rise to such a breach; and
 - (ii) any further New IPH Shares to which that Scheme Shareholder is entitled, but the provision of which New IPH Shares to the Scheme Shareholder would give rise to

such a breach, will instead be provided to the Sale Agent and dealt with under the preceding provisions in this clause 5.7, as if a reference to Selling Scheme Shareholders also included that Scheme Shareholder and references to that person's New IPH Shares in that clause were limited to the New IPH Shares provided to the Sale Agent under this clause.

- (j) Each Selling Scheme Shareholder appoints XIP as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Selling Scheme Shareholders under the Corporations Act.

5.8 Provision of Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
 - (i) Standard Consideration;
 - (ii) Maximum Cash Consideration; or
 - (iii) Maximum Scrip Consideration.
- (b) Each Scheme Shareholder is entitled to receive one of Standard Consideration, Maximum Cash Consideration or Maximum Scrip Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme (including the operation of the Sale Facility).

5.9 Provision of cash component of Scheme Consideration

- (a) IPH must, and XIP must use its best endeavours to procure that IPH does, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders into the Trust Account (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to IPH's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.9(a), XIP must pay or procure the payment, from the Trust Account, to each Scheme Shareholder such amount of cash from the cash component of the Scheme Consideration as that Scheme Shareholder is entitled under this clause 5 (if any).
- (c) The obligations of XIP under clause 5.9(b) will be satisfied by XIP (in its absolute discretion):
 - (i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the XIP Registry to receive dividend payments from XIP by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.9(c)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Selling Scheme Shareholder by prepaid post to their Registered Address, 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 5.11).
- (d) If XIP receives professional advice that any withholding or other tax is required by law to be withheld from a payment to a Scheme Shareholder, XIP is entitled to withhold the relevant amount before making the payment to the Scheme Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.7(d)). XIP must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.
- (e) To the extent that, following satisfaction of XIP's obligations under clause 5.9(b), there is a surplus in the amount held by XIP as trustee for the Scheme Shareholders in the Trust Account (after taking into account any funds required to satisfy any outstanding cheques issued in accordance with this clause 5.9 and any obligations under clause 5.12), that surplus shall be paid by XIP to IPH.

5.10 Provision of scrip component of Scheme Consideration in the form of New IPH Shares

IPH must, subject to clauses 5.5, 5.6, 5.7 and 5.11:

- (a) procure that on the Implementation Date:
 - (i) the New IPH Shares to which each Scheme Shareholder is entitled under this clause 5 (if any, and taking into account the impact of the Sale Facility) are provided to such Scheme Shareholder; and
 - (ii) the name and address of each such Scheme Shareholder is entered in IPH's register of members as the holder of the New IPH Shares issued to that Scheme Shareholder on the Implementation Date (in holdings having the same holding name and address and other details as the holding of the relevant Scheme Shares, and in CHESSE Holdings if the relevant Scheme Shares were held in the CHESSE Holdings and in Issuer Sponsored Holdings if the relevant Scheme Shares were held in Issuer Sponsored Holdings); and
- (b) procure that on or before the date that is five Business Days after the Implementation Date, a holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder to whom New IPH Shares are provided in accordance with clause 5.10(a) representing the number of New IPH Shares provided to that Scheme Shareholder pursuant to this Scheme,

except that in the case of New IPH Shares comprising Sale Shares to be issued under this clause 5 in respect of Scheme Consideration due to Selling Scheme Shareholders, IPH must:

- (c) on or before the Implementation Date provide or procure the provision of the Sale Shares to the Sale Agent and procure that the name and address of the Sale Agent is entered in IPH's register of members in respect of those Sale Shares;
- (d) procure that on or before the date that is five Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Sale Agent representing the number of Sale Shares provided pursuant to this Scheme; and
- (e) procure that the Sale Agent sells those Sale Shares on behalf of the Selling Scheme Shareholders in accordance with clause 5.7.

5.11 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clauses 5.7(h) and 5.9(c), any amount comprising the cash component of the Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of XIP, the holder whose name appears first in the XIP Share Register as at the Scheme Record Date or to the joint holders;
- (b) any New IPH Shares to be provided under this Scheme must be provided to and registered in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of XIP, the holder whose name appears first in the XIP Share Register as at the Scheme Record Date or to the joint holders.

5.12 Unclaimed monies

- (a) XIP may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to XIP; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to XIP (or the XIP Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), XIP must reissue a cheque that was previously cancelled under this clause 5.12.

- (c) The *Unclaimed Moneys Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes “unclaimed money” (as defined in section 7 of the *Unclaimed Moneys Act 1995* (NSW)).

5.13 Orders of a court or Government Agency

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

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be provided to that Scheme Shareholder by XIP in accordance with this clause 5, then XIP shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents XIP from providing consideration to any particular Scheme Shareholder in accordance with clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, XIP shall be entitled to (as applicable):
 - (i) retain an amount equal to the cash component of the Scheme Consideration to which that Scheme Shareholder would otherwise be entitled to under this clause 5; and
 - (ii) direct IPH not to issue to that Scheme Shareholder such number of New IPH Interests that Scheme Shareholder would otherwise be entitled to under this clause 5,

until such time as provision of the consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

5.14 Status of New IPH Shares

Subject to this Scheme becoming Effective, IPH must:

- (a) issue the New IPH Shares required to be issued by it under this Scheme on terms such that each such New IPH Share will rank equally in all respects with each existing IPH Shares;
- (b) ensure that each such New IPH Share is duly and validly issued in accordance with all applicable laws and IPH’s constituent documents, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under IPH’s constituent documents);
- (c) use all reasonable endeavours to ensure that such New IPH Shares are approved for official quotation on ASX and that trading in the New IPH Shares commences as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on an ordinary (T+2) settlement basis by the first Business Day after the Implementation Date.

5.15 Total Scheme Consideration

- (a) Subject to clause 5.15(b), to avoid doubt and notwithstanding any other provision of this Scheme, the aggregate value of:
 - (i) the aggregate amount of the cash component of the Scheme Consideration to which all Scheme Shareholders are entitled under this clause 5; and
 - (ii) the multiple of the Fixed Value of an IPH Share and the aggregate number of New IPH Shares to which all Scheme Shareholders are entitled under this clause 5,(collectively, the **Total Scheme Consideration**) must not exceed the multiple of the aggregate number of Scheme Shares and the Implied Offer Value (the **Maximum Scheme Consideration**), and if for any reason the Total Scheme Consideration would (but for this clause 5.15) exceed the Maximum Scheme Consideration, the requirement (or requirements) for provision of the same will be reduced (in such manner as XIP and IPH consider equitable) to ensure that no more than the Total Scheme Consideration is provided.
- (b) The limitation in clause 5.15(a) will not apply to the extent that the Total Scheme Consideration exceeds the Maximum Scheme Consideration due to any rounding applied in the application of the formulae contained in the definitions of Scrip Equivalent of Implied Offer Value or in accordance with clause 5.5 and the requirement (or requirements) for provision of Scheme Consideration will be increased (in such manner as XIP and IPH consider equitable) to take account of such issues.

6. Dealings in XIP Shares

6.1 Determination of Scheme Shareholders

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

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

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

6.2 Register

- (a) **(Registration of transfers)** XIP must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by or as soon as reasonably practicable after the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires XIP to register a transfer that would result in a XIP Shareholder holding a parcel of XIP Shares that is less than a 'marketable parcel' (as defined in the Settlement Rules).
- (b) **(No registration after Scheme Record Date)** XIP will not accept for registration or recognise for any purpose any transmission application or transfer in respect of XIP Shares received after the Scheme Record Date, other than to IPH in accordance with this Scheme and any subsequent transfer by IPH or its successors in title.
- (c) **(Maintenance of XIP Share Register)** For the purpose of determining entitlements to the Scheme Consideration, XIP must maintain the XIP Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The XIP Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) **(No disposal after Scheme Record Date)** From the Scheme Record Date until registration of IPH in respect of all Scheme Shares under clause 4, no XIP Shareholder may dispose or otherwise deal with XIP Shares (or purport to do so) in any way except as set out in this Scheme and any attempt to do so will have no effect and XIP shall be entitled to disregard any such disposal or dealing.
- (e) **(Statements of holding from Scheme Record Date)** All statements of holding for XIP Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of any Excluded Shareholders). As from the Scheme Record Date, each entry current at that date on the XIP Share Register (other than entries in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the XIP Shares relating to that entry.
- (f) **(Provision of Scheme Shareholder details)** As soon as practicable after the Scheme Record Date and in any event within one Business Day after the Scheme Record Date, XIP will ensure that details of the names, Registered Addresses and holdings of XIP Shares for each Scheme Shareholder are available to IPH in the form IPH reasonably requires.

7. Quotation of XIP Shares

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

- (ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

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

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

8.2 Binding effect of Scheme

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

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

- (a) agrees to the transfer of their XIP Shares together with all rights and entitlements attaching to those XIP Shares in accordance with this Scheme;
- (b) agrees to any variation, cancellation or modification of the rights attached to their XIP Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of IPH, destroy any share certificates relating to their XIP Shares;
- (d) agrees to become a shareholder of IPH and to be bound by its constitution; and
- (e) acknowledges and agrees that this Scheme binds XIP and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to XIP, in its own right and for the benefit of IPH, that as at the Implementation Date:
 - (i) all of its XIP Shares which are transferred to IPH under this Scheme, including any rights and entitlements attaching to those XIP Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its XIP Shares which are transferred to IPH under this Scheme will, on the date on which they are transferred to IPH, be fully paid;
 - (iii) it has full power and capacity to transfer its XIP Shares to IPH together with any rights attaching to those XIP Shares; and
 - (iv) it has no existing right to be issued any XIP Shares, options exercisable into XIP shares, options, convertible notes or any other securities, other than, in the case of any Scheme Shareholder who is also the holder of Performance Rights, the right to be issued XIP Shares on the exercise of those Performance Rights before the Scheme Record Date in accordance with their terms.
- (b) XIP undertakes that it will provide the warranties in clause 8.4(a) to IPH as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attached to Scheme Shares) transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act*

2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, IPH will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by XIP of IPH in the XIP Share Register as the holder of the Scheme Shares.

8.6 Authority given to XIP

- (a) Scheme Shareholders will be deemed to have authorised XIP to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing and delivering, as agent and attorney of each Scheme Shareholder a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2.
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints XIP and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
 - (i) enforcing the Deed Poll against IPH, and XIP undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against IPH on behalf of and as agent and attorney for each Scheme Shareholder; and
 - (ii) executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares,and XIP accepts each such appointment.

8.7 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5 until XIP registers IPH as the holder of all Scheme Shares in the XIP Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed IPH as its attorney and agent (and directed IPH in such capacity) to appoint an officer or agent nominated by IPH as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of XIP, exercise the votes attaching to the Scheme Shares registered in its name and sign any Shareholders' resolution;
- (b) undertakes not to otherwise attend Shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than pursuant to clause 8.7(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as IPH reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), IPH and any officer or agent nominated by IPH under clause 8.7(a) may act in the best interests of IPH as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Shareholder to XIP binding or deemed binding between the Scheme Shareholder and XIP relating to XIP or XIP Shares (including any email addresses, instructions relating to communications from XIP, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from XIP) will be deemed from the Implementation Date (except to the extent determined otherwise by IPH in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to IPH until that instruction, notification or election is revoked or amended in writing addressed to IPH at its registry.

9. General

9.1 Stamp duty

IPH must pay all stamp duty payable in connection with the transfer of the Scheme Shares to IPH pursuant to this Scheme.

9.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to XIP, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at XIP's registered office or at the office of XIP Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non receipt of such a notice by any XIP Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further assurances

- (a) XIP must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Shareholder consents to XIP doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 Governing law and jurisdiction

- (a) This Scheme is governed by the laws of New South Wales.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme

9.5 No liability when acting in good faith

Each Scheme Shareholder agrees that neither XIP nor IPH nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 8 - Form of Deed Poll

Execution version

Deed poll

IPH Limited ACN 169 015 838 (**IPH**)
In favour of each Scheme Shareholder

Deed poll

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Details

Date

Parties

Name	IPH Limited
ACN	169 015 838
Short form name	IPH
Notice details	Level 24, Tower 2, Darling Park, 201 Sussex Street, Sydney NSW 2000 Email: pheuzenroeder@iphltd.com.au Attention: Philip Heuzenroeder

Name	In favour of each Scheme Shareholder
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Background

- A IPH and XIP entered into the Scheme Implementation Deed to provide for (among other matters) the implementation of the Scheme.
- B The effect of the Scheme will be to transfer all Scheme Shares to IPH in return for the Scheme Consideration.
- C IPH enters this deed poll to covenant in favour of Scheme Shareholders to:
 - (i) perform the actions attributed to it under the Scheme; and
 - (ii) provide the Scheme Consideration in accordance with the Scheme.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Scheme means the scheme of arrangement which forms schedule 7 to the Scheme Implementation Deed.

Scheme Implementation Deed means the Scheme Implementation Deed dated on or about **[date]** April 2019 between IPH and XIP.

XIP means Xenith IP Group Limited ABN 88 607 873 209.

Trust Account has the meaning given in the Scheme.

1.2 Terms defined in Scheme Implementation Deed

Words and phrases defined in the Scheme Implementation Deed or the Scheme have the same meaning in this deed poll unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.1 (if not otherwise defined in this deed poll), 1.2 and 1.3 of the Scheme Implementation Deed form part of this deed poll as if set out at length in this deed poll but with 'deed poll' substituted for 'deed' and with any reference to 'party' being taken to include the Scheme Shareholders.

2. Nature of this deed poll

2.1 Reliance

IPH agrees that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

2.2 Enforcement

IPH agrees that under the Scheme, each Scheme Shareholder irrevocably appoints XIP and each of its directors and officers of XIP (jointly and severally) as its agent and attorney to enforce this Deed Poll against IPH on behalf of each Scheme Shareholder.

3. Conditions

3.1 Conditions

IPH's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

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

- (a) the Scheme Implementation Deed is terminated in accordance with its terms prior to the Scheme becoming Effective; or
- (b) the Scheme is not Effective by the End Date or any later date as the Court, with the consent of IPH and XIP, may order,

unless XIP and IPH otherwise agree in writing.

3.3 Consequences of termination

If this deed poll terminates under clause 3.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) IPH is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against IPH in respect of any breach of this deed poll which occurred before it terminated.

4. Performance of obligations

4.1 Generally

Subject to clause 3, IPH covenants in favour of Scheme Shareholders to perform the actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme.

4.2 Provision of Scheme Consideration

- (a) Subject to clause 3, IPH undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme, including by:
 - (i) depositing (or procuring the deposit), in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into the Trust Account (except that the amount of any interest on the amount deposited will be to IPH's account);
 - (ii) issuing, on or before the Implementation Date the New IPH Shares required to be issued under the Scheme and procuring that the name of each Scheme Shareholder entitled to receive New IPH Shares under the Scheme is entered in the IPH's register of members as the holder of those New IPH Shares (in holdings having the same holding name and address and other details as the holding of the relevant Scheme Shares, and in CHESS Holdings if the relevant Scheme Shares were held in the CHESS Holdings and in Issuer Sponsored Holdings if the relevant Scheme Shares were held in Issuer Sponsored Holdings); and
 - (iii) procure that the name of the Sale Agent is entered in IPH's register of members as the holder of the Sale Shares (with such holding details as the Sale Agent notifies).
- (b) On or before the date that is 5 Business Days after the Implementation Date, IPH must send or procure the sending of an allotment advice or holding statement (or equivalent document) to each Scheme Shareholder entitled to receive IPH Shares under this Scheme, reflecting the issue of such New IPH Shares in accordance with clause 4.2(a).

5. Warranties

IPH represents and warrants to each Scheme Shareholder that:

- (a) **(status)** it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;
- (b) **(power)** it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **(corporate authorisations)** it has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(documents binding)** this deed poll is its valid and binding obligation enforceable in accordance with its terms;
- (e) **(transactions permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree of a Governmental Agency binding on it;
 - (ii) its constitution or other constituent documents; or

- (iii) any other document which is binding on it or its assets; and
- (f) **(solvency)** it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

6.1 Deed poll irrevocable

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) IPH having fully performed its obligations under this deed poll; and
- (b) termination of this deed poll under clause 3.2.

6.2 Variation

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

- (a) before the Second Court Date, the variation is agreed to in writing by XIP; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by XIP and is approved by the Court,

in which event IPH will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. Notices

Any notice, demand or other communication (a **Notice**) to IPH in respect of this deed poll:

- (a) must be in writing;
- (b) must be sent to the address for service of the addressee specified in the Details;
- (c) must be signed by the sender or a person duly authorised by it;
- (d) must be delivered to the intended recipient or posted by prepaid post (if posted to an address in another country, by registered airmail), or sent by email to the email address, of the addresses, in accordance with the Details;
- (e) will be conclusively taken to be duly given or made:
 - (i) **(in the case of delivery by prepaid post)**, on the third Business Day after the date of posting (if posted to an address within Australia) or the fifth Business Day after the date of posting (if posted to an address outside Australia); or
 - (ii) **(in the case of delivery in hand)**, on delivery at the address of the addressee as provided in the Details, unless that delivery is not made on a Business Day, or is made before 9.00am or after 5.00pm on a Business Day, in which case that Notice will be deemed to be received at 9.00am on that or the next Business Day (as the context requires); and
 - (iii) **(in the case of email)**, immediately 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, unless that local time is not a Business Day, or is before 9.00am or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on that or the next Business Day (as the context requires).

8. General Provisions

8.1 Assignment

- (a) The rights and obligations of IPH and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of IPH and XIP.
- (b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 Cumulative rights

The rights, powers and remedies of IPH and each Scheme Shareholder under this deed poll are cumulative with and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

8.3 No waiver

- (a) IPH may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.
- (c) No Scheme Shareholder may rely on words or conduct of IPH as a waiver of any right unless the waiver is in writing and signed by IPH.
- (d) The meanings of the terms used in this clause 8.3 are set out below.

conduct includes delay in the exercise of a right.

right means any right arising under or in connection with this deed poll and includes the right to rely on this clause.

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4 Stamp duty

IPH must pay or procure the payment of all stamp duty (if any) any related fines, penalties and interest in respect of the Scheme and this deed poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under or pursuant to the Scheme and this deed poll.

8.5 Further assurances

IPH will, at its own expense, do all things reasonably required of it to give full effect to this deed poll.

8.6 Governing law and jurisdiction

This deed poll is governed by the laws of the State of New South Wales. In relation to it and related non-contractual matters IPH irrevocably:

- (a) submit to the non-exclusive jurisdiction of courts with jurisdiction there; and
- (b) waive any right to object to the venue on any ground.

Signing page

EXECUTED and delivered as a deed poll.

Executed by IPH Limited ACN 169 015 838 in
accordance with Section 127 of the
Corporations Act 2001

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Schedule 9 - Indicative Timetable

Event	Date
Announce Scheme to ASX	On date of this deed
Lodge Explanatory Booklet with ASIC for review and comment	Week commencing 13 May 2019
First Court Date	Week commencing 3 June 2019
Explanatory Booklet registered with ASIC	Next Business Day after First Court Date
Dispatch Explanatory Booklet to the XIP Shareholders	Week commencing 17 June 2019
Scheme Meeting	Week commencing 15 July 2019
Second Court Date	Week commencing 22 July 2019
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	Next Business Day after Second Court Date
Election Time	Week commencing 29 July 2019
Record Date	Week commencing 29 July 2019
Implementation Date (refer to clause 6.2 for actions on this date)	Week commencing 5 August 2019

Signing page

EXECUTED as a deed.

Executed by IPH Limited ACN 169 015 838 in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Executed by Xenith IP Group Limited ACN 607 873 209 in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)