

11 September 2019**ASIC Registration of GBST Scheme Booklet**

GBST Holdings Limited (ASX:GBT) ("**GBST**" or the "**Company**") is pleased to announce that the Australian Securities and Investments Commission ("**ASIC**") has registered the Scheme Booklet in relation to the proposed acquisition of GBST by a wholly-owned subsidiary of Kiwi Holdco CayCo, Ltd ("**FNZ**") by way of scheme of arrangement (the "**Scheme**").

This follows the announcement made by GBST earlier today that the Supreme Court of New South Wales has ordered the convening of a meeting of GBST shareholders to consider and vote on the Scheme ("**Scheme Meeting**") and approved the distribution of the Scheme Booklet to GBST shareholders.

The Scheme Booklet contains an explanatory statement providing information about the Scheme, the Independent Expert's Report and notice of the Scheme Meeting. A copy of the Scheme Booklet is attached to this announcement.

Distribution of Scheme Booklet

A copy of the Scheme Booklet will be sent to GBST shareholders on 13 September 2019. GBST shareholders who have elected to receive communications will be sent the materials electronically and GBST will send the materials to all other shareholders by post.

Scheme Meeting

The Scheme Meeting will be held at 2:00pm (Sydney time) on Monday, 14 October 2019 at Dexus Place, Level 5, 1 Margaret Street, Sydney NSW.

All GBST shareholders are encouraged to vote either by attending the Scheme Meeting in person or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on their behalf.

Independent Expert's conclusion

The Independent Expert, Grant Thornton Australia Limited, has concluded that the Scheme is fair and reasonable and is therefore in the best interests of GBST shareholders in the absence of a superior proposal.

The Independent Expert's conclusions should be read in context with the Independent Expert's Report that is part of the Scheme Booklet attached to this announcement.

Directors' recommendation

The GBST Directors unanimously recommend that GBST shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST shareholders.

Subject to those same qualifications, each GBST Director intends to vote all the GBST shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting.

Further information

Once received, GBST encourages shareholders to read the Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting. GBST also encourages shareholders to note the key events and indicative dates as set out in the Scheme Booklet.

If, after reading the Scheme Booklet, you have any further questions in relation to the Scheme or the Scheme Booklet, please contact the GBST Shareholder Information Line on 1300 217 429 (within Australia) or +61 2 8022 7919 (outside Australia), Monday to Friday between 9:00am to 6:00pm (Sydney time).

– Ends –

About GBST

GBST is a specialist financial technology company which provides administration and transaction processing software for retail wealth management organisations and global and regional investment banks. Founded in 1983, the company operates in Australia, Asia, Europe and North America. GBST is listed on the Australian Securities Exchange under ASX ticker code GBT.

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SCHEME BOOKLET

For a recommended scheme of arrangement in relation to the proposed acquisition of GBST Holdings Limited by FNZ (Australia) Bidco Pty Ltd, a wholly-owned subsidiary of Kiwi Holdco CayCo, Ltd

VOTE IN FAVOUR

The GBST Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of GBST Shareholders, in the absence of a Superior Proposal.

The Scheme Meeting is scheduled to be held at 2.00pm (Sydney time) on 14 October 2019 at Dexus Place, Level 5, 1 Margaret St, Sydney NSW.

This Scheme Booklet is important and requires your prompt attention. You should read it in its entirety, and consider its contents carefully, before deciding whether or not to vote in favour of the Scheme Resolution to approve the Scheme. If you are in any doubt about what you should do, you should consult with a financial, legal, taxation or other professional adviser.

If you have any questions in relation to this Scheme Booklet or the Scheme, please contact the GBST Shareholder Information Line on 1300 217 429 (within Australia) or +61 2 8022 7919 (outside Australia), Monday to Friday between 9.00am and 6.00pm (Sydney time).

This Scheme Booklet has been sent to you because you are shown in the GBST Share Register as holding GBST Shares. If you have recently sold all of your GBST Shares, please disregard this Scheme Booklet.

Financial Adviser



Deutsche Bank

Legal Adviser

Allens > Linklaters

Important notices

Nature of this document

This Scheme Booklet provides GBST Shareholders with information about the proposed acquisition of GBST by FNZ Sub, a wholly-owned Subsidiary of FNZ. It includes the explanatory statement required by Part 5.1 of the Corporations Act in relation to the Scheme.

You should review all of the information in this Scheme Booklet carefully. Section 1.1 sets out the reasons why you should vote in favour of the Scheme and section 1.2 sets out reasons why you may wish to vote against the Scheme.

If you have sold all of your GBST Shares, please disregard this Scheme Booklet.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in section 9 of this Scheme Booklet.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position or particular needs. It is important that you read this Scheme Booklet in its entirety before making any investment decision and any decision regarding the Scheme. If you are in any doubt in relation to these matters, you should consult with a financial, legal, taxation or other professional adviser.

Not an offer

This Scheme Booklet does not constitute or contain an offer to GBST Shareholders, or a solicitation of an offer from GBST Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with laws and regulations outside Australia.

Regulatory information

This document is the explanatory statement for the scheme of arrangement between GBST and the Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure B.

A copy of this Scheme Booklet was provided to ASIC for examination in accordance with section 256C(5) and section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to GBST Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court at the time of the Court hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D.

GBST Shareholder's right to appear at the Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any GBST Shareholder may appear at the Second Court Hearing, expected to be held at 9.15am on Friday 18 October 2019 at the Supreme Court of New South Wales - 184 Phillip St, Sydney NSW 2000.

Any GBST Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on GBST a notice of appearance in the prescribed form together with any affidavit on which the GBST Shareholder proposes to rely.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has directed that an explanatory statement accompany the notice of meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed scheme or as to how GBST Shareholders should vote (on this matter GBST Shareholders must each reach their own decision); or
- (b) has prepared, or is responsible for, the content of the explanatory statement.

Disclaimer as to forward looking statements

This Scheme Booklet contains both historical and forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements.

All forward looking statements in this Scheme Booklet reflect views only as at the date of this Scheme Booklet, and generally may be identified by the use of forward looking words such as 'believe', 'aim', 'future', 'expect', 'anticipate', 'intend', 'foresee', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe GBST's or the FNZ Group's objectives, plans, goals or expectations are or may be forward looking statements.

Any statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of GBST's operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward looking statements.

All forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by those forward looking statements.

The operations and financial performance of GBST are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of GBST and/or the FNZ Group. GBST Shareholders should note that the historical financial performance of GBST provides no assurance of the future financial performance of GBST (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which GBST operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of GBST following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated and may never be achieved.

The forward looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet.

Although GBST believes that the views reflected in any forward looking statements included in the GBST Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

None of the GBST Group, the FNZ Group, the GBST Group's officers, the FNZ Group's officers, any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

All subsequent written and oral forward looking statements attributable to any member of the GBST Group or any member of the FNZ Group or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, the GBST Group and the FNZ Group do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

GBST is solely responsible for the GBST Information. The FNZ Group and its directors and officers do not assume any responsibility for the accuracy or completeness of any information contained in this Scheme Booklet other than the FNZ Information.

FNZ and FNZ Sub are solely responsible for the FNZ Information. GBST and the GBST Directors and officers do not assume any responsibility for the accuracy or completeness of the FNZ Information.

Grant Thornton has prepared the Independent Expert's Report in relation to the Scheme and is solely responsible for that report. The Independent Expert's Report is set out in Annexure A.

RSM has provided and is solely responsible for the information contained in section 7. Neither the GBST Group nor the FNZ Group, nor any of their respective directors and officers, assumes any responsibility for the accuracy of the information contained in section 7. RSM does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in section 7.

Link has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the GBST Share Registry. Link has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

Privacy

GBST, FNZ and FNZ Sub may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of GBST Shareholders and the names of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist GBST, FNZ and FNZ Sub to conduct the Scheme Meeting and implement the Scheme. Personal information of the type described above may be disclosed to the GBST Share Registry, print and mail service providers, authorised securities brokers, Related Bodies Corporate of GBST, FNZ and FNZ Sub, and GBST's and the FNZ Group's advisers and service providers. GBST Shareholders have certain rights to access personal information that has been collected. GBST Shareholders should contact the GBST Share Registry in the first instance if they wish to access their personal information. GBST Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Times

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Sydney, Australia.

Currency and exchange

Unless otherwise stated, all dollar amounts in this Scheme Booklet are in Australian dollars and all share prices and trading volumes refer to GBST Shares trading on ASX.

Date of this Scheme Booklet

This Scheme Booklet is dated 11 September 2019.

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Indicative key dates

EVENT	DATE
Scheme Meeting Proxy Forms Latest time and date by which the Scheme Meeting Proxy Form must be received by the GBST Share Registry	2.00pm (Sydney time) on Saturday 12 October 2019
Scheme Meeting record date Time and date for determining eligibility to vote at the Scheme Meeting	2.00pm (Sydney time) on Saturday 12 October 2019
Scheme Meeting To be held at Dexus Place, Level 5, 1 Margaret St, Sydney NSW	2.00pm (Sydney time) on Monday 14 October 2019
If the Scheme is approved by GBST Shareholders at the Scheme Meeting	
Second Court Date For approval of the Scheme	Friday 18 October 2019
Effective Date The date on which the Scheme becomes Effective and is binding on GBST Shareholders The date on which Court orders will be lodged with ASIC (at which point the Scheme becomes Effective) and announced on ASX Last day of trading in GBST Shares – GBST suspended from trading on ASX from close of trading	Friday 18 October 2019
Special Dividend Record Date All GBST Shareholders who hold GBST Shares on the Special Dividend Record Date will be entitled to receive any Special Dividend (if declared) ¹	7.00pm (Sydney time) on Wednesday 23 October 2019
Scheme Record Date All GBST Shareholders who hold GBST Shares on the Scheme Record Date will be entitled to receive the Scheme Consideration	7.00pm (Sydney time) on Friday 25 October 2019
Implementation Date Date on which any Special Dividend will be paid (if declared) ² Date on which FNZ Sub becomes holder of 100% of the Scheme Shares Date on which Scheme Consideration will be sent to Scheme Shareholders	Tuesday 5 November 2019

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other regulatory authority. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced on ASX on www.asx.com.au and notified on GBST's website at www.gbst.com.

All references to time in this Scheme Booklet are references to Sydney, Australia time, unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

GBST Shareholders who have elected to receive communications electronically will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet and how to lodge their proxy vote online.

¹ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

² As per footnote 1 above.

Letter from the Chairman of GBST

11 September 2019

Dear GBST Shareholder,

On behalf of the Board of GBST Holdings Limited (**GBST**), I am pleased to provide this Scheme Booklet to you, which contains important information for your consideration about the proposed acquisition of GBST by FNZ (Australia) Bidco Pty Ltd (**FNZ Sub**), a wholly-owned subsidiary of Kiwi Holdco CayCo, Ltd (**FNZ**).

On 29 July 2019, GBST announced that it had entered into a binding Scheme Implementation Deed with FNZ under which it is agreed that a wholly-owned subsidiary of FNZ will acquire 100% of the shares in GBST. The proposed acquisition will be effected by way of a scheme of arrangement (the **Scheme**), subject to GBST Shareholder and Court approval, and certain other conditions precedent.

Your GBST Directors consider that the Scheme delivers compelling value and provides an attractive opportunity for GBST Shareholders to realise a certain and immediate outcome that is fair and reasonable and in the best interests of GBST Shareholders.

Total Cash Consideration

If the Scheme is approved and implemented, you will receive a Total Cash Consideration of \$3.85 for each GBST Share you hold, comprising:

- cash consideration under the Scheme of \$3.85 for each GBST Share you hold on the Scheme Record Date, less the amount of any Special Dividend as defined below (**Scheme Consideration**); and
- a fully franked special dividend of a maximum of \$0.35 for each GBST Share you hold on the Special Dividend Record Date that may be declared before and paid by GBST on the date the Scheme is implemented (**Special Dividend**).³

The Total Cash Consideration of \$3.85, excluding the potential benefits of franking credits associated with any Special Dividend, represents an attractive premium of:

- 94.9% to the undisturbed closing price of GBST Shares on 11 April 2019 (being the last close price prior to the initial non-binding indicative proposal from Bravura Solutions Limited on 12 April 2019); and
- 106.2% to the 30 day trading day volume weighted average price to 11 April 2019.

Up to \$0.15 per GBST Share in additional value attributable to franking credits is potentially available for GBST Shareholders who are able to realise the full benefit of the franking credits associated with any Special Dividend. Whether a GBST Shareholder will be able to receive the full benefit of the franking credits will depend on their personal circumstances and whether a favourable Class Ruling is obtained from the ATO. You should consult your own taxation adviser to determine the tax consequences relevant to your circumstances.

The Total Cash Consideration values GBST's fully diluted equity at approximately \$269 million (assuming the existing GBST Options and GBST Performance Rights vest, are exercised in full and are settled by issuing GBST Shares (see section 8.12 for further details on the GBST Options and GBST Performance Rights).

Board recommendation

Your GBST Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders.

Subject to those same qualifications, each of your GBST Directors intends to vote all the GBST Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting.

Mr Rob DeDominicis (GBST's Chief Executive Officer and Managing Director) will, if the Scheme is implemented, become entitled to a cash payment of up to \$490,000 (in aggregate) under the terms of GBST's Deferred Cash Bonus

³ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

long term incentive plan and short term cash incentive plan, as described in section 8.5. Mr DeDominicis also holds or controls 699,055 GBST Shares (which have a value of approximately \$2.691 million based on the Total Cash Consideration of \$3.85 for each GBST Share), and holds 1,059,436 GBST Options (which have a maximum value of approximately \$1.895 million based on the Total Cash Consideration of \$3.85 for each GBST Share (see sections 8.5(a) and 8.12 for further details). If the Scheme becomes Effective, the GBST Options held by Mr DeDominicis will be subject to the regime described in section 8.12 and Mr DeDominicis will receive the Total Cash Consideration for each GBST Share he holds at the Scheme Record Date (including any GBST Shares that are granted to Mr DeDominicis following exercise of his GBST Options). GBST Shareholders should have regard to these arrangements when considering Mr DeDominicis' recommendation on the Scheme, which appears throughout this Scheme Booklet. Given the importance of the Scheme and Mr DeDominicis' role in the management of GBST, Mr DeDominicis considers that it is appropriate for him to make a recommendation on the Scheme. The GBST Board (absent Mr DeDominicis) and, separately, Mr DeDominicis, have determined that Mr DeDominicis can, and should if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature and quantum of the benefits (being the benefits described in section 8.5 and the Total Cash Consideration) Mr DeDominicis will receive if the Scheme becomes Effective.

As at the date of this Scheme Booklet, each GBST Director holds or controls the number of GBST Shares set out in section 8.1.

Your GBST Directors unanimously consider that the Scheme is in the best interests of GBST Shareholders for reasons including:

- the attractive premium offered by FNZ relative to GBST's recent historical trading levels;
- the all cash consideration which delivers certainty of value for your GBST Shares in the near term;
- the up to \$0.15 per GBST Share in additional value potentially available for eligible GBST Shareholders who are able to realise the full benefit of the franking credits associated with any Special Dividend;
- the likelihood that GBST Shares will trade below the Total Cash Consideration in the event the Scheme does not proceed; and
- the Independent Expert having concluded that the Scheme is fair and reasonable and therefore in the best interests of GBST Shareholders in the absence of a Superior Proposal.

Further reasons (including reasons why you may not wish to vote in favour of the Scheme) are set out in section 1.

Independent Expert

Your GBST Directors appointed Grant Thornton to prepare an Independent Expert's Report to assess the merits of the Scheme and to provide an opinion as to whether the Scheme is in the best interests of GBST Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of GBST Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the full underlying value of GBST at between \$3.06 and \$3.50 per GBST Share. The Total Cash Consideration of \$3.85 per GBST Share is above this range.

A complete copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet.

How to vote

For the Scheme to be approved by GBST Shareholders, votes in favour of the Scheme must be received from a majority in number (more than 50%) of GBST Shareholders present and voting (either in person or by proxy or representative) at the Scheme Meeting (unless the Court orders otherwise) and at least 75% of the total number of votes cast on the Scheme Resolution by GBST Shareholders (either in person or by proxy or representative). The Scheme can only be implemented if it is subsequently approved by the Court.

Your vote is important and we encourage you to vote by completing the Scheme Meeting Proxy Form accompanying this Scheme Booklet or alternatively by attending the Scheme Meeting to be held at 2.00pm (Sydney time) at Dexus Place, Level 5, 1 Margaret St, Sydney NSW on Monday 14 October 2019.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme.

Further information

This Scheme Booklet sets out important information about the Scheme, including the reasons for your GBST Directors' recommendation and the Independent Expert's Report. It also sets out some of the reasons why you may wish to vote against the Scheme.

Please read this document carefully and in its entirety, as it will assist you in making an informed decision on how to vote. We would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your GBST Shares.

If you require any further information in relation to this Scheme Booklet you should contact the GBST Shareholder Information Line on 1300 217 429 (within Australia) or +61 2 8022 7919 (from outside Australia), Monday to Friday between 9.00am and 6.00pm (Sydney time).

On behalf of the GBST Directors, I sincerely thank you for your support and I look forward to your participation in the Scheme Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Allan Brackin', with a stylized flourish at the end.

Allan Brackin

Chairman, GBST Holdings Limited

1 Key considerations relevant to your vote

The Scheme has a number of advantages and disadvantages which may affect GBST Shareholders in different ways depending on their individual circumstances. GBST Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 1.1 provides a summary of some of the reasons why the GBST Board unanimously recommends that GBST Shareholders vote in favour of the Scheme. This section should be read in conjunction with section 1.2, which sets out reasons why GBST Shareholders may wish to vote against the Scheme.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting.

While the GBST Directors acknowledge the reasons to vote against the Scheme, they believe that the advantages of the Scheme significantly outweigh the disadvantages and unanimously recommend that you vote in favour of the Scheme.

1.1 Why you should vote in favour of the Scheme

The GBST Directors have formed the view that the Scheme is in the best interests of GBST Shareholders for the following reasons:

- ✓ **The GBST Directors have assessed the merits of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders**

In reaching its recommendation, the GBST Board has considered the advantages and disadvantages of the Scheme, including the information contained in:

- this section 1.1 (Why you should vote in favour of the Scheme);
- section 1.2 (Why you may wish to vote against the Scheme);
- section 6 (Risks) and section 7 (Australian Taxation Implications); and
- Annexure A (Independent Expert's Report).

The GBST Directors consider that the Total Cash Consideration fully recognises the value and future growth potential of GBST, as well as providing the certainty of all cash consideration to GBST Shareholders for their GBST Shares.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders, each of the GBST Directors intends to vote all GBST Shares that they hold or control in favour of the Scheme.

As noted in the Chairman's Letter, Mr Rob DeDominicis (GBST's Chief Executive Officer and Managing Director) will, if the Scheme is implemented, become entitled to a cash payment of up to \$490,000 (in aggregate) under the terms of GBST's LTIP – Cash and STIP, as described in section 8.5. Mr DeDominicis also holds or controls 699,055 GBST Shares (which have a value of approximately \$2.691 million based on the Total Cash Consideration of \$3.85 for each GBST Share), and holds 1,059,436 GBST Options (which have a maximum value of approximately \$1.895 million based on the Total Cash Consideration of \$3.85 for each GBST Share (see sections 8.5(a) and 8.12 for further details). If the Scheme becomes Effective, the GBST Options held by Mr DeDominicis will be subject to the regime described in section 8.12 and Mr DeDominicis will receive the Total Cash Consideration for each GBST Share he holds at the Scheme Record Date (including any GBST Shares that are granted to Mr DeDominicis following exercise of his GBST Options). GBST Shareholders should have regard to these arrangements when considering Mr DeDominicis' recommendation on the Scheme, which appears throughout this Scheme Booklet. Given the importance of the Scheme and Mr DeDominicis' role in the management of GBST, Mr DeDominicis considers that it is appropriate for him to make a recommendation on the Scheme. The GBST Board (absent Mr DeDominicis) and, separately, Mr DeDominicis, have determined that Mr DeDominicis can, and should if he wishes to do so, make a recommendation on the Scheme notwithstanding the

nature and quantum of the benefits (being the benefits described in section 8.5 and the Total Cash Consideration) Mr DeDominicis will receive if the Scheme becomes Effective.

Further detail of the interests of the GBST Directors is contained in section 8.1.

✓ **The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of GBST Shareholders, in the absence of a Superior Proposal**

The GBST Directors appointed Grant Thornton as the Independent Expert to assess the merits of the Scheme and to provide an opinion as to whether the Scheme is in the best interests of GBST Shareholders.

The Independent Expert has assessed the fully diluted value of GBST Shares to be in the range of \$3.06 and \$3.50. The Total Cash Consideration of \$3.85 per Scheme Share is above the valuation range determined by the Independent Expert.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of GBST Shareholders, in the absence of a Superior Proposal.

A complete copy of the Independent Expert's Report is included in Annexure A. The GBST Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.

✓ **The Total Cash Consideration represents an attractive premium to recent historical trading levels of GBST Shares on ASX prior to the announcement of the initial non-binding indicative proposal from Bravura Solutions Limited on 12 April 2019**

If the Scheme is approved and implemented, Scheme Shareholders will receive cash payments equal to \$3.85 for each GBST Share that they hold (**Total Cash Consideration**), comprising:

- cash consideration under the Scheme of \$3.85 for each GBST Share held on the Scheme Record Date, less the amount of any Special Dividend as defined below (**Scheme Consideration**); and
- a fully franked special dividend of a maximum of \$0.35 for each GBST Share held on the Special Dividend Record Date that may be declared before and paid by GBST on the date the Scheme is implemented (**Special Dividend**).

Subject to assessing GBST's cash position and available funding, the GBST Board will determine whether to declare and pay a Special Dividend and the amount of any such Special Dividend. This decision is expected to be made on or around the date of the Scheme Meeting and any Special Dividend, if declared, subject to the Scheme becoming Effective, is expected to be paid on the Implementation Date. However, the Total Cash Consideration will be \$3.85 per GBST Share regardless of the amount of any Special Dividend that is declared. This is because the Scheme Consideration you receive from FNZ will be \$3.85 less the cash amount of any Special Dividend you receive from GBST. Those GBST Shareholders who can take advantage of the franking credits associated with any Special Dividend may receive an additional benefit from the value of those franking credits, which is in addition to the Total Cash Consideration. It remains at the discretion of the GBST Board whether the Special Dividend is ultimately declared and paid. If a Special Dividend is declared it will be announced on ASX.

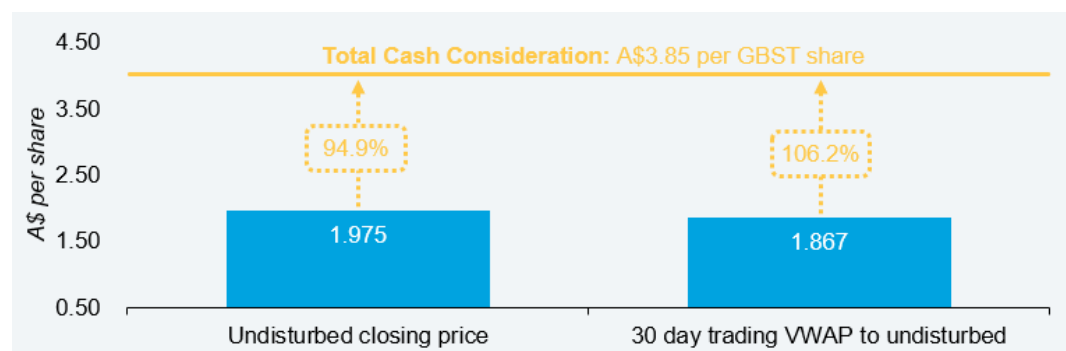
If the Scheme is approved and implemented, then the Total Cash Consideration will be \$268.1 million or \$3.85 per Scheme Share.⁴ This amount represents a premium of:

- (i) 94.9% to the undisturbed closing price of GBST Shares on 11 April 2019, being the last close price prior to the initial non-binding indicative proposal from Bravura Solutions Limited on 12 April 2019; and

⁴ Calculated based on 69,644,363 GBST Shares outstanding (inclusive of 279,246 GBST Shares to be issued following exercise of the GBST Performance Rights and an estimated 1,452,609 GBST Shares to be issued following exercise of the GBST Options and excluding the GBST Options (FY20 CEPOs) that are to be satisfied by the acquisition by the Trustee and transfer to Rob DeDominicis of 207,744 GBST Shares already on issue. See section 8.12 for further information on the intended treatment of the GBST Performance Rights and GBST Options in connection with the Scheme).

(ii) 106.2% to the 30 day trading day volume weighted average price to 11 April 2019.

The graph below illustrates the premium to GBST's price before announcement of the initial non-binding indicative proposal from Bravura Solutions Limited on 12 April 2019.



5

- ✓ **You will receive all cash consideration which provides certainty of value for your investment in GBST, avoiding the uncertainties and risks associated with delivery of GBST's strategic plan and general market risks**

The proposal from FNZ is a 100% cash proposal. The Total Cash Consideration of \$3.85 per GBST Share provides GBST Shareholders with certainty of value for their GBST Shares (subject to the Scheme becoming Effective) and the opportunity for GBST Shareholders to realise certain cash value in the near term which may not be achieved if the Scheme does not proceed.

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration in cash for each GBST Share that they own at the Scheme Record Date, to be paid on the Implementation Date. If a Special Dividend is declared, GBST Shareholders will receive a Special Dividend in cash for each GBST Share that they own at the Special Dividend Record Date, to be paid on the Implementation Date.⁶

In contrast, if the Scheme does not proceed, the amount which GBST Shareholders will be able to realise for their investment in GBST Shares will be uncertain. The Scheme removes this uncertainty for GBST Shareholders. For further details on the risks relating to remaining a GBST Shareholder, see section 6.

- ✓ **The price of GBST Shares is likely to fall in the near term if the Scheme is not implemented and in the absence of a Superior Proposal**

If the Scheme is not implemented, and in the absence of a Superior Proposal, it is likely that the price at which GBST Shares trade will fall, including to a price that is significantly below the Total Cash Consideration of \$3.85 per GBST Share and below the price at which they have traded since the announcement of the Scheme on 29 July 2019.

Additionally, if the Scheme is not implemented, GBST's Shares will remain quoted on ASX. The future trading price of GBST Shares will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and market demand for listed securities, compared to the cash value of \$3.85 per Scheme Share to be received under the Scheme.

In the 12 months before the announcement of the execution of the Scheme Implementation Deed on 29 July 2019, GBST Shares traded between a high of \$3.70 on 26 July 2019 and a low of \$1.22 on 5 February 2019. The closing price of GBST Shares on ASX on 11 April 2019, being the last close price prior to the initial non-binding indicative proposal from Bravura Solutions Limited, was \$1.975.

⁵ The undisturbed closing price is the closing price of GBST Shares on 11 April 2019, being the last close price prior to the initial non-binding indicative proposal from Bravura Solutions Limited on 12 April 2019.

⁶ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

From the date of the announcement of the Scheme to 10 September 2019, being the last practicable date before the date of this Scheme Booklet, the closing price of GBST Shares has ranged between \$3.80 and \$3.90.

- ✓ **Those GBST Shareholders who can take advantage of the franking credits attached to any Special Dividend (provided a favourable Class Ruling is obtained from the ATO) will receive additional benefit from the value of those franking credits to them**

Subject to assessing GBST's cash position and available funding, the GBST Board will determine whether to declare and pay a Special Dividend and the amount of any such Special Dividend. This decision is expected to be made on or around the date of the Scheme Meeting and any Special Dividend, if declared, subject to the Scheme becoming Effective, is expected to be paid on the Implementation Date. The Special Dividend (if declared) will be fully franked and will be a maximum of \$0.35 per GBST Share. It remains at the discretion of the GBST Board whether the Special Dividend is ultimately declared and paid. If a Special Dividend is declared it will be announced on ASX.

If the Scheme becomes Effective, GBST Shareholders may be entitled to receive any Special Dividend that is declared, subject to remaining a GBST Shareholder on the Special Dividend Record Date. If a Special Dividend is declared and paid, it will form part of the Total Cash Consideration to be received by GBST Shareholders.

Subject to a favourable Class Ruling being obtained from the ATO, those GBST Shareholders who can take advantage of the franking credits attached to any Special Dividend may receive an additional benefit from the value of those franking credits. The value of franking credits will not be the same for all GBST Shareholders.

Depending on the tax status of each GBST Shareholder, each GBST Shareholder will also receive a maximum of \$0.15 per GBST Share in franking credits associated with any Special Dividend. Section 7 sets out a general summary regarding Australian taxation implications of the Scheme for GBST Shareholders. You should consult your own taxation advisor to determine the tax consequences relevant to your circumstances.

- ✓ **No brokerage will be payable by you for the transfer of your GBST Shares under the Scheme**

You will not incur any brokerage on the transfer of your GBST Shares to FNZ Sub under the Scheme. It is possible that such charges may be incurred if you dispose of or transfer your GBST Shares in circumstances other than under the Scheme.

- ✓ **Since the announcement of the Scheme, no Superior Proposal has emerged**

Since the initial announcement of the Scheme on 29 July 2019 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the GBST Directors are not aware of any Superior Proposal that is likely to emerge.

1.2 Why you may wish to vote against the Scheme

The Scheme is recommended by the GBST Directors and the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of GBST Shareholders, in each case in the absence of a Superior Proposal. Some of the factors which may lead you to consider voting against the Scheme are summarised below.

- ✗ **You may disagree with the unanimous recommendation of your GBST Directors and the Independent Expert and believe that the Scheme is not in your best interests**

Notwithstanding the unanimous recommendation of the GBST Directors and the conclusion of the Independent Expert that the Scheme is in the best interests of GBST Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in your best interests.

✖ **You may prefer to realise the potential value in GBST Shares over the long term, and may consider that the Scheme does not capture GBST's long-term potential**

If the Scheme is approved and implemented, you will cease to be a GBST Shareholder. As such, you will no longer be able to participate in GBST's future financial performance, including by benefitting from the payment of any future dividends, or the future prospects of its ongoing business. However, as with all investments in securities, there can be no guarantee as to the payment of any future dividends nor the future performance of GBST.

✖ **You may believe that it is in your interests to maintain your current investment and risk profile**

You may wish to maintain your investment in GBST in order to have an investment in a publicly listed company with the specific characteristics of GBST in terms of industry, operational profile, size, capital structure and potential future dividend stream.

Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. GBST Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of GBST and they may incur transaction costs in undertaking any new investment.

✖ **The tax consequences of the Scheme may not suit your current financial position**

Implementation of the Scheme may trigger taxation consequences for GBST Shareholders, such as the realisation of a capital gain or a capital loss. A general guide to the Australian taxation implications of the Scheme is set out in section 7. This guide is expressed in general terms only and GBST Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

✖ **You may consider that there is potential for a Superior Proposal to be made in the foreseeable future**

It is possible that, if GBST were to continue as an independent listed entity, a different corporate control proposal for GBST could materialise in the future, such as a takeover bid with a higher offer. Implementation of the Scheme will mean that GBST Shareholders will not receive the benefit of any such proposal.

Your GBST Directors note, however, that comprehensive market testing was undertaken by GBST and its advisors following receipt of the initial unsolicited non-binding indicative proposal of \$2.50 per GBST Share from Bravura Solutions Limited on 12 April 2019. As previously disclosed, GBST subsequently engaged with a number of parties who had expressed non-binding interest in potentially acquiring 100% ownership of GBST, including providing confidential management presentations to a total of seven parties and providing due diligence access to one party. This process culminated in GBST's announcement on 29 July 2019 that it had entered into a binding Scheme Implementation Deed with FNZ under which it is agreed that FNZ Sub will acquire 100% of the GBST Shares.

Since the announcement of the entry into the Scheme Implementation Deed by GBST on 29 July 2019 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the GBST Directors are unaware of any Superior Proposal that is likely to emerge.

The Scheme Implementation Deed prohibits GBST from soliciting a Competing Proposal. However, GBST is permitted to respond to any bona fide Competing Proposal if the GBST Board determines, in good faith after receiving written financial advice from its Financial Adviser and written legal advice from its external legal advisers, that failing to so respond would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of GBST. Further details on the key terms of the Scheme Implementation Deed (including a summary of GBST's obligations in relation to responding to a Competing Proposal) are provided in section 8.10.

1.3 Other considerations relevant to your vote on the Scheme

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) **The Scheme may proceed even if you vote against it**

The Scheme will be implemented if the Scheme Resolution is passed by the requisite majorities and is approved by the Court, irrespective of whether you do not vote or you vote against the Scheme Resolution at the Scheme Meeting.

If this occurs, any GBST Shares that you hold on the Scheme Record Date will be transferred to FNZ Sub and you will receive the Scheme Consideration of \$3.85 per GBST Share (less the amount of any Special Dividend that is declared and paid to persons who are GBST Shareholders as at the Special Dividend Record Date).⁷

(b) **If the Scheme does not proceed, GBST Shareholders will not receive the Scheme Consideration or any Special Dividend (if declared)**

If the Scheme is not approved or all outstanding Conditions Precedent are not satisfied or waived (where capable of waiver), the Scheme will not proceed. In that case, GBST Shareholders will not receive the Scheme Consideration nor any Special Dividend (if declared), and GBST will continue to operate as it does currently with GBST Shares remaining listed on ASX.

If the Scheme is not implemented, the advantages of the Scheme described in section 1.1 will not be realised.

⁷ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

2 Frequently asked questions

Question	Answer	More information
Scheme		
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a GBST Shareholder and GBST Shareholders are being asked to vote on the Scheme, which, if approved, will result in FNZ Sub acquiring all the GBST Shares.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.</p>	N/A
What is the Scheme?	The Scheme involves FNZ Sub acquiring all GBST Shares which, if approved by GBST Shareholders and the Court, will be implemented by way of a scheme of arrangement – which is a statutory procedure that is commonly used to enable one company to acquire another company. The Scheme is between GBST and Scheme Shareholders and will effect the acquisition of GBST by FNZ Sub.	<p>Section 3 contains an overview of the Scheme.</p> <p>A copy of the Scheme is contained in Annexure B.</p>
What is the effect of the Scheme?	<p>If the Scheme is approved by GBST Shareholders and the Scheme is approved by the Court, then Scheme Shareholders will receive:</p> <ul style="list-style-type: none"> the Scheme Consideration for each GBST Share that they hold on the Scheme Record Date; and if a Special Dividend is declared - a fully franked Special Dividend of a maximum of \$0.35 per GBST Share payable to GBST Shareholders who are registered on the GBST Share Register on the Special Dividend Record Date.⁸ 	Section 3 contains an overview of the Scheme.
Who are the FNZ Group and FNZ Sub?	<p>The FNZ Group is a global technology and administration services firm partnering with major financial institutions to enable them to provide wealth management services to their clients across direct, intermediated, institutional and workplace channels.</p> <p>The FNZ Group is responsible for over \$700 billion in assets under administration held by approximately 8.7 million customers of some of the world's largest financial institutions. The FNZ Group's holding company is Kiwi Holdco CayCo, Ltd (FNZ).</p> <p>FNZ Sub is a newly incorporated Australian proprietary company established for the purposes of acquiring all of the GBST Shares if the Scheme is implemented. FNZ Sub was incorporated on 28 August 2019 and is a wholly-owned indirect subsidiary of FNZ.</p>	Section 5 contains further details about the FNZ Group and FNZ Sub.

⁸ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See the answer to the question "What will I receive if the Scheme is approved and implemented?" below for more details.

Question	Answer	More information
<p>Are there any conditions to be satisfied?</p>	<p>There are certain conditions that will need to be satisfied or waived (where capable of waiver) before the Scheme can become Effective.</p> <p>In summary, as at the date of this Scheme Booklet, the outstanding conditions include:</p> <ul style="list-style-type: none"> • FNZ obtaining Australian Foreign Investment Review Board approval; • any other required regulatory approvals are obtained; • GBST Shareholder approval; • the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders; • Court approval at the Second Court Hearing; • no legal or regulatory restraints on or orders preventing the implementation of the Scheme; • no GBST Material Adverse Change occurring between (and including) 24 July 2019 and 8.00am on the Second Court Date; • no GBST Regulated Event occurring between (and including) 24 July 2019 and 8.00am on the Second Court Date; and • no GBST Prescribed Occurrence occurring between (and including) 24 July 2019 and 8.00am on the Second Court Date. <p>As at the date of this Scheme Booklet, the GBST Directors are not aware of any reason why these conditions should not be satisfied or waived (where capable of waiver).</p>	<p>Section 8.10 contains further information on the conditions to the Scheme.</p>
<p>What do the GBST Directors recommend and how do they intend to vote?</p>	<p>The GBST Directors unanimously recommend that GBST Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders.</p> <p>Each GBST Director who holds or controls GBST Shares intends to vote all GBST Shares held or controlled by them in favour of the Scheme, subject to the same qualifications.</p> <p>In relation to the recommendation of Rob DeDominicis, GBST Shareholders should have regard to the fact that, if the Scheme is implemented, Mr Rob DeDominicis (GBST's Chief Executive Officer and Managing Director) will become entitled to a cash payment of up to \$490,000 (in aggregate) under the terms of GBST's LTIP – Cash and STIP, as described in section 8.5. Mr DeDominicis also holds or controls 699,055 GBST Shares (which have a value of approximately \$2.691 million based on the Total Cash Consideration of \$3.85</p>	<p>Section 1.1 provides a summary of the reasons why the GBST Directors consider that GBST Shareholders should vote in favour of the Scheme.</p> <p>Section 1.2 provides a summary of some of the reasons why GBST Shareholders may wish to vote against the Scheme.</p>

Question	Answer	More information
	for each GBST Share) and holds 1,059,436 GBST Options (which have a maximum value of approximately \$1.895 million based on the Total Cash Consideration of \$3.85 for each GBST Share (see sections 8.5(a) and 8.12 for further details). If the Scheme becomes Effective, the GBST Options held by Mr DeDominicis will be subject to the regime described in section 8.12 and Mr DeDominicis will receive the Total Cash Consideration for each GBST Share he holds at the Scheme Record Date (including any GBST Shares that are granted to Mr DeDominicis following exercise of his GBST Options).	
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of GBST Shareholders, in the absence of a Superior Proposal.	A copy of the Independent Expert's Report is contained in Annexure A.
What should I do?	You should read this Scheme Booklet carefully in its entirety, including the Independent Expert's Report, and then vote by attending the Scheme Meeting, or by appointing a proxy or representative to vote on your behalf.	N/A
Scheme Consideration and Special Dividend		
What will I receive if the Scheme is approved and implemented?	<p>If the Scheme is approved and implemented, you will receive the Total Cash Consideration, being cash payments equal to \$3.85 for each GBST Share that you hold, comprising:</p> <ul style="list-style-type: none"> the Scheme Consideration, being cash consideration under the Scheme of \$3.85 for each GBST Share you hold on the Scheme Record Date, less the amount of any Special Dividend as described below; and the Special Dividend, being a fully franked special dividend of a maximum of \$0.35 for each GBST Share you hold on the Special Dividend Record Date that may be declared before and paid by GBST on the date the Scheme is implemented. <p>Subject to assessing GBST's cash position and available funding, the GBST Board will determine whether to declare and pay a Special Dividend and the amount of any such Special Dividend. This decision is expected to be made on or around the date of the Scheme Meeting and any Special Dividend, if declared, subject to the Scheme becoming Effective, is expected to be paid on the Implementation Date. However, the Total Cash Consideration will be \$3.85 regardless of the amount of any Special Dividend. This is because the Scheme Consideration you receive from FNZ will be \$3.85 less the cash amount of any Special Dividend</p>	Section 3.2 sets out further details on the Scheme Consideration.

Question	Answer	More information
	you receive from GBST. It remains at the discretion of the GBST Board whether the Special Dividend is ultimately declared and paid. If a Special Dividend is declared it will be announced on ASX.	
What will I receive if the Scheme is not approved and implemented?	If the Scheme is not approved by the requisite majorities at the Scheme Meeting, then you will not receive the Scheme Consideration or any Special Dividend.	Section 3.2 sets out further details on the Scheme Consideration.
When will I be paid?	<p>Payment of the Scheme Consideration will occur in accordance with the Scheme on the Implementation Date. The Implementation Date is expected to be 5 November 2019.</p> <p>Payment of the Special Dividend (if declared) will occur on the Implementation Date.⁹</p>	Section 3.2 sets out further details on the Scheme Consideration.
How will I be paid?	<p>All payments will be made by direct deposit into your nominated bank account, as advised to the GBST Share Registry as at the Scheme Record Date.</p> <p>If you have not nominated a bank account, payment will be made by Australian dollar cheque, sent by post to your registered address as shown on the GBST Share Register.</p> <p>GBST Shareholders are encouraged to ensure that their contact details and banking instructions are up to date. This can be completed by either reviewing your shareholder information online at https://investorcentre.linkmarketservices.com.au/Login/ Login or calling the Link Market Services shareholder enquiries line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia), Monday to Friday between 8.30am and 7.30pm (Sydney time). Providing up to date direct deposit banking instructions will ensure you will receive funds efficiently.</p>	Section 3.2 sets out further details on the Scheme Consideration.
What are the taxation implications of the Scheme?	<p>The taxation implications of the Scheme will depend on your personal circumstances.</p> <p>A general outline of the main Australian taxation implications of the Scheme for certain GBST Shareholders is set out in section 7.</p> <p>As this outline is general in nature, you should consult with your own taxation advisers for detailed tax advice regarding the Australian and, if applicable, foreign taxation implications for participating in the Scheme in light of the particular circumstances which apply to you before making a decision as to how to vote on the Scheme.</p>	Section 7 sets out further details on the Australian taxation implications of the Scheme.

⁹ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See the answer to the question "What will I receive if the Scheme is approved and implemented?" above for more details.

Question	Answer	More information
Shareholder entitlements		
Can I sell my GBST Shares now?	<p>You can sell your GBST Shares on market at any time before close of trading on ASX on the Effective Date at the then prevailing market price (which may vary from the Total Cash Consideration).</p> <p>GBST intends to apply to ASX for GBST Shares to be suspended from official quotation on ASX from close of trading on the Effective Date (which is expected to be 18 October 2019). You will not be able to sell your GBST Shares on market after this time.</p> <p>If you sell your GBST Shares before the Special Dividend Record Date such that you cease to hold GBST Shares as at the Special Dividend Record Date, then you will not receive any Special Dividend (if declared) nor the franking credits attached to any such Special Dividend (which might have otherwise been received, provided a favourable Class Ruling is obtained from the ATO), nor the Scheme Consideration.</p> <p>In the circumstance where a Special Dividend is declared, you will only receive the Total Cash Consideration in respect of the GBST Shares that you hold both on the Special Dividend Record Date and the Scheme Record Date. For example, if a Special Dividend is declared and you sell any GBST Shares through an off-market transfer that is registered after the Special Dividend Record Date but before the Scheme Record Date:</p> <ul style="list-style-type: none"> the 'seller' will receive the Special Dividend and may be entitled to the franking credits attached to the Special Dividend (provided a favourable Class Ruling is obtained from the ATO), and will also receive any consideration for the sale, but will not receive the Scheme Consideration; and the 'buyer' will receive the Scheme Consideration, but will not receive the Special Dividend nor the franking credits attached to the Special Dividend (which might have otherwise been received, provided a favourable Class Ruling is obtained from the ATO). <p>However, in the circumstance where a Special Dividend is not declared, you will receive the Total Cash Consideration in respect of the GBST Shares that you hold on the Scheme Record Date.</p>	N/A
Voting on the Scheme		
What vote is required to approve the Scheme?	<p>For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting by:</p> <ul style="list-style-type: none"> a majority in number (more than 50%) of GBST Shareholders who vote on the Scheme 	Section 3.8 and the Notice of Scheme Meeting contained in Annexure D set

Question	Answer	More information
	<p>Resolution in person or by proxy or representative; and</p> <ul style="list-style-type: none"> at least 75% of the votes cast by GBST Shareholders on the Scheme Resolution. <p>The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.</p>	<p>out further details on the Scheme approval requirements.</p>
Am I entitled to vote?	<p>Each GBST Shareholder who is registered on the GBST Share Register at 2.00pm (Sydney time) on 12 October 2019 is entitled to vote at the Scheme Meeting.</p>	<p>The Notice of Scheme Meeting contained in Annexure D sets out further details on your entitlement to vote on the Scheme Resolution.</p>
How do I vote?	<p>If you are eligible to vote, you can vote by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend the Scheme Meeting and vote on your behalf, or by attending the Scheme Meeting in person.</p>	<p>The Notice of Scheme Meeting contained in Annexure D sets out further details on your entitlement to vote on the Scheme Resolution.</p>
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting will be held on 14 October 2019 at Dexus Place, Level 5, 1 Margaret St, Sydney NSW.</p> <p>The Scheme Meeting will commence at 2.00pm.</p>	<p>The Notice of Scheme Meeting contained in Annexure D sets out further details on the Scheme Meeting.</p>
When will the result of the Scheme Meeting be known?	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the meetings and will be announced to ASX once available.</p> <p>Even if the Scheme Resolution is passed by the Scheme Meeting, the Scheme is subject to approval of the Court.</p>	<p>N/A</p>
What happens to my GBST Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	<p>If you do not vote, or you vote against the Scheme, and the Scheme becomes Effective, any GBST Shares held by you on the Scheme Record Date (which is expected to be 7.00pm on 25 October 2019) will be transferred to FNZ Sub and you will receive the Total Cash Consideration of \$3.85 per GBST Share comprising:</p> <ul style="list-style-type: none"> the Scheme Consideration for each GBST Share that you hold on the Scheme Record Date; and if a Special Dividend is declared, a fully franked Special Dividend of a maximum of \$0.35 per GBST Share payable to GBST 	<p>N/A</p>

Question	Answer	More information
	<p>Shareholders if you are registered on the GBST Share Register on the Special Dividend Record Date,¹⁰</p> <p>notwithstanding that you did not vote or voted against the Scheme.</p>	
Can I oppose the Scheme at the Second Court Hearing?	You have the right as a GBST Shareholder to appear and make submissions at the Second Court Hearing which is scheduled to be held at 9.15am on 18 October 2019 at the Supreme Court of New South Wales - 184 Phillip St, Sydney NSW 2000.	Important notices on page 2
What happens if the Scheme does not proceed?	<p>If the Scheme is not approved at the Scheme Meeting or by the Court, or another condition to the Scheme is not satisfied or waived (where capable of waiver), the Scheme will not be implemented.</p> <p>If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration or any Special Dividend but will retain their GBST Shares. In these circumstances, GBST will, in the absence of another proposal, continue to operate as a stand-alone company listed on ASX and you will continue to hold your Shares and continue to be exposed to risks and opportunities associated with your investment in GBST.</p>	Section 6 sets out further details on the risks relating to remaining a GBST Shareholder.
Where can I get further information?	For further information, you can call the GBST Shareholder Information Line on 1300 217 429 (within Australia) or +61 2 8022 7919 (outside Australia), Monday to Friday between 9.00am and 6.00pm (Sydney time).	N/A

¹⁰ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See the answer to the question "What will I receive if the Scheme is approved and implemented?" above for more details.

3 Details of the Scheme

3.1 Introduction

On 29 July 2019, GBST announced that it had entered into the Scheme Implementation Deed with FNZ, under which it is proposed that a wholly-owned Subsidiary of FNZ will acquire all GBST Shares pursuant to a transaction involving a scheme of arrangement.

If the Scheme is approved by GBST Shareholders and by the Court, and all other conditions precedent are satisfied or waived (where capable of waiver), then, once the Scheme is implemented, GBST will become a wholly-owned Subsidiary of FNZ and it is expected that FNZ will apply for GBST to be delisted from ASX.

If the Scheme is not approved, then the Scheme will not proceed and GBST will continue as a stand-alone entity listed on ASX.

This Scheme Booklet contains information that the GBST Board considers is material to GBST Shareholders in making a decision on whether or not to vote in favour of the Scheme. You should carefully read this Scheme Booklet as part of your consideration of the Scheme.

3.2 What you will receive

If the Scheme is approved and implemented, Scheme Shareholders will receive a total cash payment of \$3.85 per GBST Share (less the amount of any Special Dividend, if declared), in return for the transfer of their GBST Shares to FNZ Sub.

Subject to assessing GBST's cash position and available funding, the GBST Board will determine whether to declare and pay a Special Dividend and the amount of any such Special Dividend. This decision is expected to be made on or around the date of the Scheme Meeting and any Special Dividend, if declared, subject to the Scheme becoming Effective, is expected to be paid on the Implementation Date. The Special Dividend (if declared) will be fully franked and will be a maximum of \$0.35 per GBST Share. If any Special Dividend is paid by GBST to GBST Shareholders who are registered as such on the Special Dividend Record Date, it will form part of the Total Cash Consideration to be received by GBST Shareholders.

Payments will be made by direct deposit into your nominated bank account, as advised to the GBST Share Registry as at the Scheme Record Date. If you have not nominated a bank account, payment will be made by Australian dollar cheque, sent by post to your registered address as shown on the GBST Share Register.

If the Scheme Shareholder does not have a registered address, or GBST considers that the Scheme Shareholder is not known at its registered address and no bank account has been nominated, payments due to the Scheme Shareholder will be held by GBST until claimed or applied under the relevant laws dealing with unclaimed money.

Payment of the Scheme Consideration will be made on the Implementation Date, which is expected to be Tuesday, 5 November 2019. Payment of any Special Dividend will be made on the Implementation Date, which is expected to be Tuesday, 5 November 2019.

3.3 Key Scheme and Special Dividend steps

If the Scheme is approved by GBST Shareholders and the Scheme is approved by the Court, and if all other conditions precedent to the Scheme are satisfied or waived (where capable of waiver), then:

- the Scheme will become Effective;
- at the close of trading on the Effective Date, GBST Shares will cease trading on ASX;
- if a Special Dividend has been declared, on the Implementation Date that Special Dividend will be paid by GBST to GBST Shareholders who are registered as such on the Special Dividend Record Date; and
- on the Implementation Date, all the GBST Shares held by Scheme Shareholders as at the Scheme Record Date will be transferred to FNZ Sub (without any need for action by Scheme Shareholders) and the Scheme Consideration will be paid to Scheme Shareholders.

As a result of the implementation of the Scheme, Scheme Shareholders will cease to hold GBST Shares, GBST will become a wholly-owned Subsidiary of FNZ Sub and it is expected that FNZ will apply for GBST to be delisted from ASX.

3.4 ATO Class Ruling

GBST has requested the Australian Taxation Office (**ATO**) to issue a Class Ruling which seeks to confirm a range of matters relating to the income tax treatment of those Scheme Shareholders who receive the Special Dividend (if declared).

The ATO has not issued the Class Ruling requested as at the date of the Scheme Booklet. If and when issued (which could occur after the Scheme is implemented), the Class Ruling will be available on the ATO website at www.ato.gov.au.

3.5 Entitlement to participate in the Scheme and to receive the Special Dividend (if declared)

Scheme Shareholders will be entitled to participate in the Scheme. A 'Scheme Shareholder' is a GBST Shareholder as at the Scheme Record Date.

Persons who are GBST Shareholders on the Special Dividend Record Date will be entitled to receive the Special Dividend (if declared).¹¹

3.6 Dealings on or before the Scheme Record Date

For the purpose of determining which GBST Shareholders are eligible to participate in the Scheme, dealings in GBST Shares will be recognised only if:

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

and GBST must not accept for registration, nor recognise for any purpose (except a transfer to FNZ Sub pursuant to the Scheme and any subsequent transfer by FNZ Sub 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.

3.7 Dealings after the Scheme Record Date

For the purposes of determining entitlements to the Scheme Consideration, GBST must maintain the GBST Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The GBST Share Register in this form will solely determine entitlements to the Scheme Consideration.

All holding statements for GBST Shares (other than statements of holding in favour of FNZ Sub or any member of the FNZ Group) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the GBST Share Register (other than entries on the GBST Share Register in respect of FNZ Sub or any member of the FNZ Group) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the GBST Shares relating to that entry.

3.8 Scheme Meeting

(a) Date and time of Scheme Meeting

In accordance with an order of the Court dated 11 September 2019, the Scheme Meeting is to be held on Monday, 14 October 2019 at Dexus Place, Level 5, 1 Margaret St, Sydney NSW, commencing at 2.00pm. The notice convening the Scheme Meeting is set out in Annexure D to this

¹¹ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

Scheme Booklet and the terms of the Scheme are contained in Annexure B to this Scheme Booklet. The purpose of the Scheme Meeting is for GBST Shareholders to consider whether to approve the Scheme.

The fact that the Court has ordered the Scheme Meeting does not mean that the Court has formed any view as to the merits of the Scheme or as to how GBST Shareholders should vote on the Scheme Resolution. On these matters, GBST Shareholders must reach their own decision. In any event, the Court must approve the Scheme at the Second Court Hearing.

(b) **Scheme Resolution**

At the Scheme Meeting, GBST Shareholders will be asked to consider and, if thought fit, to pass the Scheme Resolution to approve the Scheme.

(c) **Majorities required to pass resolution**

The Scheme Resolution must be approved by:

- (i) a majority in number (more than 50%) of GBST Shareholders present and entitled to vote at the Scheme Meeting (either in person or by proxy or representative); and
- (ii) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by GBST Shareholders present and entitled to vote at the Scheme Meeting (either in person or by proxy or representative).

The Court has the power to waive the first requirement if it considers it appropriate to do so.

(d) **Entitlement to vote**

Each GBST Shareholder (other than an entity within the FNZ Group) who is registered on the GBST Share Register at 2.00pm (Sydney time) on 12 October 2019 is entitled to attend and vote at the Scheme Meeting.

3.9 **Conditions precedent to implementation of the Scheme**

The implementation of the Scheme is subject to conditions precedent which must be satisfied or waived (where capable of waiver) for the Scheme to proceed. A summary of the conditions precedent is included in section 8.10 and the conditions precedent are set out in full in clause 3.2 of the Scheme Implementation Deed, a full copy of which is attached to GBST's ASX announcement on 29 July 2019, which can be obtained from www.asx.com.au or from GBST's website at <https://www.gbst.com/investor-relations/reports>.

3.10 **Timetable**

An indicative timetable for the Scheme appears on page 7. All dates and times following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the timetable (which may include an earlier or later date for the Second Court Hearing) will be announced on ASX at www.asx.com.au and notified on GBST's website at www.gbst.com.

3.11 **Implementation of the Scheme**

If the Scheme Resolution is approved by GBST Shareholders and all other conditions precedent as described in section 8.10 (other than Court approval of the Scheme) have been satisfied or waived (where capable of waiver) (as applicable), then the steps described below will be taken to implement the Scheme.

(a) **Court approval of the Scheme**

If the Scheme is approved by the requisite majorities of GBST Shareholders, and all other conditions precedent to the Scheme (other than approval by the Court) have been satisfied or waived (where capable of waiver) (as applicable), then GBST will apply to the Court for orders approving the Scheme at the Second Court Hearing.

The Court has a broad discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

The Second Court Hearing is scheduled to occur on 18 October 2019.

Each GBST Shareholder has the right to appear at the Second Court Hearing.

(b) Court orders and Effective Date

If the Court makes orders approving the Scheme, then GBST will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on 18 October 2019.

If the Scheme becomes Effective, then GBST and FNZ will become bound to implement the Scheme in accordance with the terms of the Scheme and the Deed Poll.

(c) Suspension of trading of GBST Shares

If the Court approves the Scheme, then GBST will notify ASX of that approval on the day it is received (which is expected to be 18 October 2019).

It is expected that suspension of trading in GBST Shares on ASX will occur from the close of trading on the Effective Date.

(d) Special Dividend Record Date

GBST Shareholders will be entitled to receive the Special Dividend (if declared) in respect of the GBST Shares they hold as at 7.00pm (Sydney time) on the Special Dividend Record Date (which is expected to be 23 October 2019). Any Special Dividend will only be paid if the Scheme becomes Effective.¹²

(e) Scheme Record Date

The Scheme Shareholders will be entitled to receive the Scheme Consideration in respect of the GBST Shares they hold as at the Scheme Record Date (which is expected to be 25 October 2019).

(f) Transfer of GBST Shares

By no later the Business Day before the Implementation Date, FNZ will deposit into an Australian dollar denominated trust account operated by GBST as trustee for the Scheme Shareholders an amount equal to the aggregate Scheme Consideration to be provided to Scheme Shareholders.

On the Implementation Date, subject to the deposit of the Scheme Consideration having been made, the GBST Shares held by Scheme Shareholders as at the Scheme Record Date will be transferred to FNZ Sub (without the need for any further act by any Scheme Shareholder).

(g) Payment of Scheme Consideration and Special Dividend

On the Implementation Date, GBST will send to each Scheme Shareholder its entitlement to the Scheme Consideration for its GBST Shares held as at the Scheme Record Date. That Scheme Consideration will be paid:

- (i) where the Scheme Shareholder has nominated an Australian bank account that is currently used by GBST for the payment of dividends – by electronic funds transfer in Australian currency into that account; or
- (ii) otherwise – by a cheque in Australian currency to the Scheme Shareholder by pre-paid post to its registered address as shown on the GBST Share Register.

On the Implementation Date, GBST will pay the Special Dividend (if declared) to GBST Shareholders in respect of GBST Shares they held at the Special Dividend Record Date.

(h) Delisting of GBST

Following the implementation of the Scheme, it is expected that GBST will apply for the termination of the official quotation of GBST Shares on ASX and for GBST to be removed from the official list of ASX.

¹² The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

(i) **End Date**

The Scheme will lapse and be of no further force or effect (and implementation will not occur) if the Effective Date has not occurred on or before the End Date, being 29 February 2020 (or such other date agreed in writing between GBST and FNZ), unless GBST and FNZ otherwise agree in writing.

3.12 Effect of the Scheme

If the Scheme is implemented, then Scheme Shareholders will no longer hold GBST Shares and the GBST Shares held by Scheme Shareholders as at the Scheme Record Date will be transferred to FNZ and Scheme Shareholders will receive the Scheme Consideration.

4 Information about GBST

4.1 Introduction to GBST

GBST is a specialist financial technology company which provides administration and transaction processing software for retail wealth management organisations and global and regional investment banks. GBST's vision is to lead the evolution in financial technology. The company specialises in:

- (a) client accounting and securities transaction technology solutions for the finance, banking and capital markets industry globally;
- (b) funds administration and registry software for the wealth management industry in Australia and the United Kingdom;
- (c) providing gateway technology to the superannuation industry;
- (d) providing data and quantitative services after tax measurement of portfolio performance in Australia; and
- (e) website and mobile platform design and digital agency services focused on e-commerce and the financial services industry in Australia and Europe.

Founded in 1983, GBST is headquartered in Sydney, New South Wales, and has been listed on ASX since 24 June 2005 where it trades under the ticker GBT. GBST currently employs over 390 full time staff, located across Australia, United Kingdom, Hong Kong, Singapore, and the United States of America. In addition, GBST employs the services of approximately 100 technology staff from a sourcing partner in Vietnam.

For the financial year ended 30 June 2019, GBST reported revenue of \$94.3 million and Operating EBITDA of \$19.0 million which implies an Operating EBITDA margin of 20%.

As at the date of this Scheme Booklet, GBST has on issue 67,912,508 GBST Shares, 3,581,743 GBST Options and 279,246 GBST Performance Rights as set out in section 8.12.

4.2 Overview of operations

GBST's management structure and reporting is organised into two strategic business units:

- Capital Markets Division: operating in Australia and rest of the world; and
- Wealth Management Division: operating in Australia and the United Kingdom.

The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The paragraphs below describe the operations in each of the GBST Group's reportable segments.

(a) Capital Markets

In Australia, the Capital Markets segment offers the GBST Syn~, Shares and derivatives platforms. GBST Syn~ provides a new generation post-trade processing platform for equities, derivatives, fixed income and managed fund processing. GBST Shares is the most widely used middle-office and back-office processing equities software in Australia. The segment also incorporates Emu Design which provides independent financial data and digital agency services for interactive website design, development, hosting, e-commerce platforms, and mobile and social networking solutions.

In the rest of the world, through the GBST Syn~ platform, GBST's capital markets operations provides new-generation technology to process equities, derivatives, fixed income and managed funds transactions for global capital markets in North America, Asia and United Kingdom

(b) Wealth Management

In Australia, the wealth management segment, through the GBST Composer platform, provides end to end funds administration and management software to the wealth management industry. Composer offers an integrated system for the administration of wrap platforms for superannuation funds, as well as master trusts, unit trusts, risk and debt, and other investment assets. Other GBST products provide technology hub solutions, and data analytics and quantitative services for the measurement of portfolio performance.

In the United Kingdom, the GBST Composer platform offers an integrated system for the administration of wrap platforms, including individual savings accounts, pensions, self-invested personal pension, as well as master trusts, unit trusts, and risk, debt, and other investment assets.



	Capital Markets Australia \$'000	Capital Markets Rest of the World \$'000	Wealth Management Australia \$'000	Wealth Management United Kingdom \$'000
FY19 Revenue	22.4	12.0	17.4	42.3
FY19 Operating EBITDA before Strategic R&D and group expenditure	11.8	3.2	6.6	18.4
Office locations				

4.3 GBST Board and Executive Team

(a) GBST Board

As at the date of this Scheme Booklet, the GBST Board is comprised of the following directors:

Name	Current position
Allan Brackin	Independent Non-Executive Chairman
Rob DeDominicis	Chief Executive Officer and Managing Director
Christine Bartlett	Independent Non-Executive Director
Deborah Page AM	Independent Non-Executive Director
Tam Vu	Independent Non-Executive Director

(b) Executive Team

As at the date of this Scheme Booklet, the senior management of GBST is comprised of the following members:

Name	Current position
Rob DeDominicis	Chief Executive Officer and Managing Director
Matthew Walton	Chief Financial Officer
Isabel Sanchez	Chief Technology Operations Officer
Jillian Bannan	General Counsel and Company Secretary
Denis Orrock	Head of Asia Pacific
David Simpson	Head of Europe, the Middle East and Africa
Belinda Armstrong	Head of Human Resources

4.4 Capital structure

The table below summarises the capital structure of GBST as at the date of this Scheme Booklet and the expected maximum number of GBST Shares to be issued upon the exercise of GBST Options and GBST Performance Rights.

Type of Security	Number on issue as at the date of this Scheme Booklet	Expected maximum number of GBST Shares to be issued upon the exercise of GBST Options and GBST Performance Rights ¹³
GBST Shares	67,912,508	N/A
GBST Options (FY19 CEPOs)	1,887,740	899,152
GBST Options (FY20 CEPOs)	1,694,003	553,457 ¹⁴
GBST Performance Rights	279,246	279,246

¹³ The expected maximum number of GBST Shares to be issued to the holders of the GBST Options has been calculated on the assumptions that, in determining the 'exercise value' the 14 Day VWAP is equal to the Total Cash Consideration and that the GBST Options are exercised on or after the Effective Date (see section 8.12(a) for an explanation of 'exercise value' and 14 Day VWAP).

¹⁴ This total excludes the GBST Options (FY20 CEPOs) that are to be satisfied by the acquisition by the Trustee and transfer to Rob DeDominicis of 207,744 GBST Shares already on issue. See section 8.12(b) for further details.

GBST does not anticipate that it will be required to issue any GBST Shares before the Implementation Date, other than the GBST Shares required to be issued upon the exercise of GBST Options and GBST Performance Rights. See section 8.12 for further information on the intended treatment of the GBST Performance Rights and GBST Options in connection with the Scheme. It is expected that, as at the Scheme Record Date, a maximum of 69,644,363 GBST Shares will be on issue.

4.5 Substantial Shareholders

Based on filings to ASX, the substantial holders of GBST Shares as at 10 September 2019 are set out below.

Name	Number of GBST Shares ¹⁵	Percentage
Spheria Asset Management Pty Ltd	13,227,828	19.48%
National Nominees Ltd ACF Australian Ethical Investment Limited	8,752,554	12.89%
Burgundy Asset Management Ltd.	3,874,662	5.71%
Schroder Investment Management Australian Limited	4,979,915	7.33%
Pinnacle Investment Management Group Limited (and various subsidiaries)	4,197,835	6.18%

The shareholdings listed in this section 4.5 are as disclosed to GBST by the shareholders in substantial holding notices. Information in regard to substantial holdings arising, changing or ceasing after this time or in respect of which the relevant announcement is not available on ASX's website (www.asx.com.au) is not included above.

4.6 Group structure

The following entities are Subsidiaries of GBST Holdings Limited:

Name	Principal place of business/ country of incorporation	Ownership interest
GBST Pty Ltd	Australia	100%
Emu Design (QLD) Pty Ltd	Australia	100%
GBST ESOP Pty Ltd	Australia	100%
GBST Ltd	United Kingdom	100%
GBST (Australia) Pty Ltd	Australia	100%
GBST Inc	United States of America	100%
GBST Singapore Pte Limited	Singapore	100%
GBST Hong Kong Limited	Hong Kong	100%
GBST Registry Solutions Pty Ltd	Australia	100%
GBST Wealth Management Pty Ltd	Australia	100%
GBST UK Holdings Limited	United Kingdom	100%
GBST Hosting Ltd	United Kingdom	100%

¹⁵ This refers to the number of GBST Shares in which the person or any associate has a Relevant Interest.

Name	Principal place of business/ country of incorporation	Ownership interest
GBST Wealth Management Limited	United Kingdom	100%

4.7 Recent GBST Share price performance

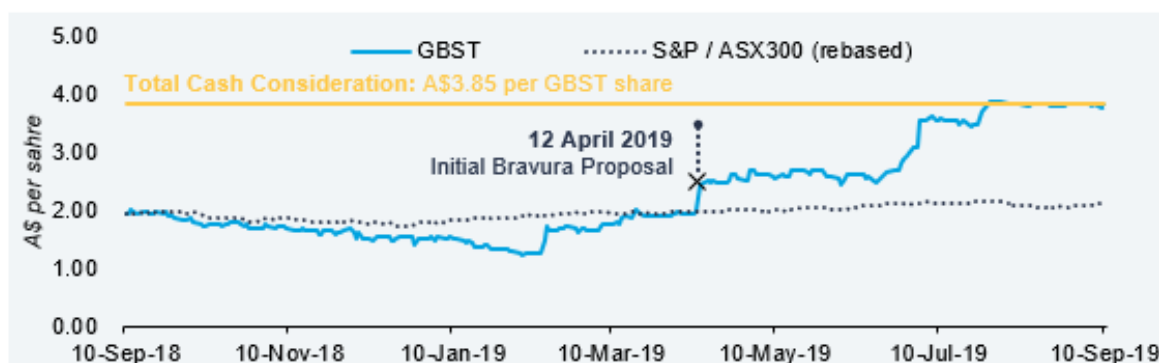
The GBST Shares are listed on ASX under the trading ticker 'GBT'.

The closing price of GBST Shares on 11 April 2019, being the last close price prior to the initial non-binding indicative proposal from Bravura Solutions Limited announced on 12 April 2019, was \$1.975. The closing price of GBST Shares on 10 September 2019, being the last practicable trading date before the date of this Scheme Booklet, was \$3.82.

During the three months ending on 10 September 2019:

- the highest recorded daily closing price of GBST Shares was \$3.90 on 29 July 2019; and
- the lowest recorded daily closing price of GBST Shares was \$2.48 on 17 June 2019.

The graph below illustrates GBST's share price performance over the last 12 months to 10 September 2019, being the last practicable trading date before the date of this Scheme Booklet.



Source: IRESS

4.8 Historical financial information

This section 4.8 contains historical financial information relating to GBST that has been extracted from GBST's audited financial statements for the purpose of this Scheme Booklet. The financial information has been extracted from GBST's audited financial statements for the financial years ended 30 June 2019 (**FY19**) and 30 June 2018 (**FY18**). These accounts were audited by KPMG and have been prepared in accordance with the Corporations Act and the Australian Auditing Standards.

The financial information contained in this section 4.8 has been presented in abbreviated form and does not contain all of the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act.

GBST's full financial accounts, including all notes to those accounts, can be found in:

- the GBST Appendix 4E for the year ended 30 June 2019 (released to ASX on 14 August 2019); and
- the GBST Appendix 4E and the Financial Report for the year ended 30 June 2018 (released to ASX on 14 August 2018)

These documents are available on ASX's website at www.asx.com.au and GBST's website at <https://www.gbst.com/investor-relations/reports>.

The financial information in this section 4.8 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

(a) **Basis of preparation**

The historical financial information of GBST is presented in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. It should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

The following selected financial information of GBST has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The selected financial information is presented in Australian dollars, which is GBST's functional currency. Amounts have been rounded off to the nearest thousand dollars, unless otherwise stated.

Except as set out in section 4.10, in the period between the end of the financial year ended 30 June 2019 and the date of this Scheme Booklet, no item, transaction or event of a material and unusual nature has arisen which is likely, in the opinion of the GBST Directors, to significantly affect the operations of GBST, the results of those operations, or the state of affairs of GBST, in future financial years other than as disclosed on ASX.

(b) **Consolidated statement of profit or loss and other comprehensive income**

Below is a summary of GBST's consolidated statements of profit or loss or other comprehensive income for the years ended 30 June 2018 and 30 June 2019.

	30 June 2019	30 June 2018
	\$'ooo	\$'ooo
Revenue from licence and support sales	64,000	62,092
Revenue from sponsored work	28,372	24,853
Revenue from sale of third party product	1,727	1,127
Total revenue	94,099	88,072
Other income	164	186
Total revenue and other income	94,263	88,258
Product delivery and support expenses	(70,048)	(71,518)
Sales and marketing expenses	(5,242)	(5,767)
General and administrative expenses	(4,675)	(3,321)
Results from operating activities	14,298	7,652
Finance costs	(394)	(8)
Finance income	49	128
Net finance income/(costs)	(345)	120
Profit before income tax	13,953	7,772
Income tax expense	(1,255)	(1,523)
Profit attributable to members of the parent entity	12,698	6,249

	30 June 2019	30 June 2018
	\$'ooo	\$'ooo

OTHER COMPREHENSIVE INCOME

Items that may be reclassified subsequently to profit or loss

Foreign operations - foreign currency translation differences	420	925
Total items that may be reclassified subsequently to profit or loss	420	925
Other comprehensive income for the year, net of income tax	420	925
Total comprehensive income for the year attributable to members of the parent entity	13,118	7,174

Earnings per share

Basic earnings per share (cents)	18.70	9.20
Diluted earnings per share (cents)	18.70	9.20

(c) Consolidated statement of financial position

Below is a summary of GBST's consolidated statement of financial position as at 30 June 2018 and 30 June 2019.

	30 June 2019	30 June 2018
	\$'ooo	\$'ooo

CURRENT ASSETS

Cash and cash equivalents	17,889	11,373
Trade and other receivables	12,995	17,153
Contract assets	7,515	3,362
Current tax receivables	965	2,168
Other assets	4,330	2,450
Total Current Assets	43,694	36,506

NON-CURRENT ASSETS

Contract assets	2,077	1,717
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	30 June 2019	30 June 2018
	\$'000	\$'000
Plant and equipment	4,078	5,498
Intangible assets	65,932	50,453
Deferred tax assets	10,893	7,172
Other assets	893	157
Total Non-Current Assets	83,873	64,997
Total Assets	127,567	101,503
CURRENT LIABILITIES		
Trade and other payables	9,050	9,833
Provisions	7,339	7,121
Unearned income	18,874	10,263
Total Current Liabilities	35,263	27,217
NON-CURRENT LIABILITIES		
Trade and other payables	1,942	1,477
Deferred tax liabilities	6,910	2,168
Provisions	1,993	1,928
Total Non-Current Liabilities	10,845	5,573
Total Liabilities	46,108	32,790
Net Assets	81,459	68,713
EQUITY		
Issued capital	39,473	39,473
Reserves	(2,814)	(3,393)
Retained earnings	44,800	32,633
Total Equity	81,459	68,713

(d) **Consolidated statement of cash flows**

Below is a summary of GBST's consolidated statements of cash flow for the financial years ended 30 June 2018 and 30 June 2019.

	30 June 2019	30 June 2018
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts from customers	111,270	91,569
Payments to suppliers and employees	(85,113)	(80,379)
Interest income	30	128
Sundry income	161	183
Finance costs paid	(175)	(59)
Income tax paid	179	(242)
Net cash provided by operating activities	26,352	11,200
Cash Flows from Investing Activities		
Proceeds from sale of plant and equipment	3	3
Purchase of plant and equipment	(373)	(950)
Purchase of software intangibles	(17,938)	(7,283)
Net cash used in investing activities	(18,308)	(8,230)
Cash Flows from Financing Activities		
Repayment of finance leases	-	(76)
Repayment of borrowings	-	(176)
Dividends paid	(1,698)	(3,396)
Net cash used in financing activities	(1,698)	(3,648)
Net increase in Cash and Cash Equivalents	6,346	(678)
Effect of exchange rate fluctuations on cash held	170	323
Cash and cash equivalents at 1 July	11,373	11,728
Cash and cash equivalents at 30 June	17,889	11,373

4.9 Financial results

(a) Financial year ended 30 June 2018

GBST publicly released its consolidated financial statements for the financial year ended 30 June 2018 on 14 August 2018. The following should be noted:

- Full year revenue was up marginally to \$88.3 million in FY18, with second half revenue up 6.5% from the first half.
- Full year Operating EBITDA before Strategic R&D was down 7.2% to \$20.2 million in FY18, with the second half of \$10.5 million up 9.4% from the first half on the back of higher revenue and cost reductions.
- Full year Strategic R&D expense of \$7.7 million was down 19.8% after capitalisation of \$7.0 million in costs in accordance with accounting standards.
- Net profit after tax was down 10.5% to \$6.2 million during FY18.
- Cash inflow from operations was \$11.2 million in FY18, up \$0.3 million from \$10.9 million in FY17.
- GBST reported a closing cash position of \$11.4 million cash on hand at 30 June 2018, down slightly from \$11.7 million at 30 June 2017 but after having paid for the uplift in spending on the Strategic R&D program during the year and dividends paid to shareholders during the year.
- The net assets of GBST increased by \$3.8 million during FY18 to \$68.7 million.

(b) Financial year ended 30 June 2019

GBST publicly released its consolidated financial statements for the financial year ended 30 June 2019 on 14 August 2019. The following should be noted:

- Full year revenue was up 7% to \$94.3 million in FY19, with second half revenue up 15% from the first half. Licence revenue growth was positive at 3% for the year and service revenue was 11% higher than the prior corresponding period.
- Full year Operating EBITDA before Strategic R&D was up marginally to \$20.5 million in FY19, with the second half of \$14.7 million up 150% from the first half on the back of higher revenue, cost reductions, and capitalisation of new product build.
- Full year Strategic R&D expense of \$1.5 million was down significantly after capitalisation of \$17.9 million in costs in accordance with accounting standards.
- Net profit after tax was \$12.7 million in FY19, up 103% from \$6.2 million in FY18.
- Cash inflow from operations was \$26.3 million in FY19, up \$15.1 million from \$11.2 million in FY18.
- GBST reported a closing cash position of \$17.9 million cash on hand at 30 June 2019, up from \$11.4 million at 30 June 2018 reflecting the uplift in revenue, contractual payments and improved debtor management.
- The net assets of GBST increased by \$12.8 million during FY19 to \$81.5 million

4.10 Material changes to GBST's financial position since 30 June 2019

To the knowledge of the directors of GBST, the financial position of GBST has not materially changed since 30 June 2019, as reported in the GBST Appendix 4E and the Financial Report for the year ended 30 June 2019, other than:

- the accumulation of profits in the ordinary course of trading;
- as disclosed to ASX by GBST; or
- as disclosed in this Scheme Booklet.

A copy of the GBST Appendix 4E and the Financial Report for the year ended 30 June 2019 (released to ASX on 14 August 2019) is available on ASX's website at www.asx.com.au or GBST's website at <https://www.gbst.com/investor-relations/reports>.

Within the knowledge of the GBST Directors and other than as disclosed in this Scheme Booklet or announced to ASX, the financial position of GBST has not materially changed since 30 June 2019, being the balance date of GBST's Financial Report for the year ended 30 June 2019.

4.11 GBST Directors' intentions for the business

The Corporations Act requires a statement by the GBST Directors of their intentions regarding the GBST business. If the Scheme is implemented, the existing GBST Directors will resign and the GBST Board will be reconstituted in accordance with the instructions of FNZ with effect from the Implementation Date. Accordingly, it is not possible for the GBST Directors to provide a statement of their intentions after the Scheme is implemented regarding:

- (a) the continuation of the business of GBST or how GBST's existing business will be conducted;
- (b) major changes, if any, to be made to the business of GBST; or
- (c) any future employment of the present employees of GBST.

If the Scheme is implemented, then FNZ Sub will own and control all of GBST's securities. The GBST Directors have been advised that the intentions of FNZ Sub with respect to these matters are as set out in section 5.4.

If the Scheme is not implemented, then the GBST Directors intend to continue to operate in the ordinary course of the business of GBST in accordance with its publicly stated strategy, which includes GBST continuing to:

- enhance and develop its products and services;
- expand services to clients geographically; and
- focus on increasing revenue and market share in the markets in which it operates.

GBST will also continue its 3-year Strategic R&D program, resulting in GBST's ongoing annual R&D expenditure and related cash outflows being much higher than the longer-term average.

Overall, the GBST Board considers that GBST's growth prospects are promising, including:

- the United Kingdom wealth management business being on a strong growth path;
- the Australian wealth management business leveraging the TaxIntell product;
- Australian Capital Markets delivering new projects with a strong pipeline of work with the ASX CHESS changes; and
- Capital Markets International developing opportunities in Asia and the United States.

4.12 Risks relating to GBST's business

There are existing risks relating to GBST's business and an investment in GBST which will continue to be relevant to GBST Shareholders if the Scheme does not become Effective. A summary of the key risks relating to GBST's business and an investment in GBST is set out in section 6.

4.13 Publicly available information

GBST is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, GBST is subject to the ASX Listing Rules, which require (subject to some exceptions) continuous disclosure of any information GBST has that a reasonable person would expect to have a material effect on the price or value of GBST Shares.

ASX maintains files containing publicly disclosed information about all companies listed on ASX. Information disclosed to ASX by GBST is available on ASX's website at www.asx.com.au.

Pursuant to the Corporations Act, GBST is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a statement and report from the GBST Directors and an audit or review report respectively.

ASX maintains files containing publicly disclosed information about all companies listed on ASX. Information disclosed to ASX by GBST is available on ASX's website at <https://www.asx.com.au/>. Copies of the documents lodged with ASIC in relation to GBST may be obtained from, or inspected at, an ASIC office.

GBST Shareholders may obtain a copy of:

- (a) the audited financial statements for the financial year ended 30 June 2019; and
- (b) the 2019 Annual Report,

free of charge, from ASX's website (www.asx.com.au), GBST's website (<https://www.gbst.com/investor-relations/reports>) or by calling the GBST Shareholder Information Line on 1300 217 429 (within Australia) or +61 2 8022 7919 (outside Australia), Monday to Friday between 9.00am and 6.00pm (Sydney time).

5 Information about FNZ

The information concerning the FNZ Group and FNZ Sub contained in this section 5 has been provided by and is the responsibility of FNZ and FNZ Sub. Although FNZ and FNZ Sub believe that the views reflected in this section 5 have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. GBST and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

5.1 Overview of the FNZ Group

(a) Corporate overview, principal activities and operations

The FNZ Group is a global technology and administration services firm partnering with major financial institutions to enable them to provide wealth management services to their clients across, direct, intermediated, institutional and workplace channels.

The FNZ Group's technology, transaction, administration and custody services enable clients to provide wealth management solutions to financial advisers and end-investors that are efficient, transparent and scalable, supporting market, demographic and regulatory trends worldwide.

The FNZ Group is responsible for over \$700 billion in assets under administration held by approximately 8.7 million customers of some of the world's largest financial institutions.

The FNZ Group partners with over 60 financial institutions globally and employs over 1,700 persons in Sydney, Melbourne, London, Edinburgh, Wellington, Hong Kong, Singapore, Shanghai, Munich and Brno.

The FNZ Group was founded in Wellington, New Zealand in 2004 by Adrian Durham and fellow co-founders. The FNZ Group expanded into the UK in 2005, and further into Europe and Asia between 2011 and 2018.

The FNZ Group's current Australian operations have been active since 2009, and its Australian clients include several leading institutions providing wealth management services in the superannuation and direct investment segments.

The FNZ Group's holding company is Kiwi Holdco CayCo, Ltd (**FNZ**), a company incorporated in the Cayman Islands and United Kingdom resident for tax purposes.

The FNZ Group's investors include:

- Caisse de dépôt et placement du Québec, which was established in 1965 by an act of the Québec National Assembly, (originally) to receive, manage and administer the funds of Quebec Government entities' pension plans;
- Generation Investment Management LLP, an investment management firm founded in 2004 which focuses on long term-investing and sustainability; and
- members of the FNZ Group's management.

A substantial amount of information about the FNZ Group is available in electronic form from <https://www.fnz.com>.

(b) FNZ's Board of Directors

The directors of FNZ as at the date of this Scheme Booklet are:

- Lord Alexander Leitch (Chairman);
- Adrian Durham (Chief Executive Officer);
- Benoit Raillard;
- John Bernstein;
- Andrew Given;
- Signe Michel; and
- Gregor Stewart.

5.2 Overview of FNZ Sub

(a) Corporate overview, principal activities and operations

FNZ Sub is a newly incorporated Australian proprietary company established for the purposes of acquiring all of the GBST Shares if the Scheme is implemented. FNZ Sub was incorporated on 28 August 2019 and is a wholly-owned indirect subsidiary of FNZ.

(b) Directors of FNZ Sub

The directors of FNZ Sub as at the date of this Scheme Booklet are:

- Damian Millin;
- Adrian Durham; and
- Tim Neville.

5.3 Rationale for proposed acquisition of GBST

The proposed acquisition of GBST by FNZ Sub will combine the complementary businesses of GBST and the FNZ Group. It will provide the FNZ Group with the opportunity to leverage off GBST's larger Australian business and use it to grow the FNZ Group's presence and offering in the Australian market. The FNZ Group looks forward to building upon the services offered by GBST to GBST's strategic Asia Pacific and UK customers.

5.4 The post-acquisition intentions of FNZ Sub and the FNZ Group

(a) Overview

This section 5.4 sets out the present intentions of FNZ Sub in relation to the following:

- the continuation of the business of the GBST Group;
- any major changes to the business of the GBST Group and any redeployment of the fixed assets of the GBST Group; and
- the future employment of the present employees of the GBST Group.

These statements of intention are based on the information concerning the GBST Group, its business and the general business environment which is known to FNZ Sub at the time of preparation of this section 5.4 of this Scheme Booklet. Final decisions will only be reached by FNZ Sub in light of increased knowledge through exposure to the business and material information and circumstances at the relevant time. Accordingly, the statements set out in this section 5.4 are statements of current intention only which may change as new information becomes available or circumstances change.

The intentions of FNZ set out in this section 5.4 also reflect the intentions of the FNZ Group, subject to the same qualifications set out above.

(b) Intentions upon the Scheme being approved

If the Scheme becomes Effective, the current intentions of FNZ Sub are set out below.

(i) Business continuity and general operational matters

FNZ Sub intends to, following implementation of the Scheme, conduct a detailed review of the GBST Group's operations on a strategic, financial and commercial level to:

- evaluate the GBST Group's performance, profitability and prospects; and
- determine the optimum manner of operating and managing the GBST Group's business.

Subject to completion of this review and other matters described in this Scheme Booklet, it is the current intention of FNZ and FNZ Sub, on the basis of facts and information concerning the GBST Group that are known to them and existing circumstances affecting the assets and operations of the GBST Group as at the date of this Scheme Booklet, that:

- the business of the GBST Group will be conducted in substantially the same manner as at the date of this Scheme Booklet;
- no major changes will be made to the GBST Group's business; and
- there will be no redeployment of the fixed assets of the GBST Group.

(ii) **Corporate structure**

If the Scheme is implemented, FNZ Sub will become the holder of all GBST Shares and FNZ Sub will be the holding company of GBST.

As part of business as usual planning following implementation of the Scheme, there may be changes in the GBST Group's corporate and operating structure as part of integrating GBST into the FNZ Group's corporate and operating structure.

(iii) **Board of Directors**

If the Scheme is implemented, FNZ Sub intends to review the composition of the boards of GBST and its Subsidiaries and consider the appointment to those boards of FNZ Group nominees. The number and identities of the relevant nominees have not yet been determined.

(iv) **Management and employees**

The FNZ Group recognises the knowledge and experience of the GBST Group senior management team and employees. The detailed review noted in paragraph (i) above will also include specific consideration of staffing and organisational structure. Accordingly, final decisions on these matters (including any changes to the employment of the present employees of the GBST Group) will, if necessary, only be made by the FNZ Group following completion of the post-acquisition review process described above and will be based on all material facts and circumstances at the relevant time.

(v) **GBST to be delisted**

If the Scheme is implemented, FNZ Sub will procure that GBST applies to ASX to be removed from the official list of ASX after implementation of the Scheme.

5.5 Funding arrangements for the Scheme Consideration

The Scheme Consideration is 100% cash.

If the Scheme is implemented, Scheme Shareholders will become entitled to receive the Scheme Consideration per Scheme Share.

FNZ and FNZ Sub have executed a deed poll dated 6 September 2019 in favour of the Scheme Shareholders. Under the Deed Poll, FNZ and FNZ Sub have undertaken that, subject to the Scheme becoming Effective and in consideration for the transfer of each GBST Share to FNZ Sub, they will deposit (or procure the deposit) into an Australian dollar denominated trust account operated by GBST as trustee for the Scheme Shareholders, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate Scheme Consideration.

Based on GBST's total diluted share capital as at the date of this Scheme Booklet, the total amount of cash required to be paid by FNZ Sub to the Scheme Shareholders under the Scheme is a maximum of \$268,130,797.55¹⁶ (which will be reduced by the aggregate amount of any Special Dividend declared by the GBST Board).¹⁷

¹⁶ This maximum aggregate Scheme Consideration amount assumes that all of the GBST Options and GBST Performance Rights vest, are exercised and convert into newly issued GBST Shares (other than the GBST Options (FY20 CEPOs) that are to be satisfied by the acquisition by the Trustee and transfer to Rob DeDominicis of 207,744 GBST Shares already on issue) and that the GBST Board does not elect to make cash payments to any GBST Option holders upon vesting and exercise of their GBST Options.

¹⁷ The amount of any Special Dividend, if declared, will be determined by the GBST Board. See section 3.2 for more details.

The FNZ Group and FNZ Sub intend to fund the Scheme Consideration using:

- amounts to be drawn under an Australian dollar-denominated \$250 million term loan B facility; and
- cash on hand held by members of the FNZ Group.

The Scheme is not conditional on FNZ or FNZ Sub obtaining finance to fund the payment of the Scheme Consideration. Accordingly, the description of the FNZ Group's funding arrangements in this section 5.5 is provided for information purposes only, to describe the arrangements that the FNZ Group has in place to fund the payment of the Scheme Consideration if the Scheme becomes Effective.

(a) **Debt financing**

Certain members of the FNZ Group have entered into an agreement with HPS Investment Partners LLC (**HPS**) for the provision of a \$250 million senior secured term loan facility (**Term Loan B Facility**) by HPS and funds managed by HPS (together the **Term Loan B Facility Lenders**).

HPS is a global investment firm and credit provider with approximately US\$55 billion (as of July 2019) assets under management on behalf of a primarily institutional investor base. HPS was founded in 2007 and has offices in 11 locations globally, including New York, London and Sydney.

The Term Loan B Facility will be made available by way of an additional facility established under an existing facilities agreement dated 18 July 2018 (and amended and restated on 3 August 2018 and 12 July 2019) entered into between, among others, certain members of the FNZ Group and HPS. The Term Loan B Facility Lenders will make funds available under the Term Loan B Facility from cash amounts held by them.

The borrower under the Term Loan B Facility will be FNZ Finco, a wholly-owned indirect subsidiary of FNZ, and the proceeds will be made available (via other members of the FNZ Group) to FNZ Sub and applied by FNZ Sub for the purposes of, among other things, financing the Scheme Consideration and refinancing or otherwise discharging certain existing indebtedness of the GBST Group.

The Term Loan B Facility is fully committed and is available to be drawn until the earlier of:

- the Scheme lapsing or being withdrawn; and
- 21 May 2020,

or such later date as may be agreed by the Term Loan B Facility Lenders.

The availability of the Term Loan B Facility is subject to certain customary conditions, including:

- it not being unlawful for any Term Loan B Facility Lender to perform its obligations in respect of the Term Loan B Facility;
- no change of control occurring in respect of the FNZ Group;
- there being no:
 - breach of certain customary 'major representations'; or
 - 'major default' (limited to customary specified events, including non-payment, insolvency and breach of certain customary 'major undertakings'),in respect of FNZ Finco on the date the Term Loan B Facility is requested or drawn; and
- satisfaction of certain initial documentary customary conditions precedent, including:
 - evidence having been provided to the Term Loan B Facility Lenders that all fees which are payable by FNZ Finco in respect of the Term Loan B Facility on or prior to the Scheme Consideration Deposit Date have been or will be paid on or prior to that date; and
 - FNZ confirming to the Term Loan B Facility Lenders that the Scheme has become Effective.

In connection with the Scheme, it has been agreed with the Term Loan B Facility Lenders that FNZ Sub must:

- not waive or treat as satisfied any material term or condition of the Scheme Implementation Deed where doing so would be materially adverse to the interests of the Term Loan B Facility Lenders (taken as a whole); and
- comply in all material respects with the relevant requirements of the Corporations Act (and other relevant laws and regulations) in relation to the Scheme, save where non-compliance would not be materially prejudicial to the interests of the Term Loan B Facility Lenders (taken as a whole).

As at the date of this Scheme Booklet, neither FNZ nor FNZ Sub is aware of any reason why any of the above conditions and requirements for the availability of the Term Loan B Facility will not be satisfied or met (as applicable), and FNZ and FNZ Sub expect that those conditions and requirements will be satisfied or met (as applicable) in sufficient time to allow payment in full of the aggregate Scheme Consideration when due under the terms of the Scheme and the Deed Poll.

(b) Cash held by the FNZ Group

The FNZ Group and FNZ Sub intend to fund the portion of the Scheme Consideration not funded by the Term Loan B Facility using cash on hand held by members of the FNZ Group. As at 31 August 2019, members of the FNZ Group have total available cash reserves of in excess of approximately £46.14 million or approximately \$83.31 million (based on an exchange rate of 1 British Pound to 1.80575 Australian Dollars as of 31 August 2019).

In aggregate, this amount and the amount to be drawn under the Term Loan B Facility exceed the maximum total Scheme Consideration payable by FNZ Sub.

5.6 Other information

(a) No interests in GBST Shares

As at the date of this Scheme Booklet, no member of the FNZ Group has any relevant interest or voting power in any GBST Shares.

(b) No dealings in GBST Shares in previous four months

Neither FNZ Sub nor any of its Associates has provided, or agreed to provide, consideration for GBST Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

(c) No pre-Scheme benefits

During the period of four months before the date of this Scheme Booklet, neither FNZ Sub nor any of its Associates gave, offered to give, or agreed to give a benefit to another person which was likely to induce the other person to:

- vote in favour of the Scheme; or
- dispose of GBST Shares

and which is not offered to all GBST Shareholders.

(d) No payments or benefits to current GBST Directors

Save as otherwise disclosed in this Scheme Booklet, neither FNZ Sub nor any of its Associates proposes to make any payment or give any benefit to any current director, secretary or executive officer of GBST or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their retirement from their respective offices in connection with the Scheme.

6 Risks

6.1 Introduction

The GBST Board considers that it is appropriate for GBST Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, general and specific, which could materially adversely affect the future operating and financial performance of GBST and the value of GBST Shares. This may, in turn, affect decisions by the GBST Board in respect of potential distributions to GBST Shareholders if the Scheme is not implemented.

This section 6 outlines:

- general investment risks (refer to section 6.2); and
- specific risks associated with your current investment in GBST Shares (refer to section 6.3).

The risk factors described in this section 6 are not an exhaustive list and should be read in conjunction with the other information contained in this Scheme Booklet. There may be additional risks and uncertainties not currently known to GBST which may also have a material adverse effect on GBST's financial and operational performance and the value of GBST Shares.

If the Scheme is implemented, then you will receive the Total Cash Consideration, cease to be a GBST Shareholder and no longer be exposed to the risks set out below (and other risks to which GBST may be exposed). If the Scheme does not proceed, then you will continue to hold your GBST Shares and will continue to be exposed to risks and opportunities associated with that investment.

In making your decision to vote on the Scheme Resolution, you should read this Scheme Booklet carefully. You should carefully consider the risk factors outlined below and your individual circumstances. This section 6 is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs.

While the GBST Board recommends a vote in favour of the Scheme Resolution, in the absence of a Superior Proposal, Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

6.2 General investment risks

The market price of GBST Shares and decisions by the GBST Board in relation to future distributions made to GBST Shareholders are influenced by a number of factors in the countries in which GBST currently operates, including the following:

- changes in investor sentiment in and the overall performance of Australian and international stock markets;
- changes in sentiment in credit markets;
- general economic conditions, including changes in business and industry cycles, inflation, interest rates, exchange rates, commodity prices, employment levels, sentiment in credit markets and consumer demand;
- changes in government fiscal, monetary and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment rules;
- natural disasters and catastrophes, whether global, regional or local in scale;
- accounting standards which may affect the financial performance and position reported by GBST; and
- loss of key personnel.

6.3 Specific risks associated with your current investment in GBST Shares

Risk	Nature of Risk
Industry disruption and product relevance	The technology and financial services industries are both subject to rapid change and are also at risk of disruption and disintermediation. Products and services offered by GBST may not be relevant to customer needs and could therefore impair the ability of GBST to satisfy or create customer demand.
Failure to deliver strategic R&D program	Failure to successfully execute on GBST's Strategic R&D program would cause reputational damage and a loss of confidence from current and potential future clients causing financial loss to GBST.
Project delivery and execution	Failure to successfully deliver, implement and support GBST's products and solutions to clients could have an adverse impact on GBST's reputation and ultimately its financial performance.
Cost of regulatory compliance	The cost of keeping GBST's products in compliance with ever changing regulations, as per its licence contracts, can be a significant cost to GBST and could have a negative impact on business performance if not properly managed.
Resource management	Significant variability in customer demand presents operational challenges with respect to demand forecasting and the availability of GBST resources. There is a risk that client demands cannot be satisfied or that key internal strategic development work gets delayed due to resource contention.
Key person reliance	GBST is reliant on key people in the business who are subject matter experts for the performance of key client implementation, delivery or strategic development work. Failure to ameliorate this reliance could cause inefficiencies in the business and result in financial loss.
Information security	A breach of information security, a cyber security attack or a cyber security breach could cause business interruption, loss of data security or reputational damage to GBST.
Customer concentration	GBST is exposed to the potential loss of major clients through outsourcing decisions, industry amalgamation, and technological change. The loss of a high-concentration customer could cause a significant deterioration in GBST's financial results.
Lake litigation	GBST is involved in a dispute for \$2.6m with GBST's former Managing Director and CEO, Stephen Lake, regarding the termination of his employment. The matter proceeded to trial in the Queensland Supreme Court in late 2018, and GBST is awaiting the judgement. On the basis of present information, GBST has made no provision for any loss or damage in relation to this claim. If GBST loses the claim, the full claim amount plus costs would be payable by GBST.

7 Australian Taxation Implications

This section provides a general overview of the Australian income tax, GST and stamp duty considerations for Scheme Shareholders who:

- hold ordinary GBST Shares;
- hold their GBST Shares at the Scheme Record Date;
- participate in the Scheme and dispose of their GBST Shares to FNZ Sub;
- are either:
 - residents of Australia for Australian income tax purposes; or
 - non-residents of Australia for Australian income tax purposes and do not hold their GBST Shares in carrying on a business at or through a permanent establishment in Australia; and
- hold their GBST Shares on capital account for Australian income tax purposes and acquired them after 19 September 1985.

The comments in this section 7 are not applicable to all Scheme Shareholders and are not intended to cover Scheme Shareholders who:

- hold their GBST Shares as a revenue asset (e.g. trading entities or entities who acquired their GBST Shares for the purposes of resale at a profit) or as trading stock for Australian income tax purposes;
- obtained roll-over relief in connection with the acquisition of their GBST Shares;
- are under a legal disability;
- are temporary residents for the purposes of the Australian income tax law;
- have not been a resident of the same country for income tax purposes for the period they have held their GBST Shares;
- hold options to acquire GBST Shares or performance rights for GBST Shares, or have acquired their GBST Shares through the exercise of GBST Options or GBST Performance Rights;
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations and entities subject to the investment manager regime under subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their GBST Shares; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their GBST Shares.

This summary is based on Australian tax law, and practice of the tax authorities at the date of this Scheme Booklet. Taxation laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of GBST Shares will depend upon each scheme shareholder's specific circumstances.

The comments in this section 7 are not a substitute for advice from an appropriate professional adviser having regard to each Scheme Shareholder's individual circumstances. All Scheme Shareholders are strongly advised to obtain their own professional advice on the taxation implications based on their own specific circumstances.

The information in this section 7 does not constitute 'financial product advice' within the meaning of the Corporations Act.

RSM, which is providing the information contained in this section 7, is not licensed to provide financial product advice under the Corporations Act. To the extent that this summary contains any information about a 'financial product' within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product.

This section 7 does not take into account the objectives, financial situation or needs of any individual GBST Shareholder. Accordingly, any recipient should, before acting on this material, consider taking advice from a

person who is licensed to provide financial product advice under the Corporations Act. Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice.

In preparing this section 7, RSM has relied on information obtained from documents provided to RSM, and during various discussions with personnel from GBST. RSM has relied on the accuracy and completeness of the information provided and has not undertaken any procedures to validate or verify the completeness or accuracy of such information. Therefore, RSM does not accept any responsibility or any liability arising from the inaccuracy or incompleteness of any information provided to it.

7.1 General Income Tax Implications of the Scheme

Class Ruling Application

GBST has requested the Australian Taxation Office to issue a class ruling which seeks to confirm a range of matters relating to the income tax treatment of those Scheme Shareholders who receive the Special Dividend (if declared) and dispose of their GBST Shares under the Scheme (**Class Ruling**). Those matters include (but are not limited to) confirmation:

- that the Special Dividend is assessable to Australian tax resident GBST Shareholders;
- that the Special Dividend is not subject to dividend withholding tax nor assessable to non-Australian resident GBST Shareholders who are not carrying on business in Australia at or through a permanent establishment;
- that the Special Dividend constitutes a frankable distribution;
- that GBST Shareholders can claim a tax offset in respect of the Special Dividend;
- of the timing of the CGT disposal event and confirmation that the capital proceeds received by GBST Shareholders in relation to the CGT disposal will not include the Special Dividend paid by GBST; and
- that the Commissioner will not seek to deny any imputation benefit received by GBST Shareholders by applying the franking credit streaming or other anti-avoidance provisions.

The ATO has not issued the Class Ruling requested as at the date of the Scheme Booklet. If and when issued (which could occur after the Scheme is implemented), the Class Ruling will be available on the ATO website at www.ato.gov.au.

It is anticipated that the Commissioner's views to be expressed in the Class Ruling will generally be consistent with the income tax information in this summary.

It is possible however that the Commissioner may reach different conclusions and it is therefore important that this summary be read on the understanding that the Commissioner may not issue the final ruling until after any Special Dividend is declared and/or the Implementation Date passes.

7.2 Dealings in GBST Shares

(a) Capital Gains Tax Event

The disposal of GBST Shares to FNZ Sub under the Scheme will give rise to CGT Event A1. The time of this event will be when the Scheme Shareholders transfer their GBST Shares to FNZ Sub (i.e. on the Implementation Date). On the basis that the Implementation Date is 5 November 2019, the CGT Event will occur in the year ended 30 June 2020 for shareholders with a 30 June year end.

(b) Residents

(i) Calculation of Capital Gain or Loss

Resident Scheme Shareholders will make a capital gain on the disposal of each of their GBST Shares to the extent that the capital proceeds received in respect of each GBST Share are more than the cost base per share. Alternatively, Scheme Shareholders will make a capital loss to the extent that the capital proceeds received on the disposal of their GBST Shares is less than their reduced cost base per GBST Share.

(ii) **Capital Proceeds**

The capital proceeds from the disposal of the GBST Shares should include the Scheme Consideration received by Scheme Shareholders. Where no Special Dividend is declared, each Scheme Shareholder will receive the Scheme Consideration of \$3.85 per GBST Share. Where this is the case, the capital proceeds should include the Scheme Consideration of \$3.85 per GBST Share.

Where a Special Dividend is declared, the capital proceeds should not include the amount of any Special Dividend, and the capital proceeds in this case should be the Scheme Consideration less any amount declared as a Special Dividend per share.

The Commissioner, however, may adopt a contrary view and determine that any Special Dividend does form part of the capital proceeds. At the date of this Scheme Booklet he has not yet made his position clear on this issue. If the Commissioner does form the view that any Special Dividend should be included within the capital proceeds for the disposal of GBST Shares, Scheme Shareholders will be required to take this into account in calculating their capital proceeds. The 'anti-overlap' rule in the capital gains tax provisions should apply such that a capital gain made by a Scheme Shareholder would be reduced by the amount of any Special Dividend to the extent that any Special Dividend is otherwise included in a Scheme Shareholder's taxable income (refer below at section 7.3). Where a Scheme Shareholder makes a capital loss on the disposal of their GBST Shares, the capital loss would be reduced by the amount of any Special Dividend.

(iii) **Cost base and reduced cost base**

The cost base (or reduced cost base) of each GBST Share held by a Scheme Shareholder will broadly be:

- the amount of money paid, or value of property given to acquire the GBST Share; plus
- any 'incidental costs' as defined in the CGT provisions; plus
- any non-capital costs not claimed as an income tax deduction; less
- any previous capital returns made by GBST.

(iv) **CGT Discount**

As the scheme consideration is to be provided in cash only, no CGT rollovers are available.

Where the Scheme Shareholder is an individual, trust or complying superannuation fund and the Scheme Shareholder has held their GBST Shares for a period of at least 12 months before the Implementation Date, the CGT general discount should be available.

In general, the CGT discount rules enable Scheme Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts, and 33 1/3% for complying superannuation funds. The CGT discount is not available to Scheme Shareholders that are companies or non-residents of Australia for income tax purposes.

The CGT discount rules insofar as they apply to trusts are complex and Scheme Shareholders who are trustees should seek independent professional advice in relation to the availability of the CGT discount and consequences to the trustee and the trust's beneficiaries.

Additionally, special rules apply to Scheme Shareholders who have been non-residents for part of their ownership period and independent professional advice should be sought by Scheme Shareholders in these circumstances.

(v) **Capital losses**

Where a Scheme Shareholder makes a capital loss on the disposal of their GBST Shares, this loss may be used to offset any other capital gains derived by the GBST Shareholder in the relevant year or carried forward to be offset against capital gains in future years.

Loss recoupment rules apply to companies and trusts which can restrict their ability to use capital losses in future years in certain circumstances. Scheme Shareholders should obtain specific advice regarding the operation of these rules where this is relevant.

(c) **Non-Residents**

(i) **Calculation of Capital Gain or Loss**

Scheme Shareholders who are not residents of Australia for income tax purposes and do not hold their GBST Shares through a permanent establishment in Australia should be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their GBST Shares to FNZ Sub.

While Australian tax law applies in certain circumstances to tax a non-resident on the disposal of interests in an Australian company, this will only occur where the shareholder, together with their associates, own at least 10% of the Australian company and more than 50% of the market value of the company's underlying assets is referable to direct or indirect interests in Australian real property. The GBST Directors are of the view that, as at the date of this Scheme Booklet, the interests GBST holds in real property do not exceed 50% of the value of GBST's total assets and the GBST Directors expect this will remain the position as at the Implementation Date, and if that does remain the position as at the Implementation Date these provisions will not apply.

Non-resident shareholders who were previously residents of Australia for income tax purposes and elected to treat their GBST Shares as 'taxable Australian property' on cessation of their residency will have the same CGT consequences on disposal of their GBST Shares as those set out above for residents. Non-resident shareholders however are not entitled to the CGT discount.

Non-resident shareholders should also consider the taxation implications of the disposal of their GBST Shares in their territory of residence.

(ii) **Foreign Resident Capital Gains Withholding**

The foreign resident capital gains withholding regime can impose an obligation on a purchaser of shares from a non-resident to withhold an amount equal to 12.5% of the purchase price of the asset and remit this amount to the ATO. The withholding obligation will apply when the shares acquired meet the definition of an 'indirect Australian real property interest'.

The GBST Directors are of the view that, as at the date of this Scheme Booklet, the interests GBST holds in real property are minimal and therefore the GBST Shares do not constitute an indirect Australian real property interest within the meaning of Division 855 of the *Income Tax Assessment Act 1997* (Cth), and the GBST Directors expect this will remain the position as at the Implementation Date. If that does remain the position as at the Implementation Date, no amounts will be required to be withheld by FNZ Sub from the Scheme Consideration.

(d) **Goods and Services Tax**

No GST should be payable by Scheme Shareholders in respect of the disposal of their GBST Shares under the Scheme. In the event a Scheme Shareholder is not registered nor required to be registered for GST, the sale will not fall within the scope of the GST. Where this is not the case, the sale of the GBST Shares will constitute an input taxed financial supply. Scheme Shareholders may however be charged GST on any costs incurred by them (such as advisor fees) that relate to their participation in the Scheme.

Scheme Shareholders may be entitled to a full or partial refund of input tax credits relating to such costs, but this will depend on each Scheme Shareholder's individual circumstances and independent advice should be sought in this regard.

(e) **Stamp Duty**

No stamp duty should be payable by GBST Shareholders on the disposal of their GBST Shares under the Scheme.

7.3 **Special Dividend**

(a) **Overview**

A Special Dividend will only be paid to GBST Shareholders who are registered as such on the Special Dividend Record Date, and only if the Special Dividend is declared by the GBST Board. Any Special Dividend (if declared) may be franked to the maximum extent possible by GBST, subject to compliance with the benchmark franking rule and that the franking account of GBST is not in deficit after the payment of any Special Dividend (and prior to the declaration of or resolution to pay any Special Dividend).

Based on its current franking account balance, GBST expects to 'fully frank' any Special Dividend that is declared.

If a Special Dividend is declared, the Scheme Consideration that GBST must pay to Scheme Shareholders is \$3.85 less any Special Dividend declared per GBST Share.¹⁸

(b) **Announced but not yet enacted change in law**

In the Mid-Year Economic and Fiscal Outlook 2016-17, the Commonwealth Government announced it intended to introduce a specific measure to prevent a company from attaching franking credits to distributions to shareholders made outside or additional to the company's normal dividend cycle, to the extent the distributions are funded directly or indirectly by capital raising activities that result in the issue of new equity interests. This measure was stated to apply to distributions made after 12:00pm (AEDT) on 19 December 2016.

The Commonwealth Government is yet to release further information or legislation in relation to the announcement and therefore it is not possible to comment on whether it may apply to any Special Dividend (if declared). The following comments should therefore be read in the knowledge that the legislation, if enacted, could apply to prevent franking credits from being attached to any Special Dividend.

(c) **Resident Scheme Shareholders**

Resident Scheme Shareholders who receive the Special Dividend (if declared) will be required to include the amount of any Special Dividend in their assessable income in the year of receipt.

Scheme Shareholders will also be required to include within their assessable income the amount of any franking credit received on any Special Dividend and will receive a corresponding tax offset allowing them to reduce their income tax liability by the same amount provided the Scheme Shareholder is a 'qualified person'.

Resident Scheme Shareholders that are complying superannuation funds or individuals may be entitled to a refund of excess franking credits where the franking credits available exceed their income tax liability for the relevant year.

For a Scheme Shareholder to be a 'qualified person' in relation to any Special Dividend, the Scheme Shareholder must hold their shares 'at risk' for a period of 45 continuous days between specified dates. The Commissioner has been requested to rule in the Class Ruling on what he considers are the relevant dates for the purpose of any Special Dividend.

The Commissioner has previously expressed his view that in cases where a Special Dividend is paid, and the Special Dividend reduces the Scheme Consideration, a 'related payment' will be taken to be

¹⁸ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

made for the purposes of the qualified person test. Where the Commissioner expresses this opinion again in relation to any Special Dividend declared by the GBST Board, the relevant timeframe that a Scheme Shareholder must have held their GBST Shares 'at risk' is 45 days (but not including the acquisition date and the date of sale) within the period starting 45 days before the ex dividend date, to the period ending 45 days after the ex dividend date (the ex dividend date being 1 day after the Special Dividend Record Date). The relevant period commences on 9 September 2019 (based on the indicative timetable for the Scheme that appears on page 7).

Where the Commissioner expresses a view that a related payment has not been made, the relevant timeframe within which a Scheme Shareholder must hold their GBST Shares at risk for 45 days commences the day after the Scheme Shareholder acquired the GBST Shares, and ends 45 days after the ex dividend date.

Scheme Shareholders will not be treated as holding their GBST Shares 'at risk' on and from the Scheme Record Date (which is proposed to be 25 October 2019). Scheme Shareholders will also not be treated as holding their GBST Shares 'at risk' in relation to any day on which they have 'positions' that reduce their exposure to gains and losses in respect of those shares below 30%. Any days on which scheme shareholders are not treated as holding their shares 'at risk' do not count towards the 45 day requirement, but will not break the continuity of the 45 day period.

Under the 'small shareholder exemption', a Scheme Shareholder who is an individual will not be required to satisfy the '45 day/at risk' rules where the total amount of franking credits attached to dividends received by that individual over the course of an income year is less than or equal to \$5,000 and they do not make a related payment in relation to any of those dividends.

If a Scheme Shareholder satisfies the '45 day/at risk' rules, there are specific anti-avoidance rules by which the Commissioner may prevent a Scheme Shareholder from utilising any franking credits attached to a Special Dividend. GBST has lodged a Class Ruling application with the ATO in which it has requested the Commissioner to confirm the tax treatment of any Special Dividend including his specific confirmation that:

- he will not use the franking anti-avoidance rules to deny franking offsets that would otherwise be available to Scheme Shareholders; and
- the amount of any Special Dividend will not form part of the capital proceeds received by Scheme Shareholders in respect of the sale of their GBST Shares for CGT purposes.

As at the date of this Scheme Booklet, the Class Ruling has not been issued and so the final position of the Commissioner on these issues is unknown. It is possible that the Commissioner may take a position contrary to the views we have put forward in this section 7.

It is noted that complex income tax rules apply to dividends (particularly franked dividends) in relation to shares held by partnerships and trusts but provided certain conditions are satisfied, the liability to pay tax on any Special Dividend (together with the associated franking credits and tax offset) may flow through to the relevant beneficiaries and partners.

(d) **Non-Resident Scheme Shareholders**

Where any Special Dividend (if declared) is fully franked, Scheme Shareholders who are not income tax residents of Australia and who are not carrying on business at or through a permanent establishment in Australia in connection with their GBST Shares should not be assessable on any Special Dividend received. No amount of withholding tax should be deducted from any Special Dividend. Non-resident Scheme Shareholders will also not be required to include within their Australian assessable income the effect of the receipt of the franking credit or any corresponding tax offset.

Non-resident Scheme Shareholders are advised to consider any taxation implications of the receipt of any Special Dividend in their territory of residence.

8 Additional information

8.1 Interests of GBST Directors in GBST

The table below lists the Relevant Interests of GBST Directors in GBST Shares as at the date of this Scheme Booklet:

GBST Director	Position	Relevant Interest in GBST Shares
Rob DeDominicis	Chief Executive Officer and Managing Director	699,055
Allan Brackin	Independent Non-Executive Chairman	260,000
Christine Bartlett	Independent Non-Executive Director	25,000
Deborah Page AM	Independent Non-Executive Director	32,500
Tam Vu	Independent Non-Executive Director	5,464

GBST Directors who hold GBST Shares will be entitled to vote at the Scheme Meeting and receive the Total Cash Consideration along with the other Scheme Shareholders.

Each GBST Director intends to vote, or cause to be voted, all GBST Shares held or controlled by them (being the GBST Shares in which they have a Relevant Interest) in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of GBST Shareholders.

The table below lists the Relevant Interests of GBST Directors in GBST Options and GBST Performance Rights as at the date of this Scheme Booklet.

GBST Director	Position	Relevant Interest in GBST Options	Relevant Interest in GBST Performance Rights
Rob DeDominicis	Chief Executive Officer and Managing Director	1,059,436 ¹⁹	-
Allan Brackin	Independent Non-Executive Chairman	-	-
Christine Bartlett	Independent Non-Executive Director	-	-
Deborah Page AM	Independent Non-Executive Director	-	-
Tam Vu	Independent Non-Executive Director	-	-

Please refer to section 8.12 for details regarding the treatment of GBST Options and GBST Performance Rights if the Scheme becomes Effective.

¹⁹ Being the aggregate of 597,114 GBST Options (FY19 CEPOs) and 462,322 GBST Options (FY20 CEPOs).

8.2 Interests of GBST Directors in FNZ

No marketable securities of FNZ are held by, or on behalf of, any GBST Director as at the date of this Scheme Booklet.

8.3 Interests of GBST Directors in contracts of FNZ

No GBST Director has an interest in any contract entered into by FNZ.

8.4 Other interests of GBST Directors

Other than as noted above and as set out in section 8.12 below, no GBST Director has any other interest, whether as a director, member or creditor of FNZ or otherwise, which is material to the Scheme, other than in their capacity as a holder of GBST Shares, GBST Options or GBST Performance Rights.

8.5 Agreements or arrangements with GBST Directors

(a) GBST Options

As noted in section 8.1 above, Rob DeDominicis holds 1,059,436 GBST Options that will be subject to the regime described in section 8.12.²⁰ The maximum 'exercise value' of those GBST Options is approximately \$1.895 million (based on the same assumptions as set out at the end of section 8.12(a)),

(b) Deferred Cash Bonus

GBST has put in place a Deferred Cash Bonus long term incentive plan (**LTIP – Cash**) under which Rob DeDominicis is entitled to receive \$250,000 in respect of GBST's financial performance for FY18 (**Deferred Cash Bonus**). Under the terms of the LTIP – Cash, the Deferred Cash Bonus is due to be paid to Rob DeDominicis on 25 January 2021. However, under the terms of the LTIP – Cash, if the Scheme is implemented there will be a change in control of GBST and, as a result, the Deferred Cash Bonus will be paid to Rob DeDominicis on or after the Effective Date.

(c) Short term incentive plan and long term incentive plans

As detailed in GBST's annual report for the year ended 30 June 2018, GBST has an executive performance plan in place that consists of a short-term incentive plan and a long-term incentive plan.

Under the terms of the STIP, if the Scheme is implemented, participating executives will be entitled to receive their target STI (but not the stretch/maximum STI) they might otherwise have been paid under the STIP. The STI is a cash payment. Under the STIP, participating executives will be entitled to receive a maximum payment of the aggregate of A\$900,922 and £92,000 upon implementation of the Scheme. Rob DeDominicis, GBST's Chief Executive Officer and Managing Director participates in the STIP and will be entitled to a cash payment of \$240,000, in addition to the Deferred Cash Bonus.

GBST Performance Rights are issued under the LTIP – Performance Rights approved at the Company's 2012 Annual General Meeting. GBST Performance Rights can be exercised to acquire GBST Shares. No directors hold GBST Performance Rights issued under the LTIP – Performance Rights.

Other than this, there is no agreement or arrangement made between any GBST Director and any other person, including an FNZ Group Member, in connection with or conditional upon the outcome of the Scheme.

8.6 Payments and other benefits to directors, secretaries or executive officers of GBST

Except as set out in section 8.5 above, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of GBST or any member of the GBST Group as compensation for loss of, or as consideration for or in connection with their retirement from, office in GBST or any member of the GBST Group as a result of the Scheme.

²⁰ Being the aggregate of 597,114 GBST Options (FY19 CEPOs) and 462,322 GBST Options (FY20 CEPOs).

(a) **LTIP – Performance Rights**

As mentioned in section 8.5, GBST has in place the LTIP – Performance Rights under which GBST Performance Rights have been issued to executives.

There are currently 279,246 GBST Performance Rights issued under the LTIP – Performance Rights which can be exercised on a one-for-one basis to acquire GBST Shares. The number of GBST Performance Rights on issue as at the date of this Scheme Booklet held by each GBST Performance Rights holder and the maximum value of the GBST Shares into which those GBST Performance Rights will convert (for which the value of each GBST Share is equal to the Total Cash Consideration) is as follows.

Holder (and position at GBST)	Number of GBST Performance Rights held as at the date of this Scheme Booklet	Maximum value
Belinda Armstrong (Head of Human Resources)	55,849	\$215,018.65
Jillian Glenda Bannan (Company Secretary & General Counsel)	55,849	\$215,018.65
Denis Michael Orrock (Head of Asia Pacific)	83,774	\$322,529.90
David Simpson (Head of Europe, the Middle East and Africa)	83,774	\$322,529.90

See section 8.12 below for information on the proposed treatment of the GBST Performance Rights under the Scheme.

(b) **LTIP – CEPOS**

GBST has in place an LTIP – CEPOs under which GBST Options have been issued to the Executive Team.

There are currently 3,581,743 GBST Options issued under the LTIP – CEPOs. The number of GBST Options held by each GBST Option holder as at the date of this Scheme Booklet and the (approximate) maximum 'exercise value' of the GBST Options, assuming that the 14 Day VWAP is equal to the Total Cash Consideration,²¹ is as follows:

²¹ This number may be higher or lower depending on the price at which GBST Shares trade on the ASX in the period leading up to the Effective Date.

Holder (and position at GBST)	Number of GBST Options (FY19 CEPOs) held as at the date of this Scheme Booklet	Number of GBST Options (FY20 CEPOs) held as at the date of this Scheme Booklet	Total number of GBST Options held as at the date of this Scheme Booklet	Maximum exercise value
Belinda Armstrong (Head of Human Resources)	165,865	128,423	294,288	\$526,335.03
Jillian Bannan (Company Secretary & General Counsel)	185,769	143,834	329,630	\$589,496.01
Rob DeDominicis (Chief Executive Officer and Managing Director)	597,114	462,322	1,059,436	\$1,894,804.71
Denis Orrock (Head of Asia Pacific)	311,826	241,435	553,261	\$989,509.07
Isabel Sanchez (Chief Technology Operations Officer)	-	193,305	193,305	\$334,417.65
David Simpson (Head of Europe, the Middle East and Africa)	345,196	287,102	632,298	\$1,129,706.88
Matthew Walton (Chief Financial Officer)	281,970	237,582	519,552	\$928,093.45

See section 8.12 below for information on the proposed treatment of the GBST Options under the Scheme.

8.7 Suspension of trading of GBST Shares

If the Court approves the Scheme, then GBST will notify ASX. It is expected that suspension of trading on ASX in GBST Shares will occur from close of trading on the Effective Date. This is expected to be 18 October 2019.

8.8 Deed Poll

FNZ and FNZ Sub have executed the Deed Poll pursuant to which each of them has undertaken in favour of each Scheme Shareholder to procure that each Scheme Shareholder is provided with the Scheme

Consideration to which they are entitled under the Scheme, in accordance with the terms of the Scheme and subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure C.

8.9 Warranties by Scheme Shareholders

The Scheme provides that each Scheme Shareholder is taken to have warranted to FNZ that:

- (a) all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of transfer be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, and restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares to FNZ Sub; and
- (b) they have no existing rights to be issued GBST Shares, GBST Options, GBST Performance Rights, GBST convertible notes or any other GBST securities.

8.10 Summary of Scheme Implementation Deed

On 26 July 2019, GBST and FNZ entered into a binding Scheme Implementation Deed under which GBST agreed to propose the Scheme. The Scheme Implementation Deed contains terms and conditions that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and GBST's obligation to conduct its business in the ordinary course during the Scheme process.

A summary of the key elements of the Scheme Implementation Deed as the parties have agreed to implement the Scheme is set out below. A full copy of the Scheme Implementation Deed is attached to GBST's ASX announcement on 29 July 2019, which can be obtained from www.asx.com.au or from GBST's website at <https://www.gbst.com/investor-relations/reports>.

(a) Conditions

Implementation of the Scheme is subject to the following conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented:

- (i) **FIRB Approval:** before 5.00pm on the Business Day before the Second Court Date, one of the following has occurred:
 - (A) FNZ has received written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer, advising that the Commonwealth Government has no objections to the Transaction either unconditionally or on terms that are acceptable to FNZ acting reasonably and in good faith;
 - (B) the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Transaction and the Transaction is not prohibited by section 82 of the FATA; or
 - (C) where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision.
- (ii) **Other regulatory approvals:** before 5.00pm on the Business Day before the Second Court Date any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the Scheme are granted, given, made or obtained on an unconditional basis or on conditions that do not impose unduly onerous obligations on either FNZ or GBST and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
- (iii) **Shareholder Approval:** GBST Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

- (iv) **Independent Expert Report:** the Independent Expert issues an Independent Expert's Report which concludes at all times prior to the Second Court Date that the Scheme is in the best interests of GBST Shareholders.
- (v) **Court Approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
- (vi) **No Restraints:** between (and including) 24 July 2019 and 8.00am on the Second Court Date:
 - (A) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition; and
 - (B) no action or investigation is announced, commenced or threatened by any Government Agency,
 which prevents, makes illegal or prohibits the consummation of the Transaction, in each case, unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of FNZ acting reasonably and in good faith, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.
- (vii) **No GBST Prescribed Occurrence:** no GBST Prescribed Occurrence occurs between (and including) 24 July 2019 and 8.00am on the Second Court Date.
- (viii) **No GBST Regulated Event:** no GBST Regulated Event occurs between (and including) 24 July 2019 and 8.00am on the Second Court Date, provided in the case of paragraphs (g), (j), (k) and (m) in the definition of GBST Regulated Event, the relevant event is, individually or when aggregated with all such events, material in the context of the Transaction as a whole.
- (ix) **No GBST Material Adverse Change:** no GBST Material Adverse Change occurs, or becomes known to FNZ, between (and including) 24 July 2019 and 8.00am on the Second Court Date.

(b) **Exclusivity**

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of FNZ. These arrangements are in line with market practice and may be summarised as follows:

- (i) **Return of confidential information and cessation of discussions:**
 - (A) if during the 6 month period prior to 26 July 2019, GBST has provided any non-public information about the business or affairs of GBST to a Third Party (other than GBST's advisers in relation to the Transaction) in relation to a possible Competing Proposal, GBST must have exercised, or must promptly exercise, all rights it has to request the return or destruction by the Third Party and any relevant adviser of that information, and must use all reasonable endeavours to ensure that the Third Party and any relevant adviser complies with that request; and
 - (B) GBST must, and must procure that its Related Bodies Corporate, cease any negotiations or discussions existing as at the date of the Scheme Implementation Deed relating to a Competing Proposal or any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Transaction,
 except to the strict extent that to do so would be inconsistent with any existing contractual obligation of GBST which is in existence as at 24 July 2019 and which has been Fairly Disclosed on ASX prior to 24 July 2019.
- (ii) **No Shop:** During the Exclusivity Period, GBST must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal

or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal.

- (iii) **No Talk:** During the Exclusivity Period, GBST must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, participate in negotiations or discussions, or enter into any agreement, arrangement or understanding, regarding any actual, proposed or potential Competing Proposal. However, GBST is not required to comply with the foregoing obligations in respect of an actual, proposed or potential unsolicited Competing Proposal if, in the opinion of the GBST Board, formed in good faith after receiving written financial advice from its Financial Adviser and written legal advice from its external legal advisers, that would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the GBST Directors.

- (iv) **No Disclosure:** During the Exclusivity Period, GBST must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, disclose or otherwise provide or make available any non-public information about the business or affairs of the GBST Group to a Third Party in connection with, or which would reasonably be expected to encourage or lead to the formulation of, a Competing Proposal. This includes, without limitation, providing such information for the purposes of the conduct of due diligence on the GBST Group. However, GBST is not required to comply with the foregoing obligations in respect of an actual, proposed or potential unsolicited Competing Proposal if, in the opinion of the GBST Board, formed in good faith after receiving written financial advice from its Financial Adviser and written legal advice from its external legal advisers, that would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the GBST Directors.

- (v) **Notification:** During the Exclusivity Period, GBST must within 24 hours notify FNZ in writing if it, or any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:

- (A) approach or attempt to initiate or continue any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
- (B) proposal made to GBST, any of its Related Bodies Corporate or any of their respective Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
- (C) provision by GBST, any of its Related Bodies Corporate or any of their respective Related Persons of any non-public information concerning the business or operations of GBST or the GBST Group to any third party in connection with an actual, proposed or potential Competing Proposal,

and such notification must include the identity of the relevant person making the Competing Proposal, together with all material terms of the Competing Proposal.

- (vi) **Matching Right:** During the Exclusivity Period, GBST must:
- (A) not, and must ensure that its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding to undertake or give effect to an actual, proposed or potential Competing Proposal; and
 - (B) procure that none of the GBST Directors change their recommendation in favour of the Scheme or recommend an actual, proposed or potential Competing Proposal,

unless:

- (C) the GBST Board acting in good faith and in order to satisfy what the GBST Directors consider to be their statutory or fiduciary duties (having received written financial

advice from its Financial Adviser and written legal advice from its external legal advisers) determines that the Competing Proposal would be or would be reasonably likely to be an actual, proposed or potential Superior Proposal;

- (D) GBST has provided FNZ with 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;
- (E) GBST has given FNZ at least five Business Days after the date of the provision of the information referred to in sub-paragraph (D) immediately above to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (the **Matching Deadline**); and
- (F) FNZ has not announced or otherwise formally proposed to GBST a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the Matching Deadline (and to the extent relevant, GBST has complied with the obligations immediately below).

To the extent that any material considerations beyond the cash price caused the GBST Board to determine that a revised proposal provided by GBST to FNZ prior to the Matching Deadline is not equally as favourable to, or more favourable to, GBST Shareholders than the terms of the Superior Proposal notified to FNZ:

- (i) GBST must give FNZ written notice as to why it does not consider FNZ's revised proposal to be equally as favourable to, or more favourable to, GBST Shareholders than the terms of the Superior Proposal; and
- (ii) FNZ will have 48 hours from the time of the notice to make a further revised proposal in writing, and the Matching Deadline will be deemed not to have expired until the expiry of the further 48 hour period.

These exclusivity arrangements are set out in full in clause 11 of the Scheme Implementation Deed.

(c) **Break Fee**

GBST has agreed to pay FNZ a reimbursement fee of \$2,700,000 (**Break Fee**) if in summary:

- (i) **Change in recommendation:** during the Exclusivity Period, any GBST Director:
 - (A) withdraws or adversely changes his or her recommendation that GBST Shareholders vote in favour of the Scheme at the Scheme Meeting; or
 - (B) supports or endorses a Competing Proposal,other than:
 - (C) as a direct result of or following the Independent Expert opining that the Transaction is not in the best interests of GBST Shareholders except where a reason (wholly or partly) for that opinion is the existence of a Competing Proposal or a Superior Proposal; or
 - (D) in the circumstance where GBST is entitled to terminate the Scheme Implementation Deed for material breach by FNZ and GBST has given the appropriate termination notice to FNZ.
- (ii) **Competing Proposal announced and transaction subsequently completing:** a Competing Proposal is announced during the Exclusivity Period and, within 12 months, any Third Party:
 - (A) completes a Competing Proposal of a kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal; or
 - (B) acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the GBST Shares or otherwise acquires (either alone or in aggregate) Control of GBST.

(iii) **FNZ terminates the Scheme Implementation Deed:** FNZ terminates the Scheme Implementation Deed due to:

- (A) a material breach by GBST (and GBST fails to remedy such breach within the required period); or
- (B) any of the conditions relating to the non-occurrence of a GBST Prescribed Occurrence, GBST Regulated Event or GBST Material Adverse Change not being satisfied or waived, where the failure to satisfy the relevant condition was not caused by actions or events outside of GBST's control,

and the Transaction does not complete.

However, the Break Fee is not payable if the Scheme nevertheless becomes Effective.

For full details of the Break Fee, see clause 12 of the Scheme Implementation Deed.

(d) **Termination**

Either GBST or FNZ can terminate the Scheme Implementation Deed by written notice to the other party:

- (i) other than in respect of a breach of either an FNZ warranty or GBST warranty in the Scheme Implementation Deed (which are dealt with separately), at any time before 8.00am on the Second Court Date, if the other party has materially breached the Scheme Implementation Deed, the party entitled to terminate has given written notice to the party in breach of the Scheme Implementation Deed setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed, and the other party has failed to remedy the breach within five Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given;
- (ii) at any time before 8.00am on the Second Court Date, if the other party is in breach of a warranty given in the Scheme Implementation Deed but only if:
 - (A) the party wishing to terminate has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
 - (B) the relevant breach continues to exist five Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice in sub-paragraph (A) immediately above is given; and
 - (C) the loss that would reasonably be expected to follow from the relevant breach is at least \$2 million or the breach would reasonably be expected to lead to FNZ not being able to provide the Scheme Consideration;
- (iii) at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Transaction, or has refused to do anything necessary to permit the Transaction to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed;
- (iv) if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date;
- (v) if GBST and FNZ agree in writing; or
- (vi) if:
 - (A) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied;
 - (B) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in the Scheme Implementation Deed for the satisfaction of that Condition Precedent or such Condition Precedent is otherwise not satisfied by that time and date; or

- (C) it becomes more likely than not that the Scheme will not become Effective on or before the End Date,

and the parties have consulted in good faith to consider and are unable to agree whether i) the Transaction may proceed by way of alternative means or methods; ii) to change or adjourn the date of the Second Court Hearing; or iii) to extend the relevant date or End Date:

- (D) in the case of the event or occurrence contemplated by paragraph (d)(vi)(A), within five Business Days after the date on which notice of the event or occurrence is given to the other party;
- (E) in the case of an event or occurrence, or otherwise in the circumstances, contemplated by paragraph (d)(vi)(B), by five Business Days before the time and date specified in the Scheme Implementation Deed for the satisfaction of that Condition Precedent; or
- (F) in the case of the circumstances contemplated by paragraph (d)(vi)(C), by the End Date,

unless the relevant Condition Precedent is stated in the Scheme Implementation Deed to be for the sole benefit of the other party or the relevant Condition Precedent has been waived or the party entitled to waive the relevant Condition Precedent confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied.

The Scheme Implementation Deed may be terminated at any time before 8:00am on the Second Court Date:

- (vii) by GBST, if the GBST Board or a majority of the GBST Board changes, withdraws or modifies its recommendation that GBST Shareholders vote in favour of the Scheme in the event that GBST has received a Superior Proposal or the Independent Expert concludes that the Scheme is not in the best interest of GBST Shareholders and GBST has complied with its obligations under clause 11 of the Scheme Implementation Deed (see section 8.10(b)), and, if applicable, GBST has paid the Break Fee to FNZ; and
- (viii) by FNZ, if:
 - (A) any GBST Director fails to recommend the Scheme, withdraws or adversely changes his or her recommendation that GBST Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer recommends the Transaction or recommends, supports or endorses a Competing Proposal; or
 - (B) in any circumstances GBST enters into any legally binding agreement, arrangement or understanding in relation to the implementation of an actual or potential Competing Proposal.

8.11 Status of regulatory conditions

As at the date of this Scheme Booklet:

- (a) **FIRB approval:** the Treasurer has not yet provided notice that there are no objections to the Transaction under the FATA; and
- (b) **Other regulatory approvals:** GBST is not aware of any other approvals, consents, or waivers required from a Government Agency in relation to the implementation of the Scheme.

An update on the status of the FIRB approval will be provided at the Scheme Meeting.

8.12 GBST Options and GBST Performance Rights

(a) GBST Options and GBST Performance Rights on issue

As disclosed on ASX, GBST operates the LTIP – Performance Rights and the LTIP – CEPOs under which performance rights and options are granted to senior executives as an incentive and reward. As at the date of this Scheme Booklet, GBST has the following number of options and performance rights on issue:

- 1,887,740 GBST Options (FY19 CEPOs);
- 1,694,003 GBST Options (FY20 CEPOs); and
- 279,246 GBST Performance Rights.

As set out in section 8.1, none of the non-executive GBST Directors hold any GBST Performance Rights or GBST Options. Rob DeDominicis holds 1,059,436 GBST Options and does not hold any GBST Performance Rights.²²

Each GBST Option confers on its holder the entitlement to receive a number of GBST Shares. Due to the cashless exercise mechanism built into the LTIP – CEPOs, the ratio of GBST Options to GBST Shares to which each holder of GBST Options is entitled is not fixed. Under this cashless exercise mechanism, the 'exercise value' of each GBST Option is calculated by: (i) determining the volume weighted average price at which GBST Shares were traded on ASX over the 14 days prior to the date of exercise of the GBST Option (the **14 Day VWAP**); (ii) subtracting the applicable exercise price (see below) from the 14 Day VWAP; and (iii) multiplying the result by the number of GBST Options being exercised.

The exercise value is aggregated across the exercised GBST Options which have the same exercise price and settled by – at the discretion of the GBST Board – issuing or arranging for the acquisition by the Trustee (for the benefit or participants in the LTIP – CEPOs) of GBST Shares of value equivalent to the 'exercise value', or paying cash equal to the 'exercise value', or a combination of both issuing or arranging for the acquisition of GBST Shares and paying cash in aggregate equivalent to the 'exercise value', to the holder of the GBST Option. When determining the number of GBST Shares that are to be granted following the exercise of the GBST Options (if applicable), the GBST Board will divide the exercise value of the relevant GBST Options by the 14 Day VWAP that is used to calculate the exercise value.

The GBST Options (FY19 CEPOs) have an exercise price of \$2.0162 and the GBST Options (FY20 CEPOs) have an exercise price of \$2.12. The exercise price is notional and does not need to be paid by the holder of a GBST Option in order to exercise the GBST Option as the exercise price is deducted from the volume weighted average price of GBST Shares to calculate the 'exercise value' of each GBST Option (as described above).

The (approximate) maximum 'exercise value' of the GBST Options, assuming that the 14 Day VWAP is equal to the Total Cash Consideration,²³ is as follows:

Type of Security	Number on issue as at the date of this Scheme Booklet	Maximum exercise value
GBST Options (FY19 CEPOs)	1,887,740	\$3.46 million
GBST Options (FY20 CEPOs)	1,694,003	\$2.93 million

²² Being the aggregate of 597,114 GBST Options (FY19 CEPOs) and 462,322 GBST Options (FY20 CEPOs).

²³ This number may be higher or lower depending on the price at which GBST Shares trade on the ASX in the period leading up to the Effective Date.

(b) Intended treatment of GBST Options in connection with the Scheme

Under the terms of the Scheme Implementation Deed, GBST must procure that all of the GBST Options vest and are exercised and convert into GBST Shares, including by procuring the GBST Board to make all necessary relevant determinations under the LTIP – CEPOs. GBST and FNZ have also agreed that the GBST Board may alternatively elect to make cash payments to GBST Option holders upon vesting and exercise of their GBST Options, as permitted by the LTIP – CEPOs.

Under the terms of the LTIP – CEPOs, a change of control occurs when the GBST Board advises GBST Option holders that one or more persons acting in concert have acquired, or are likely to imminently acquire, control of GBST (where control is defined by reference to section 50AA of the Corporations Act). In the event of a change of control of GBST, the vesting conditions applicable to the GBST Options cease to apply, the GBST Options automatically vest and all disposal restrictions that would otherwise apply to any GBST Shares that are acquired as a result of the exercise of the GBST Options will not apply.

In accordance with, and as permitted by, the terms of the LTIP – CEPOs, the GBST Board has exercised its discretion and determined:

- that a change in control of GBST will occur on the Effective Date and therefore, subject to the Scheme becoming Effective, all GBST Options are to automatically vest on the Effective Date;
- that, to the extent GBST has cash available (following payment of the Special Dividend) to meet the expense, GBST will pay to the holders of the GBST Options an amount of cash equivalent to the 'exercise value' of the relevant GBST Options;
- that up to 1,452,609 GBST Shares (representing 2.14% of total GBST Shares on issue)²⁴ will, prior to the Scheme Record Date, be issued to the holders of the GBST Options where those GBST Option holders have not otherwise received an amount of cash equivalent to the 'exercise value' of the relevant GBST Options;²⁵ and
- that the Trustee must, prior to the Scheme Record Date, acquire up to 207,744 GBST Shares (representing 0.31% of total GBST Shares on issue)²⁶ to be transferred to Rob DeDominicis upon exercise of the GBST Options (FY20 CEPOs) that he holds.

(c) Intended treatment of GBST Performance Rights in connection with the Scheme

Each GBST Performance Right confers on its holder the entitlement to receive one GBST Share (by way of issue or transfer) upon the exercise of the GBST Performance Right. No amount is payable by the holder of the GBST Performance Right upon exercise.

Under the terms of the Scheme Implementation Deed, GBST must procure that all of the GBST Performance Rights vest and are exercised and convert into GBST Shares, including by procuring the GBST Board to make all necessary relevant determinations under the LTIP – Performance Rights.

Under the terms of the LTIP – Performance Rights, a change of control will occur when the Scheme becomes Effective and, in the event of a change of control of GBST, all unvested GBST Performance Rights will automatically vest and be exercised. Upon exercise of the GBST Performance Rights, the GBST Board will procure that up to 279,246 GBST Shares are issued to, or acquired by, GBST Performance Rights holders to satisfy the GBST Performance Rights.

In accordance with, and as permitted by, the terms of the LTIP – Performance Rights, the GBST Board has exercised its discretion and determined:

²⁴ Calculated based on 67,912,508 ordinary shares outstanding immediately prior to the exercise of the GBST Options and GBST Performance Rights.

²⁵ This excludes the GBST Options (FY20 CEPOs) held by Rob DeDominicis, in respect of which GBST Shares will be acquired on market and held by the Trustee for the benefit of, or transferred to, Mr DeDominicis upon exercise of the GBST Options (FY20 CEPOs) he holds.

²⁶ Calculated based on 67,912,508 ordinary shares outstanding immediately prior to the exercise of the GBST Options and GBST Performance Rights.

- that a change of control of GBST will occur on the Effective Date, and that on the Effective Date all GBST Performance Rights will vest and be automatically exercised on a one-for-one basis in return for GBST Shares; and
- that the Trustee must prior to the Scheme Record Date acquire by way of subscription, and GBST will issue to the Trustee, 279,246 GBST Shares (representing 0.41% of total GBST Shares on issue as at the date of this Scheme Booklet)²⁷ to be held on trust for, or to be transferred to, the holders of those GBST Performance Rights prior to the Special Dividend Record Date.

8.13 No unacceptable circumstances

The GBST Directors believe that the Scheme does not involve any circumstances in relation to the affairs of GBST that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

8.14 Consents and disclosures

- (a) The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
 - (i) Deutsche Bank AG as financial adviser to GBST;
 - (ii) Link as the manager of the GBST Share Register;
 - (iii) RSM as tax adviser to GBST in relation to the Scheme; and
 - (iv) Allens as legal adviser to GBST in relation to the Scheme.
- (b) The Independent Expert has given, and has not withdrawn, its consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report in Annexure A to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- (c) FNZ and FNZ Sub have each given, and neither has withdrawn, their consent to be named in this Scheme Booklet and to the inclusion of the FNZ Information in this Scheme Booklet in the form and context in which that information is included.
- (d) Each person named in this section 8.14:
 - (i) has not authorised or caused the issue of this Scheme Booklet;
 - (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this section 8.14; and
 - (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 8.14.

8.15 No other information material to the making of a decision in relation to the Scheme

Otherwise than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report and the information that is contained in the Annexures to this Scheme Booklet, there is no other information as at the date of this Scheme Booklet that is material to the making of a decision by a GBST Shareholder whether or not to vote in favour of the Scheme Resolution to approve the Scheme, being information that is known to any GBST Director and which has not previously been disclosed to GBST Shareholders.

²⁷ Calculated based on 67,912,508 ordinary shares outstanding immediately prior to the exercise of the GBST Options and GBST Performance Rights.

8.16 Supplementary information

If GBST becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if known about at the date of lodgement with ASIC,

depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, GBST may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to GBST Shareholders at their registered address as shown in the GBST Share Register; or
- posting a statement on GBST's website at www.gbst.com,

as GBST in its absolute discretion considers appropriate.

9 Glossary and interpretation

9.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
14 Day VWAP	Has the meaning given to that term in section 8.12(a).
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning set out in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.
ASX Listing Rules	The official listing rules of ASX.
ATO	Australian Taxation Office.
Bravura Solutions Limited	Bravura Solutions Limited (ACN 164 391 128).
Business Day	A day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney.
CEPO	Cashless exercise price option.
CGT	Capital gains tax.
CHESS	Clearing House Electronic Subregister System.
Class Ruling	Has the meaning given to that term in section 7.1.
Commissioner	The Commissioner of Taxation.
Competing Proposal	<p>Any proposal, agreement, arrangement or transaction (or expression of interest thereof), which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) may:</p> <ul style="list-style-type: none"> (a) directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the GBST Shares or the share capital of any material Subsidiary of GBST; (b) acquire Control of GBST or any material Subsidiary of GBST; (c) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of GBST's business or assets or the business or assets of the GBST Group; (d) otherwise directly or indirectly acquire or merge with GBST or a material Subsidiary of GBST; or (e) require GBST to abandon, or otherwise fail to proceed with, the Transaction, <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.</p> <p>For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Conditions Precedent	Each of the conditions set out in clause 3.2 of the Scheme Implementation Deed.

Term	Meaning
Control	Has the meaning given in section 50AA of the Corporations Act.
Corporations Act	<i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth).
Court	The Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act as FNZ and GBST may agree in writing.
Deed Poll	The Deed Poll dated 6 September 2019 executed by FNZ and FNZ Sub relating to the Scheme, a copy of which is contained in Annexure C.
Deferred Cash Bonus	Has the meaning given to that term in section 8.5(b).
Disclosure Materials	The information provided to FNZ during the GBST management presentations and Q&A sessions that were held prior to the date of the Scheme Implementation Deed, and otherwise disclosed to FNZ and agreed to be 'Disclosure Materials' by the parties.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.
Effective Date	The date on which the Scheme becomes Effective.
End Date	29 February 2020, or such other date as agreed in writing by FNZ and GBST.
Exclusivity Period	<p>The period from and including the date of the Scheme Implementation Deed (being 26 July 2019) to the earlier of:</p> <ul style="list-style-type: none"> (a) the date of termination of the Scheme Implementation Deed; (b) the End Date; and (c) the Effective Date.
Fairly Disclosed	A reference to 'Fairly Disclosed' means disclosed to FNZ or any of its Related Persons, to a sufficient extent, and in sufficient detail, so as to enable a reasonable bidder (or one of its Related Persons) experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the GBST Group, to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).
FATA	The <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
Financial Adviser	Any financial adviser retained by FNZ or GBST in relation to the Transaction or a Competing Proposal from time to time.
Financial Indebtedness	<p>Any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:</p> <ul style="list-style-type: none"> (a) bill, bond, debenture, note or similar instrument; (b) acceptance, endorsement or discounting arrangement; (c) guarantee; (d) finance or capital lease; (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or

Term	Meaning
	(f) obligation to deliver goods or provide services paid for in advance by any financier.
FNZ	Kiwi Holdco CayCo, Ltd, a company registered in the Cayman Islands (registration no. 219450).
FNZ Finco	FNZ UK Finco Limited (company number 11388790), a company registered in England and Wales.
FNZ Group	FNZ and each of its Subsidiaries, including FNZ Sub, and a reference to a FNZ Group Member or a member of the FNZ Group is to FNZ or any of its Subsidiaries from time to time (excluding, at any time, GBST and its Subsidiaries to the extent that they are Subsidiaries of FNZ at that time).
FNZ Information	The information contained in: <ul style="list-style-type: none"> (a) the answer to the question 'Who are the FNZ Group and FNZ Sub?' in section 2; and (b) section 5.
FNZ Sub	FNZ (Australia) Bidco Pty Ltd (ACN 635 824 636)
FY18	The financial year ended 30 June 2018.
FY19	The financial year ended 30 June 2019.
FY20	The financial year ended 30 June 2020.
GBST	GBST Holdings Limited (ACN 010 488 874).
GBST Board or Board	The board of directors of GBST (as constituted from time to time) and includes any authorised committee of directors.
GBST Director	A member of the GBST Board (and GBST Directors means all of them).
GBST Group	GBST and each of its Subsidiaries, and a reference to a GBST Group Member or a member of the GBST Group is to GBST or any of its Subsidiaries.
GBST Information	The information contained in this Scheme Booklet, other than the FNZ Information, the Independent Expert's Report and the information contained in section 7.
GBST Material Adverse Change	<p>An event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Scheme Implementation Deed (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:</p> <ul style="list-style-type: none"> (a) the effect of a diminution in the value of the consolidated net assets of the GBST Group, taken as a whole, by at least \$7 million against what it would reasonably have been expected to have been but for such Specified Event; or (b) the effect of a diminution in the consolidated underlying EBITDA of the GBST Group, taken as a whole, by at least \$2 million (on an annualised basis) as compared to GBST's budgeted EBITDA for the financial year ending 30 June 2020 (the Budgeted EBITDA) against what it would reasonably have been expected to have been but for such Specified Event, <p>other than those events, changes, conditions, matters, circumstances or things:</p> <ul style="list-style-type: none"> (c) required or permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;

Term	Meaning
	<p>(d) that are Fairly Disclosed in the Disclosure Materials;</p> <p>(e) agreed to in writing by FNZ;</p> <p>(f) arising as a result of any generally applicable change in law or governmental policy, including changes to the accounting standards in Australia or the United Kingdom;</p> <p>(g) arising from changes in political, economic or business conditions that impact on GBST and its competitors in a similar manner; or</p> <p>(h) that GBST has Fairly Disclosed in an announcement made by GBST to ASX in the 12 month period prior to 24 July 2019 or a publicly available document lodged by it with ASIC in the 12 month period prior to 24 July 2019.</p> <p>When calculating whether a Specified Event has had or would be considered reasonably likely to have the effect of a "diminution" in EBITDA against the Budgeted EBITDA, any amount of revenue that was forecast to be accounted for during the financial year ending 30 June 2020 that is, at the time of the Specified Event, no longer expected to be accounted for during that financial year as a result of delays in securing arrangements with customers that were reasonably expected to be secured in that period, and that is expected to be accounted for in a future period, will be disregarded.</p>
GBST Options	The GBST Options (FY19 CEPOs) and the GBST Options (FY20 CEPOs).
GBST Options (FY19 CEPOs)	The CEPOs issued under the LTIP – CEPOs in respect of FY19, as set out in section 8.12.
GBST Options (FY20 CEPOs)	The CEPOs issued under the LTIP – CEPOs in respect of FY20, as set out in section 8.12.
GBST Performance Rights	The performance rights issued under the LTIP – Performance Rights.
GBST Prescribed Occurrence	<p>Other than as:</p> <p>(a) required or permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;</p> <p>(b) Fairly Disclosed in the Disclosure Materials;</p> <p>(c) agreed to in writing by FNZ; or</p> <p>(d) Fairly Disclosed by GBST in an announcement made by GBST to ASX in the 12 month period prior to 24 July 2019, or a publicly available document lodged by it with ASIC in the 12 month period prior to 24 July 2019,</p> <p>the occurrence of any of the following:</p> <p>(e) GBST converting all or any of its shares into a larger or smaller number of shares;</p> <p>(f) a member of the GBST Group resolving to reduce its share capital in any way;</p> <p>(g) a member of the GBST Group:</p> <p>(i) entering into a buy-back agreement; or</p> <p>(ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;</p>

Term	Meaning
	<p>(h) a member of the GBST Group issuing or agreeing to issue shares or securities convertible into shares other than an issue of shares pursuant to the conversion of (or in satisfaction of) a GBST Option or GBST Performance Right under the LTIP (as defined in the Scheme Implementation Deed) in accordance with clause 4.6 of the Scheme Implementation Deed;</p> <p>(i) a member of the GBST Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(j) a member of the GBST Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property; or</p> <p>(k) an Insolvency Event occurs in relation to a member of the GBST Group.</p>
GBST Regulated Event	<p>Other than as:</p> <p>(a) required or permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;</p> <p>(b) Fairly Disclosed in the Disclosure Materials;</p> <p>(c) agreed to in writing by FNZ; or</p> <p>(d) Fairly Disclosed by GBST in an announcement made by GBST to ASX in the 12 month period prior to 24 July 2019, or a publicly available document lodged by it with ASIC in the 12 month period prior to 24 July 2019,</p> <p>the occurrence of any of the following:</p> <p>(e) a GBST Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</p> <p>(f) a GBST Group Member acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset or business, or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in:</p> <p style="padding-left: 40px;">(i) the manner in which the GBST Group conducts its business;</p> <p style="padding-left: 40px;">(ii) the nature (including balance sheet classification), extent or value of the assets of the GBST Group; or</p> <p style="padding-left: 40px;">(iii) the nature (including balance sheet classification), extent or value of the liabilities of the GBST Group;</p> <p>(g) FNZ becoming aware that a GBST Group Member has not complied in all material respects with all Australian and foreign laws and regulations applicable to it and orders of Australian and foreign Government Agencies having jurisdiction over it or that it does not have all material licenses, authorisations and permits necessary for it to conduct the business of the GBST Group as conducted as at the date of the Scheme Implementation Deed;</p> <p>(h) GBST announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie) other than the Special Dividend;</p> <p>(i) GBST amending the terms of the LTIP – Cash, LTIP – CEPOs or LTIP – Performance Rights;</p>

Term	Meaning
	<p>(j) a member of the GBST Group making any change to its constitution;</p> <p>(k) a member of the GBST Group commencing business activities not already carried out as at 24 July 2019, whether by way of acquisition or otherwise;</p> <p>(l) a member of the GBST Group:</p> <ul style="list-style-type: none"> (i) acquiring, leasing or disposing of; (ii) agreeing, offering or proposing to acquire, lease or dispose of; or (iii) announcing or proposing a bid, or tendering, for, any business, assets, entity or undertaking, the value of which exceeds \$1.5 million (individually or in aggregate), other than any action that is taken by a member of the GBST Group in the ordinary course of business; <p>(m) a member of the GBST Group entering into a contract or commitment restraining a member of the GBST Group from competing with any person or conducting activities in any market;</p> <p>(n) a member of the GBST Group:</p> <ul style="list-style-type: none"> (i) extending, renewing or entering into any contract or commitment (including in respect of Financial Indebtedness) either requiring payments by the GBST Group or generating revenue for the GBST Group in excess of \$1.5 million (individually or in aggregate) other than any payment required by law other than any action that is taken by a member of the GBST Group in the ordinary course of the GBST Group's business (including, without limitation, any capitalisation of software or renewal of property leases undertaken in the ordinary course of the GBST Group's business); (ii) (without limiting the foregoing) agreeing to incur or incurring capital expenditure (which does not include capitalisation of software by a member of the GBST Group) of more than \$1.5 million (individually or in aggregate); (iii) waiving any material third party default where the financial impact on the GBST Group will be in excess of \$1.5 million (individually or in aggregate); or (iv) accepting as a compromise of a matter less than the full compensation due to a member of the GBST Group where the financial impact of the compromise on the GBST Group is more than \$1.5 million (individually or in aggregate); <p>(o) a member of the GBST Group providing financial accommodation other than to members of the GBST Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$1.5 million (individually or in aggregate);</p> <p>(p) a member of the GBST Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;</p>

Term	Meaning
	<p>(q) a member of the GBST Group entering into, or resolving to enter into, a transaction with any related party of GBST (other than a related party which is a member of the GBST Group), as defined in section 228 of the Corporations Act;</p> <p>(r) a member of the GBST Group entering into or materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above;</p> <p>(s) a member of the GBST Group paying any of its officers, directors, other executives or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on 24 July 2019 and which have been provided to FNZ within ten days from the date of the Scheme Implementation Deed;</p> <p>(t) a member of the GBST Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on 24 July 2019 and which have been provided to FNZ within ten days from the date of the Scheme Implementation Deed;</p> <p>(u) a member of the GBST Group amending in any material respect any arrangements with its Financial Adviser or other advisers or entering into arrangements with a new Financial Adviser or other advisers, in respect of the Transaction or a Competing Proposal;</p> <p>(v) a member of the GBST Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards;</p> <p>(w) a member of the GBST Group doing anything that would result in a change in the consolidated group of which GBST is the head company (where 'consolidated group' and 'head company' have the same meaning as in the <i>Income Tax Assessment Act 1997</i> (Cth)); or</p> <p>(x) notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the GBST Group which could reasonably be expected to give rise to a liability for the GBST Group in excess of \$1.2 million (Material Proceedings) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the GBST Group.</p> <p>However, a matter will not be taken to be a GBST Regulated Event if:</p> <p>(y) restricting that matter under the Scheme Implementation Deed would breach any competition law;</p> <p>(z) the general counsel of each of FNZ and GBST have conferred to agree and implement protocols reasonably acceptable to FNZ and GBST to address the relevant matter in a manner consistent with applicable competition laws; and</p> <p>(aa) those protocols have been complied with by GBST.</p>

Term	Meaning
GBST Share or Share	A fully paid ordinary share in the capital of GBST.
GBST Share Register	The register of members of GBST maintained by or on behalf of GBST in accordance with section 168(1) of the Corporations Act.
GBST Share Registry or Link	Link Market Services Limited (ACN 083 214 537).
GBST Shareholder or Shareholder	A person who is registered in the GBST Share Register as a holder of GBST Shares from time to time.
Government Agency	Any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Grant Thornton	Grant Thornton Australia Limited ABN 41 127 556 389 and its Subsidiaries and Related Bodies Corporate.
GST	Goods and services tax.
HPS	Has the meaning given to that term in section 5.5(a).
Implementation Date	The seventh Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as GBST and FNZ may agree in writing.
Independent Expert	Grant Thornton.
Independent Expert's Report	The report prepared by the Independent Expert dated 10 September 2019 set out in Annexure A.
Insolvency Event	<p>In relation to an entity:</p> <ul style="list-style-type: none"> (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity; (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; (c) the entity executing a deed of company arrangement; (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at 24 July 2019; (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or (f) the entity being deregistered as a company or otherwise dissolved.
LTIP – Cash	Has the meaning given to that term in section 8.5(b).
LTIP – CEPOs	The CEPO incentive plan rules of GBST titled 'GBST Holdings Limited Option Plan Rules'.
LTIP – Performance Rights	The long term equity incentive plan of GBST governed by the GBST Performance Rights and Option Plan Rules dated 26 October 2012, as amended on 16 September 2015.
Notice of Scheme Meeting	The notice of meeting relating to the Scheme Meeting which is contained in Annexure D.
Operating EBITDA	The reported EBITDA before capitalised or expenses Strategic R&D.
R&D	Research and development.

Term	Meaning
Related Bodies Corporate	Has the meaning set out in section 50 of the Corporations Act.
Related Person	<p>In respect of FNZ or GBST or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that FNZ or GBST or Related Body Corporate.</p> <p>In respect of a Financial Adviser, each director, officer, employee or contractor of that Financial Adviser.</p>
Relevant Interest	Has the meaning given in sections 608 and 609 of the Corporations Act.
RSM	RSM Australia Pty Ltd (ACN 009 321 377).
Scheme or Scheme of Arrangement	The scheme of arrangement under Part 5.1 of the Corporations Act between GBST and the Scheme Shareholders, the form of which is attached as Annexure B, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by FNZ and GBST.
Scheme Booklet	This document.
Scheme Consideration	For each GBST Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of \$3.85 less the amount of the Special Dividend (if declared). ²⁸
Scheme Consideration Deposit Date	The date on which, in accordance with the requirements of the Deed Poll, the total amount of the Scheme Consideration payable by FNZ Sub to all Scheme Shareholders under the Scheme must be deposited into a trust account operated by GBST as trustee for the Scheme Shareholders.
Scheme Implementation Deed	The Scheme Implementation Deed between GBST and FNZ dated 26 July 2019. A summary is set out in section 8.10 and a full copy of which is attached to GBST's ASX announcement on 29 July 2019, which can be obtained from www.asx.com.au or from GBST's website at https://www.gbst.com/investor-relations/reports .
Scheme Meeting	The meeting of GBST Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Meeting Proxy Form	The proxy form for the Scheme Meeting which accompanies this Scheme Booklet.
Scheme Record Date	7.00pm on the fifth Business Day after the Effective Date.
Scheme Resolution	A resolution of GBST Shareholders to approve the Scheme, the form of which is set out in the Notice of Scheme Meeting in Annexure D.
Scheme Shareholder	A holder of GBST Shares recorded in the GBST Share Register as at the Scheme Record Date.
Scheme Shares	The GBST Shares on issue as at the Scheme Record Date.
Second Court Date	The first day of the hearing of an application made to the Court by GBST for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, the first day of the adjourned hearing.
Second Court Hearing	The hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Security Interest	Has the meaning given in section 51A of the Corporations Act.

²⁸ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

Term	Meaning
Shareholder Information Line	1300 217 429 from within Australia and +61 2 8022 7919 from outside Australia.
Special Dividend	A fully franked dividend of a maximum of \$0.35 per GBST Share which the GBST Board will determine whether to declare and pay and which, if declared, subject to the Scheme becoming Effective, will be paid to GBST Shareholders on the Implementation Date. The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.
Special Dividend Record Date	As specified in the 'Indicative key dates' section of this Scheme Booklet.
STI	A cash payment made under the STIP.
STIP	The short term cash incentive plan of GBST governed by the rules of the GBST Holdings Limited short term incentive plan FY20.
Strategic R&D	Research and development expenditure for strategic product and technology investments which form part of GBST's long-term product roadmap. To the extent that all of the accounting criteria are met, expenditure is capitalised as internally generated software systems.
Subsidiary	Has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	<p>A bona fide Competing Proposal in the form of an offer or agreement that is capable of being implemented as a binding proposal (whether or not subject to conditions):</p> <p>(a) of the kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal; and</p> <p>(b) not resulting from a breach by GBST of any of its obligations under clause 11 of the Scheme Implementation Deed (it being understood that any actions by each of GBST's Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate not permitted by clause 11 will be deemed to be a breach by GBST for the purposes hereof),</p> <p>that the GBST Board, acting in good faith, and after receiving written legal advice from its external legal advisers and written financial advice from its Financial Adviser, determines:</p> <p>(c) is reasonably capable of being valued and completed in a timely fashion; and</p> <p>(d) would, if completed substantially in accordance with its terms, be more favourable to GBST Shareholders (as a whole) than the Transaction (as completed) (as the Transaction may be amended or varied following application of the regime set out in clause 11.5 of the Scheme Implementation Deed),</p> <p>in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Competing Proposal being completed).</p>
Term Loan B Facility	Has the meaning given to that term in section 5.5(a).
Term Loan B Facility Lenders	Has the meaning given to that term in section 5.5(a).
Third Party	A person other than FNZ, its Related Bodies Corporate and its other Associates.

Term	Meaning
Total Cash Consideration	The total cash consideration of \$3.85 per GBST Share if the Scheme becomes Effective (comprising the amount of any Special Dividend declared by the GBST Board (up to a maximum of \$0.35 cash per GBST Share) ²⁹ and Scheme Consideration of \$3.85 less the amount of any Special Dividend per GBST Share (if declared)).
Transaction	The acquisition of the Scheme Shares by FNZ Sub through implementation of the Scheme.
Treasurer	The Treasurer of the Commonwealth of Australia.
Trustee	The trustee, from time to time, of the GBST Employee Share Scheme Trust.

9.2 Interpretation

In this Scheme Booklet:

- (a) words of any gender include all genders;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (d) a reference to a section or Annexure is a reference to a section or Annexure of this Scheme Booklet, as relevant;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (f) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (g) a reference to time is a reference to Sydney, Australia time unless otherwise specified;
- (h) a reference to dollars, A\$ and \$ is to Australian currency;
- (i) a reference to £ is to the currency of the United Kingdom;
- (j) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- (k) the words 'include', 'including', 'for example' or 'such as' when introducing an example do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

²⁹ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time. See section 3.2 for more details.

Annexure A – Independent Expert's Report

GBST Holdings Limited

Independent Expert's Report and Financial Services Guide

10 September 2019



The Directors
GBST Holdings Limited
Level 4, 410 Ann Street
Brisbane QLD 4000

10 September 2019

Grant Thornton Corporate Finance Pty Ltd
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Dear Directors

Introduction

GBST Holdings Limited ("GBST" or "the Company") is a specialist financial technology company which provides administration and transaction processing software for retail wealth management organisations and global and regional investments banks. GBST had a market capitalisation of circa A\$261 million¹ as at 19 August 2019.

The FNZ Group ("FNZ") is a global technology and administration services firm partnering with major financial institutions to enable them to provide wealth management services to their clients across, direct, intermediated, institutional and workplace channels. The FNZ Group is responsible for over \$700 billion in assets under administration held by approximately 8.7 million customers of some of the world's largest financial institutions

On 12 April 2019, GBST announced that it had received a non-binding indicative and conditional proposal ("Initial Proposal") from Bravura Solutions Limited ("Bravura") to acquire all of the shares in GBST by way of scheme of arrangement for a cash price of A\$2.50 per share. In the period between the Initial Proposal and 29 July 2019, GBST received a number of additional non-binding indicative and conditional proposals ("Other Proposals") from FNZ, Bravura and SS&C Technologies, Inc. ("SSC") to purchase all the issued capital of GBST. The Other Proposals are discussed in detail in section 1 of this Independent Expert's Report ("IER").

On 29 July 2019, the Company announced that it had entered into a binding Scheme Implementation Deed ("SID") with Kiwi Holdco CayCo, Ltd as the group holding company of FNZ², under which it is agreed that a wholly-owned subsidiary of FNZ will acquire 100% of the equity share capital of GBST ("GBST Shares") by way of a scheme of arrangement ("Scheme") for a cash consideration of A\$3.85 per GBST Share ("Scheme Consideration").

Under the terms of the SID, GBST is permitted to pay a fully franked special dividend ("Special Dividend") of up to A\$0.35 per share prior to the implementation of the Scheme. If the Special

¹ Based on a closing share price of A\$3.840 per share and 67.9 million shares on issue.

² For the remainder of this IER, we refer to Kiwi Holdco CayCo, Ltd as FNZ.



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Divided of up A\$0.35 per share³ is paid, GBST Shareholders will receive total cash consideration ("Total Cash Consideration") as outlined below:

- A fully franked special dividend of up to A\$0.35 per GBST Share held as at the Special Dividend Record Date⁴ that may be declared and paid by GBST on or before the date the Scheme is implemented⁵.
- Scheme Consideration of A\$3.85 for each GBST Share held as at the Scheme Record Date less the amount of any Special Dividend. Subject to assessing GBST's cash position and available funding, the Board of Directors ("GBST Board" or "Directors") may declare a fully franked Special Dividend of up to 35 cents per GBST Share which, subject to the Scheme becoming effective, if declared is expected to be paid on 5 November 2019. The Total Cash Consideration payable to GBST shareholders ("GBST Shareholders") will be A\$3.85 per GBST Share regardless of the amount of any Special Dividend that is declared⁶ as any Special Dividend will reduce the amount payable by FNZ under the Scheme. We note that those GBST Shareholders who are able to realise the full benefit of the franking credits attached to the Special Dividend will receive additional value of up to 15 cents per GBST Share⁷ (provided a favourable Class Ruling on the Special Dividend is obtained from the ATO). It remains at the discretion of the GBST Board whether the Special Dividend⁸ is ultimately declared and paid.

The Scheme is subject to customary conditions precedent as set out in Section 1 of this Independent Expert's Report ("IER") including approval by GBST Shareholders, approval by the Court and receipt of Foreign Investment Review Board ("FIRB") approval.

The SID contains customary exclusivity provisions including no shop, no talk restrictions (subject to an exception in respect of the GBST Directors' fiduciary obligations) notification obligations, and a matching right for FNZ in case the Directors receive a superior proposal. The SID also details circumstances under which GBST may be required to pay FNZ a break-fee of A\$2.7 million (refer to Section 1 for more details).

Subject to no superior proposal emerging and an independent expert concluding and continuing to conclude that the Scheme is in the best interests of GBST Shareholders, the Directors have unanimously recommended that GBST Shareholders vote in favour of the Scheme and GBST has advised that, subject to the same qualifications, all Directors intend to vote, or procure the voting of, all GBST Shares held or controlled by them in favour of the Scheme.

³ We note that the Directors have the discretion to pay a Special Dividend of up to A\$0.35 and accordingly, the actual amount of the Special Dividend may differ from A\$0.35 per share. The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.

⁴ Expected to be 23 October 2019

⁵ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.

⁶ IBID

⁷ Assuming a Special Dividend of 35 cents per share. The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.

⁸ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.



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Purpose of the report

Whilst there is no legal requirement for the preparation of the IER in conjunction with the Scheme, the Directors of GBST have commissioned this IER to assist GBST Shareholders in assessing the merits of the Scheme.

When preparing this IER, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of GBST Shareholders.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Scheme is fair and reasonable to GBST Shareholders and, as part of that consideration, had regard to other quantitative and qualitative considerations.

Fairness Assessment

Grant Thornton Corporate Finance has compared the value per GBST Share before the Scheme on a control basis with the Total Cash Consideration of A\$3.85 per GBST Share.

We note that if GBST decides to pay the Special Dividend, the Total Cash Consideration of A\$3.85 per GBST Share will be reduced on a A\$ for A\$ basis as regulated in the SID. Given that the Board is yet to make a final decision on the Special Dividend, we have assessed the fairness of the Scheme assuming no Special Dividend payment. However, the outcome for GBST Shareholders and our opinion will not change if the Board of GBST decides to pay before implementation of the Scheme the Special Dividend.

We note that in our valuation assessment, we have not grossed up the value of the Total Cash Consideration for the potential value of the franking credits attached to the Special Dividend nor have we considered in our valuation assessment of GBST the value of the accumulated franking credits.

In our opinion, the benefit of the franking credits does not accrue to GBST directly, rather they are valuable under certain circumstances to Australian resident shareholders who can claim an income tax offset. We have considered the potential value of the franking credits attached to the Special Dividend in our reasonableness assessment.

The following table summarises our fairness assessment:

Fairness assessment	Section	Low	High
A\$ per share	Reference		
Fair market value of GBST Shares on a control basis	6.1	3.06	3.50
Total Cash Consideration	1	3.85	3.85
Premium/(discount)		0.79	0.35
Premium/(discount) (%)		25.8%	9.9%
FAIRNESS ASSESSMENT		FAIR	

Source: GTCF analysis.

The Total Cash Consideration is in excess of our assessed valuation range of a GBST Share on a control basis. Accordingly, we conclude that the Scheme is **FAIR** to GBST Shareholders.

GBST Shareholders should be aware that our assessment of the value per GBST Share should not be considered to reflect the price at which GBST Shares will trade if the Scheme is not implemented. The price at which GBST Shares will ultimately trade depends on a range of factors, including: the liquidity of GBST Shares, macro-economic conditions, interest rates and the performance of GBST's business.

We have assessed the fair market value of GBST shares on a control basis adopting the EBITDA⁹ Multiple Method and we have cross checked our assessment based on the Quoted Security Price and a Desktop DCF Method.

EBITDA Multiple Method

We have selected an operating EBITDA before research and development ("R&D") expenses ("Operating EBITDA") and before adoption of AASB15¹⁰ between A\$19 million and A\$20 million for the purpose of our valuation assessment based on the FY19 financial performance of GBST.

For the purpose of assessing an appropriate EBITDA Multiple range to value GBST, we have had regard to the multiples implied by comparable transactions¹¹. The comparable transactions multiples are before the adoption of AASB15 and where possible we have normalised the EBITDA to exclude R&D expenses in order to preserve the required consistency with GBST, however the information required was not always available¹².

⁹ Earnings before interest, tax, depreciation and amortisation

¹⁰ Australian Accounting Standards Board 15 – Revenue from Contracts with Customers ("AASB15"). The FY19 financial statements of GBST have been prepared in accordance with the new accounting standard with the net impact being an increase in EBITDA of circa A\$0.9 million.

¹¹ We have also undertaken a high level cross check based on the trading multiples of listed companies. However, we note that given the lack of particularly comparable listed companies, we have mainly relied on the transaction multiples and we have adopted the listed peers to confirm the directional evidence of the selected multiple.

¹² For those transactions where the information of R&D expenses were not available, we have assumed that R&D expenses are capitalised. If a component of the R&D was instead expensed, they should be added back to the EBITDA which would decrease the EBITDA multiple.

Below is a summary of the EBITDA Multiple Method.

FME Method - valuation summary	Section		
AS '000 (except where stated otherwise)	Reference	Low	High
FY19 Operating EBITDA before R&D	6.1.1	19,000	20,000
EBITDA Multiple (on a control basis)	6.1.2	10.0x	11.0x
Enterprise value (control basis)		190,000	220,000
Add: Net cash as at 30 June 2019	4.3.2	17,889	17,889
Equity value (control basis)		207,889	237,889
Number of outstanding shares ('000s) ⁽¹⁾	4.4	67,913	67,913
Value per share (control basis) (A\$ per Share)		3.06	3.50

Sources: S&P Global, Management, GTCF analysis

Note 1 - Number of outstanding shares excludes the shares to be issued for the Performance Rights and the Options as the dilution is already incorporated in the prices used for the multiples of comparable transactions and listed peers. This is based on the assumptions that the incentive structure of GBST (Performance Rights and Options) is consistent with the peers group which we are of the opinion it is a reasonable assumption.

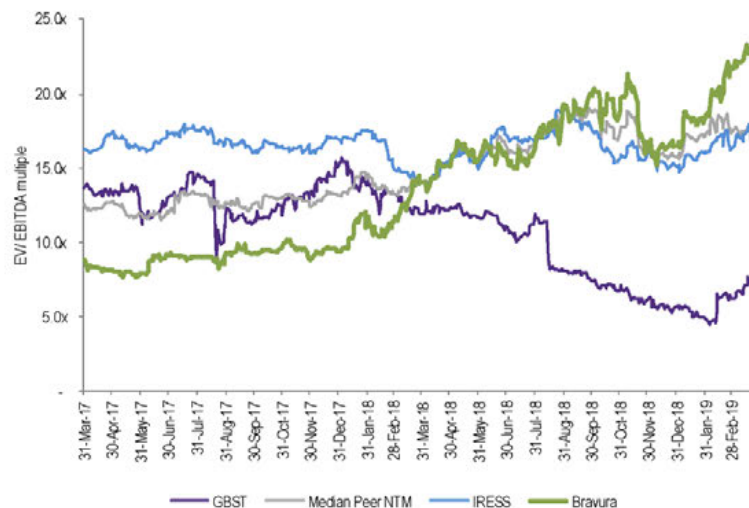
Our valuation assessment based on the Desktop DCF Method is consistent with the EBITDA Multiple Method as set out above. Refer to Section 6.2 for details.

Quoted Security Price Method

As part of our valuation procedures based on the trading price, we have analysed the performance of GBST's share price over the last three years. During this period, the daily close trading prices of GBST have ranged between a maximum of A\$4.38 on 23 September 2016 and a minimum of A\$1.22 on 5 February 2019 recovering to around A\$1.98 per share before the announcement of the Initial Proposal. In section 6.3, we have analysed the trading prices in detail, however we briefly note here that the reduction in the trading prices of GBST over the period was mainly due to the following:

- *Underperformance and profit downgrades* – Over the years, GBST issued a number of profit downgrades which have adversely affected the financial performance of the business and as a result the EBITDA Multiple of GBST has shifted from the EBITDA multiple of a growing fin-tech stock (low to mid double digits) to the EBITDA multiple of a more mature business with downside risks as evident from the graph below where the rolling next twelve months ("NTM") EBITDA multiple of GBST is compared with selected listed peers.

Rolling NTM trading EBITDA multiple



Source: Capital IQ & GTCF analysis

Note(1): Peer index comprises IRESS Limited, Bravura, Linedata Services, and Praemium Limited.

- **Major investment in software platforms required** – In August 2017, the Company announced a major investment in strategic R&D of up to A\$50 million to undertake major upgrades of the existing platforms in order to transition them into the digital and cloud eras. There are significant risks attached to a major revamping of the software platforms in terms of possible delays, costs overruns and loss of clients.
- **Abrupt change of Management** – Whilst the Management Team has stabilised now, over the recent years, the Company experienced a number of abrupt Management and Director changes which may have adversely affected market trust and contributed to further depressing the share price.

Our valuation assessment of GBST on a control basis implies a premium for control between 61% and 75% compared with the trading prices¹³ before the Initial Proposal. Also, the Scheme Consideration is at a premium between 93% and 103% over the same. Both premium for control ranges are significantly in excess of the average control premium range paid in the Australian market between 20% and 40%. We are of the opinion that this is due to the following:

- **Special value** – The acquisition of GBST will significantly strengthen FNZ's market presence in Australia and the UK's platform market¹⁴. We understand that FNZ currently provides the platform software used by many wraps platforms including Standard Life, Aviva, Embark, and Zurich, while GBST provides technology for Aegon, AJ Bell and Novia. The acquisition of GBST may incorporate some special value for FNZ because it can materially increase its market share

¹³ Assessed between A\$1.90 and A\$2.00 per GBST Shares.

¹⁴ A wealth management platform or wrap platform is a software system designed to help retail investors to track their investment portfolios and research new investments. A platform or wrap platform account combines all listed securities, managed funds, shares, insurance and superannuation into one account, eliminating some of the administrative burden and paperwork that usually comes with managing a number of individual investments separately.



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and defend its competitive market positioning from the entrance of SSC and/or consolidation of Bravura's market share¹⁵. It also provides FNZ the opportunity to extend its business process outsourcing ("BPO") offering to GBST clients in all markets on the GBST technology platform Syn, Composer and Shares.

- *Competitive sale price* – The Scheme Consideration is the outcome of a competitive process with three strategic buyers bidding over each other several times. Under these circumstances, it is reasonable to assume that potential purchasers are required to pay away a larger proportion, if not all, of their synergies and cost savings that they are able to realise from the transaction.
- *Share price depressed* – We are of the opinion that the timing of the Initial Proposal was opportunistic as the share price of GBST was depressed due to the risks in relation to the successful implementation of the strategic R&D program, the risk of cost overruns and the challenges faced in the historical financial performance up to 31 December 2018. We note that GBST upgraded the EBITDA guidance on 4 June 2019 which was after the Initial Proposal. In the absence of the Initial Proposal and of the Other Proposals, including the Scheme, all other things being the same, the trading prices of GBST would have increased from the levels GBST was trading before the Initial Proposal to reflect the upgraded guidance and the win of the Canada Life contract announced at same time. The latter was a significant milestone and it would have been a material price catalysts for the stock given that it represents an endorsement of the progress made on the Composer Platform¹⁶ with the Evolve¹⁷ programme.

Reasonableness Assessment

In considering the reasonableness of the Scheme, we have assessed the following advantages, disadvantages and other factors.

Advantages

Premium for control

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access cash flows, access tax benefits and control of the board of Directors of the company.

The Total Cash Consideration of A\$3.85 per GBST share represents a premium of:

- 94.9% to the undisturbed closing price of GBST up to and including 11 April 2019, being the last close price prior to the Initial Proposal.
- 96.8% to the 1 week VWAP of GBST shares up to and including 11 April 2019.
- 99.0% to the 1 month VWAP of GBST shares up to and including 11 April 2019.

¹⁵ SSC and Bravura are the other parties that submitted Other Proposals to GBST as disclosed in section 1.

¹⁶ Composer is GBST's flagship product in the Wealth Management Division. It provides integrated solutions on registry, pension administration, risk management and debt to the Australian and UK institutions.

¹⁷ This investment will upgrade the Composer platform using most update technology which allows for cloud hosting. As at 30 June 2019, this project was 34% completed.



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- 141.8% to the 3 month VWAP of GBST shares up to and including 11 April 2019.

This premium for control is unlikely to be available to GBST Shareholders in the absence of the Scheme or a superior proposal.

Certainty of the cash consideration

GBST Shareholders have the opportunity to receive a certain cash amount at a significant premium to the trading price of GBST before the announcement of the Scheme and at a premium to the price that GBST shares may trade in the absence of the Scheme or an alternative transaction.

If the Scheme is implemented, GBST Shareholders will no longer be exposed to the ongoing risks associated with holding an investment in GBST which are summarised below in a non-exhaustive manner:

- The business is currently undergoing strategic R&D investment to redevelop the Composer platform by allowing it to be cloud based ("Project Evolve"), develop the Catalyst platform ("Project Catalyst"), as well as ongoing investment into Syn¹⁸ to maintain its competitive advantage. The total strategic R&D investment was estimated at A\$50 million in August 2017. The Company announced in conjunction with the FY19 results that Project Catalyst is now completed and Project E-Volve is 34% completed. There are significant risks attached to a major revamping of the software platforms in terms of possible delays, substantial increase in costs and loss of clients. We note that it took Bravura circa 10 years to develop the Sonata platform¹⁹ at a cost of circa A\$100 million.
- The revenue from the Capital Markets Division is highly concentrated, with the top 20 customers accounting for approximately 92% of divisional revenue and the top 10 customers for 72%. Similarly, the Top 10 customers of the Wealth Management Division generate 85% of the revenue. The financial performance of the business has been adversely affected in the past by the loss of large clients which may bring significant volatility to the operations.
- The Company has significant exposure to the GBP/AUD exchange rate which can materially impact financial results. Whilst we acknowledge that a natural hedge exists, GBST does not actively hedge for currency risk. The British Pound may experience volatility going forward given the uncertainty in relation to the growth in the global economy, recent weak GDP growth data for the UK, the trade wars between China and the US and the risks attached to Brexit. A weakness in the British Pound will depress the financial performance of GBST, all other things remaining the same.

¹⁸ Syn[™] is the flagship platform used in the Capital Markets Division. Syn[™] is a transaction processing platform for post-trade of equities, derivatives, fixed income and managed funds transactions across multiple geographies able to ensure multi-country clearing from a single platform which provides great flexibility to banks and brokers.

¹⁹ Bravura's flagship product for Wealth Management which competes with Composer.

Franking credits attached to the Special Dividend

If any Special Dividend is declared²⁰, those GBST Shareholders who are entitled to the Special Dividend may be entitled to a franking credit of up to approximately A\$0.15 per GBST Share. The Special Dividend component of up to A\$0.35 of the Total Cash Consideration, if declared, is expected to be fully franked. Under the current tax regime, Australian resident shareholders on a lower tax rate can claim an income tax offset and accordingly realise greater value compared with the Total Cash Consideration. These GBST Shareholders are likely to be better off on a post-tax basis if the Special Dividend is paid compared with the scenario that 100% of the Total Cash Consideration is paid as capital gain (nil Special Dividend). The following table summarises the after-tax cash amount from the Special Dividend that certain GBST Shareholders could realise depending on their tax position.

Special Dividend - franking credits benefit	Australian resident			Corporate
	45%	30%	0%	
A\$	Marginal rate	Marginal rate	Tax rate	
Special Dividend ¹	0.35	0.35	0.35	0.35
Franking credits	0.15	0.15	0.15	0.15
Gross taxable income	0.50	0.50	0.50	0.50
Tax payable ²	(0.23)	(0.15)	0.00	(0.15)
Tax credit	0.15	0.15	0.15	0.15
Net after tax Special Dividend	0.28	0.35	0.50	0.35

Source: GTCF analysis

Notes: (1) For the purpose of this calculation the Special Dividend has been assumed at 35 cents per share but GBST can elect to pay a different amount up to 35 cents per share; (2) Ignores Medicare levy and other surcharges.

As outlined in the table above, Australian resident shareholders on lower tax rates will be able to obtain a tax credit and realise greater value from the Scheme Consideration.

Volatile market conditions

Market conditions on the global financial markets are volatile and subject to considerable uncertainties due to the following, among other things:

- **Trade war** – The trade war between the US and China began circa 18 months ago and has exacerbated in recent times. As a result, the US has put import tariffs on US\$250 billion worth of Chinese goods and it has threatened tariffs on an additional US\$325 billion. As a countermeasure, China has imposed tariffs on US\$110 billion worth of US goods and Chinese companies have suspended purchasing US agricultural products. The trade war is affecting those economies which have a greater reliance on export. China recently reported the worst manufacturing output in 17 years and Germany indicated that the economy shrank by 0.1% in the second quarter of the year.
- **Inverted yield curve and possible US recession** – On 14 August 2019, the US 10 year bond yield fell below the level of the US two year bond yield (i.e. inversion in the yield curve) which has caused significant uncertainty in the global markets as an inverted yield curve has been associated in the past with a looming US recession. We note that the inversion in the yield curve first occurred a few months ago, but recently became more pronounced. On 14 August 2019,

²⁰ The amount of any Special Dividend, if declared, will be determined by the GBST Board on the basis of the GBST Board's assessment of GBST's cash position and available funding at the relevant time.



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the 3-month US Treasury Bond was paying nearly 0.4% more than the 10 year US Treasury Bond. The inverted yield curve indicates that investors are concerned about the short-term outlook and they are prepared to accept a lower return to buy safer long-term investments. The inversion in the yield curve is considered an alarming signal by investors given that the yield curve inverted before every US recession since 1955 although sometimes the time-lag between the inversion and the actual recession was longer than others.

- *Brexit* – In the UK, GDP growth increased by only 0.2% in the second quarter of 2019 and substantial uncertainties in relation to outcome of Brexit. With substantial uncertainties around the terms of the UK's exit from the European Union, the country is expected to potentially fall into recession.

No brokerage costs

If the Scheme is implemented, GBST Shareholders will be able to realise their investment in GBST without incurring any brokerage or stamp duty costs.

Disadvantages

Shareholders will not be able to participate in the future upside of GBST

If the Scheme is implemented, GBST Shareholders will forego the opportunity to participate in the future upside potential of the Company in relation to the following:

- The UK advised platform market is expected to continue to provide re-platforming and outsourcing opportunities as a sizeable portion of the investment industry is run on mature technology requiring upgrade in order to remain relevant and be able to provide integrated innovative infrastructure into their technology stack.
- In FY19, GBST secured the first foundation client for the TaxIntell platform²¹ which is expected to make positive contribution to future growth.
- The CHES replacement²², which is expected to go live in the first half of 2021, may deliver new projects with a strong pipeline of opportunities.

Notwithstanding the above, we are of the opinion that in the absence of the Scheme or alternative transactions, it is unlikely that GBST will trade above the Scheme Consideration at least in the short term.

²¹ New digital platform for custodians, clients and tax advisers to collate and validate data from multiple sources.

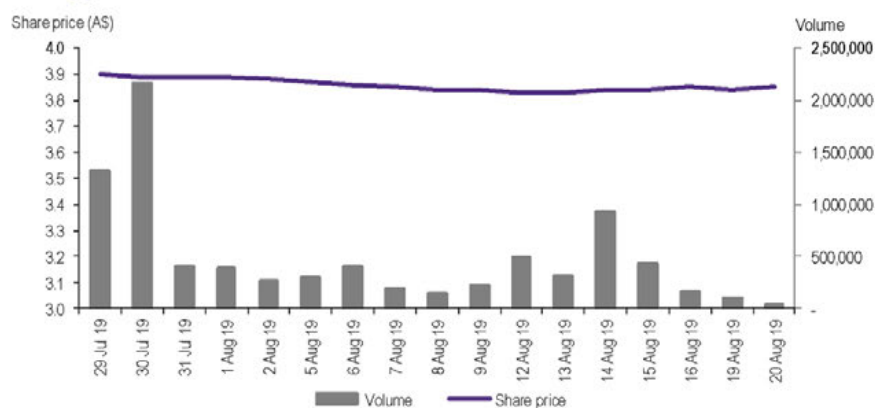
²² Clearing House Electronic Sub-register System (CHES) is the ASX's core system that performs the processes of clearing, settlement, asset registration, and some other post trade services which are critical to the orderly functioning of the Australian stock market.

Other factors

Share price after the announcement

As set out below, following the announcement of the Scheme, GBST has traded substantially in line with the Total Cash Consideration which seems to indicate good support from investors for the Total Cash Consideration²³ and perceived low risk of the Scheme not being implemented.

Trading price after the announcement date



Sources: S&P Global, GTCF analysis.

Value of GBST for FNZ

If the Scheme is implemented, GBST will apply to be delisted from the ASX and, assuming delisting occurs, FNZ will realise cost savings on listing fees, ASX compliance costs and Directors' fees.

As discussed in our fairness assessment, we are of the opinion that the price paid may include some special value for FNZ given that as a result of the acquisition it can materially increase its market share and defend its competitive market positioning from the entrance of SSC and/or consolidation of Bravura's market share.

Prospects of a superior offer

The Scheme is the outcome of an extremely competitive process. Whilst GBST has agreed not to solicit any competing proposals or, subject to a fiduciary exception, to participate in discussions or negotiations in relation to any competing proposals, there are no material impediments to an alternative proposal being submitted by potentially interested parties. The transaction process may act as a catalyst for other interested parties and it will provide significant additional information in the Scheme Booklet and Independent Expert's Report to enable such potential acquirers to assess the merits of potential alternative transactions. If a superior proposal emerges before GBST Shareholders cast their vote on the Scheme, the Scheme meeting may be adjourned or GBST Shareholders may vote against it.

²³ The structure of the Total Cash Consideration with a Special Dividend of up to 35 cents per share is attractive to those Australian shareholders on a lower tax rate who can claim an income tax offset, and accordingly realise greater value compared with the Total Cash Consideration.



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Implications if the Scheme is not implemented

If the Scheme is not implemented, it would be the current Directors' intention to continue operating GBST as a stand-alone entity listed on the ASX in line with its stated strategy and objectives. However, in the absence of the Scheme or an alternative transaction, all other things being equal, it is likely that GBST shares will trade at prices below the Total Cash Consideration, at least in the short-term. In our opinion, the prospect of GBST shares trading above the Total Cash Consideration in the short term, based on the current market conditions, is limited.

Break fee

In the event that a competing superior proposal is announced and completed or the Directors withdraw their recommendation of the Scheme, GBST will pay, subject to certain exceptions, to FNZ a break fee of A\$2.7 million. The break fee may also become payable under other circumstances as set out in the SID.

Tax implications

Implementation of the Scheme may crystallise a capital gains tax liability for GBST Shareholders, however the taxation consequences for GBST Shareholders will vary according to their individual circumstances and will be impacted by various factors. GBST Shareholders should read the overview of tax implications of the Scheme set out in Section 10 of the Scheme Booklet and also seek independent financial and tax advice.

Directors' recommendations and intentions

As set out in the Scheme Booklet, as at the date of this Report and subject to no superior proposal emerging and an independent expert concluding and continuing to conclude that the Scheme is in the best interests of GBST Shareholders, the Directors have unanimously recommended that GBST Shareholders vote in favour of the Scheme and have advised that all Directors intend to vote, or procure the voting of, all GBST Shares held or controlled by them in favour of the Scheme.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE** to GBST Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR AND REASONABLE and hence in the BEST INTERESTS** of the GBST Shareholders in the absence of a superior alternative proposal emerging.



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Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each GBST Shareholder to decide based on his or her own views of value of GBST and expectations about future market conditions, GBST' performance, risk profile and investment strategy. If GBST Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

HELEN LAGIS
Authorised Representative

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by GBST to provide general financial product advice in the form of an independent expert's report in relation to the Scheme. This report is included in GBST's Scheme Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from GBST a fee of A\$88,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of GBST in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out



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in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with GBST (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the Scheme Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Scheme

1.1 Other Proposals

We have set out below the Other Proposals received by the Company before entering into the Scheme:

Date	Bidder	Price (A\$/share)	Comments
12 April 2019	Bravura	A\$2.50	Non-binding indicative and conditional proposal Board advised GBST Shareholders to take no action
19 June 2019	Bravura	A\$2.72	Revised non-binding indicative and conditional proposal Board advised GBST Shareholders to take no action
27 June 2019	Bravura	A\$3.00	Further revised non-binding indicative and conditional proposal Bravura indicated that in the absence of a superior proposal, it did not intend to raise the offer price
28 June 2019	FNZ	A\$3.15	Non-binding indicative and conditional proposal
28 June 2019	SSC	A\$3.25	Non-binding indicative and conditional proposal If following completion of SS&C's due diligence activities the parties entered into a binding scheme implementation agreement, the Board indicated the intention to recommend the proposal subject to certain conditions. The proposal followed an initial period of value based due diligence. The Board entered into a process and exclusivity deed.
1 July 2019	FNZ	A\$3.50	Revised non-binding indicative and conditional proposal
2 July 2019	SSC	A\$3.60	Revised non-binding indicative and conditional proposal If following completion of SS&C's due diligence activities the parties entered into a binding scheme implementation agreement the Board indicated the intention to recommend the proposal subject to certain conditions ²⁴ . The proposal followed an initial period of value based due diligence. The Board entered into a process and exclusivity deed.
5 July 2019	FNZ	A\$3.65	Further revised non-binding indicative and conditional proposal The Board considered the SSC proposal received on 3 July 2019 as superior ²⁵ .
24 July 2019	FNZ	A\$4.00	After market close on 24 July 2019, FNZ lodged a revised proposal which was expressed as capable of being accepted until 8pm on 25 July 2019, after which point it would be automatically withdrawn and it was conditional on entering into a SID in the form provided by FNZ before the deadline. The GBST Board, after taking advice from its professional advisors, determined that entering into the SID in the form provided by FNZ would result in an unacceptable level of transaction and other risk for the company and its shareholders
26 July 2019	FNZ	A\$3.95	At 1.22am on 26 July 2019, GBST was informed that the previous FNZ proposal (A\$4.00 per share) had expired and it was replaced by a new proposal on similar terms at A\$3.95 per share which was expressed as capable of being accepted until 3am on 26 July 2019.

²⁴ In the absence of a superior proposal and subject to an Independent Expert concluding and continuing to conclude that the proposal is in the best interest of GBST Shareholders.

²⁵ Refer to the ASX announcement released on 8 July 2019 for detailed explanations.

26 July 2019	FNZ	A\$3.90	At 3.10am on 26 July 2019, GBST was informed that the previous FNZ proposal (A\$3.95 per share) had expired and it was replaced by a new proposal on similar terms at A\$3.90 per share which was expressed as capable of being accepted until 9am on 26 July 2019. However based on the conditions attached, the Board formed the view that the proposal from FNZ was effectively incapable of being accepted ²⁶ .
26 July 2019	FNZ	A\$3.85	GBST enters into the SID.

1.2 Key terms of the Scheme

We have set out below the other key terms of the SID:

- *Performance rights* – As at the date of this report, the Company has 279,246 performance rights ("Performance Rights") on issue. Each Performance Right confers on its holder the entitlement to receive one GBST Share (by way of issue or transfer) without the payment of any consideration, upon the exercise of the Performance Right. Performance Rights may be exercised at any point in time from the satisfaction of the vesting conditions at the end of the relevant performance period to the expiry date. The Board has determined that all of the Performance Rights will vest and are automatically exercised upon the Scheme becoming effective, and that the trustee of the GBST employee share scheme must acquire, by way of subscription, 279,246 GBST Shares to be held on trust for, or to be transferred to, the holders of those Performance Rights prior to the Special Dividend Record Date. Under the terms of the SID, the GBST Shares issued on vesting of the Performance Rights will be acquired by FNZ under the Scheme.
- *Options* – GBST has 3,581,743 options on issue as at the date of this report ("Options") and it must, prior to the Scheme Record Date, procure that all GBST Options are exercised so that they convert into GBST shares and/or are cash-settled.
 - FY19 Options – 1,887,740 Options with an exercise price of A\$2.0162 and an expiry date of 30 June 2021 which will convert into a maximum of 899,152 GBST Shares calculated by multiplying the exercise value (difference between the 14 day volume weighted average price of GBST shares prior to the date of exercise of the Options - assumed to equal the Scheme Consideration of A\$3.85 per share - and the exercise price of A\$2.0162 per share) by the 1,887,740 Options on issue and divided by the Scheme Consideration.
 - FY20 Options – 1,694,003 Options with an exercise price of A\$2.12 and an expiry date of 30 June 2022 which will convert into a maximum of 761,201 GBST Shares calculated by multiplying the exercise value (difference between the 14 day volume weighted average price of GBST shares prior to the date of exercise of the Options - assumed to equal the Scheme Consideration of A\$3.85 per share - and the exercise price of A\$2.12 per share) by the 1,694,003 Options on issue and divided by the Scheme Consideration.
 - The Board (excluding Mr. Robert DeDominicis given he is the holder of some of the Options) has determined that all of the Options will vest upon the Scheme becoming effective.

²⁶ Refer to the ASX announcement released on 26 July 2019 for detailed explanations.

- *Conditions precedent* – the SID includes the following conditions precedent:
 - Approval of the Scheme by GBST Shareholders.
 - Approval of the Scheme by the Court in accordance with Section 411 of the Corporations Act.
 - Receipt of FIRB approval.
 - The Independent Expert concludes at all times prior to the Second Court date that the Scheme is in the best interests of GBST Shareholders.
 - No restraints (no temporary, preliminary or final order injunction, decision or decree by a court or government agency or investigation or action announced, commenced or threatened by a government agency) which prevents or makes illegal or prohibits the Scheme.
 - No GBST prescribed occurrence.
 - No GBST Regulated Event²⁷.
 - No material adverse change in respect of GBST.
- *Break Fee* – a break fee of A\$2.7 million may become payable by GBST to FNZ if during the exclusivity period:
 - Any of the GBST Directors withdraws or adversely revises his or her voting intention or recommendation to vote in favour of the Scheme, except in limited circumstances set out in the SID.
 - A competing proposal is announced by a third party and within twelve months from its announcement, any third party acquires a relevant interest in more than 50% of GBST Shares under a transaction that is or has become wholly unconditional or otherwise comes to control GBST or acquires substantially all of the assets of GBST.
 - FNZ terminates the SID due to a material breach by GBST of the terms of the SID.
- *Others* – other terms common for a transaction of this nature, including customary exclusivity arrangements such as “no shop” and “no talk” and a right for FNZ to be notified of and to match any competing proposals.

²⁷ Regulated Event as defined in the SID announced by GBST on 29 July 2019



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2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 (the "Corporations Regulations") prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme, the Directors of GBST have requested that Grant Thornton Corporate Finance to prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of GBST Shareholders.

2.2 Basis of assessment

In determining whether the Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG111 considers an offer to be "reasonable" if it is fair. An offer may also be reasonable if, despite not being "fair" but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

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In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of GBST on a control basis with the Scheme Consideration.

In considering whether the Scheme is in the best interests of GBST Shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The terms and conditions relating to the Scheme.
- The implications to GBST Shareholders if the Scheme is not approved.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with the Scheme that could potentially affect GBST Shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of GBST and its Directors and all other relevant parties of the Scheme.

2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around 11 September 2019 in which this report is included, and is prepared for the exclusive purpose of assisting GBST Shareholders in their consideration of the Scheme. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Scheme to GBST Shareholders as a whole. We have not considered the potential impact of the Scheme on individual GBST Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Scheme on individual shareholders.



The decision of whether or not to approve the Scheme is a matter for each GBST Shareholder based on his or her views on the value of GBST and expectations about future market conditions, together with GBST's performance, risk profile and investment strategy. If GBST Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

3 Industry overview

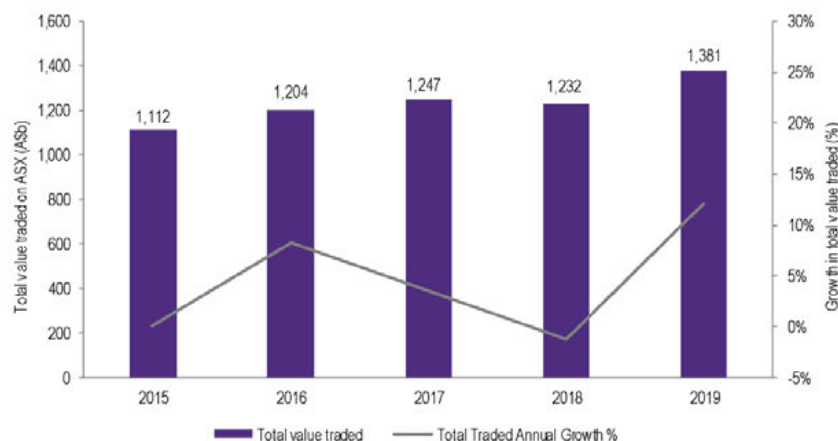
The Company provides software and related services to the capital markets and wealth management sub-sectors of the Financial Services industry with the majority of the revenue generated in Australia and the UK. We have set out below the overview of the industry.

3.1 Capital Markets

In the Capital Market Division, GBST provides a post trade processing platform for equities, derivatives, fixed income and managed fund processing via the Syn~ product²⁸ and GBST Shares, and it is the most widely used back and middle-office processing equities software in Australia. Accordingly, the financial performance of the Capital Markets Division is affected in the medium to long term by the volumes traded on the ASX and by the number of participants in the market. In particular, we note the following:

- **ASX total value traded** – ASX's total value traded increased by 11.7% in FY19, however the growth rate over the previous four years was subdued. The total number of listed companies also decreased in FY19, however, it is up from historical levels. An increase in the volume traded on the ASX may create growth opportunities for the Capital Market Division.

Total value traded on ASX



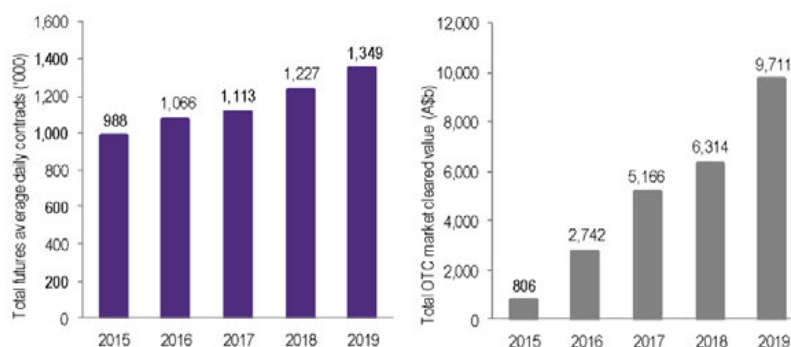
Source: ASX Investor Presentation 15 August 2019

- **Derivatives and OTC²⁹ markets traded on the ASX** – In FY19, volumes on the ASX increased by 9.9% for futures volumes and 53.8% for OTC clearing value. Proprietary trading volume rose following increased activity by existing traders and the addition of new trading participants. The value cleared through the OTC clearing service was A\$9.7 trillion, compared to A\$6.3 trillion in previous corresponding period ("pcp"). As set out in the graphs below, both the futures average daily contracts and the total cleared value on the OTC markets have increased materially since 2015.

²⁸ 65% of the revenue is derived by the Australian Capital Markets Division and 35% by the rest of the world. However, we note that the rest of the world revenue is generated through distribution agreements and accordingly it is less affected by the specific performance of the underlying exchange.

²⁹ OTC refers to Over The Counter.

Future average daily contracts on OTC market Total cleared value on OTC market

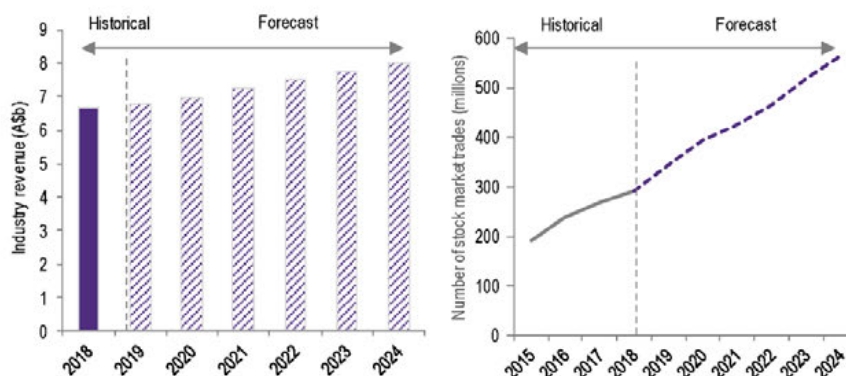


Source: ASX Investor Presentation 15 August 2019

As outlined above, conditions in the Australian market are sound and they may present some growth opportunities for GBST, even if the current market share³⁰ may have limited upside.

The level of activities of GBST is also affected by the number of stockbrokers and investment banks operating in the market to execute trades on the stock exchange for institutional, corporate and retail clients. Industry brokers are facing challenges to adapt to the new regulatory environment requiring greater compliance costs and to the introduction of new trading platforms. Online trading platforms may be expected to continue to erode market shares of brokers in relation to retail clients given that they are able to offer cheaper and more user friendly solutions. In order to reduce costs and remain competitive, brokers and investment banks are expected to continue outsourcing clearing and back office operations, which creates an opportunity for GBST and other market participants. However the reduction in the market share is expected to be offset by an increase in share market trade volumes.

Industry revenue stockbroking/IB market Total number of stock market trades



Source: IBIS World Report Investment Banking and Securities Brokerage in Australia April 2019 and IBIS World Business Environment Profile Stock Market Trades

Key players in the industry, in addition to GBST, include Broadridge, Securitease and Dion Global.

³⁰ GBST has a significant market share of the Australian equity market trading volume and processed over AS\$1.7 trillion transactions across all platforms.

3.1.1 Market infrastructure changes in the Capital Markets

CHES replacement – The Clearing House Electronic Sub-register System (CHES) is the ASX's core system that performs the processes of clearing, settlement, asset registration, and some other post trade services which are critical to the orderly functioning of the Australian stock market. The ASX commenced the process of evaluating its replacement in 2015. ASX announced in 2017 that it had selected technology from Digital Asset Holding ("DAH") to replace CHES. The system will operate using Distributed Ledger Technology (DLT) which is expected to go live by second quarter of 2021. All market participants are required to update their CHES-connected back office system to accommodate new workflows, data constructs and messaging. We note that GBST commenced the CHES replacement program in H2 FY19 and the Company is confident on the successful conversion of a number of pipeline opportunities arising from the CHES replacement. In addition, in the long run, once effectiveness of the new system is proven, it will open opportunities for fin-tech companies to develop applications and industry workflows aligned with the new ASX infrastructure.

3.2 Wealth Management Industry

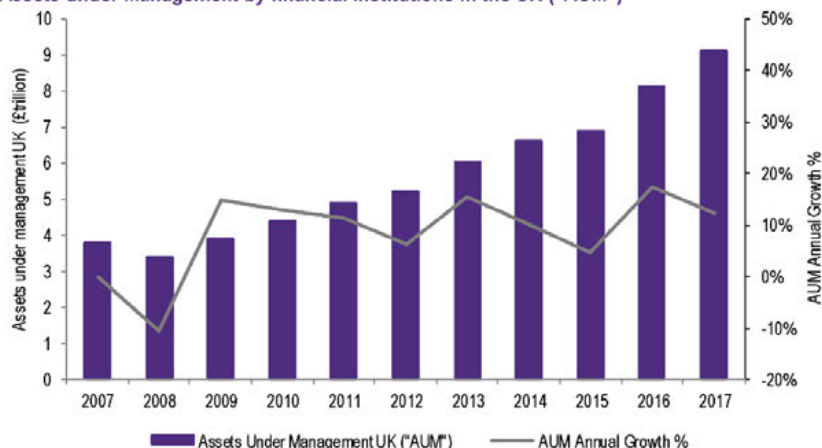
The wealth management industry focuses on the provision of financial products and investment advice relating to various investment products and wrap platforms³¹, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration. Industry participants include banks, superannuation providers, life insurance companies, third party administrators, financial advisers and investment managers. GBST operates predominantly in the wealth management industry in the UK and in Australia with significant presence in the pension and life insurance markets which are described below.

3.2.1 UK Wealth Management Industry

The UK is the largest centre of asset management outside of the US and the largest in Europe. The industry clients are both retail savers and institutions such as pension schemes and insurance companies. As set out in the graph below, total assets managed in the UK increased by 12% during 2017 to £9.1 trillion as a result of strong funds inflows and investment returns.

³¹ A wealth management platform or wrap platform is a software system designed to help retail investors to track their investment portfolios and research new investments. A platform or wrap platform account combines all listed securities, managed funds, shares, insurance and superannuation into one account, eliminating some of the administrative burden and paperwork that usually comes with managing a number of individual investments separately.

Assets under Management by financial institutions in the UK ("AUM")



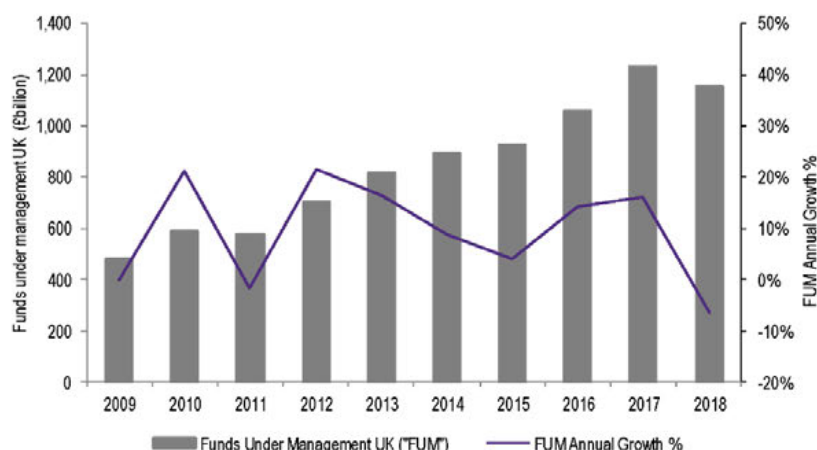
Source: TheCityUK April 2018 report

Note: The assets under management provided in the table above include all assets under management in the UK, not only managed by IA member's funds.

The UK fund management pool can be further broken down as outlined below:

- *Funds managed on behalf of institutional clients* – which account for circa 80% of the total and it is dominated by pension funds and insurance. The pension market is particularly relevant for GBST given that it provides software to administer pension products to all of its UK clients and its largest Australian clients. The size of the UK pension market is estimated at £3 trillion which includes assets in defined benefit and contribution schemes. The UK life and pensions industry continues to undergo fundamental legislation driven reforms. Regulation changes have recently pushed the funds industry to implement digital technology solutions to manage changes which have benefited players operating in the platform market like GBST.
- *Funds managed on behalf of retail clients* – Circa 20% of the total UK investor funds under management in authorised and recognised funds domiciled in the UK and overseas grew by 15% to £1.2 trillion in 2017 marking an average growth rate of 11.7% per year over the past five years as outlined in the graph below.

Funds under Management UK ("FUM")



Source: The IA funds under management statistics tables provided on theia.org

The above graph and statistics are particularly relevant for GBST given the Company holds circa 38% of the market share. The UK advised platform market has been GBST's main entry point to the UK market given there are several re-platforming and outsourcing opportunities. The industry faces challenges from creating solutions for a new generation of investors to navigating rapid technological and regulatory change. A large portion of the investment industry is run on mature technology requiring manual entry in key areas, which can ultimately create inefficiencies for clients. Collaboration with technology providers, such as GBST, will allow wealth platforms to drive greater efficiencies and deliver cheaper solutions to clients, while creating straight-through processes that will drive transparent and seamless user interfaces. However, not all platforms are supported by the requisite technology given that not all of them may have the necessary access to funds to continuously ramp-up the investments to remain relevant. Those platforms which have not integrated innovative infrastructure into their technology stack face difficult competition and they have been hindered by higher trading and associated costs due to cumbersome legacy systems.

The Wealth Management industry in UK has undergone significant regulatory changes as briefly outlined below which have created and will continue to create growth opportunities for GBST and other market participants:

- Retail Distribution Review ("RDR") – aimed at increasing transparency and improving quality of financial advice via, among other things, increased fee comparability, the provision of unbundled product and reduction in conflict of interest. This benefits specialised software providers by increased focus on cost efficiency which is one of the key selling points of GBST and its competitors.
- Pension Schemes Act – has changed the way that over-55-year-old people can access their funds from a defined contribution pension fund without being required to purchase annuity. It also allows the transfer of funds from defined benefit to defined contribution plans.
- Auto-Enrolment Schemes Act – introduced in 2012 to ensure employees have sufficient retirement savings which is expected to be a key catalyst of growth for pension funds as experienced by other

countries like Australia, Japan and the US which has also increased the investment on IT spending to support growth.

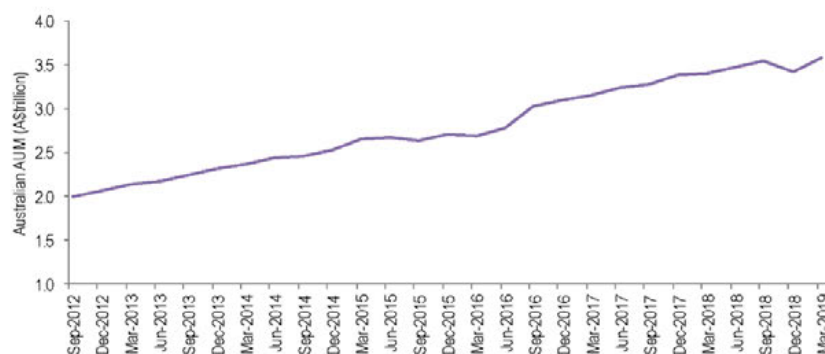
- CASS – the new Financial Conduct Authority Client Assets Sourcebook became effective on 1 June 2014 governing how market participants holds or controls client money or safe custody assets.

GBST, together with FNZ, Bravura, provides the underlying technology and investment administration services for a number platforms in the UK.

3.2.2 Australian Wealth Management Industry

The Australian wealth management industry has estimated assets under management of A\$3.6 trillion and it has been growing continuously as set out in the graph below.

Australian AUM

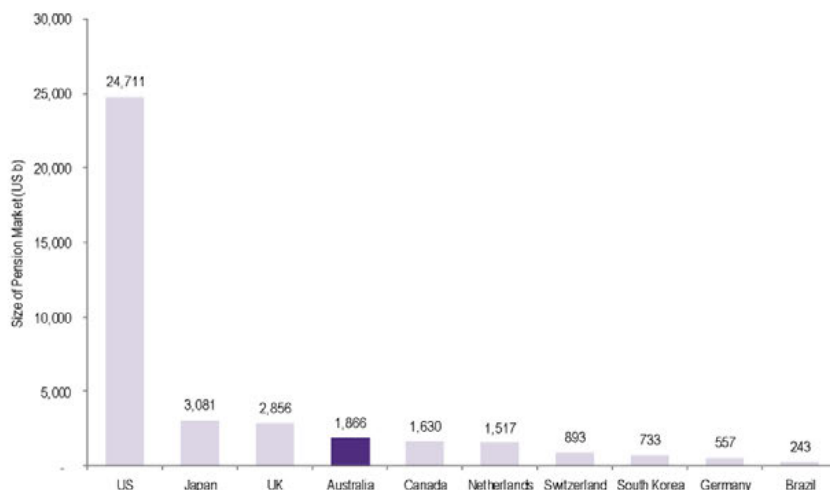


Source: March 2019 Australian Bureau of Statistics

The drivers for growth within the Australian funds are compulsory superannuation contributions, the high allocation to growth investments such as equities and real assets relative to global peers, beneficial demographic profile with the 45-65 age group expected to represent an increasing proportion of the population and continued merger activity within the Australian landscape.

Within the wealth management industry, Australia has the fourth largest pension market in the world with US\$1.86 trillion in assets as set out below.

Largest pension markets globally



Source: Australian Trade and Investment Commission (Austrade) publication of 2018 global pension fund estimates.

3.2.3 Software in the wealth management and funds administration industries

We have set out below some of the key drivers for the software demand in the wealth management and fund administration industries.

- **Regulatory environment** – It is complex and continuously evolving and in recent years there have been a number of new regulatory requirements introduced that further impact participants and their underlying platforms and software requirements with increased reporting complexity, greater transparency and increased disclosure obligations which have been driving the implementation of digital technology solutions.
- **Rapid advance of digitisation** – Customers and industry participants require access to real time information via a number of different means such as smartphone, tablets and laptops. Accordingly, the software provider becomes a key component to assist the platforms to enhance the user experience. In addition, customers are more willing to administer financial products and portfolios themselves. Software products with these functionalities are sought-after as they meet customers demand but also allow the industry participants to reduce the number of administrative staff, thereby reducing costs.
- **Cost and margin pressure** – Given the industry has moved into a transparent, regulated, fee-based and sometimes fixed fee environment, industry players are seeking to reduce their costs by digitisation of front and back office, distributions channel and operations. Historically, platform providers have also relied on a number of disparate software and manual processing which is not cost-effective. Software that unifies and enhances functionalities and increase the automated process, reducing the staff required, are highly desirable in the industry.
- **Trend to outsource** – There has been a trend in the industry to fully outsource the administrative functions and IT requirements to save investment capital, reduce the number of resources and the cost to comply with a continuously changing regulatory environment. These businesses that provide

third party administration services to the wealth management industry can either use their own software products and services or those provided by specialists like GBST. In Australia, the Australian Prudential and Regulatory Authority ("APRA") noted in 2016 that in-house software solutions were proving inadequate with the life insurance industry to navigate challenges relating to managing risk assessment and pricing pressures and maintaining profit levels. There are a number of benefits to industry participants from outsourcing their software requirements including:

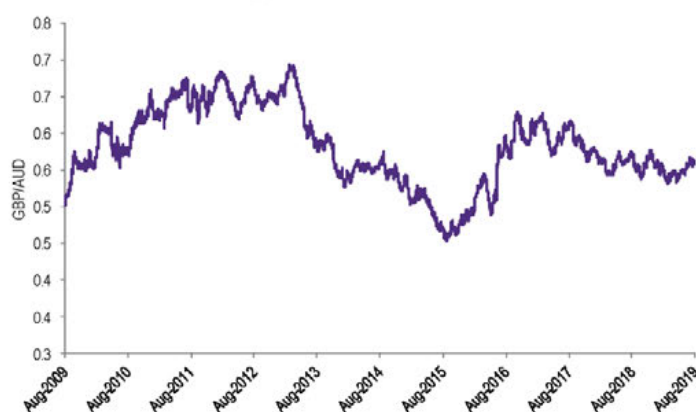
- Costs benefits, given that the specialist software provider is able to spread the initial investment across a number of clients, and charge a lower cost.
- If the software is developed and maintained in-house, the industry provider needs to employ specialist professionals to monitor and upgrade the systems for regulatory changes.
- Specialist software providers need to continuously upgrade the functionalities offered to clients in order to remain relevant and competitive.

Cloud based services – Traditionally, software providers would license a software which would have been installed on the client's technology infrastructure however this has now changed with cloud based delivery models being implemented by all software providers and the software is provided to the client as a service and accessed via the internet. In order to retain greater control and security or to comply with regulatory requirements, participants in the industry often opt for their software to be hosted on a dedicated server.

3.2.4 Foreign Exchange

GBST generated over A\$42.4 million, or circa 45% of total revenue in the UK Wealth Management Division in FY19. The Company has significant exposure to the GBP/AUD exchange rate which can materially impact financial results. Whilst we acknowledge that a natural hedge exists³², GBST does not actively hedge for currency risk. We have provided the historical GBP/AUD exchange rate over the last 10 year period, noting the average £/A\$ exchange rate over the last 10 years being GBP/AUD of 0.58.

Historical GBP/AUD exchange rate



Source: CapitalIQ

³² Given that GBST incurs costs and generates revenue in local currency.

4 Profile of GBST

Established in 1984, GBST is an Australian-based specialist financial technology company which provides administration and transaction processing software for retail wealth management organisations and global and regional investment banks. The Company currently operates primarily in Australia and UK, with expanding presence in Southeast Asia and North America.

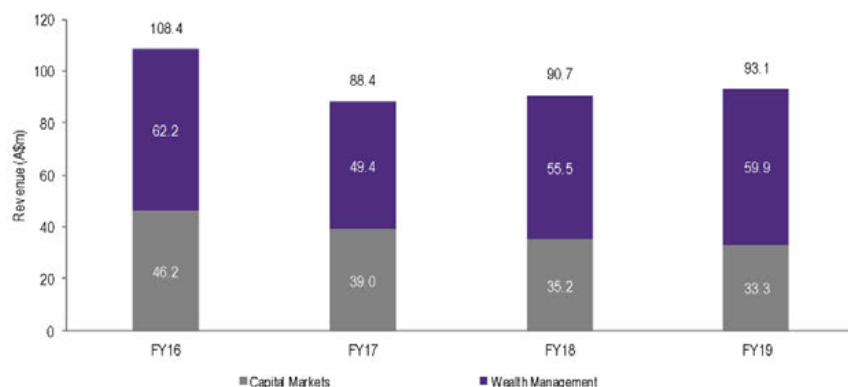
The Company provides broking and wealth administration solutions in the areas of real-time retail banking, institutional capital markets, and wealth management. It also caters to clients who require specialised solutions on pension administration, tax and quantitative tools. The Company operates via two strategic business units as outlined below:

- **Capital Markets Division:** This division provides post-trade capital markets processing software services for clients located in Australia, Asia, Europe and North America. The flagship product is the Syn~ platform which is a multi-product, multi-customer, multi-market and multi-equity transaction processing platform used by banks, brokers and investment houses to process equities, derivatives, fixed income and managed funds transactions. In Australia, the Company also offers GBST Shares which is the most widely used middle and back office processing equities software. As at June 2019, the Company is regarded as a market leader in post-trade middle and back office processing in Australia with a significant market share of the transactions.

Wealth Management Division: This division delivers registry and end-to-end fund administration solutions for global and regional pension companies, brokers, fund managers, as well as platforms and banks. The flagship product is Composer which offers an integrated system for the administration of wraps platforms, master trusts, superannuation, pensions, risk and debt. Assets under management and investor accounts numbers on the Composer platform have been growing rapidly over the years. GBST remains the market leader in the UK with a significant market share of the non-proprietary³³ platform assets under administration.

The charts below show revenue breakdown by division and the operating EBITDA from FY16 to FY19. The operating EBITDA is defined as the reported EBITDA before capitalised or expensed R&D ("Operating EBITDA").

FY16 - FY19 Revenue by division



³³ Excludes the assets on in-house platforms.

Source: FY16 to FY19 annual reports

FY16 – FY19 Total Operating EBITDA³⁴



Source: FY16 to FY19 annual reports

Notes: Operating EBITDA refers to the EBITDA figure before capitalised or expensed R&D costs

As can be seen from the graphs above, the Company faced revenue and operating EBITDA decline in FY17. This was as a result of the loss of a large client group in the Capital Markets division at the beginning of FY17, adverse exchange rate movements and volatility caused by large one-off implementation services which were not recurring.

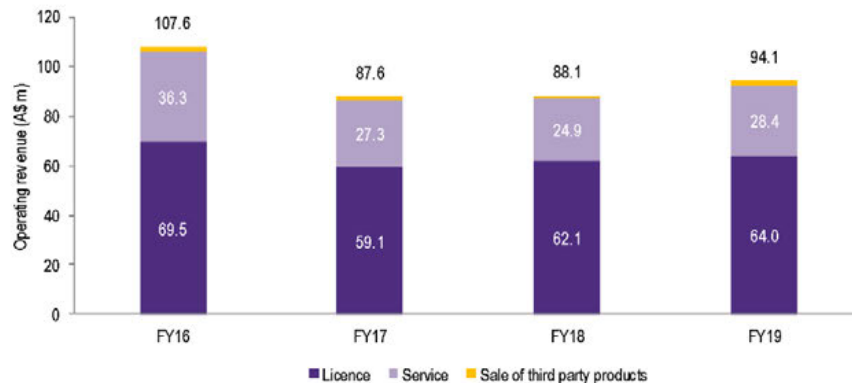
GBST's business model is based on a two-tier revenue model as outlined below:

- **Service Fees** – Upfront integration and implementation fees charged for on boarding of new clients or to existing clients whose platforms require product enhancements. This revenue component is variable year on year and it is difficult to predict in the medium term as it depends on the number of new clients or platform upgrades required. The fee charged is predominantly based on the time (man-hours power) that takes GBST to integrate the platform into the client's IT system. The implementation phase usually last between 6 months and 18 months. Service revenue is recognised over time as a proportion of work performed on a percent completion basis.
- **Licence Fees** – Ongoing recurring fixed licence fees for the use of GBST products. Whilst the greater component of the licence fee is fixed with CPI escalation, GBST also charges a volume based commission which is linked to the number of transactions processed in the Capital Markets Division and to the number of accounts in the Wealth Management Division. The licence fees provides visibility into the future performance of the business, generate higher margin compared with service fees and ensure clients' stickiness. Licence revenues are typically bundled as a single performance obligation and recognised on a straight-line bases³⁵. As set out in the graph below, licence fee revenue has increased year on year since FY17 and they accounted for circa 68% of total revenue in FY19.

³⁴ Operating EBITDA is defined as EBITDA before all capitalised and expensed R&D costs.

³⁵ As indicated in FY19 annual report.

Revenue Breakdown¹ FY16 – FY19



Source: FY16 – FY19 annual reports

Note: (1) Revenue does not include other income.

4.1 Product suite and strategic R&D

We have set out below a brief outline of the product suite of the Capital Markets Division³⁶:

- Syn~ is a transaction processing platform for the post-trade of equities, derivatives, fixed income and managed funds transactions across multiple geographies. The platform ensures multi-country clearing from a single platform which provides great flexibility to banks and brokers. Syn~ is integrated with GBST Shares, DCA, and BIR as described below.
- GBST Shares operates as a middle and back-office for equities settlement and clearing and is specifically designed for the Australian market. This product connects directly to the ASX to improve brokers' efficiency and reduce transaction costs.
- DCA (Derivative and Accounting System) is designed for both retail and institutional businesses. This system operates as an integrated, real-time back-office accounting system integrated with Clearing House for derivatives trading.
- BIR (Business Intelligence Reporting) is a reporting tool designed for financial services with a full range of pre-designed reports and the ability to generate custom reports, while is fully integrated with all other GBST solutions.

The Company also provides equity margin lending, real-time market access for pre-trade visibility and risk management for equities and derivative margin management.

We have set out below a brief outline of the product suite of the Wealth Management Division:

- Composer: provides integrated solutions on registry, pension administration, risk management and debt to the Australian and UK institutions. It contains end-to-end administration to assist retail and

³⁶ GBST offers additional products assisting clients with business administration and cost reduction.

institutional managed funds, as well as a regulation-compliant system. Composer supports more than 7,000 investment options³⁷ including equities, offshore bonds and corporate pensions.

- SuperStream Gateway ("SuperStream") is a compliant messaging hub which sends and receives superannuation documents to and from other SuperStream participants including other gateways, funds, and employers, whilst being compliant with ATO standards for auditing purposes. An administrative console has been installed with SuperStream as to allow for real-time monitoring of message status and tracking, as well as for troubleshooting.
- Catalyst: GBST's Catalyst is a digital platform using web services which delivers solutions that are customised for multi-channel user experience in the UK wealth market. It is currently also incorporated within the Australian market for new opportunities. Catalyst has replaced the old Composer web platform.. Catalyst provides advisors with the ability to onboard and service their clients, access tools, applications and document storage on a secure online interface.
- Other products include Tax Analyser, TaxIntell, and GBST Quant, providing both pre and post-tax analysis, as well as quantitative data analytic solutions. These solutions are specifically designed and developed for Australian superannuation and fund management industries.

The Company continuously invested in strategic R&D projects for the purpose of improving technology capability and achieving long term sustainability for its products. In August 2017, the Company announced a three year strategic R&D program to renew and enhance the capabilities and relevance of its platforms in order to position the business for continuous and sustainable growth. These strategic investments are still ongoing and they are expected to cost up to A\$50 million³⁸.

Details of the strategic R&D projects are outlined below:

- Project E-VOLVE: This investment will upgrade the Composer platform using most update technology which allows for cloud hosting. As at 30 June 2019, this project was 34% complete. All UK clients have completed their migration to the E-Volve database and now GBST is focusing on upgrading the functionality of the platform which is expected to be completed in June 2020.

In addition to the original program of work announced in August 2017, the Company expects to spend a further A\$17 million on the following projects in FY20:

- Annuity – Development of new capabilities to administer Annuities and Bonds which is client funded as part of the A\$50 million contract with Canada Life³⁹.
- ASX CHESS upgrade.
- Other strategic R&D.

The allocation of the Strategic R&D spending for the last four years is presented below. We note that in FY19, GBST capitalised as strategic R&D A\$17.9 million out of a total R&D of A\$19.3 million whereas in

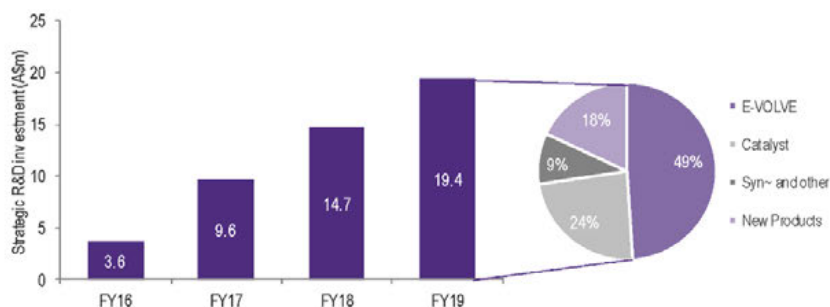
³⁷ Disclosed by GBST Management

³⁸ Including Catalyst which is now fully developed and accordingly we have included it in the product suite.

³⁹ In June 2019 GBST entered into a 10 year A\$50 million in revenue contribution contract with Canada Life to implement the Composer platform delivering a modern back-office solution for the client, replacing and consolidating its existing administration system.

FY18 only A\$7.0 million were capitalised out of A\$12.5 million. This was a result of greater feasibility and planning work conducted in FY18 compared to build work in FY19.

Strategic R&D investment, 1H18 – 2H19



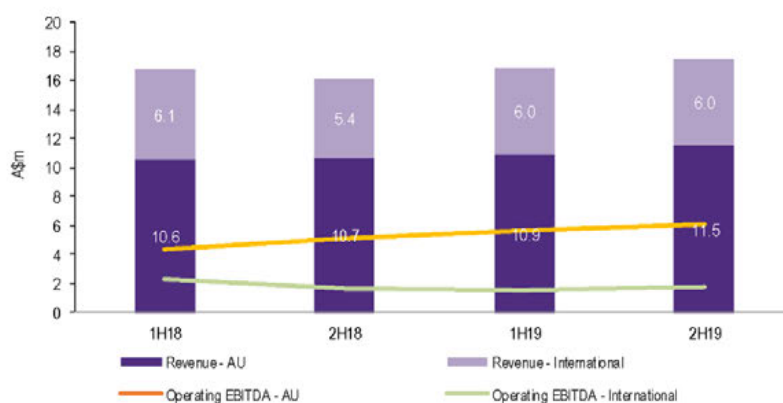
Source: FY19 Result presentation, published on 14 Aug 2019

4.2 Business divisions

4.2.1 Capital Markets Division

The revenue from the Capital Markets Division is highly concentrated, with the top 20 customers accounting for approximately 92% of divisional revenue and the top 10 customers for 72%. The Company's market landscape spans across Australia, Asia, Europe and North America. The graphs below show the revenue by region within this segment and a breakdown of the most recent four half-year results.

Revenue and Operating EBITDA by region, 1H18 – 2H19



Source: FY19 Annual report, FY19 Results presentation, published on 14 Aug 2019

As outlined above, the Capital Markets Division experienced sound growth in Australia in the second half of FY19 driven by new client wins and enhancement projects for existing clients in relation to the margin lending solution and completion of the ANZ Share Invest migration to CMC Markets and commencement of a migration to Syn~ for a major investment bank. In FY19, GBST processed A\$1.7 trillion transactions across the different platforms.

Financial performance in the Rest Of The World was mixed with revenue increasing but Operating EBITDA decreasing as a result of increased project costs associated with an implementation program. GBST has indicated strong and growing pipeline of opportunities both in Asia and North America with licence fees expected to increase as a result of implementation completed in FY19. The Company is seeking to revamp the growth of the international operations of this division by entering into a distribution agreement to licence the source code of Syn~ to a large financial services company based in Japan and by white labelling the Syn~ product for the US market.

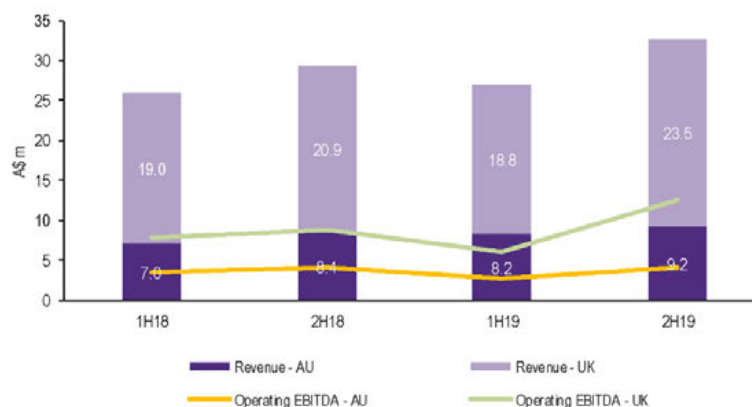
The CHESS replacement program is a key project for the division which commenced in the second half of FY19 with the go-live date currently expected in March/April 2021. This generational change from the ASX is expected to provide the Company with an opportunity to further grow its market share given that some of the smaller competitors may not have the financial capability to afford the technological investment required to comply with the new requirements.

4.2.2 Wealth Management Division

GBST's Wealth Management Division aims to meet the needs of retail and institutional wealth management clients by providing an end-to-end fund administration services. This division aims at improving cost savings and efficiency whilst keeping the entire system updated with latest regulatory changes to ensure compliance.

Similarly to the Capital Markets Division, the revenue of the Wealth Management Division are highly concentrated with the Top 10 customers generating 85% of the revenue. We have set out in the graphs below revenue and EBITDA breakdown by region:

Regional revenue and Operating EBITDA, 1H18 – 2H19



Source: FY19 Annual report, FY19 Results presentation, published on 14 Aug 2019

The UK market generated a strong financial performance in FY19 with both revenue and Operating EBITDA up 6% and 11% respectively driven by increased licence revenue and significant service revenue from the Canada Life⁴⁰ contract and the new Annuities products built with Canada Life. On 4 June 2019 the Company announced that it had signed a 10-year contract expected to contribute A\$50 million in

⁴⁰ Canada Life is a subsidiary of Great-West Life Inc. an international financial services company listed on the Toronto Stock Exchange.

revenue with Canada Life UK, to replace its existing administration systems that will consolidate into Composer.

In Australia, the performance of the Wealth Management Division saw growth in revenue by 13% but a significant drop in Operating EBITDA from circa A\$7.5 million in FY18 to circa A\$6.6 million in FY19. During FY19, GBST signed a foundation client (NAB Asset Servicing) to a new digital platform (TaxIntell) for custodians, clients and tax advisers to collate and validate data from multiple sources.

4.3 Financial information

4.3.1 Financial performance

The table below shows the Company's audited consolidated statements of comprehensive income for the last four financial years.

Consolidated statements of financial performance	FY16	FY17	FY18	FY19
A\$ '000	Audited	Audited	Audited	Audited
Revenue	108,143	87,975	88,258	94,263
Operating expenses	(84,576)	(66,188)	(68,036)	(73,762)
Operating EBITDA before R&D	23,567	21,787	20,222	20,501
R&D expensed ⁽¹⁾	(3,570)	(9,606)	(7,673)	(1,478)
Operating EBITDA after expensed R&D	19,997	12,181	12,549	19,023
Restructure and other non-operating expenses	(2,802)	(192)	(356)	(416)
EBITDA	17,195	11,989	12,193	18,607
EBITDA margin	15.9%	13.6%	13.8%	19.7%
Depreciation and amortisation	(7,362)	(6,355)	(4,541)	(4,309)
EBIT	9,833	5,634	7,652	14,298
EBIT margin	9.1%	6.4%	8.7%	15.2%
Net finance costs	(776)	(611)	120	(345)
Profit before income tax	9,057	5,023	7,772	13,953
Income tax credit/ (expense)	213	1,962	(1,523)	(1,255)
Profit after income tax	9,270	6,985	6,249	12,698
Net profit margin	8.6%	7.9%	7.1%	13.5%

Sources: GBST FY16 to FY19 Annual reports

Note 1: We note that the amount of capitalised R&D significantly increased in FY19 compared with the previous years.

In relation to the above, we note the following:

- The Company adopted AASB15 in FY19 for the first time, which has impacted the recognition of revenue from multi-year licence fees for smaller non-regulatory dependent products⁴¹. For these products, under the new accounting standard, the maintenance and upgrade services are now recognised at a point in time rather than on a straight-line basis over the licence term.
- The decline in revenue in FY17 was mainly due to client-related project delays and the loss of a major client. Additionally, the decline of the British pound against the Australian dollar also contributed to the decline in revenue. Significant service revenue from the UK Wealth Management Division's large

⁴¹ As indicated in FY18 annual report

projects undertaken in FY18 offset the continued decline in revenue from the rest of the business segments. FY19 showed much improved performance with revenue increasing by 6.8% compared to FY18, with all the business segments contributing to this.

- An increase in the product delivery and support expenses was reported in FY18 attributable to the work associated with legislative changes experienced in the UK. Cost management was a theme in FY19 where there was a focus on reducing labour cost and increasing staff utilisation.
- Operating EBITDA before R&D remained substantially flat at circa A\$20.5 million, however, in FY19 GBST capitalised R&D expenses for A\$17.9 million compared with A\$7.0 million in FY18 which resulted in a significant uplift of the reported EBITDA.
- Restructuring and other non-operating expenses are costs not considered to be operating in nature and not associated with internal measurement of segment performance, which are reported to allow for the reconciliation between group and segment reports and between IFRS and non-IFRS measures.
- The income tax credit in FY16 and FY17 related to benefits received from R&D tax incentives in Australia and the UK.

4.3.2 Financial position

The consolidated statement of financial position of GBST from FY16 to FY19 is outlined in the table below:

Consolidated statements of financial position AS '000	FY16 Audited	FY17 Audited	FY18 Audited	FY19 Audited
Assets				
Cash and cash equivalents	9,011	11,728	11,373	17,889
Trade and other receivables	13,817	12,660	17,153	12,995
Work in progress	3,396	4,092	3,362	7,515
Current tax receivables	2,265	750	2,168	965
Other assets	2,374	2,217	2,450	4,330
Total current assets	30,863	31,447	36,506	43,694
Work in progress	84	788	1,717	2,077
Plant and equipment	8,116	6,542	5,498	4,078
Intangible assets	48,889	45,120	50,453	65,932
Deferred tax assets	6,306	8,778	7,172	10,893
Other assets	112	151	157	893
Total non-current assets	63,507	61,379	64,997	83,873
Total assets	94,370	92,826	101,503	127,567
Liabilities				
Trade and other payables	6,919	6,739	9,833	9,050
Loans and borrowings	100	252	-	-
Current tax liabilities	131	385	-	-
Provisions	5,567	6,058	7,121	7,339
Unearned income	9,588	9,449	10,263	18,874
Total current liabilities	22,305	22,883	27,217	35,263
Trade and other payables	2,426	2,006	1,477	1,942
Deferred tax liability	1,458	810	2,168	6,910
Provisions	2,217	2,244	1,928	1,993
Other non-current liabilities	76	-	-	-
Total non-current liabilities	6,177	5,060	5,573	10,845
Total liabilities	28,482	27,943	32,790	46,108
Net assets	65,888	64,883	68,713	81,459
Equity				
Issued capital	38,366	39,473	39,473	39,473
Reserves	(1,299)	(4,153)	(3,393)	(2,814)
Retained Earnings	28,821	29,563	32,633	44,800
Total Equity	65,888	64,883	68,713	81,459

Sources: GBST FY16 to FY19 audited annual reports

We note the following in relation to the Company's financial position:

- The reduction in trade receivables is due to the weighted average age of the receivables decreasing through improved collections efforts.
- Other assets include prepaid expenditures and capitalisation of contracts which are incremental costs associated with obtaining customer contracts and amortised over the life of the related contract. Capitalised contracts increased from nil in FY18 to A\$1.4 million in FY19.
- The increase in the intangible assets in FY19 resulted from the capitalisation of A\$17.9 million of internally developed software systems under the strategic R&D program.
- The increase in the deferred tax assets was primarily as a result of R&D tax credits of A\$2.1 million⁴², and temporary difference in the income classified as un earned for accounting purposes but assessable for tax purposes. On the other hand, the increase in deferred tax liability was due to R&D claims for the internally capitalised software systems.
- The significant increase in unearned income in FY19 was due to advance client invoicing practice of the Company. With the increased revenue in FY19, unearned income increased accordingly.
- Provisions comprise primarily of employee benefits of A\$7.2 million in FY19.

⁴² As indicated in FY19 annual report.

4.3.3 Cash flow statement

GBST's cash flow statements from FY16 to FY19 are summarised below:

Consolidated statements of cash flow	FY16	FY17	FY18	FY19
A\$ '000	Audited	Audited	Audited	Audited
Cash flows from operating activities				
Profit after income tax	9,270	6,985	6,249	12,698
Non-Cash flows in operating profit	7,257	6,052	4,586	5,825
Depreciation and amortization	7,362	6,355	4,541	4,309
Profit on sale of plant & equipment	(11)	(2)	(3)	190
Share based payments	(94)	(301)	48	159
Adjustment on adoption of AASB15				1,167
Changes in assets and liabilities	(4,587)	(2,119)	365	7,829
Change in receivables	1,810	1,157	(4,493)	4,158
Change in other assets	(145)	118	(239)	(2,616)
Change in unearned income	(825)	(139)	814	8,611
Change in work in progress	(400)	(1,400)	(199)	(4,513)
Change in deferred tax balances	(630)	(3,120)	2,964	1,021
Change in tax provision	(359)	1,769	(1,803)	1,203
Change in Trade and other payables	(3,615)	(1,022)	2,574	(318)
Change in provisions	(423)	518	747	283
Net cash inflow from operating activities	11,940	10,918	11,200	26,352
Cash flows from investing activities				
Proceeds from sale of plant and equipment	-	2	3	3
Purchase of plant and equipment	(2,390)	(523)	(950)	(373)
Capitalised R&D	(111)	(1,155)	(7,283)	(17,938)
Net cash outflow from investing activities	(2,501)	(1,676)	(8,230)	(18,308)
Cash flow from financing activities				
Repayment of finance leases	(268)	(79)	(76)	-
Proceeds from borrowings	-	263	-	-
Repayment of borrowings	(8)	(109)	(176)	-
Dividend Paid	(7,369)	(6,243)	(3,396)	(1,698)
Net cash outflow from financing activities	(7,645)	(6,168)	(3,648)	(1,698)
Net increase/(decrease) in cash and cash equiv.	1,794	3,074	(678)	6,346
Effect of exchange rate fluctuations on cash held	(568)	(367)	323	170
Cash and Cash equivalents at year beginning	7,785	9,011	11,728	11,373
Cash and cash equivalents at year end	9,011	11,728	11,373	17,719

Sources: GBST FY16 to FY19 audited annual reports

Note (1): The information presented in the table above has been extracted/derived from the audited financial statements.

- FY19 shows a stronger operating cash of A\$26.3 million compared to \$11.2 million in FY18 due to customer contract payments and improved collection practices.
- The sharp increase in the Company's investing activities cash outflow from FY17 to FY18 is as a result of investment in strategic R&D. This trend is expected to continue in FY19 and FY20 based on Management's decision to increase the budget allocation to strategic R&D.

- As a result of the high level of investment in the multi-year strategic R&D program, no final dividend was declared in FY19.

4.4 Share Capital structure

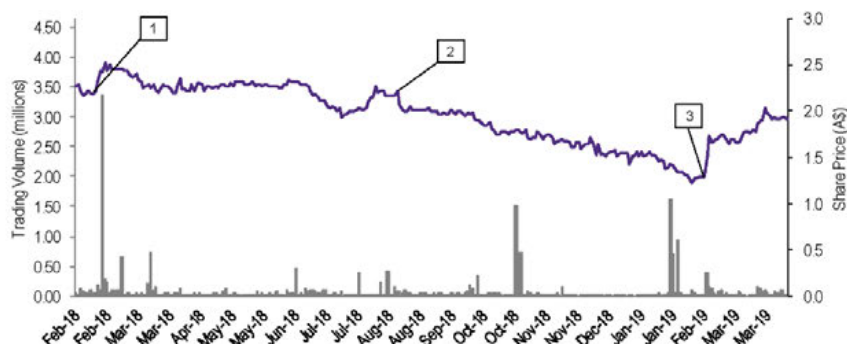
As at the date of this report, GBST has the following securities on issue:

- 67,912,508 ordinary shares
- 279,246 Performance Rights⁴³ issued in accordance with GBST Performance Rights and Option Plan ("LTI Plan"). These Performance Rights have been issued to selected senior employees of the Company. The rights have a three-year vesting period, depending upon the participants meeting continuous service conditions and certain performance criteria.
- 1,887,740 options with an exercise price of A\$2.0162 and expiry date of 30 June 2021.
- 1,694,003 options with an exercise price of A\$2.12 and expiry date of 30 June 2022.

4.4.1 Share price and market analysis

Our analysis of the daily movements in GBST's share price and volume for the period from February 2018 to Apr 2019 is set out below:

Historical share trading prices and volume for GBST



Source: S&P Global and GTCF analysis

The table below illustrates the key events from February 2018 to March 2019, which had material impact on the share price and volume movements.

⁴³ ASX, Appendix 3B, 25 January 2018

Event	Date	Comment
1	Feb-18	<p>GBST released its half year results, 1H18, as at the end of December 2017, where the Company disclosed:</p> <ul style="list-style-type: none"> - Total Revenue for the half-year period was A\$42.7 million a marginal increase from A\$42.6 million in the preceding six months. - An increase of 16% in Operating EBITDA to A\$9.7 million compared to the preceding six months, followed by EBITDA of \$4.9 million after deduction of strategic R&D expenses. - Cash inflow from operations of A\$5.4 million representing a 118% conversion of EBITDA⁴⁴ to cash.
2	Aug-18	<p>Full year financial result for FY18 were released, where the Company disclosed:</p> <ul style="list-style-type: none"> - Stronger second half-year performance which drove the revenue to A\$88.3 million, slightly higher than the A\$88.0 million in FY17. However, the Net Profit After Tax decreased by 10.5% to A\$6.2 million on the back of A\$1.5 million income tax expense. - The full year Operating EBITDA before Strategic R&D was down by 7.2% to A\$20.2 million, mainly driven by a lower revenue and Operating EBITDA before Strategic R&D during the first half year. - Strong Balance Sheet status with cash of A\$11.4 million and nil debt. - Strong operating cash flow generation, as indicated by GBST's 92% conversion of EBITDA⁴⁵ to operating cash, compared to 91% in FY17.
3	Feb-19	<p>GBST disclosed Half Year results for 1H19:</p> <ul style="list-style-type: none"> - Total revenue increased by 3% to A\$43.9 million compared to the previous corresponding period - There was a 48% rise in Net Profit for this half year period - Operating EBITDA before Strategic R&D decreased by 40% to A\$5.8 million from 1H18. However, the EBITDA after deduction of Strategic R&D increased by 12% to A\$5.4 million as a result of capitalisation of A\$9.9 million R&D costs. - Strong balance sheet with cash on hand of A\$9.6 million and nil debt.

⁴⁴ EBITDA here refers to the EBITDA figure after deducting Strategic R&D expenses

⁴⁵ EBITDA here refers to the EBITDA figure before the deduction of strategic R&D expenses

The monthly share price performance of GBST from March 2018 to March 2019 is summarised below:

GBST Holdings Limited	Share Price			Average weekly volume 000
	High \$	Low \$	Close \$	
Month ended				
Mar 2018	2.460	2.200	2.200	371
Apr 2018	2.390	2.200	2.250	127
May 2018	2.320	2.250	2.270	141
Jun 2018	2.340	2.080	2.120	376
Jul 2018	2.300	1.900	2.260	199
Aug 2018	2.300	1.935	2.000	323
Sep 2018	2.050	1.850	1.890	269
Oct 2018	1.890	1.660	1.705	578
Nov 2018	1.800	1.572	1.650	78
Dec 2018	1.750	1.425	1.505	33
Jan 2019	1.570	1.250	1.300	813
Feb 2019	1.780	1.195	1.685	304
Mar 2019	2.040	1.650	1.930	231
Week ended				
14 Dec 2018	1.585	1.450	1.560	31
21 Dec 2018	1.570	1.425	1.545	48
28 Dec 2018	1.510	1.425	1.505	11
4 Jan 2019	1.550	1.500	1.550	17
11 Jan 2019	1.550	1.500	1.530	54
18 Jan 2019	1.570	1.345	1.370	90
25 Jan 2019	1.440	1.250	1.330	3,339
1 Feb 2019	1.375	1.280	1.300	85
8 Feb 2019	1.320	1.195	1.280	201
15 Feb 2019	1.745	1.270	1.660	685
22 Feb 2019	1.780	1.640	1.750	237
1 Mar 2019	1.700	1.625	1.665	115
8 Mar 2019	1.770	1.660	1.770	150
15 Mar 2019	1.935	1.750	1.900	326
22 Mar 2019	2.040	1.890	1.910	228
29 Mar 2019	1.930	1.900	1.930	242

Source: S&P Global and GTCF calculations

4.4.2 Top shareholders

We have set out below the top 10 shareholders of GBST:

Top 10 shareholders of ordinary shares as at 30 July 2019			
Rank	Name	No. of shares (millions)	Interest (%)
1	Spheria Asset Management Pty Ltd	12.2	17.98%
2	Australian Ethical Investment Ltd (ASX: AEF)	8.8	12.89%
3	Schroder Investment Management Limited	5	7.33%
4	Burgundy Asset Management Ltd	4.7	6.94%
5	Perpetual Limited (ASX: PPT)	3.3	4.89%
6	Puttick DUniv QUT, FACS, ACA, John Francis (Founder)	3.1	4.60%
7	Sundell, Joakim James (Former Non-Executive Director)	2.5	3.70%
8	Microequities Asset Management Pty Limited	2.1	3.07%
9	Lake, Amber Robyn	1.1	1.62%
10	DeDominicis, Robert (MD, CEO & Director)	0.7	1.03%
Top 10 shareholders total		43.5	64.05%
Remaining shareholders		24.4	35.95%

Source: S&P Global

5 Valuation methodologies

5.1 Introduction

As discussed in Section 2, our fairness assessment involves comparing the Total Cash Consideration of A\$3.85 per GBST share to the fair market value of GBST shares on a control and fully diluted basis.

Grant Thornton Corporate Finance has assessed the value of GBST using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets ("DCF Method").
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets ("FME Method").
- Amount available for distribution to security holders on an orderly realisation of assets ("NAV Method").
- Quoted price for listed securities, when there is a liquid and active market ("Quoted Security Price Method").
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

In our assessment of the fair value of GBST, Grant Thornton Corporate Finance has relied on three valuation methodologies as outlined below:

- *EBITDA Multiple Method:* Grant Thornton Corporate Finance has selected the EBITDA capitalisation approach to assess the fair market value of GBST. We have adopted the EBITDA multiple approach due to the following key considerations:
 - EBITDA is a frequently used valuation metric to assess the value of a company irrespective of the differences in earnings caused by varying capital structures and depreciation and amortisation policies.
 - Investment analysts and other market commentators in the financial software sector typically adopt EBITDA metrics to assess the value of companies. GBST is also covered by three investment analysts which provide forecast consensus EBITDA.
 - The Company is a mature business with a history of profitability, which is expected to continue over the long term.
 - Availability of transactional evidence and listed comparable companies for the calculation and analysis of EBITDA multiples.

The EBITDA Multiple Method involves the following key processes:

- Selecting an appropriate level of EBITDA, having regard to the historical and budgeted operating results after adjusting for non-recurring items of income and expenditure, and other known factors likely to affect the future operating performance of the business.
 - Determining appropriate EV/EBITDA multiples having regard to the trading multiples of comparable companies and comparable transaction evidence, and the specific circumstances of the company in question.
- *Quoted Security Price Method:* In our cross-check, we have had regard to the Quoted Security Price Method which is based on the Efficient Market Hypothesis which assumes that the share price at any point in time reflects all publicly available information and will change when new information becomes publicly available. We note that in the absence of a takeover or other share offers, the trading share price represents the value at which minority shareholders could realise their portfolio investment.
 - *Desktop DCF Method:* For the purpose of our valuation assessment of GBST utilising the Desktop DCF Method, Grant Thornton Corporate Finance has built a valuation model ("GT Model") based on the cash flow projections prepared by Management of GBST until 30 June 2024 ("Internal Model") and calculated a terminal value at that point in time.

6 Valuation assessment of GBST shares

6.1 EBITDA Multiple Method

Under this method the EBITDA is capitalised at an appropriate EBITDA multiple to determine the enterprise value of the business. We have capitalised the EBITDA at a multiple that we consider reasonably reflects the business and growth prospects of the Company, as well as the potential synergistic benefits available to potential acquirers. We have set out below our summary calculations.

ENITDA Multiple Method - valuation summary	Section	Low	High
AS '000 (except where stated otherwise)	Reference		
FY19 Operating EBITDA before R&D	6.1.1	19,000	20,000
EBITDA Multiple (on a control basis)	6.1.2	10.0x	11.0x
Enterprise value (control basis)		190,000	220,000
Add: Net cash as at 30 June 2019	4.3.2	17,889	17,889
Equity value (control basis)		207,889	237,889
Number of outstanding shares ('000s) ⁽¹⁾	4.4	67,913	67,913
Value per share (control basis) (A\$ per Share)		3.06	3.50

Sources: S&P Global, Management, GTCF analysis

Note 1 - Number of outstanding shares excludes the shares to be issued for the Performance Rights and the Options as the dilution is already incorporated in the prices used for the multiples of comparable transactions and listed peers. This is based on the assumptions that the incentive structure of GBST (Performance Rights and Options) is consistent with the peers group which we are of the opinion it is a reasonable assumption.

6.1.1 EBITDA adopted for valuation purposes

Our assessment of the EBITDA of GBST adopted for our valuation is an exercise of judgement that takes into consideration a number of factors. We have set out below the historical and forecast consensus estimates EBITDA of GBST.

EBITDA Assessment	Before AASB15 adoption				After AASB15 adoption	
AS '000 (except where stated otherwise)	FY16	FY17	FY18	FY19 ¹	FY19 ²	CE ³ FY20 (avg.)
Revenue	108,143	87,975	88,258	94,150	94,263	101,750
Revenue growth	(5.3%)	(18.6%)	0.3%	6.7%	6.7%	7.9%
Operating EBITDA before R&D	23,567	21,787	20,222	19,629	20,501	
Expensed R&D	(3,570)	(9,606)	(7,673)	(1,478)	(1,478)	
Operating EBITDA after expensed R&D	19,997	12,181	12,549	18,151	19,023	19,950

Sources: S&P Global, GTCF analysis

Note (1, 2) FY19 Revenue and EBITDA figures are reported before and after the adoption of AASB 15 which increases EBITDA by A\$0.9 million.

Note (3) Consensus Estimate represents consensus broker estimates for FY20.

As set out above, we have presented the FY19 EBITDA before and after the AASB15 adjustment and before and after R&D expenses. In particular, we note the following:

- **AASB 15 impact** – The new accounting standard under AASB15 has been implemented as of 1 January 2018 and it has been applied by GBST from 1 July 2019. The FY19 financial statements of GBST have been prepared in accordance with the new accounting standard which results in an increase in EBITDA of circa A\$0.9 million. We note that the comparable transactions considered in our valuation assessment completed before the adoption of AASB15. On the other side, the FY19 and forecast EBITDA multiple of GBST and of the listed peers⁴⁶ selected in our benchmark reflect the

⁴⁶ This is GT assumption as the brokers do not disclose their assumption in relation to AASB15.

adjustment for AASB15. Accordingly, we have presented the FY19 financial performance of GBST under both cases.

- *R&D capitalisation* – All the companies selected in our benchmark have different policies in relation to the capitalisation of R&D and they also are in different phases of their capex cycle which may drive the proportion of the R&D capitalised. We note that GBST capitalised A\$17.9 million of R&D costs (92.4% of total annual R&D spend) in FY19 while only capitalising A\$7.0 million of R&D costs (47.8% of total annual R&D spend) in FY18 and \$nil in FY17. Accordingly, in order to harmonise the way the EBITDA multiple is calculated, we have considered the Operating EBITDA before R&D (both capitalised and expensed) for both listed comparable companies and comparable transactions for the purpose of our valuation assessment. However, the information and analysis should be taken with caution given that the information required to calculate the Operating EBITDA before R&D was not always available for comparable transactions.

In our assessment of the underlying EBITDA for GBST, we have considered the following key factors.

Historical financial performance

Over the last three years, the Company experienced challenging trading conditions with decreasing revenue and Operating EBITDA as outlined below:

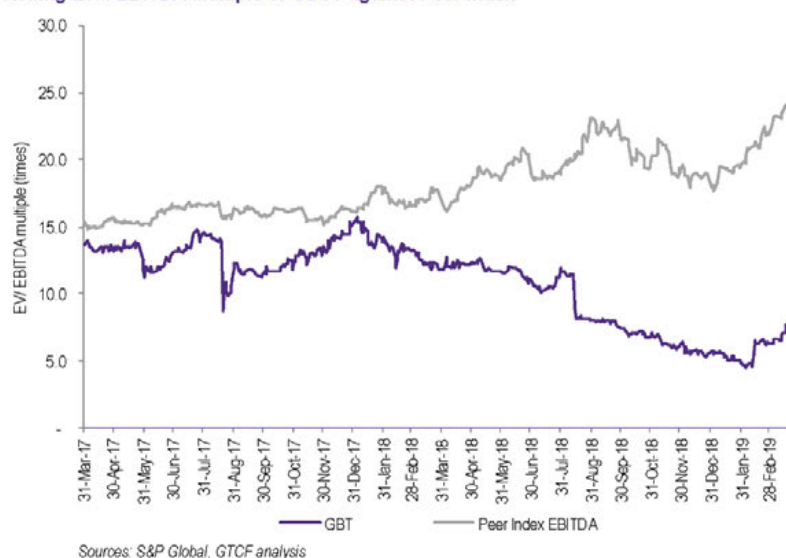
- In FY17, revenue and Operating EBITDA decreased by 18.5% and 7.6% respectively due to client related project delays and the decline of the British Pound which depreciated against the A\$. The underperformance was across both divisions however the RoW⁴⁷ Capital Markets financial performance improved markedly with flat revenue but Operating EBITDA increasing from a loss of A\$4.5 million in FY16 to a profit of A\$1.6 million in FY17.
- In FY18, revenue modestly increased whilst the Operating EBITDA decreased by 7.2%. The year was characterised by strong financial performance in Wealth Management in the UK where revenue and EBITDA increased by 22.5% and 136% respectively. The increase was driven by service revenues in conjunction with large implementation projects with the migration of the Aegon/Cofunds, Vitality Invest and Investec Wealth and Asset Management. Conversely, the performance of the Wealth Management Division in Australia saw a reduction of the Operating EBITDA caused by the follow-on effect from the loss of a large client at the beginning of FY17. The Capital Markets Division also experienced difficult market conditions with the both the Australian and RoW operations halving the Operating EBITDA generated in FY17. In the same year (August 2017), the Company announced a strategic R&D investment of A\$50 million over the next three year period to significantly upgrade the software platforms which brought uncertainties in relation to the successful outcome of the upgrade, clients retentions and cost overruns.
- FY19 was a year of two different halves with Operating EBITDA decreasing by circa 40% in H1FY19 compared with pcip but increasing by circa 150% in the second half compared with H1 and circa 40% on pcip. The financial performance in the second half was predominantly driven by services revenue in relation to the recently commenced 10 year contract with Canada Life and account migration services for Aegon Nationwide. In addition the Australian Wealth Management Division completed significant project work for a tier one client to consolidate legacy systems onto the Composer network. We are of

⁴⁷ Rest of the World ("RoW").

the opinion that the performance in FY19 demonstrates how volatile and unpredictable could be the financial performance of GBST because of service fees.

In summary, the historical financial performance of GBST has been subdued with a number of profit downgrades, which, in our opinion, have shifted the market valuation of GBST from a growing fin-tech stock to a more stable and mature business with downside risks. This is evident in the graph below where we have compared the rolling EBITDA Multiple of GBST against the Peer Index comprising Bravura, Iress, Linedata and Praemium.

Rolling LTM EBITDA Multiple of GBST against Peer Index



Broker consensus estimates and FY20 Budget

The available broker forecast estimates for GBST published after the upgrade to the FY19 guidance⁴⁸ on 4 June 2019 are set out below.

Broker forecast		Revenue (A\$m)		EBITDA (A\$m)	
Broker	Date	FY20	FY21	FY20	FY21
Broker 1	Jul-19	103.1	107.8	18.1	20.1
Broker 2	Jun-19	100.4	103.3	21.8	25.2
Average		101.8	105.6	20.0	22.7

Source: Various broker report

We have also reviewed the FY20 Budget and the long term projections up to 30 June 2023 underlying the business strategy and included in the Internal Model. Grant Thornton Corporate Finance has considered the FY20 Budget and the Internal Model, however in accordance with the RG111, we have not disclosed them in our report as they do not meet the requirements for presentation of prospective financial information as set out in ASIC RG170. In addition some of the assumptions underlying the FY20 Budget

⁴⁸ GBST indicated that it expected Operating EBITDA to be around A\$20 million for FY19.

and the Internal Model are hypothetical and the recent financial performance of the business has been volatile which represents a further impediment to disclosing forecasted financial information.

In relation to the consensus estimates and the FY20 Budget, the future growth opportunities and risks of the business, we note the following:

- The available brokers' forecast for GBST reflect the expected growth from its R&D investment in key platforms such as Syn~, Composer/EVOLVE, as well as the new additions such as Catalyst. In addition, the migration of clients to the Syn platform from GBST Shares in Australia, the strong structural growth from the UK wealth management market and the Canada Life UK contract provide the basis for future growth.
- GBST has a high level of visibility on FY20 revenue given that a large proportion (circa 70% of FY19) is contracted. However, we note that the FY20 revenue includes a greater proportion of service revenue on the back the new clients wins in FY19 and the development of new capabilities to administer Annuities and Bonds (client funded).
- The Operating EBITDA margin (mid-point) implied in the FY20 consensus forecast of 20.5% is lower than the average Operating EBITDA margin achieved by GBST over the last four years of circa 22% and it reflects more conservative service revenue forecast and cost pressure in the Australian Capital Markets Division.
- The British Pound may experience volatility going forward given the uncertainty in relation to the growth in the global economy, recent weak GDP growth data for the UK, the trade wars between China and the US and the risks attached to Brexit. A weakness in the British Pound will depress the financial performance of GBST, all other things remaining the same.
- Customer concentration is very high with the top 10 customers of the Capital Markets Division accounting for 72% of FY19 revenue and the top 10 customers of the Wealth Management Division generating 85% of the revenue. As demonstrated by the historical financial performance, the loss of a client can have significant impact on the company's Operating EBITDA.
- The Company has a number of growth opportunities which may support the future performance in particular in relation to the following:
 - The UK advised platform market is expected to continue to provide re-platforming and outsourcing opportunities as a sizeable portion of the investment industry is run on mature technology requiring upgrade in order to remain relevant and be able to provide integrated innovative infrastructure into their technology stack.
 - In FY19, GBST secured the first foundation client for the TaxIntell platform which is expected to make a positive contribution to future growth.
 - CHESS replacement may deliver new projects with a strong pipeline of opportunities.

Conclusion on the Operating EBITDA

Based on the analysis above, we have selected the Operating EBITDA in the range of A\$19 million to A\$20 million. We note that we have mainly related on the FY19 Operating EBITDA given that the transaction multiples are based on the historical EBITDA.

6.1.2 Assessment of EV/EBITDA Multiple

For the purpose of assessing an appropriate EBITDA Multiple range to value GBST, we have had regard to the multiples implied by recent comparable transactions. We have also undertaken a high level cross check based on the trading multiples of listed companies. However, we note that given the lack of particularly comparable listed companies, we have relied on the transaction multiples and have adopted the listed peers to confirm the directional evidence of the selected multiple.

6.1.2.1 Transaction multiples

The table below summarises the EV/EBITDA multiples of comparable transactions.

Date	Target Company	Country	Bidder Company	Stake (%)	Deal Value (A\$m)	EBITDA Multiple (Times)
Tier 1 - Comparable transactions of relevant size						
Feb-17	Rubik Financial Ltd.	Australia	Temenos Group AG	100%	68	12.2x
Sep-16	Financial Synergy	Australia	Iress Limited	100%	90	9.6x
Oct-16	Bravura Solutions Limited ⁽¹⁾	Australia	IPO	100%	310	8.7x
Sep-15	Primatics Financial LLC	United States	SS&C Technologies Holdings, Inc.	100%	174	10.2x
Jan-15	eFront	France	Bridgepoint Advisers Limited	100%	430	11.5x
Aug-13	Avelo	United Kingdom	IRESS	100%	358	11.8x
Jun-13	Bravura Solutions Limited	Australia	Ironbridge	100%	185	6.0x
Average						10.0x
Median						10.2x
Tier 2 - Other comparable transactions						
Sep-18	Intralinks	United States	SS&C Technologies Holdings, Inc.	100%	2,085	11.4
Jul-18	Eze Software Group	United States	SS&C Technologies Holdings, Inc.	100%	1,952	13.8
May-18	Ipreo Holdings	United States	HIS Markit Ltd	100%	2,446	16.1
Apr-18	Fidessa Group Plc	United Kingdom	ION Investment Group Limited	90%	2,651	16.3
Apr-16	Calypso Technology	United States	Bridgepoint / Summit Partners	100%	NA	NA
Mar-15	Fundtech	United States	Davis & Henderson	100%	1,607	18.4
Feb-15	Advent Software	United States	SS&C Technologies Holdings, Inc.	100%	3,454	19.4
Dec-13	Digital Insight	United States	NCR	100%	1,814	12.2
Jul-13	Intuit Financial Services	United States	Bottomline Technologies Inc.	100%	1,109	9.8
Average						14.7x
Median						14.7x
Overall Average						12.5x
Overall Median						11.8x

Sources: S&P Global, GTCF Analysis, Management
Note 1 – Multiple calculated based on FY17 forecast.

In relation to the multiples implied by the comparable transactions, we note that:

- The implied transaction multiples may incorporate various levels of control premium and special values paid for by the acquirers. In particular, the multiples may reflect synergies paid which are unique to the acquirers.
- The transactions observed took place during the period between July 2013 and September 2018. Economic and market factors, including competition dynamics and commodity prices may be materially different from those current as at the valuation date. These factors may influence the amounts paid by the acquirers for these businesses.
- The transaction multiples are calculated based on the historical EBITDA of the acquired companies (unless otherwise stated) which were before the introduction of the AASB15 accounting standard.

We have considered the Tier 1 transactions more relevant for the purpose of our analysis as they are of similar size to GBST, between A\$50 million and \$500 million deal value.

Rubik Transaction

In February 2017 Temenos Group acquired Rubik Financial for an equity value of circa A\$69 million. Rubik provided technology and software solutions to the financial services sector in Australia, focusing on three product suites in wealth (47% of FY16 revenue), banking (34% of FY16 revenue) and mortgages (19% of FY16 revenue). The company primarily generated recurring revenue (73% in FY16 and 81% in FY15). On 30 September 2016, shortly before the acquisition from Temenos, Rubik announced the launch of the Rubik Model Bank which is a hosted, integrated, modular banking system developed based on the T24 platform of Temenos.

We note that Rubik required significant capital to develop and complete its new modular banking system, with A\$12 million incurred at the time of the transaction and an additional A\$5.5 million still required. Rubik had a long term agreement with Temenos for the T24 Banking software which allowed Rubik to have an exclusivity right for hosting T24 in Australia and New Zealand. We are of the opinion that the exclusive licence agreement limited the ability of Rubik to be acquired by another core banking system provider and the price may incorporate some element of special value that could only be realised by Temenos.

Financial Synergy

In September 2016, IRESS acquired Financial Synergy for a consideration of up to A\$90 million. Financial Synergy was a leading and established provider of software and administration services to the Australian superannuation industry, owning a popular software platform called Accuity. Circa 50% of the revenue was recurring in nature and Financial Synergy had long and established relationships with a number of superfunds (no client losses to a competitor since inception).

The transaction rationale was to grow IRESS presence in the Australian trading and funds management technology sector and to broaden the range and scale of services offered. Financial Synergy reported revenues of A\$27.5 million and EBITDA of A\$9.4 for FY16. We note that based on the information available, it is not known if the FY16 EBITDA was before or after R&D. However, we note that Financial Synergy did not appear to be in a cycle of large strategic R&D expenses like GBST.

Primatics Financial

In September 2015, SS&C announced the acquisition of Primatics Financial, with the transaction closing on 16 November 2015 for a consideration of US\$122 million. Primatics was a leading accounting, forecasting, regulatory reporting, reserving and stress testing solution to financial institutions assessing current or potential loans. The flagship software is the EVOLV platform which is a customisable, scalable and integrated solution that operates end to end. At the time of the transaction Primatics had FY14 revenues of US\$51 million and EBITDA of US\$12 million. Based on the information available, it appears that before the sale to SS&C, Primatics, under the ownership of the Carlyle Group, had invested significant capital and resources to build a full suite solution and comprehensive software platform and accordingly the R&D requirements at the time of the transaction should have been limited. Conversely, GBST is only 34% completed with Project Evolve and it expects to complete the strategic R&D in FY20/FY21.

eFront acquisition by Bridgepoint Advisors

eFront is a leading software provider of solutions for the financial industry with leading expertise in alternative investments and risk management like portfolio monitoring, data analytics and fund/portfolio administration and accounting. eFront's suite of solutions cover back office (fund administration and fund accounting), middle office (portfolio monitoring and investor portal), and front office (CRM, fund raising and deal pipeline monitoring). The company is the recognised global leader in software solutions for private equity institutions.

eFront was acquired several times over the last few years as outlined below:

- *September 2011* – eFront was acquired by EFR Holdings for €\$44 million for a EV/EBITDA multiple of 9.0x.
- *January 2015* – Bridgepoint Advisors announced that they had acquired eFront for €\$300 million at an EV/EBITDA multiple of 11.5x.
- *In March 2019* – BlackRock acquired eFront for US\$1.3 billion at an EV/EBITDA multiple of 17.3x.

The series of transactions is a strong indicator of impact of scale and size on the EV/EBITDA multiple of a company. In our valuation assessment, we have considered the acquisition of eFront from Bridgepoint Advisors as we consider it more comparable in terms of size to GBST. The treatment of R&D in the EBITDA was not disclosed.

Avelo

In August 2013, IRESS acquired Avelo, a provider of software and consultancy services to the financial services industry in the UK for a consideration of A\$358 million. Avelo provided software for online comparable quotation and business application software, financial planning, client management and full back office administration and wealth management and mortgage enterprise level point of sale software. The company experienced a revenue and EBITDA CAGR of 12.5% and 7.0% respectively from FY11 to FY13.

Bravura Ironbridge

In June 2013, Ironbridge acquired the 33% interest in Bravura Solutions that it did not already own for consideration of A\$56.7 million, implying a transaction enterprise value for Bravura of A\$185 million on a 100% basis. Bravura provides software for wealth management and life insurance, as well as funds administration via its flagship software Sonata. At the time of the transaction, Bravura generated revenue of A\$124 million for FY13 and had EBITDA of A\$22.3 million⁴⁹ including expensed R&D of A\$3.7 million which is fairly similar to the FY19 financial performance of GBST. Bravura is also one of the key competitor of GBST in the UK wealth management sector.

At the time of the transaction, the company was in the process of ramping-up its flagship wealth management and life insurance software Sonata to market after its completion in late 2011. We note that in 2007, Bravura made the decision to take the functionality and the core set of IP established from a variety of its existing software products to develop Sonata. However at the time of the acquisition, the deployment of Sonata was at its infancy with only A\$5 million generated in FY13. We note that Bravura had spent A\$100 million over 10 years to develop Sonata.

We have assessed the EBITDA before R&D on a comparable basis with the Operating EBITDA of GBST.

Bravura IPO

In October 2016, Ironbridge sought partial liquidity for its investment in Bravura by completing the listing of the company on the ASX. Ironbridge and management retained 52.3% of the issued shares post IPO.

After taking Bravura private in 2013, Ironbridge focussed on accelerating the investment and roll-out of Sonata with successful implementation with a number of strategic clients. Revenue generated by Sonata grew from A\$5 million in FY13 to A\$67 million in FY16 and they were forecast to further increase to A\$92 million in FY17. We note that capitalised development costs in the three year before the IPO were only A\$6.1 million per annum which seems to indicate that the cycle of large development in conjunction with the Sonata platform was completed well before the IPO.

Bravura listed at a forecast pro-forma Operating EBITDA multiple of 8.7x⁵⁰ and a pro-forma historical EBITDA multiple of 13.8x demonstrating the high growth prospects of Bravura at the time of the IPO. Bravura was expecting significant growth going forward with pro-forma FY17 EBITDA increasing to A\$32.3 million from pro-forma historical EBITDA of 20.2 million in FY16 – an increase of circa 60% and it had already completed its large strategic R&D which materially de-risked the operations at the time of the IPO.

Whilst the IPO transactions usually do not reflect a premium for control, it is likely that Ironbridge had undertaken a dual track process between the IPO and trade sale to maximise the proceeds of the transaction and accordingly we are of the opinion that the EBITDA Multiple can be considered a proxy for a control transaction, even if it may not include a full control premium. We note that since the IPO, the share price of Bravura increased from A\$1.45 to circa A\$4.56 as at 19 August 2019 reflecting the continues growth achieved by the business. The market capitalisation of Bravura also exceeded A\$1.1 billion as at the same date.

⁴⁹ For the purpose of calculating the multiple, we have adopted a normalised EBITDA of A\$27.4 million disclosed in the IER in relation to the Bravura acquisition.

⁵⁰ Operating EBITDA calculated as the FY17 pro-forma EBITDA included in the Prospectus of A\$32.3 million plus development expenses of A\$2.6 million and indicative enterprise value at the offer price disclosed in the Prospectus of A\$308 million.

Tier 2 transactions

We have identified other comparable transactions with a deal value in excess of A\$1 billion. We believe that transactions in excess of A\$1 billion in the financial software industry, and with primary operations in the US where further scale can be achieved due to the size of wealth management industry and volume of capital markets transactions demand a material premium and are not directly comparable to the GBST.

EBITDA Multiples – Conclusion

Based on the analysis of comparable transactions, Grant Thornton Corporate Finance has assessed an EBITDA multiple for the valuation of GBST between 10x and 11x on a control basis. We have mainly had regard to the following:

- It is in line with the average EBITDA Multiple of the Tier 1 companies.
- It takes into account the fact that some of the higher multiples in the Tier 1 comparable transactions basket may be slightly overstated due to the fact that, if details were not available, we have assumed the comparable companies do capitalise R&D expenses. If some of the R&D costs were instead expensed, we would be required to add them back to the EBITDA in order to calculate an Operating EBITDA consistent with GBST which would have the effect of reducing the EBITDA multiple of the comparable transaction.
- The selected multiple is at a premium to the EBITDA multiple of the Bravura IPO, however, we note that we have made reference to the forecast EBITDA multiple of Bravura of 8.7x whereas the historical EBITDA multiple was 13.8x. We have considered appropriate to rely on the forecast EBITDA multiple for Bravura given that the IPO prospectus was finalised towards the end of 2016, Bravura had a high level of visibility on contracted revenue and the admission document included forecast to 30 June 2017. Nonetheless, we are of the opinion that it is reasonable for the historical EBITDA multiple of Bravura at the time of the IPO to be at a substantial premium to GBST multiple given the different growth prospects and the fact that Bravura had completed and roll-out the Sonata platform whereas GBST is in the middle of a major platforms upgrade which brings significant more uncertainty to the business.

6.1.2.2 Trading multiples

Summarised below are the trading multiples of the selected companies.

Company	Country	Market	Enterprise	EVEBITDA				
		Cap	Value	LTM	FY19	FY20	FY21	FY22
		AS millions	AS millions	Actual	Projected	Projected	Projected	Projected
Tier 1 - Comparable companies of relevant size								
Bravura Solutions Limited	Australia	1,041	1,027	28.7x	21.5x	19.2x	17.1x	NA
IRESS Limited	Australia	2,147	2,320	19.7x	16.8x	14.8x	13.4x	NA
Praemium Limited	Australia	203	189	16.6x	16.6x	14.9x	12.1x	10.1x
OneVue Holdings Limited	Australia	118	109	21.5x	15.7x	12.5x	9.7x	NA
Linedata Services S.A.	France	317	445	7.5x	6.3x	6.2x	6.1x	NA
StatPro Group plc	United Kingdom	171	228	12.5x	10.7x	9.8x	8.7x	NA
Average				17.7x	14.6x	12.9x	11.2x	10.1x
Median				18.1x	16.2x	13.7x	10.9x	10.1x
Tier 2 - Other comparable companies								
Fidelity National Information Services, Inc.	United States	125,122	138,274	38.3x	22.5x	15.2x	13.5x	12.7x
Fiserv, Inc.	United States	107,511	115,940	40.8x	19.9x	11.9x	11.1x	12.4x
SS&C Technologies Holdings, Inc.	United States	17,008	28,969	12.3x	10.9x	10.2x	9.9x	9.9x
Broadridge Financial Solutions, Inc.	United States	21,609	23,374	17.4x	17.4x	16.0x	14.9x	13.8x
Nomura Research Institute, Ltd.	Japan	19,159	18,301	12.3x	12.8x	12.0x	11.5x	10.9x
Temenos AG	Switzerland	16,273	17,438	42.9x	31.2x	26.9x	22.8x	20.0x
FactSet Research Systems Inc.	United States	15,629	15,959	21.8x	21.4x	20.0x	19.0x	17.9x
Computershare Limited	Australia	11,594	9,925	10.7x	10.7x	10.1x	9.6x	9.1x
Capita plc	United Kingdom	3,604	6,028	13.4x	7.4x	7.1x	6.6x	NA
Envestnet, Inc.	United States	4,314	5,236	44.1x	18.5x	14.9x	13.0x	11.7x
SimCorp A/S	Denmark	37,396	4,984	27.3x	23.2x	21.5x	18.3x	NA
Link Administration Holdings Limited	Australia	2,499	3,139	11.1x	8.8x	9.6x	9.1x	8.0x
Equiniti Group plc	United Kingdom	1,265	1,942	9.5x	7.9x	7.3x	6.9x	7.0x
HUB24 Limited	Australia	648	633	55.8x	44.0x	25.4x	18.0x	NA
Average				25.5x	18.3x	14.9x	13.1x	12.1x
Median				19.6x	17.9x	13.5x	12.2x	11.7x

Sources: S&P Global, GTCF analysis

The trading multiples are based on the share prices as at 17 August 2019

We have broken down the comparable companies between Tier 1 and Tier 2. The Tier 2 companies are all of significantly larger size and scale (greater than A\$1.0 billion enterprise value), and inherently are more diversified in their product offering. We have included them in the pool of comparable companies for illustrative purpose only but we have not analysed or relied on them.

As discussed at the beginning of this section, we have mainly relied on the transaction multiples for the purpose of our valuation but we have reviewed the Tier 1 listed peers to confirm the directional evidence of the selected multiple. We make the following comments in relation to the Tier 1 companies:

- Bravura Solutions is the most comparable company from a product and service offering perspective, as it is an Australian based financial software provider for wealth management and life insurance, with its flagship software Sonata rivalling GBST's Composer. While it is similar in operations, the company is significantly larger in size, with a current enterprise value of A\$1.16 billion and has fully completed

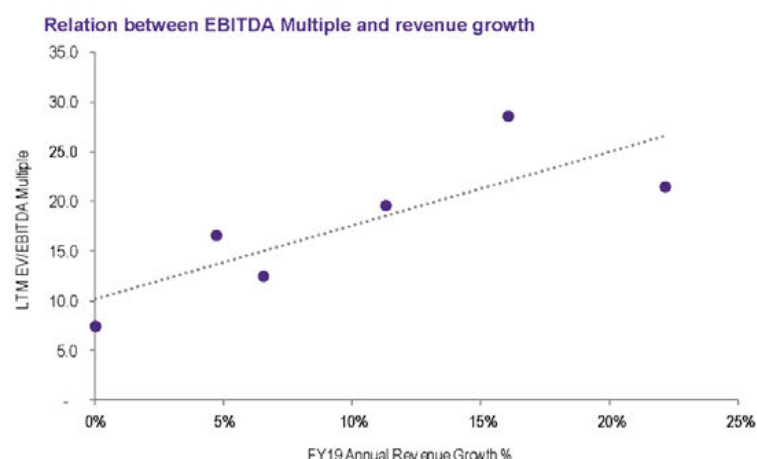
its R&D development of the Sonata software hence is significantly de-risked compared with GBST which is still undertaking its strategic R&D program in relation to the Composer platform.

- IRESS Limited is an Australian company that provides financial market and wealth management software to the Australian, New Zealand, Asian, UK, South African and Canadian markets. The company provides front office trading, compliance, order management software and financial planning systems to wealth management professionals. IRESS has been growing significantly over the last few years via acquisitions and organically. Both segment profit and NPAT increased by circa 25% since 2014 and recurring subscription revenue account for circa 90% of total revenue, client concentration is limited with revenue spread across a large numbers of financial services business (+9,000) and professional trading and market data users (12,000).
- Praemium Limited provides scalable management accounts technology, portfolio administration and CRM and financial planning tools for the wealth management industry. The Company offers a front-end managed accounts platform which made advisers and wealth managers with the ability to construct managed accounts solutions for their client via a digital platform. The Company's platform is a complete end to end software solution that is used by financial advisors at financial institutions, as well as individual investors. As a result, the company's revenue is diversified with over 1,000 clients and 140 billion of assets on its platforms/products which is the key differentiating factor with GBST. In addition, the Company has been experiencing strong growth in underlying EBITDA which has increased from A\$2.6 million in FY15 to A\$11.4 million in FY19.
- OneVue Holdings is an Australian based business that provides various wealth management services, including fund administration and front-end platform services. We do not consider it comparable as it is not a software company and it incur limited development costs.
- Linedata services is a company based in France that provides software solutions for asset management and credit services for the lending and leasing industry, it also offers consulting, outsourcing and maintenance service. Linedata is a mature, low growth company. The company is of similar size to GBST and it primarily operates in Europe.
- Statpro is a UK based cloud software company that provides front end performance measurement and analytics to the asset management industry. The company is of similar size to GBST with an enterprise value of A\$228 million and it generated higher growth with a three year revenue CAGR of 16% and three year EBITDA CAGR of 40%. However, it has lower historical EBITDA margins in the range of 9.5%-12.2% from FY16 to FY19.

In our analysis we have identified three main factors that significantly impact enterprise value and EV/EBITDA multiples in the financial software industry; size/scale, historical and future growth and front office versus back office services. Regarding all three factors, GBST does not compare favourably to most of the listed Tier 1 peers. Specifically, we note the following:

- The size or scale of a company operating in the financial software segment has a greater impact on EV/EBITDA multiples than in other traditional industries as it typically indicates the business has a history of profitability, an established software platform with proven market adoption and less future R&D requirements. Inherently smaller financial software businesses, that are in the process of major R&D developments and are penetrating new product or geographic markets are more risky and demand lower EV/EBITDA multiples.

- In the financial software industry, the growth of a company heavily impacts the EV/EBITDA multiple of the business. Sustained high revenue growth is an indication of a quality product offering experiencing market adoption. In addition, revenue growth rapidly translates to EBITDA margin improvement as financial software companies primarily monetise through recurring licence revenue, incurring minimal additional costs to service new customers once implementation is completed. The analysis below indicates sound correlation between historical growth rate and EBITDA multiple.



- Front office products typically demand a higher EV/EBITDA multiple in comparison to back office products as they have a stronger brand, can grow faster due to less customisation and lower implementation costs, and in-turn can generate a higher EBITDA margin.

Whilst we have relied on the Tier 1 listed peers, in our opinion, the analysis above provides direction support for the EBITDA Multiple selected for GBST due to the following:

- It is at a discount to the EBITDA multiple of Bravura, IRESS, Praemium given their size, growth prospects and market diversification. IRESS and Praemium also have more front-office type of products.
- OneVue is not a particularly comparable business and it does not have a strong history of profitability and accordingly EBITDA may not necessarily be the right value measurement indicator.
- The average multiple of the other two listed peers is not dissimilar from the selected EBITDA Multiple once a premium for control is included.

6.2 Desktop DCF

For the purpose of our valuation assessment of GBST utilising the Desktop DCF method, Grant Thornton Corporate Finance developed the GT Model based on the FY20 to FY24 high level Management projections included in the Internal Model, with further guidance from discussions with Management and broker forecasts.

The table below sets out a summary of our valuation assessment of GBST based on the DCF Method.

DCF Method - valuation summary A\$ '000 (except where stated otherwise)	Section Reference	Low	High
Enterprise value on a control basis		196,426	221,488
Add: Net cash as at 30 June 2019	4.3.2	17,889	17,889
Equity Value (control basis)		213,315	239,377
Number of outstanding shares ('000s) (fully diluted)	6.2.1	69,852	69,852
Value per share (control basis) (A\$ per Share)		3.05	3.43

Source: GTCF Calculations

6.2.1 Key valuation assumptions

The key underlying assumptions adopted in our Desktop DCF Method are outlined below:

- The FY20 to FY24 high level Projections prepared by Management are based on Management's long term revenue, operating costs, and R&D growth forecasts. We note that GBST business has a reasonable level of revenue predictability given that circa 68% of the FY19 revenue was represented by recurring licence fees payable over the period of the underlying contracts.
- Management has prepared a detailed pipeline of opportunities for the Capital Markets Division and the Wealth Management Division where all the opportunities have been graded based on the likelihood of success. No current contracts have been assumed to be lost during the projections.
- Two investment brokers provide long term projections for the Company up to FY21 and FY22 which provide a cross check to Management's views.
- The projections reflect an increase in the revenue and the EBITDA compared with the levels achieved in FY19 as a result of the significant investments in strategic R&D undertaken by the Company which are expected to continue in FY20 and FY21. The expected growth rate over the forecast period is not inconsistent with brokers' forecast⁵¹.
- The EBITDA margin is expected to increase during the projections compared with the level achieved in FY19 as a result of a greater proportion of the revenue being generated from licence fee which produce higher margins compared with service fee.
- **Tax rate** – For the purpose of our valuation we have applied a blended corporate tax rate between Australia and the UK.

⁵¹ We note that only one broker provides an estimate of the EBITDA in FY23 (A\$27.7 million) which is consistent with the GT Model. However this comparison should be taken with caution as the broker does not disclose the treatment of R&D and AASB15 for the purpose of calculating the EBITDA.



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- *Capital expenditure (R&D)* – We have considered an annual capital expenditure in FY21 and FY22 in line with the remainder of the Strategic R&D plan and then we have reduced it to a normalised level of circa A\$5 million per annum.
- *Working capital* – We note that the working capital requirements of the business are quite limited.
- *Terminal value* – Estimated based on an exit EBITDA multiple consistent with the average of the TIER 1 comparable transactions. We note that the growth in the underlying EBITDA up to FY24 is sensible and accordingly, we are of the opinion that it is not unreasonable to adopt an EBITDA Multiple in line with the valuation of GBST.
- *Discount rate* – we have assessed the net present value of future cash flows having regard to an assessed discount rate based on the weighted average cost of capital ("WACC") in the range of 10.5% to 11.5% for GBST⁵².
- *Net cash* – We have calculated a net cash position at A\$17.9 million based on the balance sheet as at 30 June 2019. We note that whilst the cash balance is expected to be used to complete the strategic R&D program, all the comparable companies have a similar capital structure and R&D investment required.
- *Shares on issue* – We have undertaken our valuation assessment on a fully diluted basis adopting a total number of share of 69,852,107 including the Performance Rights and the Options⁵³.

The assumptions adopted by Grant Thornton Corporate Finance do not represent projections by Grant Thornton Corporate Finance but are intended to reflect the assumptions that could reasonably be adopted by industry participants in their pricing of similar business. We note that the assumptions are inherently subject to considerable uncertainty and there is significant scope for differences in opinion. It should be noted that the enterprise value of GBST could vary materially based on changes in certain key assumptions. Accordingly, we have conducted further sensitivity analysis below to highlight the impact on the value of the GBST enterprise value based on the Desktop DCF Method caused by movements in certain key assumptions.

⁵² The discount rate has been assessed based on the Capital Assets Pricing Model using the following assumptions: risk free rate of 3.5%, beta of 0.9 and 1.1, market risk premium of 6% and specific risk premium of 1.5%. The capital structure has been assumed 100% equity in line with the business and comparable companies.

⁵³ However, we note that Rob DeDominicis' GBST Options (FY20 CEPCs) are to be satisfied by the acquisition by the Trustee and transfer to Rob DeDominicis of 207,744 GBST Shares already on issue.

Sensitivity analysis		
AS per share	Low	High
GT assessed value	3.05	3.43
Discount rate FY20 to TV		
+0.5%	3.00	3.36
-0.5%	3.11	3.49
Terminal value multiple		
+0.5	3.18	3.56
-0.5	2.93	3.30
Capex (primarily R&D) FY20 to FY24		
+5%	3.01	3.39
-5%	3.09	3.47
EBITDA FY20 to FY24		
+5%	3.23	3.62
-5%	2.88	3.23

Source: GTCF calculations

These sensitivities do not represent a range of potential values of the enterprise value of GBST, but they intend to show to the GBST Shareholders the sensitivity of our valuation assessment to changes in certain variables.

Based on the above, the Desktop DCF supports our valuation assessment based on the EBITDA Multiple.

6.3 Quoted Security Pricing Method

In our assessment of the fair market value of GBST Shares, we have also had regard to the trading price of the listed securities on the ASX in the period prior to 12 April 2019 when the Company announced to the market that it had received the Initial Proposal.

The assessed value per share based on the trading price is an exercise of professional judgement that takes into consideration the depth in the market for listed securities, the volatility of the trading price, and whether or not the trading prices are likely to represent the underlying value of GBST. The following sections detail the analysis undertaken in selecting the share price range.

6.2.1 Liquidity analysis

In accordance with the requirements of RG111, we have analysed the liquidity of GBST Shares before relying on them for the purpose of our valuation assessment. The following table sets out the monthly trading volume of GBST Shares since April 2018 as a percentage of the total shares outstanding as well as free float shares outstanding.

GBST - Liquidity analysis				Cumulative		Cumulative	
Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of total shares	Volume traded as % of total shares	Volume traded as % of free float shares	Volume traded as % of free float shares
Apr 2018	534	2.2503	1,202	0.8%	0.8%	0.9%	0.9%
May 2018	650	2.2813	1,482	1.0%	1.7%	1.1%	2.0%
Jun 2018	1,580	2.2563	3,564	2.3%	4.1%	2.7%	4.7%
Jul 2018	877	2.0252	1,776	1.3%	5.4%	1.5%	6.2%
Aug 2018	1,485	2.1316	3,165	2.2%	7.5%	2.5%	8.7%
Sep 2018	1,075	1.9479	2,094	1.6%	9.1%	1.8%	10.5%
Oct 2018	2,658	1.7337	4,608	3.9%	13.0%	4.5%	15.0%
Nov 2018	345	1.6897	583	0.5%	13.6%	0.6%	15.0%
Dec 2018	132	1.5516	205	0.2%	13.7%	0.2%	15.8%
Jan 2019	3,579	1.3813	4,943	5.3%	19.0%	6.1%	21.9%
Feb 2019	1,218	1.5221	1,854	1.8%	20.8%	2.1%	23.9%
Mar 2019	972	1.8622	1,811	1.4%	22.2%	1.6%	25.6%
Min				0.19%		0.22%	
Average				1.85%		2.13%	
Median				1.51%		1.73%	
Max				5.27%		6.06%	

Source: GTCF Analysis

As part of the liquidity analysis, we have also compared below the free float of GBST Shares with listed peers and noticed GBST's liquidity is lower than all the selected comparable listed companies.

Peers' Liquidity analysis			Average	Average	Cumulative	Cumulative
Company	Country	Free float (%)	volume traded as a % of total shares	volume traded as a % of free float shares	volume traded as a % of total shares	volume traded as a % of free float shares
GBST Holdings Limited	Australia	86.9%	1.9%	2.1%	22.2%	25.6%
Bravura Solutions Limited	Australia	96.8%	9.8%	10.1%	117.5%	121.4%
IRESS Limited	Australia	99.6%	6.9%	6.9%	82.5%	82.8%
HUB24 Limited	Australia	77.0%	8.4%	11.0%	101.2%	131.5%
OneVue Holdings Limited	Australia	73.1%	3.8%	5.2%	45.6%	62.4%
People Infrastructure Ltd	Australia	54.2%	2.7%	5.0%	32.9%	60.6%
Computershare Limited	Australia	91.3%	5.9%	6.4%	70.4%	77.1%
Link Administration Holdings Limited	Australia	96.0%	9.4%	9.8%	113.1%	117.8%
Low (Including GBST)		54.2%	1.9%	2.1%	22.2%	25.6%
Average (Including GBST)		84.4%	6.1%	7.1%	73.2%	84.9%
Median (Including GBST)		89.1%	6.4%	6.7%	76.5%	79.9%
High (Including GBST)		99.6%	9.8%	11.0%	117.5%	131.5%

Source: GTCF Analysis

Note: Analysis for the 12 months prior to 12 April 2019, when the Company announced to have received the initial Proposal

Based on the above tables, we note the following:

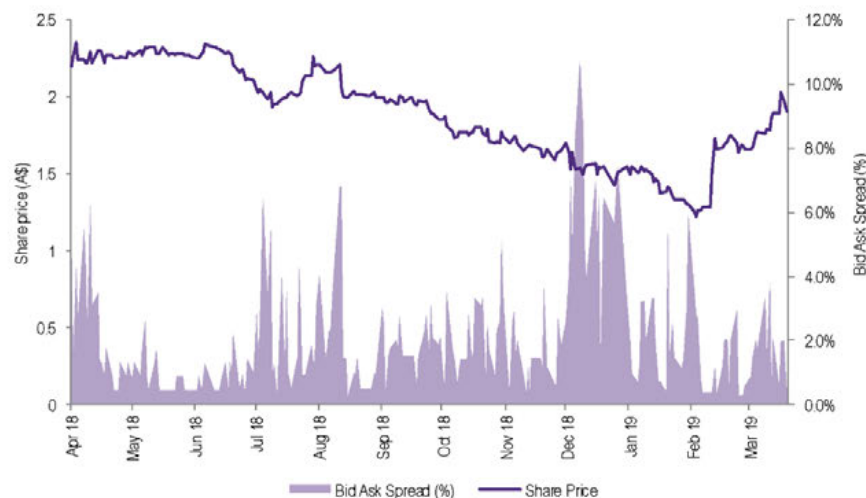
- The level of free float of GBST shares is c.87.0%⁵⁴. From April 2018 to March 2019, circa 25.6% of the free float shares were traded with an average monthly volume of circa 2.1% of the total free float shares. This indicates that the level of liquidity is low and the stock thinly traded.

⁵⁴ This comprises of the total shares outstanding 125,159,925 less the shares held by company employees and strategic corporate investors.

- A relatively higher level of trading occurred in conjunction with reporting dates or price catalysts announcements.
- The Company complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance and financial standing of the Company.
- The Company is covered by three investment analysts who provides updates to the market on a regular basis.
- In the absence of the Scheme or alternative transactions, the trading share price represents the value at which minority shareholders could realise their portfolio investment.

In addition to the above, where a company's stock is not heavily traded or relatively illiquid, the market typically observes a sizeable difference between the "bid" and "ask" price for the stock as there may be a difference in opinion between the buyer and seller on the value of the stock. We note that the historical average bid-ask spread has not been material at 2.3% in the twelve months before the Initial Proposal. We note that the spread increased substantially between December 2018 and January 2019 which possibly indicates market uncertainty in relation the half year performance given that the Company did not provide any guidance and GBST had a history of decreasing profitability.

GBST: Spread between Bid and Ask Price



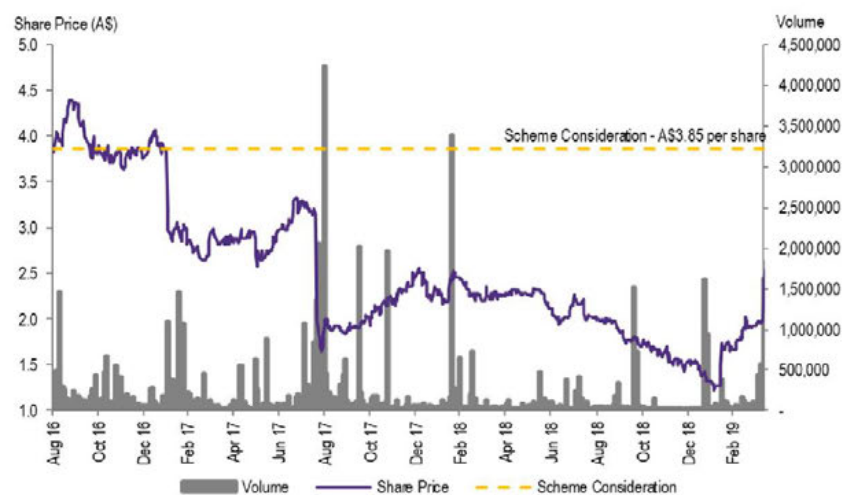
Source: S&P Global, GTCF analysis

Based on the above analysis, we are of the opinion that the level of liquidity is limited and reliance on the trading prices should be considered with caution.

Valuation assessment of GBST based on trading price

As part of our valuation procedures based on the trading price, we have analysed the performance of GBST's share price over the last three years.

Historical share trading prices and volume for GBST



Source: S&P Global, GTCF analysis

As set out in the graph above, GBST Shares have traded⁵⁵ between a maximum of A\$4.38 on 23 September 2016 and a minimum of A\$1.22 on 5 February 2019 and then they recovered to circa A\$1.98 per share before the announcement of the Initial Proposal. We have analysed below this reduction from the peak in the trading prices to seek to establish if it was driven by Company's specific factors or broader macroeconomic trends to understand if the timing of Initial Proposal was opportunistic.

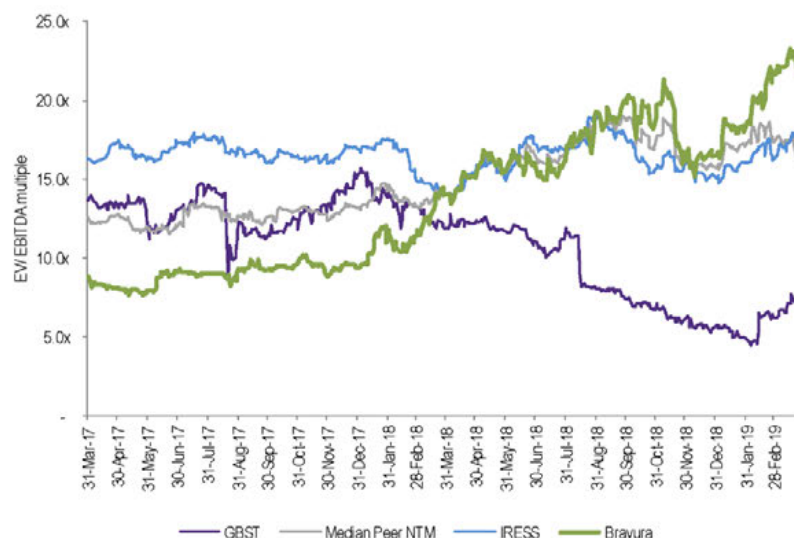
In our opinion, the significant decrease in the trading prices was affected by specific factors of the Company as set out below:

- *Underperformance and profit downgrades* – In recent years, GBST issued a number of profit downgrades which have adversely affected the financial performance of the business and as a result

⁵⁵ Daily close prices.

the GBST market valuation has shifted from a growing fin-tech stock to a stable and mature business with downside risks as evident from the graph below.

Rolling NTM trading EBITDA multiple



Source: Capital IQ & GTCF analysis

Note(1): Peer index comprises IRESS Limited, Bravura, Linedata Services, and Praemium Limited.

- Major investment in software platforms required** – In August 2017, the Company announced a major investment in strategic R&D of up to A\$50 million to undertake major upgrades of the existing platforms in order to transition them into the digital and cloud eras. Over the following trading days, the share price reduced from A\$3.13 per share to A\$1.70 per share, a reduction of circa 46%. There are significant risks attached to a major revamping of the software platforms in terms of possible delays, substantial increase in costs and loss of clients. We note that it took Bravura circa 10 years to complete the Sonata platform at a cost of circa A\$100 million.
- Abrupt change of Management** – Over the last few years, the Company experienced a number of abrupt Management and Directors changes which may have adversely affected market trust and contributed to further depressing the share price. In particular, we note that the GBST announced in September 2015 that the former CEO, Mr Stephen Lake would retire in 2016 after handover to the new CEO, but then in October 2015, Mr Stephen Lake stepped down with immediate effect. Shortly after, in December 2015, the Chairman and founder of GBST, Mr John Puttick also left the Company. Further in October 2017, the CFO, Mr Patrick Salis, resigned with immediate effect and Mr Gareth Turner was appointed as new CFO, but then in September 2018, GBST announced that Mr Turner would leave GBST in November 2018. Whilst these changes of management are not the main driver behind the significant decrease of GBST trading prices, certainly they affected investors' views of the risks attached to the Company when considered in conjunction with the decreasing financial performance up to 31 December 2018 and the significant investments in renewing the software platforms announced in August 2017.



Based on the analysis above, we are of the opinion that the declining share price of GBST was the reflection of specific factors of the Company rather than of the market as a whole and there was a permanent shift in how investors were valuing GBST.

Conclusion on the selected valuation range

Set out below is the VWAP of GBST share price before the announcement of the Scheme.

VWAP	Low	High	VWAP
Up to 11 April 2019 being the day prior to the Bravura Offer			
1 day	1.950	1.975	1.962
5 day	1.900	1.980	1.956
10 day	1.900	1.980	1.948
1 month	1.750	2.040	1.934
2 month	1.270	2.040	1.822
3 month	1.195	2.040	1.592
4 month	1.195	2.040	1.591
5 month	1.195	2.040	1.594
6 month	1.195	2.040	1.627
9 month	1.195	2.300	1.728

Source: S&P Global and GTCF calculations

Note: We note that whilst GBST announced the Scheme on 29 July 2019, it received acquisition proposal from Bravura on 12 April 2019

Based on the above, we have assessed the fair market value of GBST Shares based on the trading price before the Initial Proposal between A\$1.90 and A\$2.00 per share on a minority basis.

Evidence from studies suggests that successful takeovers in Australia have completed based on the premium for control in the range of 20% to 40% (see Appendix E). In addition, we have considered the premium for control paid by acquirers in the software and fin-tech sector as set out below. The analysis below indicates a control premium paid between circa 30% and 45%.

Control premium observed in recent transactions				Premium	
Date	Target Company	Bidder Company	Stake (%)	1-day	1-month
Jun-19	Tableau Software, Inc.	salesforce.com, inc.	100%	42.1%	30.6%
Feb-19	NetComm Wireless Limited	Casa Systems, Inc.	100%	52.8%	49.9%
Oct-18	MYOB Group Limited ¹	KKR & Co. Inc.	80%	27.4%	NA
Oct-18	MaxSec Group Limited	Ava Risk Group Limited	9%	20.0%	20.0%
Sep-18	Decimal Software Limited	Sargon Capital Pty Ltd	100%	76.3%	43.2%
Jul-18	Spookfish Limited	Eagle View Technologies, Inc.	91%	76.5%	78.4%
May-18	Mitula Group Limited	LIFULL Co., Ltd.	100%	88.9%	81.3%
Apr-18	Fidessa Group Holdings Limited	ION Investment Group Limited	100%	32.8%	55.5%
Jan-18	Bulletproof Group Limited ²	AC3 Systems	100%	126.9%	118.5%
Dec-17	Aconex Limited	Vantive Australia Pty Ltd	100%	47.4%	50.8%
Nov-17	Barracuda Networks, Inc.	Thoma Bravo, LLC; Thoma Bravo Fund XII, L.P.	100%	16.3%	21.4%
May-17	Grays eCommerce Group Limited	Leasing Finance (Australia) Pty Limited	100%	32.4%	31.7%
Feb-17	Rubik Financial Limited	Temenos Solutions Australia Pty Ltd	100%	54.5%	75.2%
Nov-16	Cellnet Group Limited ³	Wentronic Holding GmbH	67%	7.7%	7.8%
Oct-16	ClearView Wealth Limited	Sony Life Insurance Co., Ltd.	16%	23.3%	29.9%
Sep-16	ASG Group Limited	Nomura Research Institute, Ltd.	100%	19.9%	28.4%
Jul-16	NetSuite Inc.	Oracle Corporation	77%	19.0%	32.2%
Dec-15	Onthehouse Holdings Limited	Macquarie Corporate Holdings Pty Limited	81%	46.6%	49.2%
Nov-15	iProperty Group Limited ⁴	REA Group Limited	77%	55.0%	61.9%
Aug-14	Oakton Limited	Dimension Data Australia Pty Limited	100%	29.7%	35.1%
Jun-13	Bravura Solutions Limited	Ironbridge Capital Pty Ltd	33%	31.5%	31.5%
Low				7.7%	7.8%
Median				32.8%	39.2%
Average				44.1%	46.6%
High				126.9%	118.5%

Source: Company announcements

Note (1): The control premium is based on the notional share price adjusted for the movement in MYOB's peers from 5 October 2018 to the date prior to signing the scheme implementation agreement

Note (2): The control premium is based on the notional share price prior to 21 November 2017, the day that Macquarie Telecom announced its offer of \$0.11

Note (3): The low control premium was as a result of illiquidity of Cellnet shares and low volume traded. The liquidity in Cellnet shares based on ASX over the 12 months period prior to 9 November 2016 is 8.9%

Note (4): The control premium is based on the share price as at the 20 July 2015, being the day prior to which it was announced to the market that the bidder is the substantial shareholder of the Company

Our valuation assessment based on the trading prices implies a premium for control between 61% and 75% compared with our valuation of GBST on a control basis and a premium for control between 93% and 103% compared with the Scheme Consideration which are both significantly in excess of the average control premium paid in the Australian market. We are of the opinion that this is due to the following:

- **Special value** – The acquisition of GBST will significantly strengthen FNZ's market share in the UK platform market. We understand that FNZ currently provides the platform software used by many wraps platforms including Standard Life, Aviva and Zurich, while GBST provides technology for Aegon and Novia. The acquisition of GBST may incorporate some special value for FNZ because it can materially increase its market share and defend its competitive market positioning from the entrance of SSC and/or consolidation of Bravura's market share⁵⁶.
- **Competitive sale price** – The Scheme Consideration is the outcome of a competitive process with three strategic buyers bidding over each other several times. Under these circumstances, it is reasonable to assume that potential purchasers are required to pay away a larger proportion, if not all, of their synergies and cost savings that they are able to realise from the transaction.

⁵⁶ SSC and Bravura are the other parties that submitted Other Proposals to GBST as disclosed in section 1.

- *Share price depressed* – We are of the opinion that the timing of the Initial Proposal was opportunistic as the share price of GBST was depressed due to the risks in relation to the successful implementation of the strategic R&D program, the risk of costs overruns and the challenges faced in the historical financial performance up to 31 December 2018. We note that GBST upgraded the EBITDA guidance on 4 June 2019 which was after the Initial Proposal. In the absence of the Initial Proposal and of the Other Proposals, including the Scheme, all other things being the same, the trading prices of GBST would have increased from the levels GBST was trading before the Initial Proposal to reflect the upgraded guidance and the win of the Canada Life contract announced at same time. The latter was a significant milestone and it would have been a material price catalysts for the stock given that it represents an endorsement of the progress made on the Composer Platform with the E-Volve programme.

7 Sources of information, disclaimer and consents

7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Scheme Implementation Deed.
- Draft Scheme Booklet.
- Annual reports/ consolidated accounts of GBST from FY15 to FY19.
- FY20 budget pack and minutes of Board meetings.
- Management Projections.
- Press releases and announcements by GBST to ASX.
- Management accounts from FY17 to FY18 and for the YTD June 2019.
- Management reports for the last 6 months before the announcement of the Scheme.
- S&P Global.
- IBISWorld reports K6411A.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of GBST and its advisers.

7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Directors of GBST in advising the GBST Shareholders in relation to the Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interest of GBST Shareholders.

GBST has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services

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contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

7.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to GBST Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and context in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Comparable companies

Company	Description
Bravura Solutions Limited	Bravura Solutions Limited provides enterprise software and software-as-a-service (SaaS) to the wealth management, life insurance, and funds administration markets in Australia, New Zealand, the United Kingdom, South Africa, and internationally. It operates through two segments, Wealth Management and Funds Administration. The company offers Sonata, a wealth management administration system that supports various business lines, including pensions and retirement savings, life insurance, investment, and wrap and platform; SonataWeb, a personalized front end portal for use across its business lines; Sonata Digital, a digital service that enhances customer experience; and ePASS, an online portal that provides online services for accumulation and retirement products, such as defined benefit schemes, as well as retirement and pension products for superannuation members and employers. It also provides SaaS solutions comprising Rufus Admin that offers funds administration functionality for transfer agents; Rufus Digital, which accommodates the needs of intermediaries and investors supporting the real-time, and integrated data and services; and Rufus Messaging, an automated STP messaging solution that connects third party message providers with Rufus Admin. In addition, the company offers enterprise funds administration platform, which supports the administration requirements of a range of investment vehicles that include UCITS compliant vehicles, which comprise SICAVS, OEICS, and other umbrella structures, as well as unit trusts, cash, constant, and variable NAV money market funds and investment trusts. Further, it provides professional services consisting of BPO partnering, consulting, data migration, implementation, software development, support, and training services, and managed application services. The company was formerly known as Bravura Solutions Holdings Pty Ltd and changed its name to Bravura Solutions Limited on October 13, 2016. Bravura Solutions Limited was founded in 2004 and is headquartered in Sydney, Australia.
Computershare Limited	Computershare Limited provides investor, plan, communication, business, stakeholder relationship management, and technology services worldwide. The company's investor services comprise the provision of registry maintenance and related services; plan services operations include the provision of administration and related services for employee share and option plans; and communication services consist of document composition and printing, intelligent mailing, inbound process automation, scanning, and electronic delivery. Its business services operations include the provision of corporate trust, class action, bankruptcy, childcare voucher administration, tenant bond protection, utilities administration, and mutual fund administration support services, as well as mortgage servicing activities, and stakeholder relationship management services group offers investor analysis, investor communication and management, and information services to companies, including their employees, shareholders, and other security industry participants. The company's technology services consist of the provision of software in share registry and financial services. It also offers transfer agencies, licensed dealers, and deposit protection services. The company was founded in 1978 and is headquartered in Abbotsford, Australia.
IRESS Limited	IRESS Limited provides information, trading, compliance, order management, portfolio and wealth management, and lending systems and related tools in Australia, New Zealand, Asia, Canada, South Africa, and the United Kingdom. It offers market data and trading software, which provides execution management, order routing, FIX, securities lending, analytical tools, and connectivity services; software solutions that offers market data and client relationship management. The company also provides wealth management platform, which provides client management, business automation, portfolio data, research, financial planning tools, scaled advice journeys, digital client solutions, and data driven compliance and analytics; superannuation administration platform that offers fund registry, digital member portal, and digital advice solutions. In addition, it offers multi-channel mortgage sales and origination platform; and mortgage intermediary advice and mortgage comparison solution, as well as consulting services. The company was formerly known as IRESS Market Technology Limited and changed its name to IRESS Limited in May 2012. IRESS Limited was founded in 1993 and is based in Melbourne, Australia.
Link Administration Holdings Limited	Link Administration Holdings Limited, together with its subsidiaries, provides technology-enabled administration solutions to companies, large asset owners, and trustees in Australia and internationally. It operates through four segments: Fund Administration; Corporate Markets; Technology and Innovation; and Link Asset Services. The Fund Administration segment offers core member and employer administration services; and a range of value-added services, including integrated clearing house, financial planning and advice, direct investment options, and trustee services. The Corporate Markets segment provides shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, and company secretarial support services, as well as insolvency solutions. The Technology and Innovation segment offers services for the development and maintenance of proprietary information technology systems and platforms; and value-added services of data analytics, digital solutions, and digital communications. The Link Asset Services segment provides a range of financial and administrative services, such as share registration and plan, and treasury solutions; third-party administration and transfer agency services; and various investment funds; finance and accounting, company secretarial, entity management, trust, and inter-generational transfer services; and loan origination and servicing, debt work-out, compliance, and regulatory oversight services. The company was incorporated in 2006 and is headquartered in Sydney, Australia.
HUB24 Limited	HUB24 Limited, together with its subsidiaries, provides solutions for the financial services industry in Australia. It operates through Platform, Licencee, and IT Services segments. The company develops and offers HUB24, an investment and superannuation platform, which is a portfolio administration service for financial advisers, stockbrokers, accountants, and their clients. It also provides compliance, software, education, and business support to adviser practices enabling advisers to provide clients with financial advice over a range of products; and application and technology products for the financial services sector. The company was formerly known as Investorfirst Ltd. and changed its name to HUB24 Limited in August 2013. HUB24 Limited was founded in 2007 and is headquartered in Sydney, Australia.
OneVue Holdings Limited	OneVue Holdings Limited provides various superannuation solutions in Australia. It operates through three segments: Fund Services; Platform Services; and Superannuation Trustee Services. The Fund Services segment offers managed fund and superannuation member administration services. The Platform Services segment provides platform administration, including managed funds and accounts. The Superannuation Trustee Services segment offers superannuation trustee services for registered superannuation funds. The company serves advisers and accountants,

	retail and member organizations, fund managers, and custodians and trustees. OneVue Holdings Limited was incorporated in 2004 and is based in Sydney, Australia.
Praemium Limited	Praemium Limited provides managed accounts platform services, investment management, portfolio administration, and reporting and financial planning software in Australia, Europe, and Asia. It offers managed accounts platform that provides separately managed accounts, individually managed accounts, and unified managed accounts services; and solutions for retirement planning. The company also provides advice solutions comprising practice management, report building and plan generation, remuneration, lead generation, client engagement, and related services through platform; and investments related products. It serves financial advisers, brokers, and accountants. Praemium Limited was founded in 2001 and is based in Melbourne, Australia.
Fidelity National Information Services, Inc.	Fidelity National Information Services, Inc. operates as a financial services technology company in the United States and internationally. It operates through Integrated Financial Solutions and Global Financial Solutions segments. The Integrated Financial Solutions segment offers core processing and ancillary applications, digital solutions, including Internet, mobile, and e-banking; fraud, risk management, and compliance solutions; electronic funds transfer and network services; card and retail solutions; corporate liquidity and wealth management services; item processing and output services; government payments solutions; and e-payment solutions. The Global Financial Solutions segment securities processing and finance, global trading, asset management and insurance, and retail banking and payment services. The company was founded in 1968 and is headquartered in Jacksonville, Florida.
Fiserv, Inc.	Fiserv, Inc., together with its subsidiaries, provides financial services technology worldwide. The company's Payments and Industry Products segment provides electronic bill payment and presentment services; Internet and mobile banking software and services; account-to-account transfers; person-to-person payment services; debit and credit card processing and services; payments infrastructure services; and other electronic payments software and services. This segment also offers card and print personalization services; investment account processing services for separately managed accounts; and fraud and risk management products and services. Its Financial Institution Services segment provides account processing, item processing and source capture, loan origination and servicing products, cash management and consulting services, and other products and services that support various types of financial transactions. This segment also provides ACH and treasury management, case management and resolution, and source capture optimization services to the financial services industry. The company also provides bank payment and liquidity management solutions, as well as Internet based mortgage software and mortgage lending technology solutions. It serves banks, credit unions, investment management firms, leasing and finance companies, billers, retailers, and merchants. The company was founded in 1984 and is headquartered in Brookfield, Wisconsin.
Broadridge Financial Solutions, Inc.	Broadridge Financial Solutions, Inc. provides investor communications and technology-driven solutions for the financial services industry worldwide. The company's Investor Communication Solutions segment processes and distributes proxy materials to investors in equity securities and mutual funds, as well as facilitates related vote processing services; and offers ProxyEdge, an electronic proxy delivery and voting solution. It also distributes regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions; and provides end-to-end platform for content management, composition, and multi-channel distribution of regulatory, marketing, and transactional information, as well as mutual fund trade processing services. In addition, this segment offers registered proxy, registrar, stock transfer, and record-keeping services; customer communication solutions; cloud-based marketing and customer communication tools; and customer and account data aggregation and reporting services, as well as creates sales and educational content, including seminars and a library of financial planning topics. Further, it provides mutual fund and retirement, and mutual fund trade processing services; and customizable advisor Websites, search engine marketing, and electronic and print newsletters. The company's Global Technology and Operations segment offers desktop productivity tools, data aggregation, performance reporting, portfolio management, order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and accounting. It also provides capital market, wealth management, asset management, and international securities processing solutions, as well as managed services. The company was founded in 1962 and is headquartered in Lake Success, New York.
SS&C Technologies Holdings, Inc.	SS&C Technologies Holdings, Inc. provides software products and software-enabled services to financial services and healthcare industries in the United States, Canada, rest of the Americas, Europe, the Asia Pacific, and Japan. The company's products and services allow its clients to automate and integrate front-office functions, such as trading and modeling; middle-office functions, including portfolio management and reporting; and back-office functions comprising accounting, transfer agency, compliance, regulatory services, performance measurement, reconciliation, reporting, processing, and clearing. It provides solutions to clients in institutional asset and wealth management, alternative investment management, brokerage, retirement, financial advisory, and financial institutions vertical markets, commercial lenders, real estate investment trusts, corporate treasury groups, insurance companies, pension funds, municipal finance groups, and real estate property managers. The company also offers health care solutions, such as claims adjudication, benefit management, care management, and business intelligence services to health care industry that include pharmacy, healthcare administration, and health optimization solutions, as well as provides professional and products support services. SS&C Technologies Holdings, Inc. was founded in 1966 and is headquartered in Windsor, Connecticut.
Temenos AG	Temenos AG, together with its subsidiaries, develops, markets, and sells integrated banking software systems primarily to banking and other financial institutions worldwide. The company provides Temenos T24 Transact, a core banking solution, which offers banking software, data and analytics, and risk and compliance solutions; and Temenos Payments, a payment solution that gives banks real-time control, customer service experience, and cost efficiencies and risk management solutions. It also offers Temenos Infinity, a digital banking product; Temenos WealthSuite, which empowers a wealth manager's business; fund administration solutions; SaaS solution that supports banks in different sectors and geographies; Islamic banking solutions; and banking software for community financial institutions. In addition, the company provides business intelligence, private wealth management, mobile and Internet banking, and other software applications; consultancy services; support services. The company was formerly known as Temenos Group AG and

	changed its name to Temenos AG in May 2018. Temenos AG was founded in 1993 and is headquartered in Geneva, Switzerland.
Nomura Research Institute, Ltd.	Nomura Research Institute, Ltd. engages in consulting, financial information technology (IT) solutions, industrial IT solutions, and IT platform services businesses primarily in Japan. The Consulting segment offers management consulting, operational consulting, and system consulting services for enterprise and government agencies. It is also involved in the research, future projection, and recommendations related to society, economics, business, technology, etc. The Financial IT Solutions segment provides system consulting, system development, and system management solutions, as well as shared online services for the financial institutions, including the securities, insurance, banking, asset management, and other financial sectors. The Industrial IT Solutions segment offers system consulting, system development, and system management solutions, as well as shared online services primarily for the distribution, manufacturing, service, and public sectors. The IT Platform Services segment provides IT platform solutions and information security services to external clients. It is also involved in research related to advance IT, etc. The company was founded in 1965 and is headquartered in Tokyo, Japan.
SimCorp A/S	SimCorp A/S, together with its subsidiaries, provides investment management solutions for financial institutions, asset managers, insurance companies, pension funds, fund managers, wealth managers, sovereign wealth funds, and asset servicers. It provides SimCorp Dimension system, a front-to-back investment management solution that is deployed on premise or as an ASP solution for supporting the investment value chain and a range of instruments. The company offers front office solutions, including alternative investment, asset, order, and compliance manager; middle office solutions, such as performance, risk analysis, and strategy manager; and back office solutions comprising cash and securities, collateral, corporate actions, fund administration, general ledger, investment accounting, and settlement manager. It also provides data and reporting solutions that include client communications, data warehouse, reconciliation, and market data manager. In addition, the company offers software update and support, professional, ASP hosting and training, delivery, managed business and data, managed application, operational, infrastructure and platform, and value discovery services. The company has operations in the United Kingdom, Northern Europe, the Middle East, Central Europe, Southern Europe, Asia, Australia, and North America. SimCorp A/S was founded in 1971 and is headquartered in Copenhagen, Denmark.
Envestnet, Inc.	Envestnet, Inc., together with its subsidiaries, provides intelligent systems for wealth management and financial wellness in the United States and internationally. It operates through Envestnet and Envestnet Yodlee segments. The company's product and services suites include Envestnet Enterprise, which provides an end-to-end open architecture wealth management platform, as well as sells data aggregation and reporting, data analytics, and digital advice capabilities; Envestnet Tamarac that provides trading, rebalancing, portfolio accounting, performance reporting, and client relationship management software; Envestnet Retirement Solutions, which offer a suite of services for advisor-sold retirement plans; and Envestnet Portfolio Management Consultants that provide research, due diligence, and consulting services to assist advisors in creating investment solutions for their clients, and patented portfolio overlay and tax optimization services. It also provides Envestnet Yodlee data aggregation and data analytics platform, which offers cloud-based innovation for digital financial services. The company primarily serves banks, wealth management and brokerage firms, Internet services companies, and registered investment advisers. Envestnet, Inc. was founded in 1999 and is headquartered in Chicago, Illinois.
Equiniti Group plc	Equiniti Group plc, together with its subsidiaries, provides administration and payment services in the United Kingdom. The company operates in four segments: Investment Solutions, Intelligent Solutions, Pension Solutions, and Interest Income. It offers registration services, including share registration, corporate actions and IPOs, company secretarial, proxy solicitation, and investor analytic services; and employee services, such as employee share plans, executive and discretionary share plans, and trustee services, as well as bereavement services. The company also provides solutions for financial crime threats; customer complaints management solutions comprising end-to-end complaints and remediation, complaints handling software, and resourcing solutions; credit services, such as outsourced credit services, credit management software, and sourcing solutions; biometrics, case management, robotics, and covert management solutions; cyber security and document management solutions; and data solutions. In addition, it offers pension administration solutions; CompendiaTouch, a pension scheme administration system; SuperVal, an actuarial valuation platform used by consulting firms and pension industry actuaries; RetireMe App, a retirement planning app, rewards and benefits solutions; HR, payroll, and appraisal systems, and life and pensions solutions. Further, the company provides investment administration, executive and employee share dealing, international payments, and personal investments services. It serves clients in various sectors, including banking and financial services; communication, media, and technology, health, life and pensions; public services; and retail. Equiniti Group plc was incorporated in 2007 and is based in Crawley, the United Kingdom.
Linedata Services S.A.	Linedata Services S.A. provides technology solutions for asset management and credit industries in France and internationally. The company offers solutions for lending and leasing industry, such as commercial lending, and mortgage and syndicated loans, as well as for automotive, consumer, and equipment finance, and personal insurance industry for contingency insurance and pensions. It also offers solutions for advisory and software development, and cloud and support, as well as research, middle office, and risk; and technology, such as Linedata Private Cloud, an end-to-end private cloud solution, enabling clients to run Linedata products in a secure private cloud infrastructure, as well as for security and mobility. Linedata Services S.A. was founded in 1998 and is headquartered in Neuilly-sur-seine, France.
Capita plc	Capita plc provides customer management, administration, and professional support services to clients in the private and public sectors. The company offers automation, business transformation, customer management, data and analytics, digital transformation, government, IT and networks, people, and software solutions and services, as well as specialist services, such as intelligent communications, financial, legal, travel and event, start-up development, property and infrastructure, procurement, and translation and interpreting, and workplace technology services. Capita plc provides its services to banking and financial services, insurance, life and pensions, retail, telecoms and media, transport, utilities, central and local government, defense, education, emergency services, health, police and justice, and science sectors. The company operates in the United Kingdom, Ireland, Northern Europe, the United States, India, South Africa, and Dubai. The company was formerly known as The Capita Group plc and changed its name to Capita plc in January 2012. Capita plc was founded in 1984 and is headquartered in London, the United Kingdom.

FactSet Research Systems Inc.	FactSet Research Systems Inc. provides integrated financial information and analytical applications to the investment community in the United States, Europe, and the Asia Pacific. The company delivers insight and information to financial investment professionals through its analytics, services, contents, and technologies. Its applications suite offers tools and resources, including company and industry analyses, full screening tools, portfolio analysis, risk profiles, alpha-testing, portfolio optimization, and research management solutions. The company enables its clients to streamline real-time data and historical information comprising quotes, estimates, news, and commentary, as well as provides proprietary and third-party content through desktop, Web, mobile, and off-platform solutions. It serves portfolio managers, investment research professionals, investment bankers, risk and performance analysts, and wealth advisors. FactSet Research Systems Inc. was founded in 1978 and is headquartered in Norwalk, Connecticut.
StatPro Group plc	StatPro Group plc develops, markets, and distributes software, data solutions, and related professional services to the asset management industry in the United Kingdom and internationally. The company offers StatPro Revolution, a performance measurement and portfolio analytics platform that provides performance measurement, portfolio analytics and data models, compliance monitoring, and reporting and data extraction options. It also offers Hosted analysis products, such as asset valuation, which provides information on reference data, corporate actions, industry classification codes, and asset pricing, investment portfolio management software that supports trade decisions, execution, record-keeping, NAV calculation, invoicing, and client and management reporting, and equity and fixed income attribution tools for measuring returns, contributions to return, and attribution effects. The company's hosted analysis products also include a portfolio risk assessment tool, StatPro Composites, which helps to maintain global investment performance standards compliance, governance solution, which provides the ability to monitor business critical compliance and disclosure fundings, and portfolio analytics reporting, a tool to create and customize performance reports. In addition, it offers managed services. StatPro Group plc has a strategic partnership with J.P. Morgan to develop a multi-asset portfolio analytics solution for asset managers. The company serves asset managers, third party administrators, pension funds, private wealth firms, insurance companies, banks, and others. StatPro Group plc was founded in 1994 and is headquartered in London, the United Kingdom.
First Derivatives plc	First Derivatives plc provides software and consulting services internationally. The company operates through Consulting and Software segments. It provides kdb+, an in-memory, time-series database. The company also designs, develops, implements, and supports a range of data and trading systems for front, middle, and back-office operations. In addition, it provides capital markets consulting and managed services, as well as intellectual property and related services. The company serves finance, technology, retail, pharma, manufacturing, telecom, digital marketing, utilities, Industrial Internet of Things, and energy markets. First Derivatives plc was founded in 1996 and is headquartered in Newry, the United Kingdom.

Source: S&P Global Source: S&P Global.

Appendix C – Comparable transactions' target company descriptions

Target Company	Description
Rubik Financial Ltd.	Rubik Financial Limited provides technology and software solutions to the financial services organizations in Australia, the Middle East, and internationally. It operates through three segments: Wealth, Banking, and Mortgages. The Wealth segment develops and offers advice software and services, including CRM and commission tracking software to the financial planning industry. The Banking segment provides core banking software and a range of related channel software comprising Internet banking and IVRs, as well as delivers collection software that helps institutions to collect their overdue debtors. The Mortgages segment develops and offers software solutions to the mortgage broking industry. This segment provides frontend software, which consists of CRM applications, as well as a mortgage gateway linking the front-end with the lenders. The company was formerly known as Austron Limited. Rubik Financial Limited was founded in 2007 and is based in Sydney, Australia. As of May 22, 2017, Rubik Financial Limited operates as a subsidiary of Temenos Solutions Australia Pty Ltd.
Financial Synergy	Financial Synergy Pty Ltd develops and provides superannuation and investment software, administration services, and products for the wealth management industry. The company was founded in 1978 and is based in Melbourne, Australia. As of October 31, 2016, Financial Synergy Pty Ltd operates as a subsidiary of IRESS Limited.
Primatics Financial LLC	Primatics develops and delivers integrated risk and finance solutions for loans. The company offers EVOLV, a cloud-based integrated risk and finance platform, designed to tackle the end-to-end process challenges impacting various loan lifecycle events faced by financial institutions of multiple sizes; and EVOLV Smart Data Solution, which provides financial institutions capabilities to source, transform, enrich, and analyze loan data. Its platform equips financial institutions to meet changing accounting, risk, compliance, regulatory, market, and business needs, as well as enables customers to automate finance and risk functions of their loan portfolio from data capture to back-end reporting and analytics. The company also offers loan accounting and forecasting, credit and reserving, CECL readiness, and bank stress testing solutions; and implementation and integration, training, advisory, business analytics outsourcing, on demand business support, and optimization services. It serves financial industry in the United States and internationally. SS&C Primatics was formerly known as Primatics Financial Holdings, Inc. The company was founded in 2004 and is based in McLean, Virginia with an additional office in Windsor, Connecticut. As of November 16, 2015, SS&C Primatics operates as a subsidiary of SS&C Technologies Holdings, Inc.
eFront	eFront S.A. provides software solutions to the financial industry primarily in France. The company offers FrontInvest for General Partners, a Web-based solution that provides integrated capabilities for investor management, portfolio management and monitoring, and fund management; and FrontInvest for Limited Partners, a Web-based solution, which manages multiple asset classes, including direct and indirect investments in private equity and real estate, hedge fund investments, and debt. It also provides Investment Café, an investor reporting system that enables fund managers to instantly and securely communicate and disseminate information to investors worldwide; Pexara, a software-as-a-solution-based performance monitoring and benchmark analysis solution for private equity investors; FrontGRC software suite for governance, risk, and compliance applications; and FrontERM (Enterprise Risk Management) program that integrates risk management into the company's strategic decision-making, and financial and operational processes. In addition, the company offers Front360, a multi-channel CRM solution; and Poincaré, a calculation portal in the areas of mathematical, technical, and data access and management. eFront's solutions serve companies in the private equity, real-estate investment, banking, and insurance sectors. The company was founded in 1999 and is headquartered in Paris, France.
Avelo	Avelo provides technology solutions to the financial services market. It offers Avelo Wealth Management and Financial Planning Sales solution, a point-of-sale system that helps users to deliver compliant advice to customers and supports a range of business models, including tied, multi-tied, and IFA; and Avelo Mortgage Sales and Originations solution, which covers the mortgage sales and originations process from initial customer enquiry through to release of funds and completion. The company also provides Avelo Exchange Portal that allows financial service professionals to source compliant quotes; and Avelo Client and Practice Management solution, a technology strategy for businesses. Its solutions help clients to achieve various things, including increasing distribution, entering new markets, launching new sales channels, providing advice, optimizing operational efficiencies, managing existing customers, and reaching new customers. The company serves customers in the businesses of financial planning, wealth management, retirement, protection, mortgages, and general insurance, as well as product providers and manufacturers, bank or building societies, direct or tied distributors, and call centers. The company was incorporated in 1994 and is based in Warwick, United Kingdom. It changes the name to IRESS FS Limited and operates as a subsidiary of IRESS (UK) Limited.
Bravura Solutions Limited	Bravura Solutions Limited provides enterprise software and software-as-a-service (SaaS) to the wealth management, life insurance, and funds administration markets in Australia, New Zealand, the United Kingdom, South Africa, and internationally. It operates through two segments, Wealth Management and Funds Administration. The company offers Sonata, a wealth management administration system that supports various business lines, including pensions and retirement savings, life insurance, investment, and wrap and platform; SonataWeb, a personalized front end portal for use across its business lines; Sonata Digital, a digital service that enhances customer experience; and ePASS, an online portal that provides online services for accumulation and retirement products, such as defined benefit schemes, as well as retirement and pension products for superannuation members and employers. It also provides SaaS solutions comprising Rufus Admin that offers funds administration functionality for transfer agents; Rufus Digital, which accommodates the needs of intermediaries and investors supporting the real-time, and integrated data and services; and Rufus Messaging, an automated STP messaging solution that connects third party message providers with Rufus Admin. In addition, the company offers enterprise funds administration platform, which supports the administration requirements of a range of investment vehicles that include UCITS compliant vehicles, which comprise SICAVS, OEICs, and other umbrella structures, as well as unit trusts, cash, constant, and variable NAV money market funds and investment trusts. Further, it provides professional services consisting of BPO partnering, consulting, data migration, implementation, software development, support, and training services; and managed application services. The company was formerly known as Bravura Solutions

	Holdings Pty Ltd and changed its name to Bravura Solutions Limited on October 13, 2016. Bravura Solutions Limited was founded in 2004 and is headquartered in Sydney, Australia.
IntraLinks Holdings, Inc.	IntraLinks Holdings, Inc. provides software-as-a-service (SaaS) solutions for secure enterprise content collaboration within and among organizations in the United States and internationally. The company's cloud-based solutions enable organizations to manage, control, track, search, exchange, and collaborate on sensitive information inside and outside the firewall. It delivers a cloud-based, multi-tenant platform, which provides IntraLinks Dealspace, a virtual deal room; IntraLinks Studyspace to exchange sensitive information; and IntraLinks Fundspace, which is used by the alternative investment community. The company's platform also offers IntraLinks Dealmanager, a content collaboration solution; IntraLinks Debtspace, which manages syndicated loan processes; IntraLinks VIA, a SaaS solution for enterprise content sharing and collaboration; IntraLinks Dealnexus, an online deal sourcing platform; IntraLinks technology and integration services; professional services, such as project implementation and production support, and implementation and end-user support services. It serves enterprises, financial institutions, and governmental agencies, as well as financial services, pharmaceutical, manufacturing, biotechnology, consumer, energy, telecommunications, industrial, legal, agriculture, insurance, real estate, and technology industries. The company offers its solutions directly through a sales team, and indirectly through a customer referral network and channel partners. The company was formerly known as TA Indigo Holding Corporation and changed its name to IntraLinks Holdings, Inc. in 2010. IntraLinks Holdings, Inc. was founded in 1996 and is based in New York, New York. As of November 14, 2017, IntraLinks Holdings, Inc. operates as a subsidiary of Siris Capital Group, LLC. As of November 16, 2018, IntraLinks Holdings, Inc. operates as a subsidiary of SS&C Technologies Holdings, Inc.
Eze Software Group	Eze Software develops investment technology solutions to support front, middle, and back office needs worldwide. It offers Eze OMS to manage investment processes; RealTick EMS, a multi-broker and execution management system that gives access to aggregated liquidity and tools; and Tradar PMS to manage investment operations. The company provides services in the areas of implementation, product support, project management, managed, and sell-side aspects. It offers its solutions for various business needs, such as commission management, compliance and regulatory reporting, data management, market data, operation, order management, portfolio accounting, portfolio analytic and modeling, risk and performance, and trade execution and analytic needs in accounting, compliance, information technology/system, operation, portfolio management, risk management, and trading departments. The company serves broker dealers, hedge funds, institutional asset managers, mutual funds/unit trusts, and wealth managers, as well as pension funds, endowments, and foundations. Eze Software was formerly known as Eze Castle Software LLC and changed its name to Eze Software Group LLC in April 2013. The company was founded in 1995 and is based in Boston, Massachusetts with office locations in North America, Latin America, Europe, the Middle East, Africa, and the Asia Pacific. As of October 1, 2018, Eze Software Group LLC operates as a subsidiary of SS&C Technologies Holdings, Inc.
Ipreo Holdings LLC	Ipreo Holdings LLC develops and provides market intelligence, data, and technology solutions to participants in the global capital markets that include sell-side banks, publicly traded companies, and buy-side institutions in the United States and internationally. The company's capital market products and services cover equity, fixed income, municipals, loans, and roadshowaccess; research, sales, and trading solutions cover CRM and investor prospecting, roadshow and event management, and capital markets analytics; and corporate services cover global markets intelligence, bondholder ID, investor targeting, perception studies, corporate analytics, IPO services, IR workflow solutions, tax and regulatory services, proxy solicitation services, general meeting services, transaction analytics, surveillance, shareholder identification, and fixed income identification. It serves capital markets clients, including investment banking/underwriting, equity and debt capital markets, origination, syndicate desks, corporate access, compliance, financial advisors, operations, trading desks, institutional and retail sales, and bond counsels; research, sales, and trading clients comprising trading desks, institutional sales, research analysts, event planning, and corporate access; corporate investor relations clients, such as investor relations, CEOs and CFOs, treasury and corporate governance, and IR agencies; and law firms, consulting firms, recruiters, universities, and other capital markets service providers. It has a strategic alliance with Symbiont.io, Inc. The company was founded in 2006 and is based in New York, New York with operations in the Americas, Europe, the Middle East, North Africa, and the Asia-Pacific. Ipreo Holdings LLC operates as a subsidiary of IHS Markit Ltd.
Fidessa Group Plc	Fidessa group plc, together with its subsidiaries, provides trading, investment, and information solutions to the financial community worldwide. The company offers access to the trading community of buy-side and sell-side professionals ranging from institutions and investment banks to boutique brokers, and niche hedge funds. It operates in two business units, Sell-side and Buy-side. The Buy-side business unit offers systems to cover stages of the investment process for various asset classes. The Sell-side business unit provides solutions and tools to support the trading of cash equities and derivatives. The company also provides connectivity network and management services that connect counterparties across financial markets, and market data services tuned for trading and powering the buy-side and sell-side throughout the trading life cycle. In addition, it offers post-trade services; and open and bespoke training courses covering various aspects of product sets for the buy-side and sell-side. The company was formerly known as Royalblue group plc and changed its name to Fidessa group plc in May 2007. Fidessa group plc was founded in 1981 and is based in Woking, the United Kingdom. As per the transaction announced on April 20, 2018, Fidessa group plc operates as a subsidiary of Ion Investment Group Limited.
Calypso Technology	Calypso Technology, Inc. develops financial market software solutions. It offers cross-asset front-to-back platform for trading, processing, risk management, and accounting to manage derivatives markets; investment management solutions for multi-asset portfolios and front office risk and cross-asset coverage for bilateral cash and derivative products, such as foreign exchange, money markets, rates, credit, fixed income, equities, commodities, structured products, and precious metals. The company also provides treasury and liquidity management solutions that centralize balance sheet, funding, investment, and cash management activities in platform; clearing solution for clearing houses, clearing members, and end users; and collateral management and funding solutions for sell-side and investment management customers.
Fundtech Ltd.	Fundtech Ltd. develops transaction banking solutions that automate payments, cash management, financial messaging, and merchant services worldwide. Its payment solutions include Global PAYplus, a payment platform that integrates various payment types, currencies, and systems; PAYplus USA that provides wire transfer automation solution for the U.S. national and regional banks; and PAYplus FTS (Europe), an integrated application for processing various European national and international financial payments. It also offers PAYplus for CLS that provides integrated CLS services; ACHplus, an ACH processing solution; OriginNET that spans the range of ACH transactions; Bacsactive-IP that handles various payment types; liquidity and risk management services; and NetDeposit Branch, a back-counter branch capture solution. In addition, the

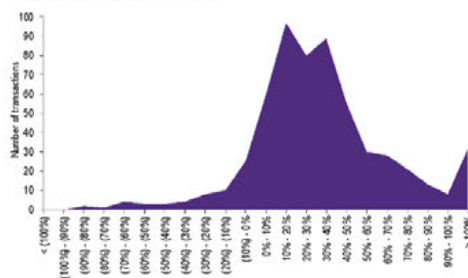
	company provides Global CASHplus, a cash management solution; NetDeposit Suite, a remote deposit capture for financial institutions; NetDeposit ICL that enables the U.S. financial institutions to accept deposit and cash letter files; and Accountis EIPP that facilitates end-to-end processing of invoices. Further, it provides a suite of financial messaging solutions; and implementation, customer support, and training services. It offers its solutions as a software licence or Software-as-a-Service. The company serves global money center banks, mid-sized banks and credit unions, non-bank financial institutions, central banks, and corporates. Fundtech Ltd. was formerly known as Fundtrust Technologies Limited and changed its name to Fundtech Ltd. in June 1994. The company was founded in 1991 and is based in New York, New York with additional offices worldwide.
Advent Software	Advent Software develops and offers risk and portfolio management solutions for investment firms. It provides Advent Portfolio Exchange (APX), integrated portfolio and client management solution; Black Diamond Wealth Platform, performance reporting, rebalancing, and client billing tool; and Geneva, portfolio management platform. SS&C Advent was formerly known as Advent Software, Inc. The company was founded in 1983 and is headquartered in San Francisco, California. Advent Software now operates as a subsidiary of SS&C Technologies Holdings, Inc.
Digital Insight Corporation	Digital Insight Corporation provides a suite of on-demand financial management and proprietary software solutions for financial institutions. It offers FinanceWorks, a solution to grow deposits and improve the profitability of online channel by transforming Web site into a financial management hub for consumers; TurboTax for Online Banking, a tax preparation software designed to integrate with Internet Banking platform; and mobile banking solutions. The company also offers Business Banking, a SaaS-based product that enables financial institutions to deliver differentiated experiences for their business customers through one segmented platform. Digital Insight Corporation was formerly known as Intuit Financial Services and changed its name to Digital Insight Corporation in August 2013. The company was founded in 1995 and is headquartered in Calabasas, California. As of January 10, 2014, Digital Insight Corporation operates as a subsidiary of NCR Corporation.
Intuit Financial Services	Intuit Financial Services is the former name of Digital Insight Corporation as mentioned above. It provides a suite of on-demand financial management and proprietary software solutions for financial institutions. It offers FinanceWorks, a solution to grow deposits and improve the profitability of online channel by transforming Web site into a financial management hub for consumers; TurboTax for Online Banking, a tax preparation software designed to integrate with Internet Banking platform; and mobile banking solutions. The company also offers Business Banking, a SaaS-based product that enables financial institutions to deliver differentiated experiences for their business customers through one segmented platform.

Source: S&P Global.

Appendix D – Premium for control study

Evidence from studies indicates that premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium vary significantly for each transaction.

1 Month Prior Control Premium



Appendix E – Glossary

\$ or A\$	Australian Dollar
ACCC	Australian Competition and Consumer Commission
APES	Accounting Professional and Ethical Standards
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Tax Office
Corporations Act	Corporations Act 2001
DCF	Discounted Cash Flow
DCF Method	Discounted Cash Flow and the estimated realisable value of any surplus assets
DPS	Dividend paid out per share
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA multiple	Enterprise Value divided by EBITDA
Effective Date	The date when a copy of the Court order approving the Scheme is lodged with ASIC
EPS	Earnings per share
EV	Enterprise value
FME Method	Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
FSG	Financial Service Guide
FYxx	12-month financial year ended 30 June 20xx
GBST	GBST Holdings Limited
Gearing Ratio	Net Debt over Equity
Quoted Security Price Method	Quoted price for listed securities, when there is a liquid and active market
GT Model	Financial model prepared by GTCF, projecting the post-tax free cash flows of GBST based on the internal model
GTCF, Grant Thornton, or Grant Thornton Corporate Finance IER or Report	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
RG	Independent Expert's Report
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
RG60	ASIC Regulatory Guide 60 "Scheme of arrangement"
Scheme Booklet	The Scheme Booklet, including each attachment
Scheme Implementation Deed or SID	Scheme Implementation Agreement entered into between GBST and FNZ
Scheme	Scheme of Arrangement whereby FNZ will acquire all outstanding shares of GBST
SID	Scheme Implementation Deed
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

Annexure B – Scheme



HERBERT
SMITH
FREEHILLS

Scheme of arrangement – share scheme

GBST Holdings Limited

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000
herbertsmithfreehills.com DX 361 Sydney



HERBERT
SMITH
FREEHILLS

Scheme of arrangement – share scheme

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

Between the parties

GBST Holdings Limited (**GBST**) ACN 010 488 874 of Level 4, 410
Ann Street, Brisbane QLD 4000

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) GBST is a public company limited by shares, registered in Australia and has been admitted to the official list of the ASX. GBST Shares are quoted for trading on the ASX.
- (b) As at the date of the Implementation Deed:
 - (1) 67,912,508 GBST Shares;
 - (2) 279,246 Performance Rights; and
 - (3) 3,581,770 GBST Options,were on issue.
- (c) FNZ is an unlisted company limited by shares registered in the Cayman Islands.
- (d) FNZ Sub is a member of the FNZ Group.



- (e) If this Scheme becomes Effective:
 - (1) FNZ and FNZ Sub must pay or procure the payment of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to FNZ Sub and GBST will enter the name of FNZ Sub in the Share Register in respect of the Scheme Shares.
- (f) GBST and FNZ have agreed, by executing the Implementation Deed, to implement this Scheme.
- (g) This Scheme attributes actions to FNZ and FNZ Sub but does not itself impose an obligation on them to perform those actions. FNZ and FNZ Sub have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

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

- (a) all the conditions in clause 3.2 of the Implementation Deed (other than the condition in clause 3.2(d) of the Implementation Deed) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by FNZ and GBST;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by FNZ and GBST having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date GBST and FNZ agree in writing).

3.2 Certificate

- (a) GBST and FNZ will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.



3.3 End Date

This Scheme will lapse and be of no further force or effect if:

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

unless GBST and FNZ otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

GBST must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which 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 as at the Implementation Date, must be transferred to FNZ Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by GBST or its officers as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) GBST delivering to FNZ Sub a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by GBST, for registration; and
 - (2) FNZ Sub duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to GBST for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), GBST must enter, or procure the entry of, the name of FNZ Sub in the Share Register in respect of all the Scheme Shares transferred to FNZ Sub in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

- (a) FNZ must, and GBST must use its best endeavours to procure that FNZ does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an



Australian dollar denominated trust account operated by GBST as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to FNZ's account).

- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), GBST must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of GBST under clause 5.1(b) will be satisfied by GBST (in its absolute discretion, and despite any election referred to in clause 5.1(c)(1) or authority referred to in clause 5.1(c)(2) made or given by the Scheme Shareholder):
 - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the GBST Registry to receive dividend payments from GBST 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;
 - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to GBST; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of GBST's obligations under clause 5.1(b), there is a surplus in the amount held by GBST (or the GBST Registry on GBST's behalf) in the trust account referred to in that clause, that surplus may be paid (or procured to be paid) by GBST to FNZ.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration 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 GBST, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of GBST, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Fractional entitlements and splitting

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.



5.4 Unclaimed monies

- (a) GBST may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to GBST; or
 - (2) 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 GBST (or the GBST Registry on GBST's behalf) (which request may not be made until the date which is 10 Business Days after the Implementation Date), GBST must reissue a cheque that was previously cancelled under this clause 5.4.
- (c) The *Public Trustee Act 1978* (QLD) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 98 of the *Public Trustee Act 1978* (QLD)).

5.5 Orders of a court or Government Agency

If written notice is given to GBST (or the GBST Registry on GBST's behalf) or FNZ 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 issued to that Scheme Shareholder by GBST in accordance with this clause 5, then GBST shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents GBST from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, GBST shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

The provision or the retention of the relevant Scheme Consideration by GBST (or the GBST Registry on GBST's behalf) in accordance with clause 5.5(a) or clause 5.5(b) (as applicable) will constitute the full discharge of GBST's obligations under this clause 5.5.

6 Dealings in GBST Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in GBST Shares or other alterations to the 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 Share Register as the holder of the relevant GBST Shares before the Scheme Record Date; and



- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept, and GBST must not accept for registration, nor recognise for any purpose (except a transfer to FNZ Sub pursuant to this Scheme and any subsequent transfer by FNZ Sub 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) GBST must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires GBST to register a transfer that would result in a GBST Shareholder holding a parcel of GBST Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and GBST shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, GBST must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for GBST Shares (other than statements of holding in favour of FNZ Sub or any member of the FNZ Group) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of FNZ Sub or any member of the FNZ Group) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the GBST Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, GBST will ensure that details of the names, Registered Addresses and holdings of GBST Shares for each Scheme Shareholder as shown in the Share Register are available to FNZ in the form FNZ reasonably requires.

7 Quotation of GBST Shares

- (a) GBST must apply to ASX to suspend trading on the ASX in GBST Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by FNZ, GBST must apply:
- (1) for termination of the official quotation of GBST Shares on the ASX; and



- (2) to have itself removed from the official list of the 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) GBST may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which FNZ has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which GBST has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (1) agrees to the transfer of their GBST Shares together with all rights and entitlements attaching to those GBST Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their GBST Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of FNZ, destroy any holding statements or share certificates relating to their GBST Shares;
 - (4) who holds their GBST Shares in a CHESS Holding agrees to the conversion of those GBST Shares to an Issuer Sponsored Holding and irrevocably authorises GBST to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (5) acknowledges and agrees that this Scheme binds GBST and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to GBST and FNZ Sub on the Implementation Date, and appointed and authorised GBST as its attorney and agent to warrant to FNZ Sub on the Implementation Date, that:
 - (1) all their GBST Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and 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, and that they have full power and capacity to transfer their GBST Shares to FNZ Sub together with any rights and entitlements attaching to those shares. GBST undertakes that it will provide such warranty to FNZ Sub as agent and attorney of each Scheme Shareholder; and
 - (2) they have no existing right to be issued any GBST Shares, GBST options, GBST performance rights, GBST convertible notes or any



other GBST securities. GBST undertakes that it will provide such warranty to FNZ Sub as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to FNZ Sub will, at the time of transfer of them to FNZ Sub vest in FNZ Sub 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 free from any 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, FNZ Sub will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by GBST of FNZ Sub in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

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

- (a) is deemed to have appointed FNZ Sub as attorney and agent (and directed FNZ Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by FNZ Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as FNZ Sub reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), FNZ Sub and any director, officer, secretary or agent nominated by FNZ Sub under clause 8.4(a) may act in the best interests of FNZ Sub as the intended registered holder of the Scheme Shares.

8.5 Authority given to GBST

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

- (a) on the Effective Date, irrevocably appoints GBST and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against FNZ and FNZ Sub, and GBST undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against FNZ and FNZ Sub on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints GBST and each of its directors, officers and secretaries (jointly and each of them severally) as its



attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and GBST accepts each such appointment. GBST as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

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

9 General

9.1 Stamp duty

FNZ will:

- (a) pay all stamp duty and any related fines and penalties with respect to stamp duty in respect of the Scheme or the steps to be taken under the Scheme; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to GBST doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, GBST or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to GBST, 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 GBST's registered office or at the office of the GBST Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a GBST Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in 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.



The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

GBST must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither GBST, FNZ nor FNZ Sub 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 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by FNZ and GBST.
Deed Poll	the deed poll under which FNZ and FNZ Sub each covenants in favour of the Scheme Shareholders to perform the obligations attributed to FNZ and FNZ Sub under this Scheme.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.



Term	Meaning
Effective Date	the date on which this Scheme becomes Effective.
End Date	29 February 2020, or such other date as agreed in writing by FNZ and GBST.
FNZ	Kiwi Holdco CayCo, Ltd (registration no. 219450) of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, British West Indies.
FNZ Group	FNZ and each of its Subsidiaries and a reference to a FNZ Group Member or a member of the FNZ Group is to FNZ or any of its Subsidiaries.
FNZ Sub	<i>[insert FNZ Sub]</i> .
GBST	GBST Holdings Limited ACN 010 488 874 of Level 4, 410 Ann Street, Brisbane QLD 4000
GBST Shareholder	each person who is registered as the holder of a GBST Share in the Share Register.
GBST Registry	Link Market Services Limited, ACN 083 214 537.
GBST Share	a fully paid ordinary share in the capital of GBST.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the seventh Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by GBST and FNZ.
Implementation Deed	the scheme implementation deed dated <i>[insert]</i> between GBST and FNZ relating to the implementation of this Scheme.



Term	Meaning
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a GBST Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between GBST and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by GBST and FNZ.
Scheme Consideration	for each GBST Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of \$3.85 (subject to reduction for any Permitted Special Dividend in accordance with clause 4.5(b)(4) of the Implementation Deed), subject to the terms of this Scheme.
Scheme Meeting	the meeting of the GBST Shareholders ordered by the Court to be convened under subsection 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	7.00pm on the fifth Business Day after the Effective Date.
Scheme Shareholder	a holder of GBST Shares recorded in the Share Register as at the Scheme Record Date.
Scheme Shares	all GBST Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of FNZ Sub as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is



Term	Meaning
	heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Share Register	the register of members of GBST maintained by GBST or the GBST Registry in accordance with the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;



- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Operating Rules includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 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.

Annexure C – Deed Poll



HERBERT
SMITH
FREEHILLS

Deed

Share scheme deed poll

Kiwi Holdco CayCo, Ltd

FNZ (Australia) Bidco Pty Ltd

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000
herbertsmithfreehills.com DX 361 Sydney



HERBERT
SMITH
FREEHILLS

Share scheme deed poll

Date ► 06 September 2019

This deed poll is made

By **Kiwi Holdco CayCo, Ltd**
219450 of PO Box 309, Ugland House, Grand Cayman, KY1-1104,
Cayman Islands, British West Indies
(FNZ)
and
FNZ (Australia) Bidco Pty Ltd
ACN 635 824 636 of Level 5, 37 Pitt Street, Sydney, NSW 2000,
Australia
(FNZ Sub)

in favour of each person registered as a holder of fully paid ordinary shares in
GBST in the Share Register as at the Scheme Record Date.

Recitals

- 1 GBST and FNZ entered into the Implementation Deed.
- 2 In the Implementation Deed, FNZ agreed to make this deed poll and to procure that FNZ Sub make this deed poll.
- 3 FNZ and FNZ Sub are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Scheme.

This deed poll provides as follows:



1 Definitions and interpretation

1.1 Definitions

- (a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the scheme implementation deed entered into between GBST and FNZ dated 26 July 2019.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between GBST and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by FNZ and GBST.
GBST	GBST Holdings Limited ACN 010 488 874.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

FNZ and FNZ Sub acknowledge that:

- (a) 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 party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints GBST and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against FNZ and FNZ Sub.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of FNZ and FNZ Sub under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of FNZ and FNZ Sub under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

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

unless FNZ, FNZ Sub and GBST otherwise agree in writing.

2.3 Consequences of termination

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

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

3 Scheme obligations

3.1 Undertaking to pay Scheme Consideration

Subject to clause 2, each of FNZ and FNZ Sub undertakes in favour of each Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account operated by GBST as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to FNZ's account;
- (b) provide GBST with written confirmation of that deposit; and
- (c) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the terms of the Scheme.

4 Warranties

Each of FNZ and FNZ Sub represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

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

- (a) FNZ and FNZ Sub have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to FNZ and FNZ Sub in accordance with the details set out below (or any alternative details nominated by FNZ or FNZ Sub by Notice).

Address	Addressee	Email
67 Lombard Street, London EC3V 9AJ, United Kingdom	Chris Aujard, Group General Counsel and Tim Neville, CEO (APAC)	Chris.Aujard@fnz.co.uk Tim.Neville@fnz-group.com



Copy to: Rebecca Maslen-Stannage
Herbert Smith Freehills
161 Castlereagh
Street, Sydney NSW
2000

Rebecca.Maslen-Stannage@hsf.com

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

7 General

7.1 Stamp duty

FNZ:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).



7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) FNZ and FNZ Sub irrevocably submits 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 deed poll. FNZ and FNZ Sub irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

- (a) FNZ and FNZ Sub 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) No Scheme Shareholder may rely on words or conduct of FNZ or FNZ Sub as a waiver of any right unless the waiver is in writing and signed by FNZ or FNZ Sub, as appropriate.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	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.

7.4 Variation

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

- (a) if before the First Court Date, the variation is agreed to by GBST in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by GBST in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event FNZ and FNZ Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of FNZ, FNZ Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.



7.6 Assignment

- (a) The rights created by this deed poll are personal to FNZ, FNZ Sub and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of FNZ.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Joint and several obligations

FNZ and FNZ Sub are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

7.8 Further action

FNZ and FNZ Sub must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed poll

Signed sealed and delivered by
Kiwi Holdco CayCo, Ltd in the
presence of

sign here → Lord Leitch
Authorised signatory

print name Lord Leitch.



sign here → [Signature]
Witness

print name ROSALIND WEBBER

80527037



HERBERT
SMITH
FREEHILLS

Signing page

Signed sealed and delivered by
FNZ (Australia) Bidco Pty Ltd
by

sign here ▶


Company Secretary/Director

print name

Jessamine Carlton

sign here ▶


Director

print name

Damian Millin
Director

80527037

Annexure D – Notice of Scheme Meeting

GBST Holdings Limited ACN 010 488 874 (GBST or the Company)

(ASX Code: GBT)

Notice of Meeting of Shareholders of the Company in respect of the Scheme (the Scheme Meeting)

Notice is hereby given that, by order of the Supreme Court of New South Wales on Wednesday, 11 September 2019 pursuant to section 411(1) of the Corporations Act, a meeting of shareholders of GBST will be held at 2.00pm (Sydney time) on Monday, 14 October 2019 at Dexus Place, Level 5, 1 Margaret St, Sydney NSW.

The Court has directed that Christine Bartlett, or, failing her, Deborah Page AM, act as the chair of the Scheme Meeting (**Chair**).

Unless the context requires otherwise, terms used in this Notice of Scheme Meeting and in the Notes to the Notice of Scheme Meeting have the same meaning as set out in section 9 (Glossary and interpretation) of the Scheme Booklet.

Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a proposed scheme of arrangement (with or without modification or any alterations or conditions required by the Court to which GBST and FNZ agree) to be made between GBST and GBST Shareholders as at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet (of which this Notice of Scheme Meeting forms part).

Scheme Resolution

The Scheme Meeting will be asked to consider, and, if thought fit, pass the following resolution:

That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between GBST Holdings Limited and the holders of ordinary shares of GBST Holdings Limited (the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part) is agreed to (with or without alterations or conditions as approved by the Court) and, subject to approval of the Scheme by the Court, the GBST Board is authorised to implement the Scheme with any such alterations or conditions.

There are no relevant voting exclusions that apply to this Scheme Meeting.



Jillian Bannan
Company Secretary
11 September 2019

NOTES TO THE NOTICE OF SCHEME MEETING

These notes should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet (of which the Notice of Scheme Meeting forms part).

Majorities required

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- more than 50% in number (unless the Court orders otherwise) of GBST Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and
- at least 75% of the total number of votes cast by GBST Shareholders on the Scheme Resolution.

Entitlement to vote

The time for the purposes of determining voting entitlements pursuant to regulation 7.11.37 of the Corporations Regulations will be 2.00pm (Sydney time) on Saturday, 12 October 2019.

Voting at the Scheme Meeting

You may vote in person at the Scheme Meeting, or appoint a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote on your behalf.

Voting will be conducted by poll.

Jointly held securities

If you hold GBST Shares jointly with one or more other person, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the GBST Share Register will be counted.

Proxies

If you are unable to attend the meeting, you are encouraged to appoint a proxy to attend and vote on your behalf. If you wish to appoint a proxy, please complete the enclosed proxy form.

Shareholders are notified that:

- a member who is entitled to attend and cast a vote at the meeting may appoint a proxy to attend and vote for the member;
- the appointment may specify the proportion or number of votes that the proxy may exercise;
- a member who is entitled to cast two or more votes at the meeting may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes; and
- a proxy may be an individual or a body corporate and need not be a member of GBST. If a Shareholder appoints a body corporate as proxy, the body corporate will need to ensure that it appoints an individual as corporate representative and provides satisfactory evidence of that appointment.

You can direct your proxy how to vote by following the instructions on the proxy form.

If the Chair of the meeting is appointed as your proxy (or is appointed your proxy by default), she can be directed how to vote by ticking the relevant boxes next to the Scheme Resolution on the proxy form (i.e. 'for', 'against' or 'abstain'). The Chair of the meeting intends to vote all undirected proxies in favour of the Scheme Resolution.

Any directed proxies that are not voted on a poll at the meeting by a Shareholder's appointed proxy will automatically default to the Chair of the meeting, who is required to vote proxies as directed on a poll.

If you hold GBST Shares jointly with one or more other persons, in order for your proxy appointment to be valid, all of the Shareholders should sign the proxy form.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the Scheme Meeting.

Lodgement of proxies

The proxy form must be received by the Company at its registered office or the GBST Share Registry, Link Market Services Pty Limited, by 2.00pm (Sydney time) on Saturday, 12 October 2019.

Proxy forms must be returned using one of the following methods:

- By fax: +61 2 9287 0309
- By mail:

GBST Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
- By hand, during business hours (Monday to Friday (excluding public holidays in Sydney NSW), 9:00am – 5:00pm) and on the proxy close day, Saturday, 12 October 2019, between 9.00am and 2.00pm:

Link Market Services Limited
L1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Further details in respect of the Scheme Resolution to be put to the meeting are set out in the Scheme Booklet of which the Notice of Scheme Meeting forms part.

Voting by attorney

Powers of attorney must be received by the GBST Share Registry by no later than 2.00pm (Sydney time) on Saturday, 12 October 2019.

Your appointment of an attorney does not preclude you from attending in person and voting at the Scheme Meeting.

Persons attending the Scheme Meeting as an attorney should bring to the Scheme Meeting the original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

Voting by corporate representative

If you are a body corporate, you can appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf. The appointment must comply with section 250D of the Corporations Act.

If a representative of a corporate shareholder or proxy is to attend the meeting, then you will need to provide the appropriate 'Certificate of Appointment of Corporate Representative' prior to admission. A form of the certificate may be obtained from Link or online at https://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this Scheme Meeting is passed by the requisite majorities and the other conditions to the Scheme are satisfied or waived (if applicable) by the time required under the Scheme, GBST intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Corporate directory

Registered office and principal place of business	Level 4 410 Ann Street Brisbane Qld 4000
Stock exchange listing	GBST Limited shares are listed on the Australian Securities Exchange (ASX ticket symbol: GBT)
Company website	www.gbst.com
Legal adviser	Allens Deutsche Bank Place Corner Hunter and Phillip Streets Sydney NSW 2000
Financial adviser	Deutsche Bank Level 23 333 Collins Street Melbourne VIC 3000
Taxation adviser	RSM Oracle Tower Level 6, 340 Adelaide St Brisbane QLD 4000
Share registry	Link Market Services Limited Level 21, 10 Eagle St Brisbane City QLD 4000
Shareholder Information Line	1300 217 429 (within Australia) or +61 2 8022 7919 (outside Australia), Monday to Friday between 9.00am and 6.00pm (Sydney time)

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

GBST Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of GBST Holdings Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chair of the
Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as
your proxy, please write the name of the person or body
corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **2:00pm (Sydney time) on Monday, 14 October 2019 at Dexus Place, Level 5, 1 Margaret Street, Sydney NSW** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

- Pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between GBST Holdings Limited and the holders of ordinary shares of GBST Holdings Limited (the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part) is agreed to (with or without alterations or conditions as approved by the Court) and, subject to approval of the Scheme by the Court, the GBST Board is authorised to implement the Scheme with any such alterations or conditions.



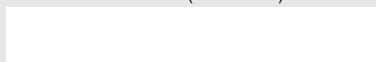
* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

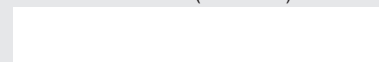
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (Sydney time) on Saturday, 12 October 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

GBST Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

* On proxy close day, Saturday 12 October 2019: 9:00am – 2:00pm

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**