



# facsimile

**To:** ASX Company Announcements Platform **Fax:** 1300 135 638  
**From:** Ravi Bains **Fax:** (02) 8225 5114  
Citigroup Global Markets Australia Pty Limited  
**Date:** 10 August 2020 **Pages:** 21 (including cover sheet)  
**Subject:** Submission of Form 603 re: Australian Ethical Investment Limited [AEF.AX]

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Citigroup Global Markets Australia Pty Limited ("Citi") acted as sole bookrunner and sole underwriter on a sale of 14,210,230 ordinary fully paid securities in AEF (the "Sale Securities") by IOOF Holdings Limited ACN 100 103 722 (the "Seller"). In connection with the sale, Citi entered into a block trade agreement with the Seller on 6 August 2020 (the "Agreement").

Pursuant to the operation of section 608(1), 608(8) and 606 of the Corporations Act and clause 2.1 of the Agreement, Citi gained a relevant interest of 12.64% of AEF's ordinary fully paid securities upon execution of the Agreement. Please find enclosed Citi's notice of initial substantial shareholder including details of its relevant interest, and a copy of the Agreement.

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

**Notice of initial substantial shareholder**

**Form 603**  
**Corporations Act**  
**Section 671B**

To: Australian Ethical Investments Limited ("AEF", Ordinary Fully Paid)

**1. Details of substantial shareholder**

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

The holder became a substantial holder on 6 August 2020.

**2. Details of voting power**

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

<b>Class of securities</b>	<b>Number of securities</b>	<b>Person's vote</b>	<b>Voting Power</b>
AEF, Ordinary Fully Paid	14,210,230	14,210,230	12.64%

**3. Details of relevant interests**

<b>Holder of relevant interest</b>	<b>Nature of relevant interest</b>	<b>Class and number of securities</b>
Citigroup Global Markets Australia Pty Limited	<p>Citigroup Global Markets Australia Pty Limited entered into a block trade agreement on 6 August 2020 ("Agreement", please see attached).</p> <p>Pursuant to sections 608(1), 608(8) and 606 of the Corporations Act and clause 2.1 of the Agreement, Citigroup Global Markets Australia Pty Limited obtained a relevant interest upon execution of the Agreement.</p>	14,210,230 Stock Ordinary Fully Paid

**4. Details of present registered holders**

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

<b>Holder of relevant interest</b>	<b>Registered holder of securities</b>	<b>Class and number of securities</b>
Citigroup Global Markets Australia Pty Limited	Citigroup Global Markets Australia Pty Limited	14,210,230 Stock Ordinary Fully Paid

**5. Consideration**

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

Holder of relevant interest	Date of acquisition	Consideration	Class and number of securities
Citigroup Global Markets Australia Pty Limited	Various	Various	14,210,230 Stock Ordinary Fully Paid

**6. Associates**

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

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

**7. Addresses**

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

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

Dated this day, 10 August 2020.



Ravi Bains  
Head of Markets Compliance Australia

1

**Citigroup Global Markets****Australia Pty Limited**

ABN 64 003 114 832

Level 23, Citigroup Centre,

2 Park Street,

Sydney NSW 2000 Australia

Telephone +61 2 8225 4000

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COMMERCIAL-IN CONFIDENCE

6 August 2020

Dear Sirs

**Sale of Shares in Australian Ethical Investment Ltd (ACN 003 188 930)****1. Introduction**

This agreement sets out the terms and conditions upon which IOOF Holdings Limited ACN 100 103 722 (**Vendor**) engages Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) (**Lead Manager**) to dispose of all or part of its current holding of existing fully paid ordinary shares in

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

ABN 64 003 114 832 AFSL 240992

A participant of ASX Group

Level 22, Citigroup Centre, 2 Park Street, Sydney NSW 2000

TELEPHONE: 61 2 8225 4815

FACSIMILE: 61 2 8225 5114

Australian Ethical Investment Ltd (ACN 003 188 930) (**Company**) held by the Vendor's wholly owned subsidiary Select Managed Funds Limited ACN 009 529 471 (**SMF**) (**Sale Shares**) (**Sale**) and the Lead Manager agrees to procure the disposal of the Sale Shares and to provide underwriting thereof, subject to clause 2, in accordance with the terms of this agreement.

## **2. Sale of the Sale Shares**

### **2.1 Sale**

The Vendor agrees to procure the sale by SMF of the Sale Shares and the Lead Manager agrees to:

(a) manage the sale of the Sale Shares by procuring purchasers for the Sale Shares at the final price per Sale Share (**Sale Price**) determined under clause 2.2, which must not be less than of A\$5.25 per Sale Share (**Underwritten Floor Price**); and

(b) to underwrite and guarantee the sale of the Sale Shares by purchasing at the Sale Price per Sale Share the Sale Shares which have not been purchased by third party purchasers (or the Lead Manager's related bodies corporate or Affiliates) in accordance with clause 2.1(a) as at 9.45am on the Trade Date (as defined in the timetable set out in Schedule 1 (**Timetable**)) (or such time as the parties agree in writing) (**Shortfall Shares**),

in accordance with the terms of this agreement. The Lead Manager acknowledges and agrees that the identity of purchasers, and the offers to them, must comply with the requirements of this clause 2. For clarity, the Lead Manager and its Affiliates (as defined in clause 10.5) may bid into, and be allocated Sale Shares under, the bookbuild process (**Bookbuild**). This may include, for the avoidance of doubt, bidding for or acquiring Sale 2

Shares in connection with a total return swap or other derivative transaction entered to with any investor (or any of its associates) who received an allocation in the Sale.

## **2.2 Settlement Date**

The Lead Manager in consultation with the Vendor will determine the Sale Price for the Sale Shares via the Bookbuild to be conducted in accordance with the Timetable (the closing time of which may be varied by the Lead Manager in its discretion). The Sale Price must not be less than the Underwritten Floor Price. The Lead Manager shall procure that the sale of the Sale Shares under clause 2.1 shall be effected by 9:45am on the Trade Date (as defined in the Timetable), by way of one or more special crossings (in accordance with the Operating Rules of ASX) at the Sale Price, with settlement to follow on a T+2 basis in accordance with the ASX Settlement Operating Rules (**Settlement Date**).

## **2.3 Sale Shares**

Subject to clause 8, by 3.00pm on the Settlement Date, the Lead Manager shall arrange for the payment to the Vendor, or as the Vendor directs, of an amount equal to:

- (a) the Sale Price multiplied by the number of Sale Shares sold under clause 2.1(a); and
- (b) the Sale Price multiplied by the number of Shortfall Shares sold under clause 2.1(b), less
- (c) any fees payable under clause 3 (together with any GST payable on those fees) (together, the **Sale Proceeds**),

by transfer to the Vendor's account for value (in cleared funds) against delivery of the Sale Shares being sold by the Vendor.

## **2.4 Timetable**

The Lead Manager must conduct the Sale in accordance with the Timetable (unless the Vendor consents in writing to a variation). The parties hereby agree and consent that the Trade Date may, at the discretion of the Lead Manager, occur at or prior to 7pm on the date hereof with such concomitant adjustments to the Timetable to be automatically deemed to have occurred as are necessary.

## **2.5 Account Opening**

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

## **2.6 Manner of Sale**

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

- (i) if in Australia, who do not need disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (**Corporations Act**);
- (ii) if outside Australia, to institutional and professional investors in the Permitted Jurisdictions (as defined below) but not elsewhere to whom offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other 3

disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which the Vendor, in its sole and absolute discretion, is willing to comply), as determined by agreement between the Vendor and the Lead Manager, provided that in all such cases such persons may not be located in the United States unless they are an Eligible US Fund Manager.

For the purposes of this agreement:

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

(iv) **Eligible US Fund Manager** means a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act; and

(v) **US Person** has the meaning given to that term in Rule 902(k) under the US Securities Act.

(b) **Investor agreements.** The Lead Manager will ensure that investors that purchase Sale Shares confirm, through return of a notice in the form agreed between the Lead Manager and the Vendor, including through deemed representations and warranties, among other things:

(i) their status as an investor meeting the requirements of this clause 2.6 and clause 2.7;

(ii) that they are able to make the relevant purchase in compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth) and related policy); and

(iii) that their bids constitute irrevocable acceptances of the Vendor's offer to sell Sale Shares, conditional only upon the Lead Manager sending a confirmation of the relevant allocation to the relevant investor (with the applicable agreement being formed when and in the place where the relevant investor receives such communication).

(c) **Conduct and methodology.** The Sale will be conducted by the Lead Manager, in consultation with the Vendor and its advisers, as follows:

(i) the Vendor and its advisers are to be given all reasonable access to feedback from prospective and targeted investors; and

(ii) the Lead Manager must give regular information to the Vendor and its advisers about the progress of the Sale, including information as to the Lead Manager's current views on demand and allocation, through meetings or teleconferences, and in any event must provide such information upon reasonable request by the Vendor or its advisers.

(d) **Allocations.** Allocations of the Sale Shares to purchasers must be made by the Lead Manager in consultation with the Vendor, provided that the Vendor must not 4

refuse an allocation of Sale Shares to an investor proposed by the Lead Manager where such refusal would result in a shortfall and the Lead Manager may refuse an allocation of Sale Shares if the Lead Manager is not prepared to accept the credit risk of that bidding investor for the amount bid for.

(e) **Interest in purchased Sale Shares.** If the Lead Manager is required to or does purchase any Sale Shares in compliance with the Lead Manager's representations and warranties in clause 4.2, the Vendor specifically consents and acknowledges that the Lead Manager will be acting as principal and not as agent in relation to its purchase of the Sale Shares.

(f) **Obligations cease.** The Lead Manager's obligations under this agreement cease on payment of the Sale Proceeds to the Vendor in accordance with clause 2.3.

#### **2.7 U.S. Securities Act**

For the purposes of U.S. federal securities laws, the parties to this agreement acknowledge and agree as follows

(a) the Sale Shares have not been, and will not be, registered under the US Securities Act; and

(b) the Sale Shares shall only be offered and sold (i) in the United States to Eligible US Fund Managers and (ii) outside of the United States to persons in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) in reliance on Regulation S under the U.S. Securities Act (**Regulation S**).

#### **3. Fees and costs**

**3.1** In consideration of performing its obligations under this agreement, the Lead Manager shall be entitled to such fees as the parties agree in writing.

**3.2** The parties will each bear their own legal costs (if any) and all their other out-of-pocket expenses (if any) in connection with this agreement and the transactions contemplated by it.

#### **4. Representations and Warranties**

##### **4.1 Representations and warranties by Vendor**

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

(a) (**body corporate**) it is a body corporate validly existing and duly established under the laws of its place of incorporation;

(b) (**capacity**) it has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;

(c) (**authority**) it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;

(d) (**agreement effective**) this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;

(e) (**ownership, encumbrances**) SMF is the registered holder and sole legal owner of the Sale Shares and will transfer the full legal and beneficial ownership of those 5

Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transferee(s) in the register of shareholders of the Company;

(f) **(information)** to the best of the Vendor's knowledge after due and proper enquiry, all information provided by the Vendor to the Lead Manager in relation to the Sale, the Sale Shares and the Company is true and correct in all material respects and not misleading or deceptive in any material respect whether by omission or otherwise;

(g) **(Sale Shares)** following sale by it, the Sale Shares will rank equally in all respects with all other outstanding ordinary shares of the Company, including their entitlement to dividends;

(h) **(quotation)** the Sale Shares are quoted on the financial market operated by ASX;

(i) **(control)** the Vendor does not control the Company within the meaning of Section 50AA of the Corporations Act and the Sale Shares may be offered for sale on the financial market operated by ASX without disclosure to investors under Part 6D.2 of the Corporations Act;

(j) **(power to sell)** it has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares;

(k) **(compliance with securities trading policy)** it is conducting the Sale in compliance with the Company's securities trading policy in force at the date of this agreement;

(l) **(no insider trading offence)** at the time of execution of this agreement by the Vendor, other than information relating to the Sale, the Vendor is not in possession of any non-public information or information which is not generally available which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the Sale Shares or other securities in the Company and the sale of the Sale Shares will not constitute a violation by it of Division 3 of Part 7.10 of the Corporations Act;

(m) **(trustee)** where it is a trustee of a trust, it has been validly appointed as trustee of that trust, there is no current proposal to replace it as trustee of that trust and it has the right to be indemnified out of the assets of that trust;

(n) **(breach of law)** the Vendor will not, in connection with the Sale of the Sale Shares or the transactions which are the subject of this agreement, commit, be involved in or acquiesce in any activity which breaches its constitution, the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (Cth) or any other applicable law, the applicable ASX Listing Rules or any applicable legally binding requirement of the Australian Securities and Investments Commission;

(o) **(wholesale client)** it is a "wholesale client" within the meaning of Section 761G of the Corporations Act;

(p) **(no stabilisation or manipulation)** neither the Vendor nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;

(q) **(Investment Company Act)** to the best of Vendor's knowledge, the Company is not registered, nor required to register, as an "investment company" under U.S. Investment Company Act of 1940; 6



(r) **(directed selling efforts)** with respect to those Sale Shares sold in reliance on Regulation S, none of it, any of its Affiliates, or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);

(s) **(foreign private issuer)** to the best of its knowledge, the Company is a 'foreign private issuer' as defined in Rule 405 under the U.S. Securities Act and there is no 'substantial U.S. market interest' (as defined in Rule 902(j) under the U.S. Securities Act) in the Sale Shares or any security of the same class or series as the Sale Shares;

(t) **(Sanctions)** neither the Vendor nor, to the best of its knowledge, any director, officer, agent, employee or Affiliate or other person acting on behalf of the Vendor, is currently subject to any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury, any similar Australian sanctions administered by the Commonwealth of Australia or other relevant sanctions authority **(Sanctions)**, or located, organised or resident in a country or territory that is the subject or the target of Sanctions (each, a "**Sanctioned Country**"); and the Vendor will not directly or indirectly use the Sale Proceeds, or lend, contribute or otherwise make available these proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions; (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in a manner that would result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions;

(u) **(anti-money laundering)** the operations of the Vendor are and have been conducted at all times in compliance with all financial record keeping and reporting requirements imposed by law or regulation and in compliance with the money laundering and proceeds of crime statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency (collectively, the **Anti-Money Laundering Laws**) to the extent that they apply to the Vendor and no action, suit or proceeding by or before any court or government agency, authority or body or any arbitrator involving the Vendor or any of its Affiliates with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Vendor after due and careful enquiry, threatened; and

(v) **(compliance with anti-bribery laws)** neither the Vendor nor any of its subsidiaries nor any director, officer or employee of the Vendor or any of its subsidiaries nor, to the knowledge of the Vendor, any agent or Affiliate of the Vendor or other person associated with or acting on behalf of the Vendor or any of its subsidiaries has (i) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorisation of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organisation, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International

Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Vendor and its subsidiaries have instituted, and maintain and enforce, policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

#### **4.2 Representations and warranties of Lead Manager**

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

- (a) (**body corporate**) It is a body corporate validly existing and duly established and duly incorporated under the laws of its place of incorporation;
- (b) (**capacity**) it has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) (**authority**) it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;
- (d) (**licences**) it holds all licences, permits and authorities necessary for it to fulfil its obligations under this agreement and has complied with the terms and conditions of the same in all material respects;
- (e) (**agreement effective**) this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (f) (**breach of law**) the Lead Manager will perform its obligations under this agreement (and ensure, in relation to the Sale, that its related bodies corporate and Affiliates act in a manner) so as to comply with applicable Australian securities laws provided that the Lead Manager will not be in breach of this warranty to the extent that any breach is caused or contributed to by an act or omission of a Vendor which constitutes a breach by a Vendor of its representations, warranties and undertakings in clause 4.1 or is caused or contributed to by a misrepresentation by or on the part of an offeree or purchaser of Sale Shares; and
- (g) (**directed selling efforts**) with respect to those Sale Shares sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act).

#### **4.3 Reliance**

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

#### **4.4 Notification**

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

- (a) any change affecting any of the foregoing representations and warranties; or 8

(b) any of the foregoing representations or warranties becoming untrue or incorrect.

#### **4.5 Disclosure**

The Vendor authorises the Lead Manager to notify potential purchasers of the circumstances of the proposed sale of Sale Shares and the identity of the Vendor to potential investors in connection with the proposed sale.

### **5. Undertakings**

#### **5.1 Restricted Activities**

The Vendor undertakes to the Lead Manager to:

(a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:

(i) the Corporations Act and any other applicable laws;

(ii) its constitution;

(iii) the ASX Listing Rules;

(iv) any legally binding requirement of ASIC or the ASX, as they apply to that Vendor; and

(b) immediately notify the Lead Manager in writing of any breach of any warranty or undertaking given by it under this agreement;

each of these undertakings being material terms of this agreement.

#### **5.2 Moratorium**

(a) In the event that the Sale is of only part of the Vendor's holding of existing fully paid ordinary shares in the Company as at the date of this agreement, subject to clause 10.9, the Vendor represents, warrants and undertakes that it will not, unless otherwise waived or agreed to by the Lead Manager in writing, until 31 October 2020 (**Moratorium Period**), Deal in all or any of the fully paid ordinary shares held by it in the Company (**Remaining Securities**) at the Settlement Date of the Sale Shares pursuant to this agreement, excluding:

(i) transactions in order to satisfy demand from eligible shareholders under a Company initiated dividend or distribution reinvestment plan (if any);

(ii) a repurchase (whether by buy-back, reduction of capital or other means) of Remaining Securities by the Company;

(iii) any acceptance by the Vendor of a takeover offer for the Company in accordance with Chapter 6 of the Corporations Act or transfer pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act;

(iv) a sale, transfer or disposal to a third party where it is a condition of the sale that the third party announce an intention to acquire, or propose a transaction to acquire, greater than 50% of the ordinary shares of the Company;

(v) an arrangement to enable the Vendor to encumber any Remaining Securities to a bona fide third party financial institution solely as security for a loan, hedge or other financial accommodation, provided that the 9

encumbrance does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the Vendor has in any Remaining Securities, and no Remaining Shares may be transferred to the financial institution in connection with the encumbrance (with the documentation for such an encumbrance making clear that Remaining Shares remain subject to a representation or warranty on the same terms as this clause 5.2 for the term of those arrangements); or

(vi) a sale, transfer or disposal to an Affiliate of the Vendor that is subject to a representation, warranty or undertaking on substantially the same terms as this clause 5.2 in respect of the Remaining Securities sold, transferred or disposed. For the avoidance of doubt, any agreement by the Affiliate will be in respect of the Moratorium Period.

(b) Each party to this agreement acknowledges that the representation, warranty and undertaking in clause 5.2(a) is not intended to and does not give the Lead Manager any power to dispose of, or control the disposal of, the Remaining Securities and to the extent that the Lead Manager would be in breach of applicable laws to have such power, a breach of the representation, warranty and undertaking those circumstances will only give rise to a right to damages and the parties acknowledge that, in such circumstances, damages are an adequate remedy for a breach of the representation, warranty and undertaking.

(c) Each party to this agreement acknowledges that the representation, warranty and undertaking in clause 5.2(a) has been provided to only address the financial consequences of the Vendor disposing of, or dealing with, any Remaining Securities held by it. Each party to this agreement acknowledges that the Lead Manager is not entitled to a remedy of specific performance for a breach of the representation, warranty and undertaking in clause 5.2(a).

(d) For the purposes of this clause 5.2, "Deal" in respect of the Remaining Securities means:

(i) sell, assign, transfer or otherwise dispose of;

(ii) agree to offer to sell, assign, transfer or otherwise dispose of;

(iii) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Vendor to sell, assign, transfer or otherwise dispose of; or

(iv) decrease or agree to decrease an economic interest in, the Remaining Securities.

(e) For the avoidance of doubt, this clause 5.2 shall not apply in the event the Sale is of all of the Vendor's holding of existing fully paid ordinary shares in the Company as at the date of this agreement.

## **6. Indemnity**

**6.1** The Vendor agrees with the Lead Manager that it will keep the Lead Manager and its Related Bodies Corporate (as that term is defined in the Corporations Act), and their respective directors, officers and employees (**Indemnified Parties**) indemnified against any losses, damages, liabilities, costs, claims, actions and demands (including any expenses arising in connection therewith) (**Losses**) to the extent that such Losses are incurred in connection with the Sale or as a result of a breach of this agreement by the Vendor, including any breach of any of the above representations or warranties given by it, and will reimburse the Lead 10

Manager for all properly incurred out of pocket costs, charges and expenses which it may pay or incur in connection with investigating, disputing or defending any such action, demand or claim for which it is indemnified under this agreement.

**6.2 The indemnity in clause 6.1** does not extend to and is not to taken as an indemnity against any Losses of an Indemnified Party to the extent any Losses:

- (a) are finally judicially determined by a court of competent jurisdiction to have primarily resulted from any fraud, recklessness, wilful default or gross negligence of the Indemnified Party;
- (b) result from any penalty or fine which the Indemnified Party is required to pay for any contravention of any law, except to the extent such contravention is caused or contributed to by the Vendor or its directors, officers, employees or representatives; or
- (c) result from any amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law,

and in all cases Losses does not include loss, damage or costs of subscription suffered solely as a result of the Lead Manager performing its obligations under clause 2.1(b)).

**6.3** The Vendor agrees that, except to the extent that the Losses are incurred as a result of any of the matters listed in clause 6.2, no claim may be made against any Indemnified Party and the Vendor unconditionally and irrevocably releases and discharges each Indemnified Party from any claim that may be made by them to recover from the Indemnified Party any Losses suffered or incurred by the Vendor arising directly or indirectly as a result of or in connection with the Lead Manager's proper performance of this agreement. This release shall not, however, apply to the extent that it is finally judicially determined by a court of competent jurisdiction that any Losses primarily resulted from the fraud, recklessness, wilful default or gross negligence by any Indemnified Party.

**6.4** The Vendor may not settle any action, demand or claim (**Indemnified Claim**), nor make any admission of liability, to which the Indemnity in clause 6.1 relates without the prior written consent of the Lead Manager. The Indemnified Parties may not settle any Indemnified Claim without notifying and consulting with the Issuer and having reasonable regard to any reasonable objections from the Vendor.

**6.5 The indemnity in clause 6.1** is a continuing obligation, separate and independent from the other obligations of the parties under this agreement and survives termination or completion of this agreement. It is not necessary for the Lead Manager to incur expense or make payment before enforcing that indemnity.

**6.6 The indemnity in clause 6.1** is granted to the Lead Manager both for itself and on trust for each of the Indemnified Parties.

**6.7** To the extent permitted by law, the Lead Manager will notify the Vendor as soon as reasonably practicable (and in any event, within 20 Business Days) of any proceeding being commenced, or any claim or action being made against the Lead Manager or an Indemnified Party which is reasonably likely to give rise to a claim against an Indemnified Party pursuant to the indemnity in clause 6.1. Failure on the part of the Lead Manager to notify the Vendor in accordance with the preceding sentence will not release the Vendor from any obligation or liability which it may have pursuant to this agreement except that, if the Lead Manager's failure to notify under the preceding sentence directly results in a defence no longer being available to the Vendor or a material increase in the amount payable by the Vendor under the indemnity in clause 6.1, the amount payable to the Indemnified Party under the indemnity in clause 6.1 will be reduced by the extent to which the Vendor has suffered loss or damage as a consequence of that failure. 11

**6.8 Subject to clause 6.9**, the parties agree that if for any reason the indemnity in clause 6.1, is unavailable or insufficient to hold harmless any Indemnified Party against any Losses against which the Indemnified Party is stated to be indemnified (other than expressly excluded), the respective proportional contributions of the Vendor and the Indemnified Party or the Indemnified Parties in relation to the relevant Losses will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Vendor and the Indemnified Party or the Indemnified Parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission.

**6.9** The Vendor agrees with each of the Indemnified Parties that in no event will the Lead Manager and its associated Indemnified Parties be required to contribute under clause 6.8 to any Losses in an aggregate amount that exceeds the aggregate of the fees paid to the Lead Manager under this agreement.

**6.10** If an Indemnified Party pays an amount in relation to Losses where it is entitled to contribution from the Vendor under clause 6.8 the Vendor agrees promptly to reimburse the Indemnified Party for that amount.

**6.11** If the Vendor pays an amount to the Indemnified Parties in relation to Losses where it is entitled to contribution from the Indemnified Parties under clause 6.8 the Indemnified Parties must promptly reimburse the Vendor for that amount.

## **7. Announcements**

**7.1** The Vendor and the Lead Manager will consult each other in respect of any material public releases by any of them concerning the sale of the Sale Shares. The written consent of the Vendor must be obtained prior to the Lead Manager making any release or announcement or engaging in publicity in relation to the Sale of the Sale Shares and such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction.

**7.2** The Lead Manager may, after completion of its other obligations under this agreement, place advertisements in financial and other newspapers and journals at its own expense describing its service to the Vendor provided such advertisements are in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction and are consistent with other publicly available information in relation to the subject matter of the announcement.

## **8. Termination**

### **8.1 Right of termination**

If, at any time during the Risk Period (as defined in clause 8.4), any of the following events occur, then the Lead Manager may terminate this agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to the Vendor:

(a) **(ASX actions)** ASX does any of the following:

- (i) announces or makes a statement to any person that the Company will be removed from the official list of ASX or securities in the same class as the Sale Shares will be suspended from quotation;
- (ii) removes the Company from the official list of ASX; or
- (iii) suspends the trading of same class of securities as the Sale Shares for any period of time; 12

- (b) **(ASIC inquiry into Sale)** ASIC issues or threatens to issue proceedings in relation to the Sale or commences, or threatens to commence any inquiry in relation to the Sale;
- (c) **(market fall)** the S&P/ASX 200 Index stands at a level that is 10% or less of the level of the index as at the close of trading on the day before the date of this agreement:
- (i) at any time on the date of this agreement; or
- (ii) at any time on the Business Day before the Settlement Date,
- (d) **(index fall)** at any time between the Bookbuild opening time and 4 hours after the Bookbuild closing time, either the S&P/ASX 200 Index or the S&P/ASX 200 SPI Futures Index falls to a level that is 10% below the level of the relevant index as at the Bookbuild opening time;
- (e) **(breach of this agreement)** the Vendor is in default of any of the terms and conditions of this agreement or breaches any representation, warranty or undertaking given or made by it under this agreement;
- (f) **(banking moratorium)** a general moratorium on commercial banking activities in Australia, Hong Kong, the United States, or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (g) **(change in laws)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, any State or Territory of Australia, or any Minister or other government authority in Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement);
- (h) **(disruption in trading)** trading in all securities quoted or listed on ASX, the Hong Kong Stock Exchange, the London Stock Exchange, or the New York Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only;
- (i) **(hostilities)** there is (i) an outbreak of hostilities not presently existing or the escalation of existing hostilities in any part of the world, in all cases whether war has been declared or not, involving any one or more of Australia, the United States, the United Kingdom, Japan, Hong Kong, Singapore or any member of the European Union; (ii) a state of emergency is declared by any of those countries (other than as already declared prior to the date of this agreement); (iii) there is a material escalation in relation to those matters or (iv) there is a major act of terrorism anywhere in the world;
- (j) **(adverse disruption of markets or conditions)** any adverse change or disruption (or any escalation thereof) to the existing financial markets, political or economic conditions or currency exchange rates or controls of Australia, New Zealand, Hong Kong, Singapore, the European Union, the United States, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions, the effect of which makes it impractical or inadvisable (in the bona fide opinion of the Lead Manager) to proceed with the issue or enforce contracts to issue the Sale Shares; or 13

(k) (illegal or commercially impossible or act of God) there is an event, occurrence or non-occurrence after the execution of this agreement which makes it illegal or commercially impossible for the Lead Manager to satisfy a material obligation under this agreement, or to market, promote or settle the offer of Sale Shares, or that causes the Lead Manager to delay satisfying a material obligation under this agreement, including, without limitation:

- (i) any acts, statute, order, rule, regulation, directive or request of any government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
- (ii) any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency, or any other event similar to those enumerated above.

#### **8.2 Materiality**

No event listed in clause 8.1(e), (f), (g), (h), (i), (j) or (k) entitles the Lead Manager to exercise its termination rights unless, in the bona fide opinion of the Lead Manager, it:

- (a) has, or would reasonably be expected to have, a material adverse effect on:
  - (i) the willingness of persons to purchase the Sale Shares; or
  - (ii) the price at which ordinary shares in the Company are sold on the ASX; or
- (b) would reasonably be expected to give rise to a liability of the Lead Manager under the Corporations Act or any other applicable law.

#### **8.3 Effect of termination**

Where, in accordance with this clause 8, the Lead Manager terminates its obligations under this agreement:

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

#### **8.4 Risk Period**

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

- (a) 9.45am on the Trade Date; and
- (b) the time of the special crossing (or if more than one special crossing, the occurrence of the first special crossing) of the Sale Shares referred to in clause 2.2.

#### **9. Confidentiality**

9.1 Each party agrees to keep the terms and subject matter of this agreement confidential for a period of 12 months after the date of this agreement, except: 14



(a) where disclosure is required by applicable law, a legal or regulatory authority or (without limitation) the ASX Listing Rules;

(b) where disclosure is made to an Affiliate of a party, or an adviser or to a person who must have access to the information for the purposes of the agreement, on the basis that the Affiliate, adviser or other person keeps the information confidential in accordance with the terms of this agreement and the disclosing party will be responsible for any breach of the confidentiality obligations by such Affiliate, adviser or person; and

(c) where disclosure is reasonably necessary in connection with any actual or potential claim or investigation or judicial or administrative process involving that party in relation to the Sale.

## **10. Miscellaneous**

### **10.1 Entire agreement**

This agreement, account opening and client documentation completed by the Vendor and any separate agreement relating to fees as provided to the Vendor (**Terms**), constitute the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter. To the extent of any inconsistency between the terms of this agreement and the Terms, this agreement prevails.

### **10.2 Governing law**

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

### **10.3 No assignment**

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

### **10.4 Notices**

Any notice, approval, consent, agreement, waiver or other communication in connection with this agreement must be in writing. During the period that Australia is on any alert level notified by the Australian federal government in relation to Covid-19, any notice given under this agreement must be given by email (except to the extent that the notice is required by law to be given by another means, in which case it must also be provided by email).

### **10.5 Definitions**

In this agreement,

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

(b) "**ASIC**" means the Australian Securities and Investments Commission;

(c) "**ASX**" means ASX Limited and also, as the context requires, the securities market operated by ASX; and 15

(d) "**Business Day**" means a day on which:

- (i) ASX is open for trading in securities; and
- (ii) banks are open for general banking business in Sydney, Australia.

#### **10.6 Interpretation**

In this agreement:

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

#### **10.7 Continuing obligations**

Each warranty, representation, undertaking and indemnity made in this agreement is a continuing obligation which continues in full force after the date of the cessation of this agreement.

#### **10.8 Severability**

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

#### **10.9 Waiver and variation**

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

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

#### **10.10 No merger**

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

#### **10.11 Counterparts**

This agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one agreement. A party may sign this agreement or any counterpart by facsimile or PDF, and the facsimile or PDF shall be accepted as an original. 16

**10.12 No contra preferentem**

No provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision.

**10.13 Time is of the essence**

Time is of the essence in each party's performance of its obligations under this agreement.

**10.14 Conflict of interest**

A party's rights and remedies under this agreement may be exercised even if this involves a conflict of duty or the party has a personal interest in their exercise.

**10.15 Remedies cumulative**

The rights and remedies of a party provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.

**10.16 Acknowledgement**

The Vendor acknowledges that:

- (a) the Lead Manager is not obliged to disclose to the Vendor or utilise for the benefit of the Vendor, any non-public information which the Lead Manager obtains in the normal course of its business where such disclosure or use would result in a breach of any obligation of confidentiality and any internal information barrier policies of the Lead Manager;
- (b) without prejudice to any claim the Vendor may have against the Lead Manager, no proceedings may be taken against any director, officer, employee or agent of the Lead Manager in respect of any claim that the Vendor may have against the Lead Manager;
- (c) it is contracting with the Lead Manager on an arm's length basis to provide the services described in this agreement and the Lead Manager has not and is not assuming any duties or obligations (fiduciary or otherwise) in respect of it other than those expressly set out in this agreement;
- (d) in performing this agreement, the Lead Manager will rely on the information provided to it by or on behalf of the Vendor and information in the public domain without having independently verified the same, and the Lead Manager does not assume any responsibility for the accuracy or completeness of such information for which the Vendor will be solely responsible;
- (e) the Lead Manager may perform the services contemplated by this agreement in conjunction with its Affiliates, and any Affiliates performing these services are entitled to the benefits of and are subject to the terms of this agreement; and nothing in this agreement will be construed so as to give the Lead Manager or any of its Affiliates voting power in more than 20% in the Company. In particular, the Lead Manager will not have the power to exercise, or control the exercise of, a right to vote attached to or the power to dispose of, or control the exercise of the power to dispose of, any Sale Shares in excess of 20% of the Company and nothing in this letter obliges the Lead Manager to acquire Sale Shares where to do so would result in the Lead Manager or its associates having a voting power, relevant interest in the Company in excess of 20%; and
- (f) the Lead Manager is a full service securities and corporate advisory firm and, along with its respective Affiliates, the Lead Manager is engaged in various activities, 17

including writing research, securities trading, investment management, financing and brokerage activities and financial planning and benefits counselling for both companies and individuals. In the ordinary course of these activities, the Lead Manager, its Affiliates, employees and officers may be providing, or may be in the future providing, financial or other services to other parties with conflicting interests to the Vendor and may receive fees for those services and may actively trade the debt and equity securities (or related derivative securities) for the Lead Manager's own account and for the account of their customers and may at any time hold long and short positions in such securities.

#### **10.17 GST**

The Vendor must pay to the Lead Manager any goods and services tax, value added tax or other similar tax (GST) payable by the Lead Manager or an associated entity as a result of a supply made by the Lead Manager under or in connection with this agreement. Any fee or other consideration for supplies made under or in connection with this agreement are agreed to be exclusive of GST unless expressly provided to be inclusive of GST. The Lead Manager must provide to the Vendor a valid tax invoice as a precondition to payment and any amount payable under this clause must be paid with 7 days of receipt of the tax invoice.

#### **10.18 Recognition of the US Special Resolution Regimes**

(a) In the event that the Lead Manager is a Covered Entity and becomes subject to a proceeding under a US Special Resolution Regime, the transfer from the Lead Manager of this agreement, and any interest and obligation in or under this agreement, will be effective to the same extent as the transfer would be effective under the US Special Resolution Regime if this agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that the Lead Manager is a Covered Entity and becomes, or a BHC Act Affiliate of the Lead Manager becomes, subject to a proceeding under a US Special Resolution Regime, Default Rights under this Agreement that may be exercised against Citi are permitted to be exercised to no greater extent than such Default Rights could be exercised under the US Special Resolution Regime if this agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this Clause 10.18:

**BHC Act Affiliate** has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

**Covered Entity** means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

**Default Right** has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

**US Special Resolution Regime** means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the 18

Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Yours sincerely,

**Citigroup Global Markets  
Australia Pty Limited Robert  
Jahrling**

Managing Director  
Co-Head of Equity Capital  
Markets,  
Australia/NZ Citi

**Adeline Chew**  
Director  
Financial Institutions  
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