



WOTSO
PROPERTY

WOTSO Limited
ACN 636 701 267

SCHEME BOOKLET

VOTE IN FAVOUR

The WOTSO Directors unanimously recommend that WOTSO Shareholders vote in favour of the Scheme and the Supporting Resolutions 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 WOTSO Shareholders.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme and the Supporting Resolutions.

LEGAL ADVISER

gadens

Important notices

The Scheme Booklet

This Scheme Booklet is important. You should read it carefully and in its entirety before deciding how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser. This Scheme Booklet explains the terms of the proposed stapling of all WOTSO Shares with Planloc Shares and BWR Units (**Stapled Securities**) by way of a scheme of arrangement between WOTSO and WOTSO Shareholders under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Annexure D to this Scheme Booklet. This Scheme Booklet details how the Scheme will be considered and implemented if all the Scheme Conditions are satisfied or, if permitted, waived. It is not a disclosure document required by Chapter 6D of the Corporations Act. If you have sold all your WOTSO Shares, please disregard this Scheme Booklet.

ASIC and ASX

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

A copy of this Scheme Booklet has been examined and registered by ASIC for the purposes of section 412(6) of the Corporations Act. 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 Second Court Hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this document has been provided to ASX for the purposes of applying for admission of WOTSO and Planloc to the official list of ASX and for the quotation of the Stapled Securities. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Investment decisions

The information contained in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet does not take into account the investment objectives, financial situation or particular needs of individual WOTSO Shareholders or any other person. Independent financial and taxation advice should be sought before making any decision in relation to the Scheme.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to give WOTSO Shareholders the information required to make an informed decision about whether to vote in favour of the Scheme. This Scheme Booklet also provides information that prescribed by law or is otherwise material to the decision of WOTSO Shareholders as to whether to vote in favour of the Scheme. Voting will take place at the Scheme Meeting to be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on Friday 29 January 2021 at 10:00am (AEDT). WOTSO Shareholders should read this Scheme Booklet in full before deciding how to vote on the Scheme. The Scheme has advantages, disadvantages and risks, which may

affect WOTSO Shareholders in different ways depending on their individual circumstances. WOTSO Shareholders should seek professional advice on their circumstances, as appropriate.

Responsibility statement

WOTSO has been solely responsible for preparing the WOTSO Information. The WOTSO Information concerning WOTSO and the intentions, views and opinions of WOTSO and the WOTSO Directors contained in this Scheme Booklet has been prepared by WOTSO and the WOTSO Directors, and are the responsibility of WOTSO. BWR, Planloc, their respective Related Bodies Corporate and their respective directors, officers, employees and advisers (acting in those capacities) have not verified any WOTSO Information and do not assume any responsibility for the accuracy or completeness of any WOTSO Information.

BWR has been solely responsible for preparing the BWR Information. The information concerning BWR and the intentions, views and opinions of BWR contained in this Scheme Booklet, has been prepared by BWR and are the responsibility of BWR. WOTSO, Planloc, their respective Related Bodies Corporate and their respective directors, officers, employees or advisers (acting in those capacities) have not verified any BWR Information and do not assume any responsibility for the accuracy or completeness of any BWR Information.

Planloc has been solely responsible for preparing the Planloc Information. The information concerning Planloc and the intentions, views and opinions of Planloc contained in this Scheme Booklet, has been prepared by Planloc and are the responsibility of Planloc. WOTSO, BWR, their respective Related Bodies Corporate and their respective directors, officers, employees or advisers (acting in those capacities) have not verified any Planloc Information and do not assume any responsibility for the accuracy or completeness of any Planloc Information.

The Independent Expert has prepared the Independent Expert's Report and takes responsibility for that report. WOTSO, Planloc, BWR and their respective Related Bodies Corporate and their respective directors, officers, employees or advisers do not take any responsibility for the Independent Expert's Report, except in the case of WOTSO in relation to the information which it has provided to the Independent Expert. The Independent Expert's Report is set out in Annexure B to this Scheme Booklet.

Notice of Meeting

The Notice of Scheme Meeting for WOTSO Shareholders is set out in Annexure G. The Notice of General Meeting for WOTSO Shareholders is set out in Annexure H. A reference to "the Scheme Booklet" in the Notice of Scheme Meeting and Notice of General Meeting will be taken to include any supplementary scheme booklet released in relation to the Scheme.

WOTSO Shareholders' right to appear at the Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the votes at the Scheme Meeting. Any WOTSO Shareholder may appear at the Second Court Hearing, expected to be held on Friday 5 February 2021 at the Supreme Court of New

South Wales, Law Courts Building, 184 Phillip Street, Sydney NSW.

Any WOTSO 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 WOTSO a notice of appearance in the prescribed form together with any affidavit that the WOTSO Shareholder proposes to rely on. The notice of appearance and affidavit must be served on WOTSO at its address for service at least one day before the Second Court Hearing.

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.

The forward looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views of WOTSO or:

- in relation to the BWR Information, BWR; and
- in relation to the Planloc Information, Planloc,

and are held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward looking words or phrases such as “believe”, “aim”, “expect”, “anticipated”, “intending”, “foreseeing”, “likely”, “should”, “planned”, “may”, “estimated”, “potential”, or other similar words and phrases. Similarly, statements that describe the objectives, plans, goals or expectations of WOTSO, BWR or Planloc may be forward-looking statements. The statements in this Scheme Booklet about the impact that the Scheme may have on WOTSO's operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward looking statements.

Any other forward looking statements included in this Scheme Booklet and made by WOTSO have been made on reasonable grounds and reflect its present intentions as at the date of this Scheme Booklet and may be subject to change.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of either WOTSO, BWR or Planloc to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. WOTSO Shareholders should note that the historical financial performance of WOTSO, BWR or Planloc are not an assurance of the future financial performance of the Stapled Group. WOTSO Shareholders should review carefully all of the information included in this Scheme Booklet. The forward looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet.

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

None of WOTSO, BWR, Planloc or any of their respective directors, officers, employees and advisers give any representation, warranty, assurance or guarantee to WOTSO Shareholders that any forward looking statements will actually occur or be achieved. WOTSO Shareholders are cautioned not to place undue reliance on such forward looking statements.

All subsequent written and oral forward looking statements attributable to WOTSO, BWR or Planloc or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under law or the Listing Rules, WOTSO, BWR and Planloc do not give any undertaking to update or revise any forward looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Privacy and personal information

WOTSO, BWR and Planloc will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of WOTSO Shareholders, plus contact details of individuals appointed by WOTSO Shareholders to act as proxies, corporate representatives or attorneys at the Scheme Meeting and/or the General Meeting. The primary purpose of the collection of personal information is to assist WOTSO, BWR and Planloc in the conduct of the Scheme Meeting and/or the General Meeting and to enable the Scheme to be implemented. The collection of certain personal information is required or authorised by the Corporations Act.

WOTSO Shareholders, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and can contact the WOTSO Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) if they wish to exercise those rights.

Personal information may be disclosed to the share registries of WOTSO, BWR or Planloc, print and mail service providers, authorised securities brokers, Related Bodies Corporate of WOTSO and to the advisers of WOTSO, BWR and Planloc to the extent necessary to effect the Scheme. If the information outlined above is not collected, WOTSO, BWR and Planloc may be hindered in, or prevented from, conducting the Scheme Meeting and/or the General Meeting, or implementing the Scheme effectively or at all. WOTSO Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting and/or the General Meeting should ensure that they inform that person of the matters outlined above.

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 the laws of Australia 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 the laws and

regulations of a jurisdiction outside of Australia. This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

References to time and currency

Unless otherwise stated, a reference to time in this Scheme Booklet is a reference to Australian Eastern Daylight Time (AEDT). References to (\$) or A\$) dollars in this Scheme Booklet are to Australian dollars, unless otherwise stated.

Rounding

Certain financial figures in this Scheme Booklet have been rounded as applicable, unless otherwise stated. Such figures should be considered as approximate figures. Any discrepancies in any table between totals and sums of amounts listed in that table or to previously published financial figures are due to rounding.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are defined either in the Glossary in Section 10 or in the body of this Scheme Booklet.

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the date of this Scheme Booklet.

Tax

If the Scheme becomes effective and is implemented, there will be tax consequences for Scheme Shareholders. For further detail about the general tax consequences of the Scheme, refer to Annexure A.

The tax treatment may vary depending on the nature and characteristics of each Scheme Shareholder and their specific circumstances. Accordingly, Scheme Shareholders should seek professional tax advice in relation to their specific circumstances.

Court process

A copy of this Scheme Booklet has been lodged with the Court to obtain an order of the Court approving the convening of the Scheme Meeting. Orders made by the Court are made under section 411(1) of the Corporations Act.

The fact that the Court has ordered that the Scheme Meeting be convened and has directed that this Scheme Booklet accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how WOTSO Shareholders should vote (on this matter WOTSO Shareholders must reach their own conclusion);
- has prepared, or is responsible for, the content of this Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Date

This Scheme Booklet is dated 18 December 2020.

Important dates

Date and time	Event
10:00am (AEDT), Wednesday 27 January 2021	Latest date and time by which Proxy Forms for the Scheme Meeting and the General Meeting must be received by the WOTSO Share Registry
7.00pm (AEDT), Wednesday 27 January 2021	Voting Eligibility Time - Date and time for determining eligibility to vote at the Scheme Meeting and General Meeting
10:00am (AEDT), Friday 29 January 2021	Scheme Meeting to vote on the Scheme to be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009
10:30am (AEDT), Friday 29 January 2021	General Meeting to vote on the Supporting Resolutions held at the same location as the Scheme Meeting

If the Stapling Proposal is approved by WOTSO Shareholders

Date and time	Event
11:00am Friday 29 January 2021	BWR Meeting held for BWR Unitholders to vote on the BWR Resolution.
Friday 5 February 2021	Second Court Hearing for approval of the Scheme
8 February 2021	Suspension of trading of BWR Units on ASX, and suspension of transfers of WOTSO Shares
8 February 2021	Effective Date – Court Order lodged with ASIC
By 5:00pm 10 February 2021	Planloc Share Split and WOTSO Share Consolidation completed
5:00pm (AEDT), 10 February 2021	Scheme Record Date for determining entitlements to newly issued BWR Units and Planloc Shares
By 17 February 2021	Planloc Share Transfer completed
17 February 2021	Implementation Date – BWR Units and Planloc Shares issued to Eligible Scheme Shareholders WOTSO Shares issued to Eligible BWR Unitholders
18 February 2021	Quotation – Stapled Securities commence quotation on the ASX on a normal settlement basis
No later than 19 March 2021	Dispatch of payment to Ineligible Scheme Shareholders (if any)

Please note that all of the above times and dates are indicative only and subject to change. WOTSO may vary any or all of these dates and times and will provide reasonable notice of any such variation. In particular, the date of the Scheme Meeting and General Meeting may be postponed or adjourned if satisfaction of a Scheme Condition is delayed. Certain times and dates are conditional on the approval of the Scheme by WOTSO Shareholders and by the Court. Any changes will be announced by WOTSO on its website www.wotsoworkspace.com.au/shareholder/ and communicated to WOTSO Shareholders.

All references to time are to Australian Eastern Daylight Time unless otherwise stated.

Overview of this booklet

What is this booklet for?

This Scheme Booklet is about the proposed recommended tri-partite stapling of BWR Units and Planloc Shares to WOTSO Shares (**Stapling Proposal**) by way of the Scheme of Arrangement.

The Scheme Booklet is designed to provide WOTSO Shareholders with information to consider before voting on whether the Scheme should proceed at the Scheme Meeting scheduled for Friday 29 January 2021 and whether the Supporting Resolutions should be passed at the General Meeting (to be held on the same date as the Scheme Meeting).

Why should you vote?

As a WOTSO Shareholder, you have a say in whether the Stapling Proposal is completed or not – this is your opportunity to play a role in deciding the future of your investment in WOTSO.

Is the Scheme in the best interests of WOTSO Shareholders?

The WOTSO Board unanimously recommends that WOTSO Shareholders **vote in favour** of the Scheme and the Supporting Resolutions, subject to no Superior Proposal being made for WOTSO and the Independent Expert continuing to conclude that the Scheme is in the best interests of WOTSO Shareholders.

The Independent Expert has considered the Scheme and has concluded that in the absence of a Superior Proposal, **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

The Independent Expert's Report is included in this booklet for your consideration in Annexure B.

How do the WOTSO Directors intend to vote in respect of their own 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 WOTSO Shareholders, each WOTSO Director intends to vote, or cause to be voted, all WOTSO Shares held by or controlled by them in favour of the Scheme and the Supporting Resolutions.

What you should do next

Read this booklet and consider the Scheme

You should read and carefully consider the information included in this booklet to help you make an informed decision.

There is a "Questions and answers" summary included in Section 1, to help answer any questions you may have.

If you have any doubts as to what action you should take, please contact your legal, investment or other professional adviser.

Vote on the Scheme

As a WOTSO Shareholder, it is your right to vote on whether the Scheme should proceed and whether the Supporting Resolutions should be passed.

You can vote:

- by proxy, using both of the enclosed Proxy Forms (one for the Scheme Meeting and the other for the General Meeting), or by attorney or corporate representative; or
- in person by attending the Scheme Meeting and General Meeting to be held at 10.00 am and 10:30am (AEDT) respectively on Friday 29 January 2021 at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009.

If you vote by proxy, both your Proxy Forms (ie the form for the Scheme Meeting and the form for the General Meeting) must be received by 7:00pm (AEDT) on Wednesday 27 January 2021, for your vote to be counted. Instructions for submitting your Proxy Form are set out in the Notice of Scheme Meeting (see Annexure G) and Notice of General Meeting (see Annexure H)

COVID-19

As at the date of the Scheme Booklet there is no restriction on public gatherings imposed by the New South Wales or Federal governments that prohibits the Scheme Meeting or the General Meeting to be held in the manner proposed.

However, if between dispatch of the Scheme Booklet and the date of the Scheme Meeting circumstances change and the proposed physical meeting cannot be held without breaching statutory restrictions, the WOTSO Board has determined to utilise virtual meeting technology to ensure that the Scheme Meeting and the General Meeting can continue to be held as virtual meetings.

If virtual meetings are required to be held, WOTSO will despatch amended notices of meeting with updated voting and attendance instructions, and will ensure that WOTSO Shareholders are given a reasonable time to consider these updated instructions or seek assistance from WOTSO or the Share Registry.

Participating in the Scheme

If you are eligible and wish to participate in the Scheme, you will need to ensure that you do not sell your WOTSO Shares prior to 5.00pm (AEDT) on 10 February 2021, being the expected Scheme Record Date. Otherwise, and assuming the Scheme is approved by the Requisite Majorities and the Court, you do not need to do anything to participate in the Scheme.

For further information

If you have any questions of a general nature, or require further information, then you may refer to WOTSO's website at www.wotsoworkspace.com.au/shareholder/, email info@wotso.com or call the WOTSO Shareholder Information Line on 1800 496 876 (within Australia) or +61 2 9033 8611 (outside Australia) between 8.30am and 5.00pm (Sydney time) on Business Days. For more specific advice pertinent to your own circumstances, please contact your legal, investment or other professional adviser.

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Letter from the Chairman of WOTSO

Dear WOTSO Shareholder

On behalf of the WOTSO Board, I enclose a Scheme Booklet that sets out a proposal to staple both WOTSO Ltd (**WOTSO**) and Planloc Ltd (**Planloc**) to the BlackWall Property Trust (**BWR**). Planloc is a property investment company currently owned by Pelorus Private Equity Limited (**Pelorus Private Equity**).

Subject to shareholder and Court approval, Eligible WOTSO Shareholders will receive newly issued BWR Units and Planloc Shares, which together with their existing WOTSO Shares will form single "stapled securities". The new combined structure will trade on the ASX as "WOTSO Property". BWR will no longer trade on the ASX as a standalone entity, but will instead trade together with WOTSO and Planloc as part of a combined stapled group.

The stapled structure may seem complicated, but it is driven by regulatory and taxation issues and is not uncommon in Australia. Many entities listed on the ASX are stapled structures including Scentre Group, Stockland, Charter Hall, Vicinity Centres and Cromwell Property.

Bringing together BWR, WOTSO and Planloc was not our intention at the beginning of this year. You will recall that WOTSO was formed within BlackWall Limited (**BlackWall**) and was spun off into a separate structure at the start of the year. The plan was for WOTSO to raise new capital and set off on a rapid expansion path but we then faced two unanticipated hurdles:

1. unforeseen regulatory barriers that limited the ability to raise capital from strategic investors; and
2. the onset of COVID-19.

While working through the lockdowns and other issues created by COVID-19 we considered a number of options for the future of WOTSO. We were heartened by WOTSO's performance during this time and it reinforced our view that it is a resilient business with significant potential.

When reviewing the options for WOTSO we reflected on our experience so far, this strengthened our view that there is a natural synergy between WOTSO and a dynamic property portfolio. With WOTSO in the same camp as its major landlord, BWR, the potential to function as a readymade tenant and incubator for new tenants is enhanced and is likely to generate positive outcomes for both landlord and tenant.

BWR has the capital base to help WOTSO grow without the need for WOTSO to raise new capital at this time and the structure does not preclude WOTSO from entering into new third party leases.

The WOTSO Directors unanimously recommend that you **vote in favour** of the Scheme at the Scheme Meeting (as well as the Supporting Resolutions at the General Meeting), in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider that the Scheme is in the best interests of WOTSO Shareholders. Subject to those qualifications, each of the WOTSO Directors intends to vote, or cause to be voted, all WOTSO Shares held by or controlled by them in favour of the Scheme at the Scheme Meeting (as well as the Supporting Resolutions at the General Meeting).

How to vote

Your vote is important and we encourage you to vote on the Scheme.

For the Scheme to be approved votes in favour of the Scheme Resolution must be received from a majority in number (more than 50%) of WOTSO Shareholders present and voting and at least 75% of the total number of votes cast on the Scheme Resolution by WOTSO Shareholders.

Details of how to vote at the Scheme Meeting and General Meeting are set out in the Notice of Scheme Meeting in Annexure G and the Notice of General Meeting in Annexure H respectively.

Independent Expert's Report

The Independent Expert has considered the Scheme and has concluded that, in the absence of a Superior Proposal, **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

The Board notes that the Independent Expert has assessed the transaction on the basis of a notional takeover of WOTSO by BWR, or put another way, on the basis that WOTSO Shareholders move from 100% ownership of WOTSO to an approximately 13% non-controlling interest in WOTSO post-stapling. The Board respects the independent opinion and analysis conducted by the Independent Expert (and notes that the Independent Expert has concluded that the Scheme is **in the best interests of WOTSO Shareholders**), nonetheless the Board wishes to clarify the following for the benefit of shareholders:

- as noted in the Independent Expert Report (at section 3.3), ASIC's regulatory policy on independent expert reports in Regulatory Guide 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction;
- although the Independent Expert has assessed the Scheme as "a takeover offer for WOTSO via the acquisition of an 87% interest in (WOTSO) by BWR", in reality **there is no takeover offer nor acquisition by BWR**, but rather the acquisition upon completion of the Scheme is by individual BWR Unitholders (of which there are more than 1,400);
- the Independent Expert has considered the fair value of a WOTSO Share prior to the Scheme *on a controlling basis*. Notwithstanding the *notional* takeover analysis undertaken by the Independent Expert, in reality WOTSO has approximately 1,200 shareholders with no individual shareholder currently having control of WOTSO; and
- the conclusion by the Independent Expert that the Scheme is "not fair" (although reasonable) is a direct result of ASIC's policy in Regulatory Guide 111 that a *takeover offer* is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer (otherwise it is automatically "unfair"). Such valuation was undertaken by the Independent Expert based on a *notional* takeover or change in control of WOTSO (notwithstanding our comments above).

The Board encourages Shareholders to review and form their own opinion in regards the Independent Expert's Report. The Independent Expert's Report is set out in full in Annexure B.

Further Information

The Scheme Booklet sets out important information relating to the Scheme, the reasons why the WOTSO Board has recommended that WOTSO Shareholders vote in favour of the Scheme together with the Independent Expert's Report. The Scheme Booklet 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. It will assist you in making an informed decision on how to vote. We also encourage you to seek independent financial, legal and taxation advice before making any decision in relation to your WOTSO Shares.

If you have any general queries about the Scheme or the Scheme Booklet, please do not hesitate to contact us by email or phone. A list of contact options are set out below.

On behalf of the WOTSO Board, I would like to take this opportunity to thank you for your ongoing support of WOTSO and I look forward to your participation at the Scheme Meeting and General Meeting.

Yours sincerely



Seph Glew
Chairman

Contact Details:

1. Alex Whitelum (Fund Manager & Company Secretary) on 0431 090 678 or awhitelum@blackwall.com.au
2. Jack Keeble (Funds Administrator) on 0418 610 085 or jkeeble@blackwall.cm.au
3. Tim Brown (Joint Managing Director & CFO) on 0416 925 376 or tbrown@blackwall.com.au
4. Jess Glew (Joint Managing Director & COO) on 0438 691 538 or jglew@blackwall.com.au
5. Seph Glew (Chairman) on 02 9033 8621 or sglew@blackwall.com.au

1. Questions and answers

This Section 1 answers some general questions that you may have about the Stapling Proposal. The information is a summary only which you should read in conjunction with the entire Scheme Booklet before deciding how to vote on the Scheme Resolution at the Scheme Meeting, or the Supporting Resolutions at the General Meeting. It is not intended to address all relevant issues for WOTSO Shareholders.

Questions	Answers
Overview of the Scheme	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a WOTSO Shareholder. The purpose of this Scheme Booklet is to explain the terms of the Stapling Proposal and the manner in which the Stapling Proposal will be considered and implemented, and to assist you in making a decision as to whether or not to vote in favour of or against: • the Scheme (by way of the Scheme Resolution) at the Scheme Meeting; and • the Supporting Resolutions at the General Meeting.
What am I being asked to consider?	If you are a WOTSO Shareholder at the Voting Eligibility Time, you are being asked to consider and vote on a proposal under which WOTSO, BWR and Planloc will create a Stapled Group. Your Directors believe that the Stapled Group will facilitate WOTSO's growth strategy by: • providing operational efficiencies and alignment of interests with WOTSO's largest landlord, BWR; • providing liquidity to WOTSO Shareholders; and • removing the need to raise additional capital in an uncertain market. The Stapling Proposal must be approved by WOTSO Shareholders at the Scheme Meeting and the General Meeting. Once the requisite approvals are obtained from WOTSO Shareholders, and other outstanding Scheme Conditions are satisfied (or waived, if applicable) the Stapling Proposal will be implemented in a manner that will result in Eligible Scheme Shareholders holding Stapled Securities in the Stapled Group. Eligible Scheme Shareholders will retain their WOTSO Shares (on a consolidated basis) and be entitled to receive one BWR Unit and one Planloc Share for each WOTSO Share held at the Scheme Record Date. WOTSO Shareholders should note that under the terms of the Scheme, registration of transfers of unstapled WOTSO Shares will cease on the Effective Date until one Business Day after the Implementation Date after which all transfers of WOTSO Shares will be transferred as a Stapled Security.

Questions	Answers
	Ineligible Scheme Shareholders will have their WOTSO Shares transferred to the WOTSO Sale Nominee, who will receive BWR Units and Planloc Shares on behalf of Ineligible Scheme Shareholders. The WOTSO Sale Nominee will sell the Stapled Securities on the ASX on behalf of Ineligible Scheme Shareholders and remit the proceeds to Ineligible Scheme Shareholders. An application for admission of the Stapled Group to the Official List and quotation of the Stapled Securities will be made shortly after the date of this Scheme Booklet. Stapled Securities are expected to commence trading on ASX at 10:00 am on 18 February 2021. Upon successful quotation, the Stapled Securities will be traded on the ASX as a single security. The ASX code for the Stapled Securities is expected to be "WOT".
How are the Scheme Resolution and Supporting Resolutions required implement the Stapling Proposal inter-related?	In order for the Stapling Proposal to be implemented, WOTSO Shareholders must pass the Scheme Resolution at the Scheme Meeting and each of the Supporting Resolutions at the General Meeting by the required majorities. The Supporting Resolutions comprise: - the Constitution Replacement Resolution; - the Directors Appointment Resolutions; and - the Share Consolidation Resolution. The Scheme Resolution and each of the Supporting Resolutions are inter-dependent meaning each resolution must be passed before the Stapling Proposal can be implemented.
What is the Scheme?	The Scheme is a scheme of arrangement between WOTSO and WOTSO Shareholders under Part 5.1 of the Corporations Act. The Scheme involves WOTSO Shares being stapled to BWR Units and Planloc Shares on a 1:1:1 basis which means WOTSO Shares, BWR Units and Planloc Shares will only trade as a single security. WOTSO Shareholders will be asked to approve the Scheme at the Scheme Meeting.
Who is BWR?	BlackWall Fund Services Limited as responsible entity of the BlackWall Property Trust ARSN 109 684 773 (BWR) is an ASX listed managed investment scheme. BWR is a total return real estate investment trust that invests in income producing real estate and real estate joint ventures. BWR aims to provide investors with a stable income stream and generate sustainable capital growth in its underlying assets

Questions	Answers
	through active management of its direct real estate investments and joint ventures. BlackWall Fund Services Limited (BFSL) is the responsible entity of BWR. BFSL's Australian Financial Services Licence Number is 220242. BFSL is wholly owned by BlackWall Limited (ASX: BWF) (BlackWall).
Who is Planloc?	Planloc Ltd ACN 062 367 560 (Planloc) is a real estate company. Planloc is wholly owned by Pelorus Private Equity Limited ACN 091 209 639 (Pelorus Private Equity). Planloc holds interests in two real estate assets located at 850 Woodville Road, Villawood NSW (in which BWR also holds an interest) and 120 Mulgoa Road Penrith, NSW.
What are the key conditions that need to be satisfied before the Stapling Proposal can proceed?	There are a number of outstanding Scheme Conditions set out in the Scheme Implementation Deed that will need to be satisfied or waived (if applicable) before the Scheme can become Effective. These conditions include: • WOTSO Shareholders approving the Scheme at the Scheme Meeting; • WOTSO Shareholders approving the Supporting Resolutions at the General Meeting; • BWR Unitholders approving the BWR Resolution at the BWR Meeting; • Pelorus Private Equity approving the Planloc Resolutions; and • the Court approving the Scheme, and granting the Judicial Advices. These are not the only conditions. All the conditions that must be satisfied or waived are discussed in Section 7.2(b) and set out in full in the Scheme Implementation Deed which is substantially reproduced in Annexure C. As at the date of this Scheme Booklet, the WOTSO Directors are not aware of any reason why the Scheme Conditions should not be satisfied or waived (where capable of waiver).
What is the Capital Reorganisation?	The Capital Reorganisation is a series of interdependent steps which are undertaken by BWR, Planloc and WOTSO in order to ensure that there are the same number of BWR Units, Planloc Shares and WOTSO Shares on issue so that the Stapling Proposal can be implemented. See Section 4.4 for details.
If the Stapling Proposal is	If the Stapling Proposal proceeds:

Questions	Answers
implemented, what will be the effect?	• WOTSO, BWR and Planloc will comprise a Stapled Group (called "WOTSO Property") with each WOTSO Share stapled to one BWR Unit and one Planloc Share in order to form a Stapled Security which will be traded as a single security on the ASX. • Eligible Scheme Shareholders will be issued: » one BWR Unit; and » one Planloc Share, for each WOTSO Share they hold at the Scheme Record Date (on a post-consolidation basis). WOTSO Shareholders should note that, under the terms of the Scheme, registration of transfers of unstapled WOTSO Shares will cease on the Effective Date until the Business Day after the Implementation Date after which all transfers of WOTSO Shares will be transferred as a Stapled Security. Scheme Shareholders will not be required to pay any additional money for Stapled Securities. • WOTSO will issue a total of up to 142,150,000 new WOTSO Shares to BWR Unitholders to affect the Stapling Proposal. Further details are set out in Section 4. Ineligible Scheme Shareholders cannot participate in the Stapling Proposal and will have their Stapled Securities sold by the WOTSO Sale Nominee. See Section 7.1 for details.
What happens if the Stapling Proposal is not approved?	If the Scheme is not approved at the Scheme Meeting (or is approved at the Scheme Meeting but is not approved by the Court or any of the other conditions precedent to the Scheme becoming Effective are not satisfied or waived or the Scheme Implementation Deed is terminated), then the Stapling Proposal will not be implemented. In this situation: • WOTSO will continue as an unlisted public company with WOTSO Shares existing as an unquoted, standalone security and the rights of WOTSO Shareholders will remain unchanged; • WOTSO Shareholders will retain the current investment in WOTSO Shares and continue to be exposed to the benefits and risks presently associated with an investment in WOTSO; • WOTSO will bear substantial transaction costs and

Questions	Answers
	expenses estimated as a direct financial cost of approximately \$200,000 (exclusive of GST) (reflecting legal, taxation and independent expert's costs) to be incurred in implementing the Stapling Proposal. WOTSO has already incurred a significant proportion of these costs in developing the Stapling Proposal to the date of this Scheme Booklet. These costs will be reflected in WOTOS's future financial statements; and the benefits of WOTSO being part of the Stapled Group, and WOTSO Shares being part of the Stapled Security, will not be realised.
What is a Stapled Security?	Stapled Securities will comprise: - one WOTSO Share; - one BWR Unit; and - one Planloc Share, such that each WOTSO Share, BWR Unit and Planloc Share will be quoted on the ASX and will only be able to be traded and transferred as a single Stapled Security. WOTSO, BWR and Planloc will operate as a single economic group to be known as "WOTSO Property".
When will Stapling occur?	Each Eligible Scheme Shareholder will be issued one BWR Unit and one Planloc Share on the Implementation Date and which will be stapled on a 1:1:1 basis. An application for admission to the Official List of the Stapled Group and quotation of the Stapled Securities will be made shortly after the date of this Scheme Booklet. Stapled Securities are expected to commence trading on ASX at 10:00am on 18 February 2021.
Can Stapled Securities be "unstapled"?	Yes. It is possible for the Stapled Securities to become "unstapled". However, WOTSO may not unstaple the Stapled Securities unless: - the holders of Stapled Securities approve the unstapling by special resolution; - if WOTSO, BWR or Planloc becomes insolvent or commences winding up; or - Stapling becomes unlawful or prohibited by the Listing Rules.
What happens if the WOTSO Board receives a Superior Proposal?	Since the Stapling Proposal was announced by BWR on 24 July 2020 and by WOTSO to WOTSO Shareholders on 27 July 2020 and up to the date of this Scheme Booklet, no Superior Proposal has emerged. As at the date of this Scheme Booklet,

Questions	Answers
	the WOTSO Board has no basis for believing that a Superior Proposal will be received. The Directors will notify WOTSO Shareholders of any material developments in relation to any Superior Proposal that may emerge. The WOTSO Board may consider and respond to unsolicited proposals that may lead to a competition transaction where the Directors act in good faith and must do so in order to satisfy their legal duties. If WOTSO receives a Superior Proposal which the WOTSO Directors determine to recommend or support, WOTSO may terminate the Scheme Implementation Deed and not proceed with the Stapling Proposal.
What are the benefits of the Scheme?	The WOTSO Board believes that the Scheme is the most value enhancing alternative currently available for WOTSO Shareholders, in the absence of a Superior Proposal. In forming that view, the WOTSO Board believes that the advantages of the Scheme to WOTSO Shareholders include the following: • WOTSO Shareholders will hold BWR Units and Planloc Shares and thus will have exposure to the benefits of investing in those entities. • The Stapled Group will facilitate WOTSO's growth strategy by: » providing operational efficiencies and alignment of interests with WOTSO's largest landlord, BWR; » providing liquidity to WOTSO Shareholders; and » removing the need to raise additional capital in an uncertain market. Further information regarding the advantages and reasons to vote in favour of the Scheme are set out in Sections 3.5 to 3.8. Details regarding each of the Stapled Entities are set out in Sections 3.2 to 3.4, with financial information on each of the entities as well as pro-forma financial information on the Stapled Group being set out in Section 5.
What are the potential disadvantages of voting in favour of the Scheme?	The WOTSO Board believes the potential disadvantages of the Scheme to WOTSO Shareholders are as follows: • Your interests in WOTSO will be diluted by the issue of new WOTSO Shares to BWR Unitholders in order to implement the Stapling Proposal. • You may consider that WOTSO has stronger long term growth potential as a standalone unstapled entity, and do not wish for your ability to deal in WOTSO Shares to be restricted by virtue of being stapled to BWR Units and

Questions	Answers
	Planloc Shares. - It is possible that a more attractive proposal could materialise in the future (although the WOTSO Board is not aware of any such proposal). - WOTSO Shareholders will hold BWR Units and Planloc Shares and thus will have exposure to the risks of investing in those entities. - Ineligible Scheme Shareholders cannot participate in the Stapling Proposal. Further information regarding the disadvantages and reasons to vote against the Scheme is set out in Section 3.9. The risks of investing in each of the Stapled Entities are set out in Section 6.
Can I be forced to accept Stapled Securities?	Yes. If all of the conditions and approvals for the Stapling Proposal are satisfied or waived (as applicable), the Stapling Proposal will bind all Scheme Shareholders, including those who vote against it (or those who do not vote at all). In these circumstances, Eligible Scheme Shareholders will receive BWR Units and Planloc Shares that will be stapled to WOTSO Shares on a 1:1:1 basis by operation of the Scheme and the Stapling Deed. Ineligible Scheme Shareholders will have all their WOTSO Shares transferred to the WOTSO Sale Nominee. The WOTSO Sale Nominee will also be issued with all BWR Units and Planloc Shares that the Ineligible Scheme Shareholders would have received if they were Eligible Scheme Shareholders. The WOTSO Sale Nominee will proceed to sell the Stapled Securities on the ASX and remit the proceeds to the Ineligible Scheme Shareholders. Please see Section 7.1 for further information on Ineligible Scheme Shareholders.
Recommendations	
What do the WOTSO Directors recommend?	The WOTSO Board unanimously recommends that all WOTSO Shareholders vote in favour of the Scheme at the Scheme Meeting (and also in favour of the Support Resolutions at the General Meeting), 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 WOTSO Shareholders. Section 3 sets out the matters which WOTSO Directors have had regard to in making their recommendation that WOTSO Shareholders vote in favour of the Scheme.
How are the WOTSO Directors intending to vote?	Each of the WOTSO Directors intends to vote, or cause to be voted, all WOTSO Shares held or controlled by them in favour of the Scheme (and also in favour of the Support Resolutions at the General Meeting), 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 WOTSO

Questions	Answers
	Shareholders.
What is the opinion of the Independent Expert?	The Independent Expert has considered the Scheme and has concluded that in the absence of a Superior Proposal, the Scheme is in the best interests of WOTSO Shareholders on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders. The Independent Expert's Report is set out in full in Annexure B.
Meetings and Scheme implementation	
When and where will the Meetings be held?	The Scheme Meeting and General Meeting will be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009, on Friday 29 January 2021. The Scheme Meeting will commence at 10:00am (AEDT). The General Meeting will also commence at 10:30am (AEDT) or as soon as reasonably practicable after the Scheme Meeting concludes or is adjourned (whichever time is later) See Section 2 and the Notice of Scheme Meeting in Annexure G and the Notice of General Meeting in Annexure H for details of the Scheme Meeting and General Meeting and applicable voting arrangements. COVID-19 As at the date of the Scheme Booklet there is no restriction on public gatherings imposed by the New South Wales or Federal governments that prohibits the Scheme Meeting or the General Meeting to be held in the manner proposed. However, if between dispatch of the Scheme Booklet and the date of the Scheme Meeting circumstances change and the proposed physical meeting cannot be held without breaching statutory restrictions, the WOTSO Board has determined to utilise virtual meeting technology to ensure that the Scheme Meeting and the General Meeting can continue to be held, albeit as virtual meetings. If virtual meetings are required to be held, WOTSO will despatch amended notices of meeting with updated voting and attendance instructions, and will ensure that WOTSO Shareholders are given a reasonable time to consider these updated instructions or seek assistance from WOTSO or the Share Registry.
When will the Scheme become Effective?	Subject to satisfaction or waiver (if applicable) of any outstanding Scheme Conditions and the approval of the Court, it is expected that the Scheme will become Effective on 8 February 2021. It is expected that the Scheme will be implemented on 17 February 2021 (Implementation Date), with admission and quotation of the Stapled Securities to occur

Questions	Answers
	on 18 February 2021. Further details about the timetable are set out under the heading “Important Dates” at the front of this Scheme Booklet.
What will be the effect of the Scheme on WOTSO Shareholders?	If the Scheme becomes Effective: • WOTSO will complete the WOTSO Share Consolidation so that on the Scheme Record Date there will be 20,691,412 WOTSO Shares on issue on the Scheme Record Date; • WOTSO will issue a total of up to 142,150,000 new WOTSO Shares to Eligible BWR Unitholders and the BWR Sale Nominee (the latter to hold the WOTSO Shares that the Ineligible BWR Unitholders would otherwise have been entitled to); • Eligible Scheme Shareholders will be issued one BWR Unit and one Planloc Share for each WOTSO Share held by the Eligible Scheme Shareholders on the Scheme Record Date; • the WOTSO Sale Nominee will be transferred all WOTSO Shares held by Ineligible Scheme Shareholders on the Scheme Record Date, and will be issued with one BWR Unit and one Planloc Share for each WOTSO Share that each Ineligible Scheme Shareholder held on the Scheme Record Date. The WOTSO Sale Nominee will hold those securities as Stapled Securities on behalf of the Ineligible Scheme Shareholders; • WOTSO, BWR and Planloc will form the Stapled Group, with each WOTSO Share, BWR Unit and Planloc Share stapled together forming a Stapled Security; • subject to ASX approval, the Stapled Group will be admitted on the Official List and the Stapled Securities are expected to commence trading on ASX at 10:00am on 18 February 2021; and • the WOTSO Sale Nominee will sell the Stapled Securities it holds (on behalf of Ineligible Scheme Shareholders) on the ASX and remit the sale proceeds to Ineligible Scheme Shareholders. An application to list Planloc and WOTSO, and quote the Stapled Securities on ASX will be made shortly after the date of the Booklet. No application will be made to list BWR as it is already admitted to the Official List. Further details are set out in Sections 4 and 7.

Questions	Answers
What voting majority is required to approve the Scheme and Supporting Resolutions?	<u>Scheme Resolution</u> For the Scheme to be approved, votes in favour of the Scheme Resolution must be received from both: • a majority in number (more than 50%) of WOTSO Shareholders present and voting (whether in person, by proxy, by attorney or by corporate representative) at the Scheme Meeting (unless the Court orders otherwise); and • at least 75% of the total number of WOTSO Shares voted at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative) by WOTSO Shareholders. <u>Supporting Resolutions</u> For the Supporting Resolutions to be passed, the following votes must be received from: • for the Constitution Replacement Resolution, at least 75% of the total number of votes cast on the resolution at the General Meeting by WOTSO Shareholders (in person or by proxy, corporate representative or attorney); • for the Directors Appointment Resolutions, each by a majority of the total number of votes cast on the resolution by WOTSO Shareholders (in person or by proxy, corporate representative or attorney); and • for the Share Consolidation Resolution, a majority of the total number of votes cast on the resolution by WOTSO Shareholders (in person or by proxy, corporate representative or attorney).
Questions about voting	
Who is entitled to vote at the Meetings?	WOTSO Shareholders on the WOTSO Register at 7:00pm (AEDT) on Wednesday 27 January 2021 (Voting Eligibility Time) will be entitled to vote on the Scheme Resolution at the Scheme Meeting and the Supporting Resolutions at the General Meeting. Further details about voting rights and procedures are set out in Section 2 and in the Notice of Scheme Meeting in Annexure G and Notice of General Meeting in Annexure H.
Is voting compulsory?	No. Voting is not compulsory. However, your vote is important and you are encouraged to exercise your right to vote. Accordingly, the WOTSO Directors urge you to read this Scheme Booklet carefully and to vote in favour of the Scheme Resolution at the Scheme Meeting (and also the Supporting Resolutions at the General Meeting), in the absence of a

Questions	Answers
	Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of WOTSO Shareholders. If you cannot attend the Scheme Meeting or the General Meeting, you should complete and return the Proxy Forms enclosed with the Scheme Booklet. For further details regarding proxy voting and submitting the Proxy Form for the Scheme Meeting or the General Meeting, see Section 2, the Notice of Scheme Meeting in Annexure G and the Notice of General Meeting in Annexure H.
Will I be bound by the Scheme even if I vote against the Scheme?	If the Scheme becomes Effective, it will bind all WOTSO Shareholders, including those who voted against it and those who did not vote at all. This means all Eligible Scheme Shareholders will have each of their WOTSO Shares (held on the Scheme Record Date) stapled to one BWR Unit and one Planloc Share. Ineligible Scheme Shareholders cannot participate in the Stapling Proposal and will have their Stapled Securities sold by the WOTSO Sale Nominee. See Sections 7.1(i) and 7.1(j) for details.
When will the results of the Meetings be known?	The result of the Scheme Meeting and the General Meeting will be available shortly after the conclusion of the General Meeting and will be notified to WOTSO Shareholders by email or post as well as on the WOTSO website at www.wotsoworkspace.com.au/shareholder/. Even if the resolutions are passed at the Scheme Meeting and General Meeting, the Scheme is still subject to the approval of the Court.
Questions about the Stapled Group post implementation	
What will the Stapled Group be called?	The Stapled Group will be known as "WOTSO Property".
Who will be on the Stapled Group's Board?	The Board of each of the stapled entities comprising WOTSO Property will match the current Board of BWR, being: Joseph (Seph) Glew, Timothy Brown, Jessie Glew, Richard Hill and Robin Tedder. Information on each of the Directors is set out in Section 3.14.
What will be the strategy for the Stapled Group?	If the Stapling Proposal is implemented: • BWR can acquire new properties knowing it has a ready-made tenant; • the capital backing of BWR will help continue growth of

Questions	Answers
	WOTSO's business by providing access to new sites; - the Stapled Group will benefit from diversified investment returns (capital and income gains from property holdings in BWR and Planloc, as well as operating revenue from WOTSO); and - the Stapled Group can be positioned as a unique investment opportunity in the market – with exposure to a growing co-working business, and the backing of an established property portfolio. Further details are set out in Section 3.
Questions about your entitlement	
Who is entitled to receive the BWR Units and Planloc Shares?	All persons registered as holders of WOTSO Shares on the Scheme Record Date (currently 5.00pm (AEDT) on Wednesday 10 February 2021) whose address in the WOTSO Register is located in Australia, United Kingdom, Hong Kong or New Zealand will be entitled to be issued one BWR Unit and one Planloc Share for each WOTSO Share held on the Scheme Record Date. Foreign WOTSO Shareholders that are Ineligible Scheme Shareholders cannot participate in the Stapling Proposal and will have their Stapled Securities sold by the WOTSO Sale Nominee. See Sections 7.1(i) and 7.1(j) for details.
Will I be required to pay broker fees or stamp duty?	No. You will not have to pay brokerage or stamp duty to receive BWR Units or Planloc Shares.
When will I be issued BWR Units and Planloc Shares?	If all Scheme Conditions are satisfied or waived (as applicable), Eligible Scheme Shareholders will be issued BWR Units and Planloc Shares on the Implementation Date.
How will I receive confirmation that the BWR Units and Planloc Shares have been issued?	Eligible Scheme Shareholders will receive a holding statement setting out the number of Stapled Securities shortly after the Implementation Date.
Can I sell my WOTSO Shares now?	Yes. However, if you sell your WOTSO Shares before the Scheme Record Date, you will not be entitled to participate in the Stapling Proposal. WOTSO Shareholders should note that registration of transfers of unstapled WOTSO Shares will cease on the Effective Date until the Business Day following the Implementation Date after which all transfers of WOTSO Shares will be transferred as a Stapled Security.
What are the tax	The general taxation implications of the Stapling Proposal for

Questions	Answers
implications of the Stapling Proposal?	WOTSO Shareholders who are resident in Australia are set out in Annexure A. This Scheme Booklet does not contain a discussion of the taxation consequences of the Stapling Proposal for WOTSO Shareholders resident for tax purposes outside Australia, including those resident in New Zealand, Hong Kong or the United Kingdom. It is recommended that WOTSO Shareholders consult with their legal, investment or other professional advisers prior to making a decision on how to vote on the Scheme. Any decision on how to vote on the Scheme should be based on individual investment objectives, financial situations, taxation positions and particular needs. See Annexure A for more details.
What is the Proxy Form enclosed with this Scheme Booklet?	If you wish to vote at the Scheme Meeting and the General Meeting, but will be unable to attend the meetings in person, you should complete and return the enclosed Proxy Forms for both the Scheme Meeting and the General Meeting. You do not need to complete the Proxy Forms if you intend to vote in person, by attorney or by corporate representative at the meetings. For further details regarding proxy voting and submitting Proxy Forms for the Scheme Meeting and the General Meeting, see Section 2 of both the Notice of Scheme Meeting and the Notice of General Meeting.
Other information	
What other information is available?	This Scheme Booklet provides detailed information in relation to the Stapling Proposal which all WOTSO Shareholders should read. If you have any questions of a general nature or require further information, then you may refer to WOTSO's website at www.wotsoworkspace.com.au/shareholder/ or call the WOTSO Shareholder Information Line on 1800 496 876 (within Australia) or +61 2 9033 8611 (outside Australia) between 8.30am and 5.00pm (Sydney time) on Monday to Friday. For more specific advice pertinent to your own circumstances, please contact your legal, investment or other professional adviser.

2. What to do and how to vote

2.1 Carefully read and consider this Scheme Booklet

This is an important document. You should read the information in this Scheme Booklet in its entirety before making a decision on how to vote at the Scheme Meeting and the General Meeting. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

2.2 Consider the reasons to vote for or against the Scheme

Refer to Sections 3.5 to 3.8 for a discussion of the reasons to vote in favour of the Scheme and Section 3.9 for a discussion of the reasons you may wish to vote against the Scheme.

Information on the risks of holding the Stapled Securities can be found in Section 6.

2.3 WOTSO Directors' recommendation and opinion of the Independent Expert

The WOTSO Board unanimously recommends that, 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 WOTSO Shareholders, you **vote in favour** of the Scheme Resolution at the Scheme Meeting, and **vote in favour** of the Supporting Resolutions at the General Meeting. Subject to those qualifications, each WOTSO Director intends to vote or cause to be voted all WOTSO Shares held or controlled by them in favour of the Scheme Resolution at the Scheme Meeting (and in favour of the Supporting Resolutions at the General Meeting).

The Independent Expert has considered the Scheme and has concluded that in the absence of a Superior Proposal, **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

2.4 Scheme Meeting

The Scheme Meeting will be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on Friday 29 January 2021 at 10:00am (AEDT). For the Scheme to proceed, votes in favour of the Scheme Resolution must be received from both:

- (a) a majority in number (more than 50%) of WOTSO Shareholders present and voting (whether in person, by proxy, by attorney or by corporate representative) at the Scheme Meeting; and
- (b) at least 75% of the total number of WOTSO Shares voted at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative) by WOTSO Shareholders,

(the **Requisite Majorities**).

The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

The passing of Scheme Resolution by the Requisite Majorities at the Scheme Meeting is a condition of the Scheme becoming Effective and being implemented.

The Notice convening the Scheme Meeting is contained in Annexure G. A personalised Proxy Form is also enclosed with this Scheme Booklet.

2.5 General Meeting

The General Meeting will also be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on Friday 29 January 2021 and will commence at 10:30am (AEDT), or as soon as reasonably practicable after the Scheme Meeting concludes or is adjourned (whichever time is later).

A condition of the Scheme is for all Supporting Resolutions be passed at the General Meeting, and therefore votes in favour of the:

- (a) Constitution Replacement Resolution by at least 75% of the total number of votes cast on the resolution at the General Meeting by WOTSO Shareholders (in person or by proxy, corporate representative or attorney);
- (b) Directors Appointment Resolutions, each by a majority of the total number of votes cast on the resolution by WOTSO Shareholders (in person or by proxy, corporate representative or attorney); and
- (c) Share Consolidation Resolution by a majority of the total number of votes cast on the resolution by WOTSO Shareholders (in person or by proxy, corporate representative or attorney).

The Notice convening the General Meeting is contained in Annexure H. A personalised Proxy Form is also enclosed with this Scheme Booklet.

2.6 Vote on the Scheme in person or by proxy

You are urged to vote at both the Scheme Meeting and the General Meeting either in person, by attending the meetings, or by appointing a proxy (by using the enclosed Proxy Forms) or by attorney or, in the case of a corporate WOTSO Shareholder, by corporate representative, to attend and vote on your behalf. Voting entitlements and how to vote instructions follow in Sections 2.7 and 2.8 below.

2.7 Voting entitlements

(a) Scheme Meeting and General Meeting

Each person who is registered in the WOTSO Register as a WOTSO Shareholder as at 7:00pm (AEDT) on Wednesday 27 January 2021 (**Voting Eligibility Time**) is entitled to attend and vote at the Scheme Meeting and the General Meeting, either in person, by proxy or attorney or, in the case of a corporate WOTSO Shareholder, by corporate representative. Registered transfers or transmission applications that are registered after this time will be disregarded in determining entitlements to vote at either the Scheme Meeting or the General Meeting.

Voting at both the Scheme Meeting and General Meeting will be conducted by poll.

The Notices convening the Scheme Meeting and the General Meeting are contained in Annexures G and H respectively. Proxy Forms for the Scheme Meeting and the General Meeting are also enclosed with this Scheme Booklet.

(b) Jointly held WOTSO Shares

Where there are joint registered holders of any WOTSO Shares, any one of them may vote at the Scheme Meeting and the General Meeting either in person, by proxy or attorney or, in the case of a corporate WOTSO Shareholder, by corporate representative in respect of those WOTSO Shares as if that person was solely entitled to those WOTSO Shares.

If more than one of the joint holders of any WOTSO Shares is present at the Scheme Meeting and the General Meeting, only the joint holder present whose name stands first in the WOTSO Register in respect of the jointly held WOTSO Shares is entitled to vote in respect of those WOTSO Shares.

2.8 Further information

Please refer to the Notice of Scheme Meeting in Annexure G and the Notice of General Meeting in Annexure H for further information about how to vote at the Scheme Meeting and General Meeting.

2.9 If you have any further queries

If you have any questions in relation to the Stapling Proposal, the Scheme or the Scheme Meeting, the Supporting Resolutions or the General Meeting after reading this Scheme Booklet, please contact your legal, investment or other professional adviser.

If you have any questions of a general nature or require further information about WOTSO, then you may refer to WOTSO's website at www.wotsoworkspace.com.au/shareholder/ or call the WOTSO Shareholder Information Line on 1800 496 876 (within Australia) or +61 2 9033 8611 (outside Australia) between 8.30am and 5.00pm (Sydney time) on Business Days.

3. The proposed Stapled Group and reasons to vote

3.1 Overview

On the basis the Scheme is approved and implemented, the Stapled Group (which will be known as "WOTSO Property") will comprise of WOTSO, BWR and Planloc (each a **Stapled Entity**). Information in relation to each Stapled Entity is provided below.

3.2 WOTSO

(a) Overview

The WOTSO business commenced operations in 2014 through WOTSO Workspace Pty Ltd, a subsidiary of BlackWall Limited (**BlackWall**). WOTSO Limited was incorporated by BlackWall in 2019 to carry on the WOTSO business, until it demerged and formed its own consolidated group on 8 January 2020. WOTSO operates flexible workspaces, largely targeted towards small to medium enterprises in suburban or regional locations.

WOTSO commenced with 2 Sydney sites in 2014 and has since grown to operate 16 flexible workspaces across Australia, and 1 in Malaysia. WOTSO's revenue is largely derived from the use of private offices on monthly terms with the remainder being through memberships in open plan, co-working environments, events, meeting rooms and other additional services.

As at the date of this Scheme Booklet, WOTSO has over 3,400 occupied desks, compared to a capacity of just over 5,200. WOTSO expects to continue its current growth strategy of building revenue on newly opened sites and will roll out new sites as and when commercially attractive opportunities are identified, with a focus on suburban and regional Australia.

(b) What we do

WOTSO looks through the traditional office lease to our customers. We see ourselves as a retail and corporate service provider, as opposed to a manager administering a contract. Our role is to provide a space, amenity and atmosphere that facilitates our customer's business. We sell office space on flexible terms be that month to month or day to day, removing the frictions often associated with the provision of commercial office space. More recently, as flexible working has been brought to the front of everyone's mind, we are seeing a growth in more casual use of our spaces with daily drop-in passes increasing 3 fold since February 2020.

Our customers are attracted to WOTSO because they are well-designed, spaced in prominent locations surrounded by parking, transport and amenities. WOTSO is distinguished from its peers by its "street presence". We achieve this by choosing high profile sites with signage as big as we can get. If the opportunity presents, we will decorate our buildings or facades with eye catching street art. Our aim is that potential customers know where a WOTSO is before they have a need for our services. When they need us, we win their business by making the transaction easy as we do not require a long lock-in contract. We aim to build long-term relationships on short-term contracts.

(c) Business model

WOTSO's network is comprised of just over 34,000 sqm of space. WOTSO, in some respects, is like a hotel. We generate revenue from customers/members in a real estate linked operating business. That said, WOTSO does not own the buildings from which it operates, instead we employ a number of structures with property owners (such as BWR) including leases, management arrangements and joint ventures. As at the date of Scheme

Booklet, WOTSO primarily operates via leases (a summary of which are set out in Section 3.2(f)(ii) below) with the landlords being BWR (or its controlled entities), related parties or other third parties.

The Stapling Proposal will help us consolidate the management of WOTSO and BWR, which we believe will ensure the Stapled Group is well-placed to take advantage of opportunities in both the commercial real estate and co-working sectors.

We believe in the suburban flexible office model and think WOTSO could have up to 50 locations in NSW alone. BWR will be the capital partner during this expansionary phase, but we will want locations that we think will work for WOTSO and we will want to make sound property purchases, so this growth may take time. Third party lease structures are still an option, but they will need to be on the right terms and flexible in nature.

(d) Capital structure

As at the date of this Scheme Booklet, WOTSO has a total of 81,068,581 WOTSO Shares on issue held by approximately 1,200 Shareholders.

As part of the implementation of the Scheme, WOTSO will:

- » undertake a consolidation of WOTSO Shares so that there will be 20,691,412 WOTSO Shares on issue immediately after the consolidation and on the Scheme Record Date (**WOTSO Share Consolidation**); and
- » issue an additional 142,150,000 WOTSO Shares to BWR Unitholders pursuant to the Scheme.

Therefore, upon implementation of the Scheme, there will be 162,841,412 WOTSO Shares on issue.

The rights and liabilities of WOTSO Shares upon implementation of the Scheme is summarised in Section 9.12(a).

(e) Liability to BWR

WOTSO's debt is entirely comprised of a loan held by BWR with an interest margin of 2%. This was approximately \$2 million as at the date of this Scheme Booklet. The loan has been used to fund lease deposits and fit-out of expanding sites including WOTSO North Strathfield and Zetland.

(f) Material Contracts

(i) Membership

Regardless of the type of structure used at a particular site, WOTSO's revenue is a function of receipts from its members. Most members sign up on a month to month basis and payment is made by credit card or direct debit monthly in advance. Any length of stay is acceptable and our terms and systems are flexible enough to cater for this.

(ii) Leases

The following table lists details for each of the leases entered into for sites at which the WOTSO business operates (with each Lessee being wholly owned entities of WOTSO):

Location	Area (sqm)	Start Date	Expiry Date	Options	Lessor
North Strathfield	4,463	01/07/19	30/06/29	2 x 5 years	Unrelated 3 rd party
Bondi	753	01/12/17	30/11/26	N/A	Unrelated 3 rd party
Woden	1,216	09/08/19	20/10/24	1 x 5 years	Unrelated 3 rd party
Fortitude Valley	1,520	01/01/20	30/6/24	2 x 5 years	BWR
Adelaide	1,330	01/01/20	30/6/24	2 x 5 years	BWR
Dickson	5,025	01/01/20	30/6/24	2 x 5 years	BWR
Symonston	1,408	01/01/20	30/6/24	2 x 5 years	BWR
Gold Coast	2,428	01/01/20	30/6/24	2 x 5 years	BWR
Chermside	1,315	10/07/18	09/07/23	1 x 5 years	Unrelated 3 rd party
Hobart	2,214	01/07/19	30/06/24	2 x 5 years	BWR
Penrith	469	01/08/16	31/07/24	1 x 5 years	Unrelated 3 rd party
Pymont	3,140	01/07/19	30/06/24	2 x 5 years	BWR
Sunshine Coast	1,247	01/07/19	30/06/24	N/A	BWR
Zetland	2,608	01/07/19	30/09/24	2 x 5 years	Unrelated 3 rd party
Manly	3,479	01/01/20	28/02/22	N/A	Unrelated 3 rd party
Neutral Bay	1,629	01/07/14	30/09/25	1 x 5 years	Related Party

As noted in the table above, WOTSO (or its subsidiaries) pays rent for leased properties the lessors of which include BWR and a related party. The rent paid is determined with reference to arm's length commercial rates.

(iii) **WOTSO standard form leases and landlord leases**

The WOTSO standard form leases are all on substantially the same terms, save for commercial differences. The institutional landlord leases are in the landlord's standard form, subject to negotiated amendments, and are in substantially the same terms, save for commercial differences.

All leases impose on WOTSO usual obligations to:

- » pay rent on time;
- » keep the premises clean and maintained, excluding structural repair;
- » use the premises as commercial offices, with no material constraint on the ability to sub-let or licence parts of the premises;
- » return the premises at the end of the term in good condition, except for fair wear and tear (most include a make good obligation); and
- » most include turnover rent (ie rent calculated based on the turnover of the tenant), except for Neutral Bay, Bondi Junction, Penrith and North Strathfield.

These leases:

- » do not require provision of a bank guarantee (or cash) by way of security (except for Zetland, Bondi, Penrith, Chermside and Woden);
- » impose on the lessors the obligation to keep the relevant building in good, clean and structurally sound condition; and
- » do not include any conditions that are unusual or more onerous than would be expected in an arms-length commercially negotiated office lease of similar premises.

Finally, WOTSO Manly operates under a lease with a profit share arrangement.

- (g) The intentions for the Stapled Group is set out in Section 3.12 below. However the WOTSO Directors confirm that, on the basis that the Stapling Proposal is successful:
- (i) the business of WOTSO is intended to continue as it currently does;
 - (ii) there is no intention for any major changes to be made to WOTSO's business, and there is no intention for any redeployment of the fixed assets of WOTSO; and
 - (iii) there is no intention for any material change to the future employment of WOTSO's present employees.

3.3 BWR

(a) Overview

BlackWall Property Trust (**BWR**) was listed on the Official List on 28 October 2011 (ASX:BWR). BWR is an open-ended unit trust that invests in income producing real estate and real estate joint ventures. Currently, all investments of BWR are located in Australia.

As at 30 June 2020, BWR had gross assets of just under \$350 million, which comprised of 11 properties located in New South Wales, Queensland, the Australian Capital Territory, South Australia and Tasmania. This equated to an NTA of \$1.47 per BWR Unit.

BWR's investment portfolio as at 30 June 2020 had net gearing of 16%, a level which management believes positions BWR well to take advantage of any new opportunities as they arise.

(b) Responsible Entity

BFSL is the responsible entity of BWR and is responsible for the overall operation of BWR. BFSL is wholly owned by BlackWall, a vertically integrated property management, funds management and investment business. It provides property and asset management services to a range of property syndicates.

BFSL as responsible entity is bound by the Constitution of BWR, the Corporations Act and the Listing Rules. BFSL has lodged a compliance plan with ASIC which sets out the key measures which BFSL will apply to comply with BWR's constitution, the Corporations Act and the Listing Rules. This plan is overseen by a compliance committee and BFSL's compliance with it is audited annually.

BFSL has duties under the Corporations Act as responsible entity of BWR. These duties require BFSL as responsible entity to act in the best interest of members of BWR, and where there is a conflict between member's interests and its own, to give priority to the members. The responsible entity must follow these duties when making decisions about, and managing any potential conflicts of BWR. To ensure BFSL will continue to be able to comply with its duties, ASIC has provided certain statutory reliefs including modifying BFSL's duties as responsible entity to account for the stapled structure. More details on the ASIC reliefs are set out in Section 9.11.

(c) Investment Strategy

BWR's management believes that holding property long term for rental income can generate superior returns. Accordingly, the investment strategy of BWR is to hold long term property assets to provide investors with a stable income stream and generate sustainable capital growth. Specifically, management:

- (i) actively pursues development strategies to grow rental returns and increase net lettable area;
- (ii) administers debt levels to ensure an appropriate balance of risk and returns on capital; and
- (iii) actively manages the assets to ensure they function as intended and meet the needs of existing and future tenants.

(d) Capital

(i) Capital Structure

As at the date of this Scheme Booklet, BWR has a total of 142,150,000 BWR Units on issue, held by approximately 1,400 Unitholders.

As part of the implementation of the Scheme, BWR will issue an additional 20,691,412 BWR Units to WOTSO Shareholders pursuant to the Scheme. Thus upon implementation of the Scheme, there will be 162,841,412 BWR Units on issue.

The rights and liabilities of BWR Units upon implementation of the Scheme is summarised in Section 9.12(b).

(ii) Capital Management

BWR is conducting an on market buy-back for a maximum number of 14,851,605 units, which was announced on 23 October 2019. As at the date of this Scheme Booklet BWR has bought back 6,366,055 units. Although the buy-back is due to expire on 23 October 2021 unless extended, the buy-back has been paused to facilitate the Stapling Proposal. The BWR buy-back will lapse if the Stapling Proposal is implemented.

The Stapled Group does not intend to conduct a buy-back in relation to the Stapled Securities. The Stapled Group will revisit the appropriateness of any buy-back of Stapled Securities after the Stapled Group becomes operational.

(e) Distributions

It is BFSL's policy as responsible entity that BWR make distributions when it is able and it is considered prudent to do so. Such distributions are paid from distributable income, which may include a component of capital. You should be aware that although BWR aims to pay distributions semi-annually, the amount of each distribution may vary or no distribution may be payable in a period. BWR has paid semi-annual distributions at a rate of 7 cents per unit per annum over the last 12 months. However, investors should note that past performance is not an indication of future returns. Please refer to Section 6 on risks of holding Stapled Securities and specifically risks of holding BWR Units at Section 6.5.

(f) **Debt Facilities**

BWR holds three secured debt facilities with National Australia Bank (**NAB**) totaling \$87 million as disclosed in BWR's Annual Report for the year ended 30 June 2020. The debt facilities from NAB are secured over the BWR owned properties, as detailed in the table below. There have been no changes to these facilities since the Annual Report and the facilities are summarised below:

Security	Borrowings	Security Value	Expiry	Margin
Sippy Downs	\$40,000,000	\$23,000,000	02/21	2.10%
Symonston		\$8,200,000		
Varsity Lakes		\$19,500,000		
Toowoomba		\$3,800,000		
Yandina		\$23,300,000		
Villawood	\$7,000,000	\$22,000,000	02/21	1.65%
Pymont	\$40,000,000	\$150,000,000	09/22	2.10%
Unencumbered real property assets	\$ -	\$101,000,000		

BWR expects that the NAB facilities expiring and falling due in February 2021 will be renewed (and on substantially the same terms as disclosed above).

With BWR's net gearing under 20%, new debt facilities over unencumbered assets are currently being arranged so when opportunities do present themselves the speed at which transactions can be executed is not impeded by funding.

(g) **No obligation to allow withdrawals**

BWR is an ASX-listed trust. This means that its Units are able to be traded on market by appointing a broker. The Stapled Group will apply for quotation of any BWR Units to be issued under the Stapling Proposal. As an ASX-listed trust, BWR is not obliged to allow withdrawals.

(h) **Portfolio**

As at the date of this Booklet, BWR's investment portfolio comprised of 11 properties located in New South Wales, Queensland, the Australian Capital Territory, South Australia and Tasmania. The majority of BWR's investments in property are 100% owned, with the remaining two properties being held indirectly via joint venture positions in unlisted funds (including Pelorus Private Equity).

A summary of BWR's portfolio (including details regarding ownership, yield and valuation) is set out in BWR's Annual Report for the year ended 30 June 2020, available on BWR's website and on the ASX.

New property valuations were obtained for the purposes of the Stapling Proposal. The movement from valuations disclosed in the June 2020 annual report are as follows:

Property	June 20 Valuation	November 20 Valuation	Movement
Pymont	\$147,000,000	\$150,000,000	\$3,000,000
Dickson	\$31,100,000	\$31,100,000	\$0
Sippy Downs	\$23,000,000	\$24,200,000	\$1,200,000
Villawood	\$21,900,000	\$22,000,000	\$100,000
Yandina	\$20,300,000	\$20,200,000	(\$100,000)
Varsity Lakes	\$19,500,000	\$19,750,000	\$250,000
Fortitude Valley	\$8,200,000	\$8,200,000	\$0
Symonston	\$8,200,000	\$8,200,000	\$0
Hobart	\$8,000,000	\$8,200,000	\$200,000
Adelaide	\$6,700,000	\$6,800,000	\$100,000
Toowoomba	\$3,800,000	\$3,800,000	\$0
	\$297,700,000	\$302,450,000	\$4,750,000

(i) **Fees and costs**

The table below shows fees and other costs that you may be charged upon holding BWR Units. These fees and costs may be deducted from the returns on your investment or the assets of BWR as a whole. Taxation considerations arising from the Stapling Proposal are set out in Annexure A.

The information below is on the basis that the Stapling Proposal proceeds and the BWR Replacement Constitution is adopted. A summary of the BWR Replacement Constitution is provided in Section 9.12(b).

You should read all the information about fees and costs because it is important to understand their impact on you as a BWR Unitholder (assuming the Stapling Proposal is successful).

Type of fee or cost	Amount	How and when paid
<i>Fees when your money moves in or out of BWR</i>		
Contribution fee The fee on each amount contributed to the issue of BWR Unit	Contribution fee of up to 5% of the application moneys for the issue of BWR Units.	This fee is paid out of the application moneys upon BWR Units being issued. This fee is not payable on the reinvestment of distributions.
Withdrawal fee The fee on each amount you withdraw from BWR	Nil	N/A
Termination Fee The fee to close your investment	Nil	N/A

Type of fee or cost	Amount	How and when paid
Management Costs, the fees and costs for managing your interest in BWR		
Fund Management Fee The fees and costs for managing your interest in BWR	BWR Management Fee of 0.75% p.a. of the total value of BWR's assets (Gross Asset Value) which amounts to approximately \$2.6 million p.a. as at 30 June 2020.	This fee is calculated monthly and payable in arrears out of BWR Assets. Gross Asset Value is determined by reference to the most recent valuation.
Costs & Expenses	BFSL as responsible entity of BWR is entitled to be reimbursed for all costs, charges and expenses properly incurred in connection with the administration, management and winding up of BWR. The approximate cost to BWR is \$100,000 per annum.	Paid out of all property, rights and income of BWR, excluding certain items specified in the BWR Constitution (BWR Assets) after cost, charge or expense has been incurred.
Acquisition Fee This is the fee for acquiring BWR's properties	2% of the total acquisition cost of a direct property asset. Eg: \$100,000 for a \$5 million asset.	Payable out of BWR Assets on completion of the acquisition of the property.
Asset Disposal Fee This is the fee for disposing of BWR's properties	Up to 1% of the gross consideration (net of GST) received by BWR for the disposal of a property. E.g. Up to \$50,000 on the sale of a \$5 million asset.	The fee is payable out of BWR Assets upon completion of the disposal of the property.
BFSL Removal Fee This is the fee payable to BFSL if it is removed as trustee of BWR or if BWR is merged with or acquired by another managed investment scheme.	2% of Gross Asset Value of BWR which would amount to approximately \$6.9 million as at 30 June 2020.	This fee is calculated and payable out of BWR Assets. Gross Asset Value is determined by reference to the most recent valuation.
Underlying Management Fee Fees relating to underlying investments	Approximately \$500,000 per annum (based on the 2019/20 financial year).	The investment managers of the funds that BWR invests in also charges fees. The fees are paid out of the assets of the underlying fund.
Service Fees		
Switching Fee	Nil	N/A

(j) **Additional Explanation of Fees and Costs**

(i) **Fee increases and alterations**

The fees set out in this Scheme Booklet are the maximum fees permissible under the BWR Constitution. BFSL does not intend to alter the fees described in this Scheme Booklet. BFSL, as responsible entity of BWR, needs unitholders approval to change fees or charge fees in excess of what the BWR Constitution permits it to charge.

(ii) **Tax and GST**

All fees stated in this section are inclusive of GST less any applicable input tax credits or reduced input tax credits BWR may claim, unless otherwise stated. WOTSO Shareholders are advised to seek their own tax advice regarding the Stapling Proposal. Please refer to Annexure A for further information on tax.

(iii) **Fee waiver and deferral**

BFSL as the responsible entity may, at its discretion, partially or fully waive any fees to which it is entitled, or defer its entitlement to fees to which it would otherwise be entitled, and may claim these fees in the event it is removed as responsible entity of BWR.

(k) **Additional information**

(i) **Related party loans**

BWR has made loans totalling \$14.2 million to related parties. The loans are documented and secured as detailed below. Each loan is repayable on call from BWR and is on arm's length terms. The details are as follows:

Borrower	Amount (\$'000)	Interest (margin above RBA cash rate)	Security Amount (\$'000)	Purpose	Related party status of Borrower
Alerik Pty Limited atf Alerik Unit Trust	7,900	200	10,000	Construction of carpark	Controlled by a BWR director (Seph Glew)
SAO Investments Pty Ltd	2,500	300	13,952	Investments in Pyrmont property	Controlled by a BWR director (Seph Glew)
Mosman Branch Pty Ltd atf Mosman Branch Unit Trust	2,000	200	12,750	Investment in Mosman property	BWR director (Seph Glew) has a substantial interest
Gymea Bay Road Pty Limited atf Gymea Bay Unit Trust	1,800	200	2,800	Construction of residential townhouses	Each BWR director has an interest as a result of their holdings in BlackWall and Pelorus private Equity (such entities having interests in Gymea Bay Road Pty Limited)

(ii) **Custodian**

Perpetual Limited has been appointed as custodian to hold the legal title to the assets of BWR. The custodian is not involved in the day-to-day management of BWR. Information on the custody fee arrangements is set out in BWR's 2020 Annual Report.

(iii) **Complaints handling**

If you have a complaint, then you should notify BWR in writing or otherwise. Each complaint will be addressed in an equitable, objective and unbiased manner by BWR's internal complaints resolution handling process.

If a satisfactory resolution cannot be reached within 45 days, then you may lodge your complaint with the Australian Financial Complaints Authority (**AFCA**) (details below) which is an external resolution service of which BFSL is a member, or take whatever other action you believe is appropriate.

AFCA's postal address is GPO Box 3, Melbourne, Victoria 3001 and the toll free number is 1800 931 678. AFCA's role and terms of reference are specified in AFCA's Rules available from their website www.afca.org.au.

(iv) **Environmental and ethical considerations**

While BFSL as responsible entity of BWR intends to conduct its affairs in an ethical and sound manner, its investment criteria do not include giving additional weight to labour standards, environmental, social or ethical considerations when making or realising an investment of BWR.

3.4 Planloc

(a) **Overview**

Planloc Limited (**Planloc**) is an unlisted public company that is, as at the date of this Scheme Booklet, a wholly owned subsidiary of Pelorus Private Equity. Pelorus Private Equity is an unlisted public company that, in addition to its investment in Planloc, holds a significant investment in BWR and periodically takes small positions in start-up businesses.

Planloc has two primary assets:

- (i) a 100% ownership of a commercial property located at 120 Mulgoa Road, Penrith, New South Wales; and
- (ii) a 49% interest in a trust that owns a commercial property located at 850 Woodville Road, Villawood, New South Wales.

(b) **Operations**

Planloc holds and operates the two assets at Penrith and Villawood. Planloc does not have any operations outside of these assets and intends to maintain this operational structure going forward, whether as part of the Stapled Group or, if the stapling does not go ahead, as a subsidiary of Pelorus Private Equity.

(c) **Debt**

Planloc has a \$10 million debt facility with Commonwealth Bank of Australia secured against the Penrith property. It expires in December 2022 with an interest margin of 1.90%. The remainder of its debt (being approximately \$14.2 million as at the date of this Scheme Booklet) is held by BWR with an interest margin of 2.0%.

(d) **Material assets**

(i) *120 Mulgoa Road, Penrith, New South Wales*

The Penrith property is a mixed-use retail complex located in a bulky goods retail precinct. The precinct houses a number of well know retailers and has strong exposure to major arterial roads. The property was valued at \$21.5 million in November 2020 and is currently producing net passing income of approximately \$1.4 million per annum.

The property has approximately 6,223 sqm of lettable area and is currently tenanted as follows:

Tenant	Tenancy (sqm)	Lease Expiry	Option(s)
BCF	1,454	Dec 2022	1x5 year
BBQ Galore	1,377	Nov 2022	2x5 years
Tru Ninja	1,342	Dec 2026	1x5 year
Factory Plus	846	Oct 2024	1x5 year
Little Learning Childcare	683	Apr 2034	1x10 year
Rashay's	550	Sep 2023	2x5 years
Vacant	234	n/a	n/a

(ii) *850 Woodville Road, Villawood, New South Wales*

The Villawood property is a family entertainment centre in Sydney's west, approximately 28 kilometres from Sydney CBD. The property has great exposure to Woodville Road and is home to 8 different tenants (as detailed below). The property was valued at \$22 million in November 2020 and is currently producing net passing income of approximately \$1.65 million per annum.

The property has approximately 9,388 sqm of lettable area and is currently tenanted as follows:

Tenant	Tenancy (sqm)	Lease Expiry	Option(s)
Zone Bowling	3,857	Jun 2028	1x5 year
Flip Out	2,199	Apr 2029	2x5 years
Indoor Climbing Gym	1,235	Mar 2030	n/a
Chipmunks	1,040	Jan 2022	1x5 year
Brawn Gym	397	Jun 2022	1x3 year
Swim Loops	314	Mar 2022	2x5 years
The Wood Pantry	181	Apr 2026	2x5 years
Parramatta Glass	165	Aug 2021	n/a

Planloc owns approximately 49% of the WRV Unit Trust, which owns the Villawood property. BWR is the other substantial unitholder in the WRV Unit Trust, holding approximately 46% of the units. The remaining 5% of units are held by six third-party investors who are unrelated to Planloc, BWR or WOTSO.

(e) **Capital Structure**

As at the date of this Scheme Booklet, Planloc has a total of 4 Planloc Shares on issue, all of which are held by Pelorus Private Equity. As part of the implementation of the Scheme, Planloc will:

- » undertake a subdivision of Planloc Shares so that there will be 142,150,000 Planloc Shares on issue immediately after the subdivision (**Planloc Share Split**); and
- » will issue an additional 20,691,412 Planloc Shares to WOTSO Shareholders pursuant to the Scheme.

Therefore upon implementation of the Scheme, there will be 162,841,412 Planloc Shares on issue.

Upon implementation of the Scheme, the constitution of Planloc will be identical to the constitution of WOTSO. The rights and liabilities of WOTSO Shares (which will be applicable to Planloc Shares) upon implementation of the Scheme is summarised in Section 9.12(a).

Further information regarding the implementation of the Scheme is set out in Sections 4 and 7.

3.5 Why are we doing this?

You may recall that WOTSO was originally owned by BlackWall and its shares were distributed directly to BlackWall shareholders earlier this year through a demerger process. It made sense for WOTSO and BlackWall to be separate businesses to allow WOTSO to forge its own path and grow through the introduction of new capital. Following the demerger there were a number of changes in circumstances surrounding the WOTSO business including but not limited to:

- changes to management;
- a refocus of the growth strategy to concentrate on existing sites profitability before actively seeking new sites;
- regulatory considerations that meant a large placement of new WOTSO shares would not proceed; and
- COVID-19 and subsequent economic crisis.

These factors, along with others, made us re-evaluate the future for WOTSO. The planned entitlement offer and subsequent listing of WOTSO was a difficult proposition in a very uncertain market yet we recognized the need to provide liquidity for WOTSO shareholders as promised. COVID-19 had, if anything, made us more confident in WOTSO's market strategy of focusing on suburban and regional areas as a provider of office space on flexible terms. It appeared to us that BWR provided a great partner for WOTSO to deal with an uncertain market whilst providing a new growth trajectory.

3.6 Why is it good for WOTSO?

The WOTSO Board unanimously believes WOTSO Shareholders should vote **in favour** of the Scheme at the Scheme Meeting, and the Supporting Resolutions at the General Meeting, for the following reasons:

- **Provides liquidity for WOTSO shareholders** – stapling to BWR will mean that WOTSO shares will be effectively listed on the ASX and able to be traded as shareholders see fit. This is something that has always been a priority for WOTSO and its shareholders.
- **Secures WOTSO's future** – by linking to a property owner that is expanding its portfolio, WOTSO has a growth path that is lower risk and easier to execute.
- **Cements relationship with WOTSO's largest landlord** - 8 of WOTSO's 17 sites are housed in BWR owned assets. The stapling will ensure that interests are aligned between BWR and WOTSO.
- **WOTSO can still pursue 3rd party leasing deals under the stapled structure** - however WOTSO will not be dependent on entering into third party leases (ie with non-BWR lessors) for growth and as a result will only do these deals on appropriate terms that are better suited to WOTSO's risk profile, such as turnover rents and management agreements.
- **BWR can act as an immediate capital partner for WOTSO** - BWR is a well capitalised REIT and has already acted as a funding partner for WOTSO's expansion. The stapling will mean that WOTSO has direct access to BWR's capital to help fund WOTSO's expansion in both BWR owned and third-party assets.

- **Access to listed capital markets for future funding requirements** - once admitted to the Official List as part of the Stapled Group, WOTSO's ability to raise capital, if and where needed, will be strengthened.
- **Operational efficiencies will mean reduced overheads** - it is expected that across the Stapled Group there will be cost savings of around \$500,000p.a. In particular costs relating to executive management and the board of directors is expected to be shared across the group. Given the same members of the BlackWall Board will be acting as the Board of WOTSO, new independent directors will not be required to be engaged saving approximately \$200,000 per annum. Further, senior management of BlackWall will also be performing some of the management roles of WOTSO which is estimated to save another approximately \$250,000 per annum. Audit fees is expected to be reduced by approximately \$30,000 per annum as individual reports will not be required. Finally, the WOTSO head office rent will also be combined with that of BlackWall saving approximately \$50,000 per annum.

The Stapling Proposal does also not preclude any other potential paths that WOTSO may travel in the future.

The Independent Expert has considered the Scheme and has concluded that in the absence of a Superior Proposal, **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

The WOTSO Board unanimously recommends that you **vote in favour** of the Scheme at the Scheme Meeting, and the Supporting Resolutions at the General Meeting (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 WOTSO Shareholders). Subject to those qualifications, each WOTSO Director intends to vote, or cause to be voted, all WOTSO Shares held by or controlled by them in favour of the Scheme (as well as in favour of the Supporting Resolutions).

3.7 Why is it good for BWR?

BWR's view on property investment has always been to acquire well (often opportunistically), continuously improve and reposition its assets, and to hold and collect rent for the long term. BWR is a nimble and flexible landlord for its tenants and as a result a "flexible" property offering has always been something it provides whether or not it was referred to as that. The addition of WOTSO compliments this strategy and gives BWR a greater sense of direction when considering the acquisition of new assets as well as determining the type of tenants it wishes to attract. WOTSO also provides the following:

- a ready-made tenant for appropriate spaces that become vacant;
- the ability to acquire vacant assets with less risk as WOTSO can provide an immediate solution;
- the ability to act as an incubator for larger tenants on more traditional leasing terms. Some WOTSO businesses are growing SMEs that may naturally move over time away from a flexible offering. BWR's portfolio can also provide that solution for growth;
- a more diversified income stream. BWR is not a long WALE REIT. BWR considers that a hundred \$10,000 transactions are far better and less risky than one \$1 million transaction. BWR considers that this diversified approach eventually achieves better valuation outcomes;

- better efficiencies in management of the properties through having WOTSO staff on-site resulting in reduction in administrative costs. WOTSO staff who are on-site at BWR properties will be able to perform a dual role of managing the WOTSO site and its members as well as undertaking general property management tasks. These tasks would have otherwise been the responsibility of a BlackWall employee and include coordinating capital works or repairs, assisting with the advertising and leasing of non-WOTSO space and acting as a first point of contact for the property generally. Travel costs will also be reduced as locally based staff will be able to reduce the need for head office travel to the sites. It is estimated that these efficiencies will lead to cost saving of around \$12,000 per annum per BWR property that houses a WOTSO space; and
- security of being BWR's largest tenant.

3.8 Why is Planloc part of the Stapling Proposal

Planloc is a company that owns a \$21.5 million mixed use property in Penrith, NSW as well as an interest in an entertainment precinct in Villawood, NSW valued at \$22 million. The Villawood property is already held on the BWR balance sheet by virtue of BWR's existing 46% holding in the asset. The properties have been owned and managed by BlackWall and its related entities for over 10 years and are a natural fit to join the Stapled Group. Given the restructuring occurring with WOTSO it made sense to take the opportunity to also add these properties to the listed Stapled Group. The properties will grow the assets of the Stapled Group giving it more scale and, whilst they are mature properties, still present an opportunity for the group to increase revenue in the assets over time.

3.9 Why you may not agree with the Stapling Proposal

The Stapling Proposal has potential disadvantages and risks that WOTSO Shareholders must consider. While the WOTSO Directors are of the opinion that these disadvantages are outweighed by the Stapling Proposals advantages, WOTSO Shareholders should consider their individual circumstances and make their own determination.

Factors which may lead WOTSO Shareholders to consider voting against the Stapling Proposal include but are not limited to:

- (a) You may consider WOTSO's value over the long term as a stand-alone, unstapled entity will be greater than if WOTSO was a part of the Stapled Group. You may therefore prefer to retain your WOTSO Shares as an unstapled security.
- (b) You may believe the dilutionary impact to your WOTSO shareholding is not commensurate with the value of new BWR Units and Planloc Shares to be issued to you under the Stapled Group.

Absent a Superior Proposal, the WOTSO Directors have also considered the value of BWR Units and Planloc Shares that are to be issued to WOTSO Shareholders relative to the value of WOTSO Shares to be issued to BWR Unitholders.

The Directors consider that the dilutionary impact to WOTSO Shareholders arising from issuing WOTSO Shares is economically equivalent to (or at least not lower than) the gain in the value of new BWR Units and Planloc Shares to be issued to WOTSO Shareholders.

It is possible that a more attractive proposal for WOTSO could materialise in the future. However, since the date that WOTSO announced that it has entered into the Scheme Implementation Deed, no alternative proposal has emerged and the WOTSO Directors are not aware of any alternative proposal that is likely to emerge.

However, notwithstanding the above, you may disagree with the assessment of the Directors.

The Independent Expert has considered the Scheme and has concluded that in the absence of a Superior Proposal, **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

- (c) You may believe WOTSO will become less attractive to potential buyers in the future due to the stapled nature of WOTSO shares requiring a potential acquirer to also acquire BWR Units and Planloc Shares.

You may believe it is in your best interests to maintain your current investment and risk profile of WOTSO Shares and to preserve your investment in a stand-alone entity with the specific characteristics of WOTSO. In particular you might consider that, despite the risks relevant to WOTSO's operations (including those set out in Section 6), WOTSO may be able to return greater value from its assets by remaining independent, or seeking alternative commercialisation strategies as an unstapled entity.

You should be aware that if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by WOTSO Shareholders and by the Court. If this occurs and you are an:

- (a) Eligible Scheme Shareholder, you will receive one BWR Unit and one Planloc Share for every WOTSO Share you hold on the Scheme Record Date (which will be on a post-consolidation basis), and your existing WOTSO Shares will become stapled to Planloc Shares and BWR Units; or
- (b) Ineligible Scheme Shareholder (see Sections 7.1(i) and 7.1(j)), all your WOTSO Shares that you hold on the Scheme Record Date will be transferred to the WOTSO Sale Nominee, and the WOTSO Sale Nominee will also receive one BWR Unit and one Planloc Share for every WOTSO Share you held on the Scheme Record Date. Once the securities are stapled to form Stapled Securities, the WOTSO Sale Nominee will sell the Stapled Securities to which you otherwise would have been entitled and remit the proceeds of sale to you.

The above events will occur even though you may have voted against, or did not vote on, the Scheme Resolution or the Supporting Resolutions.

3.10 What happens if the Stapling Proposal does not proceed?

If the Stapling Proposal does not proceed each of WOTSO, BWR and Planloc will continue to operate as they currently are.

WOTSO will need to find alternative sources of capital in order to grow and as a result this could limit its growth potential and reduce the chance of dividends being paid in order to reinvest back into the business. WOTSO shares would continue to remain in an unlisted environment and would therefore not be liquid.

The majority of the transaction costs associated with the Stapling Proposal have already been incurred and will not be recovered if the Stapling Proposal does not proceed. BWR and WOTSO have agreed to share these costs on a 50% basis each.

3.11 Pricing and valuations

In arriving at the number of WOTSO Shares, BWR Units and Planloc Shares that will be issued to implement the Stapling Proposal (including the ratios by which WOTSO and

Planloc will undertake their respective share consolidation and sub-division), the Directors of each of the Stapled Entities determined the following values for each of the Stapled Entities.

(a) **WOTSO**

\$30,000,000 enterprise value (**EV**).

This EV was calculated through a 5 year discounted cash flow (**DCF**) valuation approach. Financial information related to WOTSO is set out in Section 5.1.

Further details of the valuation for WOTSO, including the assumptions relied up by the WOTSO Directors, are set out in Section 5.1(e).

(b) **BWR**

Net Tangible Assets (**NTA**) of \$206,100,000 (\$1.45/unit, based on pro forma February 2021 accounts).

Independent valuations of all properties were undertaken in November 2020 and used in this calculation. A summary of these valuations are set out in Section 3.3(h).

The NTA is the expected position at 28 February 2021 and includes assumptions in relation to expected half year distributions and income and capital expenditure to February 2021.

Further details of the financial information related to BWR is set out in Section 5.2.

(c) **Planloc**

NTA is regarded as having nil value. Further financial information related to Planloc is set out in Section 5.3.

Independent valuations of the properties were undertaken in November 2020. Liabilities matched assets, and consist of \$10 million of bank debt with the remainder of borrowings (\$14.2 million) held by BWR bringing the NTA to a nil position.

The Independent Expert has undertaken assessments of the valuations of the Stapled Entities in forming its opinion in the Independent Expert Report. In the absence of any other relevant information and/or a superior proposal, the Independent Expert considers **the Scheme is in the best interests of WOTSO Shareholders** on the basis that the Scheme is "not fair but reasonable" to WOTSO Shareholders.

Please see the Independent Expert Report included with this Scheme Booklet at Annexure B.

3.12 What does the future hold for the Stapled Group?

The Stapled Group (to be named "**WOTSO Property**") will provide a unique investment opportunity in the Australian market. Securityholders will gain exposure to the higher rates resulting from the flexible leasing of the operating business, combined with the BWR and Planloc property portfolios which are similar to a traditional A-REIT offering. The COVID-19 pandemic has brought to the forefront how businesses will operate in the future and flexibility is a term that many are grappling with. WOTSO Property will be the type of landlord that many will be looking towards, to provide that happy medium between bringing all of their staff back to CBDs and allowing them to continue to work from home.

WOTSO's offering works in different types of property. It is now housed successfully in bulky goods centres, ex industrial precincts, shopping centres, mixed use developments as well as traditional office spaces. This means that BWR can continue to target a variety of opportunistic property types as it has done in the past. BWR will continue to search for well located properties in suburban areas, close to amenities and transport for acquisition. Price has recently been an impediment and WOTSO Property will need to be patient and wait for the right opportunities, noting that recent economic pressures could be the catalyst.

WOTSO as BWR's largest tenant in mature sites can produce EBITDA margins over 30%. These enhanced returns will flow through to Stapled Security-holders with less risk than holding WOTSO on its own.

With BWR's gearing below 20% new debt facilities over unencumbered assets is being arranged so when opportunities do present themselves the speed at which transactions can be executed is not impeded by funding.

In summary WOTSO Property will be a well-capitalised Stapled Group that will run one of Australia's largest flexible suburban office space providers and will target property that suits this offering. It will be opportunistic in its acquisitions and through the provision of co-working and flexible workspace solutions will drive higher returns to security holders within an environment of less risk.

3.13 Management Agreement

The Stapled Group has entered into the Management Agreement with BFSL (which commences operation conditional on the Scheme becoming Effective), pursuant to which the Stapled Group has appointed BFSL as Investment Manager to provide investment management services and any other services agreed between the Stapled Group and BFSL from time to time.

Ultimately BFSL will be under the supervision of the boards of the Stapled Group. However, provided that BFSL complies with the terms of the Management Agreement, it is authorised to give directions and instructions to the Stapled Group with respect to the management of the Stapled Group's portfolio. The services BFSL will provide include investment management services, operational, support, promotion and marketing services.

A more detail summary of the terms of the Management Agreement can be found in Section 7.4. The fees payable to BFSL in its role as Investment Manager are set out in the table below:

Type of fee or cost	Amount	How and when paid
<i>BWR Fees – fees and costs for managing your interest in BWR</i>		
The BWR Fees are payable to BFSL under and in accordance with the terms of the BWR Constitution (a summary of which is contained in Section 3.3(i)). No additional fees are charged in respect of BWR under the Management Agreement.		
<i>WOTSO Fees – fees and costs for managing your interest in WOTSO</i>		
Management Fee The fees and costs for managing your interest in WOTSO	(a) 2 percent per annum of the gross revenue of WOTSO up to \$20 million per annum; plus (b) 5 percent per annum of the gross revenue of WOTSO above value \$20 million per annum.	This fee is calculated monthly and payable in arrears out of WOTSO's assets.

Type of fee or cost	Amount	How and when paid
Planloc Fees – fees and costs for managing your interest in Planloc		
Service Fee This is the fee for raising capital for Planloc	Service fee of up to 5% of the application moneys for Planloc Shares.	This fee is paid out of the application moneys upon the Planloc Shares being issued. This fee is not payable on the reinvestment of distributions.
Management Fee The fees and costs for managing your interest in Planloc	Management Fee of 0.75% p.a. of the total value of Planloc's assets (Gross Asset Value) which amounts to approximately \$200,000.	This fee is calculated monthly and payable in arrears out of Planloc assets. Gross Asset Value is determined by reference to the most recent valuation.
Acquisition Fee This is the fee for acquiring Planloc's properties	2% of the total acquisition cost of a direct property asset. Eg: \$100,000 for a \$5 million asset.	Payable out of Planloc assets on completion of the acquisition of the property.
Asset Disposal Fee This is the fee for disposing of Planloc's properties	Up to 1% of the gross consideration (net of GST) received by Planloc for the disposal of a property. E.g. Up to \$50,000 on the sale of a \$5 million asset.	The fee is payable out of Planloc assets upon completion of the disposal of the property.

The reasons for each fee arrangement under the Management Agreement is as follows, in relation to:

- (a) **BWR** - No additional fees are charged under the Management Agreement.
- (b) **WOTSO** - A revenue-based fee has been introduced to compensate BFSL for the provision of property management services and operational support (including access to the expertise of senior management) to the WOTSO business.
- (c) **Planloc** - These fees mirror the proposed revised fee structure in BWR (between BWR and BFSL as responsible entity of BWR) and recognise that BFSL will be providing substantially the same services relating to the properties owned by Planloc when compared to those owned by BWR.

The WOTSO Board considers that the fees payable under the Management Agreement are on commercial arms-length terms.

3.14 Board and governance of the Stapled Group

The Board of each Stapled Entity comprising WOTSO Property will be identical on implementation of the Stapling Proposal. To the extent they are not currently on the Board of WOTSO, the Directors currently serving on the Board of BFSL (as responsible entity for BWR) and Planloc will be appointed as Directors of the Stapled Entities. Further details of the Board of the Stapled Entities (upon implementation of the Stapling Proposal) are set out below.

Director	Profile
Joseph (Seph) Glew (Non-Executive Director and Chairman of BFSL, WOTSO and Planloc)	Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph has driven large scale property development and financial structuring for real estate for over 40 years. In addition, since the early 1990s Seph has run many “turn around” processes in relation to distressed properties and property structures for both private and institutional property owners. While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980s he served as an Executive Director with New Zealand based property group Chase Corporation and as a Non-Executive Director with a number of other listed companies in New Zealand and Australia.
Timothy Brown (Joint Managing Director and Chief Financial Officer of BFSL, WOTSO and Planloc)	Tim is Joint Managing Director and Chief Financial Officer for WOTSO, BlackWall (including BFSL) and Planloc. Tim joined the group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the Institute of Chartered Accountants of Australia. With over 20 years' experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002.
Jessie Glew (Joint Managing Director and Chief Operating Officer of BFSL, WOTSO and Planloc)	Jessie is Joint Managing Director and Chief Operating Officer for WOTSO, BlackWall (including BFSL) and Planloc. Jessie has been with the group since early 2011. Prior to her appointment as Joint Managing Director, Jessie was COO at BlackWall. Jessie has a Bachelor of International Communication from Macquarie University and is finalising a Bachelor of Property Economics at the University of Technology Sydney.
Richard Hill (Non-Executive Director of BFSL and Planloc and to be appointed as a Non-Executive Director of WOTSO)	Richard Hill has extensive investment banking experience and was the founding partner of the corporate advisory firm Hill Young and Associates. Richard has invested in BlackWall's projects since the early 1990s. Prior to forming Hill Young, Richard held a number of Senior Executive positions in Hong Kong and New York with HSBC. He was admitted as an attorney in New York State and was registered by the US Securities and Exchange Commission and the Ontario Securities Commission. Richard has served as a director (Chairman) of the Westmead Institute for Medical Research and director (Chairman) of Sirtex Medical Limited, formerly listed on ASX.
Robin Tedder (Non-Executive Director of BFSL and Planloc and to be appointed as a Non-Executive Director of WOTSO)	Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare and logistics. He has been an investor in BlackWall projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984.

(a) **Stapled Group Company Secretary**

Alex Whitelum is the Company Secretary for each of the Stapled Entities and is expected to continue in that capacity upon implementation of the Stapling Proposal. Alex commenced his role in April 2020 and executes all aspects of corporate and fund transactions for the Stapled Entities, is responsible for corporate governance functions and oversees investor relations. Previously, Alex was a lawyer at Clayton Utz in their Corporate, M&A and Capital Markets team. Alex holds a Bachelor of Laws (Hons) and a Bachelor of Commerce (Economics) from Macquarie University.

(b) **Board and executive remuneration**

No fees are payable by BWR to the Non-Executive and Executive Directors as BWR remunerates BFSL as responsible entity (see Section 3.3(i) for information of fees payable in BWR). However the Non-Executive and Executive Directors are remunerated by BlackWall (the parent of BFSL). For information in relation to remuneration for Non-Executive and Executive Directors by BlackWall, please refer to the audited remuneration report in BlackWall's Annual Report for the year ended 30 June 2020 (which can be accessed on the ASX under the code "BWF").

Under the constitutions of WOTSO and Planloc, the total amount or value of the remuneration for Non-Executive Directors must not exceed the sum determined from time to time by its members (ie Stapled Security-holders) in general meeting. Currently this amount is nil for WOTSO and nil for Planloc (**Remuneration Cap**). The remuneration for Non-Executive and Executive Directors does not include any amount paid to a superannuation fund or for any insurance premium, and a Director may receive special or additional remuneration as determined by the Board for additional or special duties.

Upon implementation of the Stapling Proposal, the Directors have agreed that they will not be paid customary Directors fees for their services as Directors of WOTSO and Planloc. Therefore, each Director will only receive Director's fees in their current role as Non-Executive and Executive Directors of BlackWall.

A summary of the fees payable to BFSL for services provided to the Stapled Group under the Management Agreement is set out in Section 3.13. A summary of the fees payable to BFSL in its capacity as responsible entity of BWR is set out in Section 3.3(i).

(c) **Governance of Stapled Group**

The responsibility for the Stapled Group's proper corporate governance rests with each Stapled Entity's board of directors. The guiding principles of each Board in meeting this responsibility is to act honestly, in good faith and in the best interest of the Stapled Group as a whole. We believe that having a common set of directors across each of the Stapled Entities puts the Stapled Group in the best position to act in accordance with these guiding principles.

The Board of each Stapled Entity will adopt a common set of policies and charters, which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations. The policies and procedures include Code of Conduct, Continuous Disclosure Policy, Risk Framework, Securities Trading Policy, Whistleblower Policy, Diversity Policy and Anti-Bribery and Corruption Policy.

If the Stapling Proposal is not implemented, each Stapled Entity's Board intends to continue the business of its respective Stapled Entity as it is now conducted.

In relation to the requirement in ASX Listing Rule 1.1 Condition 17, the Stapled Group will comply with such condition requiring entities included in the S&P All Ordinaries Index on admission to the Official List to have an audit committee. The composition of the audit committee will be the same as the current audit committee for BWR, and will consist of Non-Executive Directors Robin Tedder and Seph Glew, with the committee to be chaired by Robin Tedder. Further information on the audit committee, including the roles and responsibilities of the committee are set out in the Audit Committee Charter which will be announced on the ASX upon admission of the Stapled Group (as well as being uploaded onto the website of the Stapled Group).

3.15 Continuous disclosure and reporting obligations

Stapled Group

BWR is currently listed on the ASX. WOTSO and Planloc are currently unlisted entities. However, as a part of the Stapling Proposal, WOTSO and Planloc will each apply to the ASX for admission to the Official List and quotation of WOTSO Shares and Planloc Shares. Therefore, following implementation of the Stapling Proposal, the Stapled Group will together be listed on the ASX. Further, certain waivers from the Listing Rules have been sought with the effect that the quoted BWR Units, WOTSO Shares and Planloc Shares, once stapled, can be effectively dealt with as if they are a single stapled security. Further information on the ASX waivers are set out in Section 9.11.

Each Stapled Entity will be a disclosing entity for the purposes of the Corporations Act and the Listing Rules and will be subject to regular reporting and disclosure obligations that require the Stapled Group to immediately disclose to the market any information that it becomes aware of which a reasonable person may expect to have a material impact on the price or value of the Stapled Securities.

In accordance with ASIC's relief under ASIC Corporations (Stapled Group Reports) Instrument 2015/838, the Stapled Entities intend to prepare and lodge a single financial report with ASIC and ASX for both their annual and half year financial statements, in accordance with the conditions of the ASIC instrument and other reporting obligations under Chapter 2M of the Corporations Act.

Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible from ASX's website at www.asx.com.au.

WOTSO

WOTSO is currently an unlisted disclosing entity for the purposes of the Corporations Act and therefore is subject to regular reporting and disclosure obligations. Information disclosed by WOTSO is available on its website at www.wotsoworkspace.com.au/shareholder/. In addition, WOTSO is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by WOTSO may be obtained from an ASIC office or via its website at www.asic.gov.au or a copy of WOTSO's Constitution and 2020 Annual Report can be obtained by contacting WOTSO via the Shareholder Information Line.

BWR

BWR is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the Listing Rules meaning BWR must notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market.

Publicly disclosed information about all ASX-listed entities, including BWR, is available on the ASX website at www.asx.com.au.

On request, BWR will send to you, free of charge, copies of the following documents:

- the annual financial report most recently lodged with ASIC;
- any half-year financial report lodged with ASIC after lodgement of the annual financial report and before the date of this Scheme Booklet; or
- any continuous disclosure notices given after the lodgement of the annual financial report and before the date of this Scheme Booklet.

Planloc

Planloc has recently converted from a private company to an unlisted public company. Planloc is a wholly owned subsidiary of Pelorus Private Equity. Details about Planloc can be found in the Pelorus Private Equity's Annual Report which is available at www.pelorus.com.au.

Planloc has not been audited on a stand-alone basis. However, given Pelorus Private Equity has made the decision to transfer all its shares in Planloc to BWR Unitholders as part of the Stapling Proposal, the financial information in the audited financial report for FY20 of Pelorus Private Equity has been presented as if Planloc was a discontinuing operation. As required by AASB 5 - *Assets Held for Sale and Discontinued Operations* the activities of Planloc have been reflected separately as a discontinued operation in those financial statements.

Further financial information about Planloc is set out in Section 5.3.

4. Mechanics of the Stapling Proposal

4.1 Background

Stapling three entities together is an inherently complex process. This section gives you the detail of this process should you want to understand the mechanics of the Stapling Proposal.

On 17 November 2020, WOTSO entered into the Scheme Implementation Deed with BWR and Planloc, under which it is proposed that all issued WOTSO Shares on the Scheme Record Date will be stapled to BWR Units and Planloc Shares on a 1:1:1 basis by way of the Scheme of Arrangement.

If the Scheme is approved by WOTSO Shareholders at the Scheme Meeting and by the Court, and if all other necessary approvals and Scheme Conditions are satisfied or waived (where capable of waiver), each WOTSO Share, Planloc Share and BWR Unit will trade as a stapled security on the ASX, and together WOTSO, Planloc and BWR will be known as "WOTSO Property".

If the Scheme is not approved, the Scheme will not proceed and WOTSO will continue as an unstapled, stand-alone unlisted entity.

This Scheme Booklet contains information that the WOTSO Board considers is material to WOTSO Shareholders in making a decision 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.

4.2 What WOTSO Shareholders will receive under the Stapling Proposal

WOTSO Shareholders will be issued with one BWR Unit and one Planloc Share on the Implementation Date, for every one WOTSO Share they hold as at the Scheme Record Date. Each WOTSO Share, BWR Unit and Planloc Share will be stapled together to form a Stapled Security, which will be quoted on the ASX.

4.3 Scheme Conditions

The obligations of WOTSO, BWR and Planloc to implement the Stapling Proposal are subject to the Scheme Conditions, the key conditions include:

(a) Scheme Resolution

WOTSO Shareholders must pass the Scheme Resolution at the Scheme Meeting by the Requisite Majority.

See Section 7.1(b) for further information on passing the Scheme Resolution.

(b) Supporting Resolutions

The Supporting Resolutions will be voted on at the General Meeting, which will commence immediately upon the close of the Scheme Meeting.

The Supporting Resolutions are:

- (i) the Constitution Replacement Resolution;
- (ii) the Share Consolidation Resolution (to affect the WOTSO Share Consolidation); and

- (iii) the Directors Appointment Resolutions.

See Section 8 for further information on the Supporting Resolutions.

(c) **BWR Resolution**

BWR will convene a meeting of BWR Unitholders (**BWR Meeting**) to approve the BWR Resolution, which is necessary for the implementation of the Stapling Proposal.

The BWR Meeting will be held on the same day and location as, and immediately after the close of, WOTSO's General Meeting (which will follow the Scheme Meeting).

The BWR Resolution is the repeal and replacement of the constitution of BWR to implement the BWR Stapling Provisions.

See Section 7.1 for further information on the key steps in implementing the Scheme including further detail regarding the BWR Meeting and BWR Resolution.

(d) **Planloc Resolutions**

Pelorus Private Equity, as the sole shareholder of Planloc, will approve the Planloc Resolutions, which are necessary for the implementation of the Stapling Proposal. The Planloc Resolutions are:

- (i) to split the number of Planloc Shares on issue by a ratio of 1:35,537,500 with the effect that Planloc will have on issue the same number of Planloc Shares as the number of BWR Units on issue on the Scheme Record Date (**Planloc Share Split**); and
- (ii) to appoint Richard Hill and Robin Tedder to the Board of Planloc.

See Section 7.1 for further information on key steps in implementing the Scheme including further detail regarding the Planloc Resolutions.

(e) **Court approval**

If the:

- (i) Requisite Majorities of WOTSO Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting;
- (ii) WOTSO Shareholders approve each of the Supporting Resolutions at the General Meeting; and
- (iii) all other Scheme Conditions are satisfied or waived (where capable of waiver) other than the condition that the Court approve the Scheme,

the Court will be asked to approve the Scheme at the Second Court Hearing. The Stapling Proposal will not proceed if the Court does not provide this approval.

In addition to, and in parallel with, the Court approval process for the Scheme, BFSL as responsible entity for BWR will seek customary judicial advice in the form of a confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that:

- (i) BFSL as responsible entity of BWR would be justified in convening the BWR Meeting for the purposes of considering the BWR Resolution; and

- (ii) subject to BWR Unitholders passing the BWR Resolution, BFSL would be justified in proceeding on the basis that repealing the BWR Constitution and replacing it with the BWR Replacement Constitution would be within the powers conferred by the BWR Constitution and section 601GC of the Corporations Act.

The Stapling Proposal will not proceed if the Court does not provide this confirmation to BFSL.

The full details of the Scheme Conditions are set out in clause 3 of the Scheme Implementation Deed, a further detailed summary of which is provided in Section 7.2(b)

All of the Scheme Conditions must be either satisfied or waived (where capable of waiver) in accordance with the Scheme and the Scheme Implementation Deed for the Stapling Proposal to be implemented.

As at the date of this Scheme Booklet, WOTSO is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied. An update as to the status of the Scheme Conditions will be provided at the Scheme Meeting.

If the Scheme Conditions are satisfied or waived (as applicable) the Scheme will constitute a binding arrangement between WOTSO and each WOTSO Shareholder participating in the Scheme to undertake the steps required to implement the Stapling Proposal.

Each of the Scheme Conditions must be satisfied by 8:00am (AEDT) on the Second Hearing Date (subject to certain express exceptions), otherwise each of WOTSO, BWR and Planloc have the right to terminate the Scheme Implementation Deed by notice, in which case the Stapling Proposal will not proceed.

4.4 Capital Reorganisation

Under the Deed Poll, the Stapled Entities, BFSL and Pelorus Private Equity (as applicable) will complete the following actions prior to (or on) the Implementation Date:

- Planloc completes the Planloc Share Split by the Scheme Record Date;
- WOTSO completes the WOTSO Share Consolidation by the Scheme Record Date;
- BFSL transfers all BWR Units held by Ineligible BWR Unitholders on the Scheme Record Date to the BWR Sale Nominee;
- WOTSO transfers all WOTSO Shares held by Ineligible WOTSO Shareholders on the Scheme Record Date to the WOTSO Sale Nominee;
- Pelorus Private Equity completes the transfer of all existing Planloc Shares on issue as at the Scheme Record Date (on a post-split basis) to:
 - (i) BFSL as agent for each Eligible BWR Unitholder on the basis of one Planloc Share per each BWR Unit held by the Eligible BWR Unitholder on the Scheme Record Date); and
 - (ii) the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one Planloc Share per each BWR Unit held by the Ineligible BWR Unitholders on the Scheme Record Date,

(Planloc Transfer Shares);

- BFSL will transfer the Planloc Transfer Shares it holds to all existing Eligible BWR Unitholders as at the Scheme Record Date on a pro rata basis per Eligible BWR Unitholder so that for every one BWR Unit held by a Eligible BWR Unitholder on the Scheme Record Date, an existing Planloc Share will be transferred to them by BFSL;
- upon completion of the WOTSO Share Consolidation by the Scheme Record Date, WOTSO allots and issues a total of 142,150,000 new WOTSO Shares in the following manner:
 - (i) to BFSL as agent on behalf of each Eligible BWR Unitholders on the basis of one WOTSO Share per each BWR Unit held by the Eligible BWR Unitholder on the Scheme Record Date, who will transfer the newly issued WOTSO Shares to all existing Eligible BWR Unitholders as at the Scheme Record Date on a pro rata basis per BWR Unitholder so that for every one BWR Unit held by an Eligible BWR Unitholder on the Scheme Record Date a newly issued WOTSO Share will be transferred to them by BFSL; and
 - (ii) to the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one WOTSO Share per each BWR Unit held by the Ineligible BWR Unitholders on the Scheme Record Date;
- Planloc will allot and issue:
 - (i) one Planloc Share to each Eligible Scheme Shareholder for every one WOTSO Share held by the Eligible Scheme Shareholder on the Scheme Record Date (on a post consolidation basis); and
 - (ii) Planloc Shares to the WOTSO Sale Nominee (acting on behalf of Ineligible Scheme Shareholders) on the basis of one Planloc Share per each WOTSO Share held by the Ineligible Scheme Shareholders on the Scheme Record Date (on a post consolidation basis);
- BWR will allot and issue:
 - (i) one BWR Unit to each Eligible Scheme Shareholder for every one WOTSO Share held by the Eligible Scheme Shareholder on the Scheme Record Date (on a post consolidation basis); and
 - (ii) BWR Units to the WOTSO Sale Nominee (acting on behalf of Ineligible Scheme Shareholders) on the basis of one BWR Unit per each WOTSO Share held by the Ineligible Scheme Shareholders on the Scheme Record Date (on a post consolidation basis).

The effect of the steps above will result in the same number of WOTSO Shares, BWR Units and Planloc Shares on issue on the Implementation Date, with each WOTSO Share, BWR Unit and Planloc Share being stapled together to form one Stapled Security. The effect of the stapling will be that WOTSO, BWR and Planloc will operate as a single economic group to be known as "WOTSO Property".

Further information on the implementation of the Stapling Proposal is set out in Section 7.1.

5. Financial and accounting information

The financial information in this Section is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only. Aspects of the financial information has been extracted from:

- » WOTSO's financial report for the year ended 30 June 2020, which was audited by ESV;
- » BWR's financial report for the year ended 30 June 2020, which was audited by ESV; and
- » Pelorus Private Equity's financial report (for information in respect of Planloc), for the year ended 30 June 2020, which was audited by ESV.

The financial information of each of the Stapled Entities are 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, and should therefore be read in conjunction with the financial statements for the respective periods.

Further details about:

- » WOTSO's financial performance can be found on WOTSO's website at www.wotsoworkspace.com.au/shareholder/.
- » BWR's financial performance can be found on BWR's website at www.blackwall.com.au and on the ASX's website at www.asx.com.au.
- » Planloc's financial performance (presented as part of the financial report of Pelorus Private Equity) can be found on Pelorus Private Equity's website at www.pelorus.com.au.

5.1 WOTSO

The summarised financials included below are comprised of:

- » Audited financial statements, as disclosed in the WOTSO Annual Report for the year ended 30 June 2020;
- » A pro-forma balance sheet as at 28 February 2021, which represents the impact of pro-forma adjustments. These adjustments are based on:
 - actual results to 30 September 2020 (unaudited); and
 - forecast results for the period of 1 October 2020 to 28 February 2021.

The WOTSO Directors note the following in relation to the pro-forma balance sheet at 28 February 2021:

- » occupancy has continued to recover from the impact of COVID since the annual report was released in early September 2020;
- » the acquisition of the WOTSO Neutral Bay Franchise from BlackWall was completed on 27 October 2020 for cash consideration of \$500,000;
- » WOTSO continues to be eligible for JobKeeper to 3 January 2021 and the forecast JobKeeper wages subsidies and rent relief (as part of mandatory code) have been reflected;

- » WOTSO has continued to invest in site expansions and improvements, with over \$2 million expected to be spent in the first half of financial year 2021; and
- » excluding this capital expenditure, WOTSO is expected to generate net cash flows of nearly \$2 million.

As disclosed in the Annual Report for the year ended 30 June 2020, WOTSO is currently in negotiations with Yuhu Group regarding its lease at North Strathfield and the \$5.6m incentive due to WOTSO. This is expected to be resolved by February 2021, which will reverse the \$837,000 other receivable (with a corresponding adjustment to trade payables). No other adjustments have been made with respect to this lease from what was previously reported.

(a) **Balance Sheet (\$'000)**

WOTSO Balance Sheet	Notes	30 Jun 2019 (extracted from BWF audited Jun 19 accounts)	30 Jun 2020 (audited)	Pro forma adjustments	28 Feb 2021 (pro forma)
Cash and cash equivalents		50	695	(382)	313
Trade and other receivables		125	410	116	526
Other receivables		-	837	(837)	-
Total Current Assets		175	1,942	(1,103)	839
Lease rental deposits		220	528	28	556
Internal software development		173	435	176	611
Property, plant and equipment		5,232	11,233	1,413	12,646
Lease right of use asset ¹	1	-	34,827	(2,392)	32,435
Deferred tax asset		23	-	-	-
Loan to Joint Ventures		802	-	-	-
Total Non-current Assets		6,450	47,023	(775)	46,248
Total Assets		6,625	48,965	(1,878)	47,087
Trade and other payables		807	2,466	(766)	1,700
Borrowings		1,167	2,000	(50)	1,950
Deferred revenue		60	216	(22)	194
Deferred lease payments (COVID)		-	82	29	111
Employee provisions		83	173	-	173
Tenant deposits		150	109	24	133
Lease right of use liabilities ¹	1	-	5,773	307	6,080
Total Current Liabilities		2,267	10,819	(478)	10,341
Deferred lease payments (COVID)		-	330	484	814
Employee provisions		-	3	-	3
Make good provisions		-	1,369	25	1,394
Lease right of use liabilities ¹		-	31,435	(734)	30,701
Total Non-current Liabilities		-	33,137	(224)	32,913
Total Liabilities		2,267	43,956	(702)	43,254
Net Assets		4,358	5,009	(1,176)	3,833
Issued Capital		60	11,602	-	11,602
Retained earnings / (accumulated losses)		4,298	(6,593)	(1,176)	(7,768)
Attributable to owners of the Company		4,358	5,009	(1,176)	3,833
Total Equity		4,358	5,009	(1,176)	3,833

Note 1. The implementation of the new leases accounting standard, AASB 16, had a material impact to the FY2020 results reported above due to the recognition of lease right of use assets and liabilities on balance sheet. Please refer to the WOTSO June 2020 Annual Report for a detailed explanation of the impact, particularly within the Directors' Report and Note 2.

(b) **Profit or Loss (\$'000)**

WOTSO Profit or Loss	Notes	30 Jun 2019 (extracted from BWF audited Jun 19 accounts)	30 Jun 2020 (audited)
Revenue from WOTSO Members		7,888	8,854
Franchise Fees		-	351
Government Assistance - COVID		-	408
Other Revenue		706	183
Total Revenue		8,594	9,796
Rent Waivers - COVID		-	671
Rent Expenses ¹	1	(3,394)	-
Staff Costs		(1,527)	(2,961)
Other operating expenses		(2,273)	(3,468)
Total Operating Expenses		(7,194)	(5,758)
Depreciation - fit-out		(622)	(1,502)
Depreciation - right of use asset ¹	1	-	(8,551)
Interest - right of use lease liability ¹	1	-	(2,133)
Gain on right of use lease modifications		-	661
Gain/(Loss) on disposal of asset		-	(2,904)
Goodwill impairment		-	(162)
Loan impairment		-	(338)
Share of profit/(loss) from Joint Venture		(66)	-
Total Other Expenses		(688)	(14,929)
Income tax expense		(214)	-
Profit/(Loss) from Continuing Operations		498	(10,891)
Profit/(Loss) from discontinued operations		(132)	-
Profit/(Loss) for the year		366	(10,891)
Other comprehensive income		-	-
Profit/(Loss) and other comprehensive income		366	(10,891)
Attributable to:			
Owners of the Parent		432	(10,891)
Non-Controlling Interests		(66)	-
Total		366	(10,891)

Note 1. The implementation of the new leases accounting standard, AASB 16, had a material impact to the FY2020 results reported above due the recognition of lease expenses within depreciation and interest, rather than as a rent expense. Please refer to the WOTSO June 2020 Annual Report for a detailed explanation of the impact, particularly within the Directors' Report and Note 2.

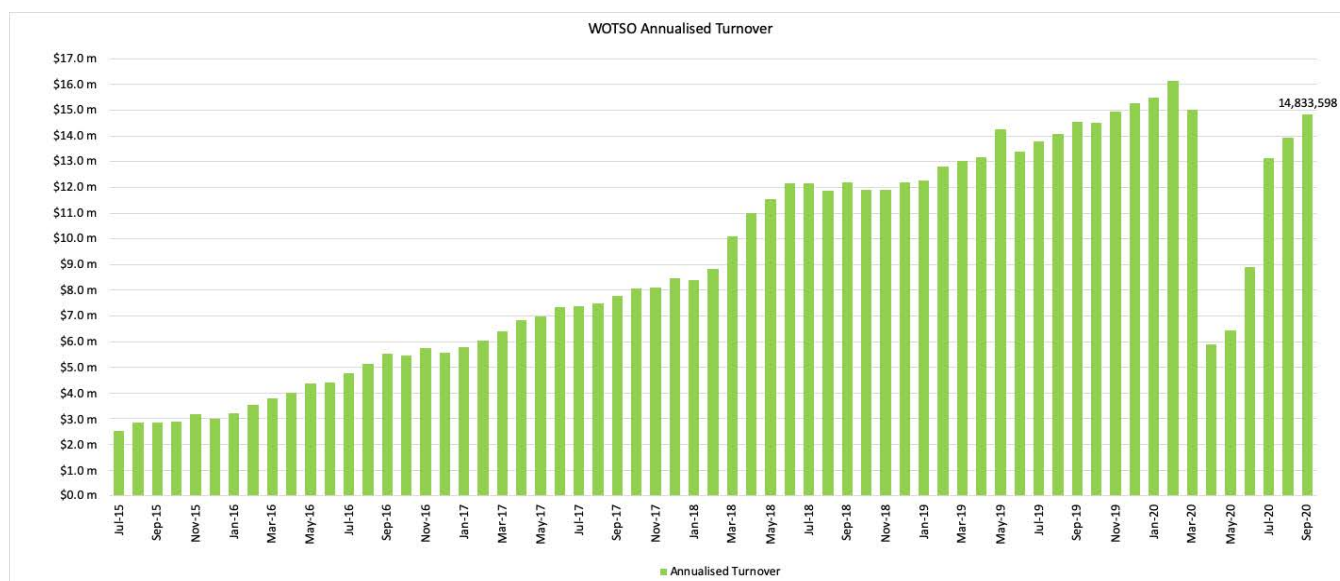
(c) **Cashflow (\$'000)**

WOTSO Cash Flow Statement	Notes	30 Jun 2019 (extracted from BWF audited Jun 2019 accounts)	30 Jun 2020 (audited)
Tenant Receipts		9,388	9,508
Franchise Fees		-	386
Staff Costs		(1,409)	(2,812)
Operating Expenses		(2,875)	(3,443)
Government Assistance		-	231
Bonds Paid - Bondi		(72)	(309)
Income Taxes Paid		(214)	-
Lease Payments ¹	1	(3,733)	-
Net Operating Cash Flow		1,085	3,561
Payments for Property, Plant and Equipment		(1,986)	(11,839)
Payments for Software Development		(191)	(287)
Purchase of Subsidiary		-	(50)
Proceeds from sale of Property, Plant and Equipment		-	2,305
Cash received on acquisition of subsidiaries		-	338
WOTSO Bondi Loan		45	-
Loan/Contributions to Joint Ventures		(337)	(36)
Net Investing Cash Flow		(2,469)	(9,569)
Increase in Borrowings		1,262	7,159
Repayment of Borrowings		-	(2,100)
Lease Payments ¹	1	-	(4,949)
Issue of Shares		-	6,543
Net Financing Cash Flow		1,262	6,653
Net Movement in Cash from Continuing Operations		(122)	645
Net cash outflow from discontinued operations		32	-
Net movement in cash and equivalents		(90)	645
Opening Cash Balance		140	50
Closing Cash Balance		50	695

Note 1. The implementation of the new leases accounting standard, AASB 16, in FY2020 results in the recognition of lease payments within financing cash flows rather than operating cash flows as reported in previous years. Please refer to the WOTSO June 2020 Annual Report for a detailed explanation of the impact, particularly within the Directors' Report and Note 2.

(d) Turnover Graph

The WOTSO Turnover Graph included below summarises WOTSO's monthly annualised turnover from Jul-15 to Sep-20. This demonstrates WOTSO's significant revenue growth as well as both the significant impact and subsequent recovery driven by COVID.



(e) Valuation

WOTSO is an unlisted entity and its shares are not traded on an active market. As such, there are no recent observable market prices to indicate its value.

After the demerger in January 2020, WOTSO made two private placements at 47.5 cents per share, indicating a pre-money valuation of \$35 million.

Since then, the restrictions created by COVID have had an effect on WOTSO and the broader market. Revenue for WOTSO was down nearly 60% for the months of April to June. As of October, it has recovered to 94% of its pre-COVID occupancy.

WOTSO has been valued at \$30 million using a 5-year discounted cash flow. This is calculated as the present value of forecast cash flows over a 5-year period, commencing 1 January 2021. The cash flow forecast assumes straight-line revenue growth at each site until it reaches maturity. Costs have been forecast based on a range of inputs, including historical actuals, lease contracts (rent) and expected future staffing requirements. The forecast also relies on a couple underlying assumptions, as follows:

- » although WOTSO has consistently opened 3 new sites per year in the last few years, only current operations have been included in the valuation; with no growth from new sites forecast within the 5-year period. The uncertainty over the timing and extent of growth through new sites was considered to be too significant to value accurately;
- » the economy will continue to recover allowing for WOTSO sites to continue growing revenue. A second COVID lockdown that affects our sites would likely have a material impact on this valuation.

Key inputs have also been detailed below:

Key Input	Range	Comments
Target Monthly Desk Rates	\$200 to \$800 per desk	A site's forecast monthly desk price at maturity. This is set with reference to current pricing and competitor pricing at each site.
Maturity Dates	Dec'21 to Jun'23	The date at which a site has started to achieve its long-term earning potential. Management has considered each site's pre-COVID occupancy, current occupancy and occupancy growth rates to estimate when a site is likely to reach maturity
Maturity Economic Efficiency	85%	Proportion of target revenue, where target revenue is the target desk price multiplied by the total number of desks. This is less than 100% as we always expect to have some level of discount or vacancy in our sites.
Discount Rate	11.2%	This discount rate takes into account management's estimate of WOTSO's weighted average cost of capital, based on the risk-free rate and the volatility of the share price of comparable entities relative to market movements.

So far as the WOTSO Board is aware and other than as disclosed in the Scheme Booklet, there has been no material change in WOTSO's financial position since 30 June 2020.

5.2 BWR

The summarised financials included below are comprised of:

- » Audited financial statements, as disclosed in the BWR Annual Reports for the year ended 30 June 2018, 30 June 2019 and 30 June 2020; and
- » A pro-forma balance sheet as at 28 February 2021, which represents the impact of pro-forma adjustments. These adjustments are based on:
 - actual results to 30 September 2020 (unaudited); and
 - forecast results for the period of 1 October 2020 to 28 February 2021.

The BWR Directors note the following in relation to the pro-forma balance sheet at 28 February 2021:

- » all properties in the portfolio have been independently valued in early November 2020, with valuations increasing marginally from June 2020, as summarised in the table below;

BWR Investment Property Valuations (\$'000)	<i>Jun 2020 Valuation</i>	<i>Nov 2020 Valuation</i>	<i>Change</i>
Pymont	147,000	150,000	3,000
Dickson	31,100	31,100	-
Sippy Downs	23,000	24,200	1,200
Villawood	21,900	22,000	100
Yandina	20,300	20,200	(100)
Varsity Lakes	19,500	19,750	250
Fortitude Valley	8,200	8,200	-
Symonston	8,200	8,200	-
Hobart	8,000	8,200	200
Adelaide	6,700	6,800	100
Toowoomba	3,800	3,800	-
Total	297,700	302,450	4,750

- » the pro forma adjustments include assumptions relating to the half year distribution and expected income and capital expenditure to February 2021;
- » BWR continues to put its strong cash balance to work in the loan portfolio as it receives a substantially better return compared to the very low returns achieved with cash placed on bank deposit;
- » COVID rent relief continues to be provided to a very limited number of tenants in compliance with the mandatory code issued by the various state governments. The period for granting relief to commercial tenants has been extended to early 2021; and
- » there have been no changes made to borrowings since June 2020 and net gearing has marginally increased to 17%.

(a) **Balance Sheet (\$'000)**

BWR Balance Sheet	30 Jun 2018 (audited)	30 Jun 2019 (audited)	30 Jun 2020 (audited)	Pro forma adjustments	Notes	28 Feb 2021 (pro forma)
Cash and cash equivalents	1,083	9,719	16,192	(12,973)		3,219
Trade and other receivables	115	559	921	(44)		877
Financial assets	-	2,000	2,000	2,000	1	4,000
Prepayments	-	-	97	(97)		-
Property plant and equipment	-	-	62	-		62
Other assets	36,264	32	42	-		42
Loan portfolio	-	17,180	22,383	9,100	2	31,483
Total Current Assets	37,462	29,490	41,697	(2,014)		39,683
Deferred rent receivable	-	-	531	293	3	824
Financial assets	-	6,000	6,000	(2,000)	1	4,000
Property investment portfolio	235,350	281,080	298,100	4,350	4	302,450
Total Non-current Assets	235,350	287,080	304,631	2,643		307,274
TOTAL ASSETS	272,812	316,570	346,328	629		346,957
Trade and other payables	1,471	4,276	1,756	(122)		1,634
Other liabilities	713	572	351	-		351
Borrowings	53,882	57,000	47,000	-	5	47,000
Interest rate hedges	255	282	-	-		-
Total Current Liabilities	56,321	62,130	49,107	(122)		48,985
Borrowings	65,000	-	40,000	-	5	40,000
Interest rate hedges	57	-	-	-		-
Total Non-current Liabilities	65,057	-	40,000	-		40,000
TOTAL LIABILITIES	121,378	62,130	89,107	(122)		88,985
NET ASSETS	151,434	254,440	257,221	751		257,972
Issued Capital	136,036	254,710	246,576	-		246,576
Retained earnings /(accumulated losses)	(33,040)	(35,311)	(37,521)	(2,946)		(40,467)
Attributable to owners of the Trust	102,996	219,399	209,055	(2,946)		206,109
Non Controlling interests	48,438	35,041	48,166	3,697		51,863
TOTAL EQUITY	151,434	254,440	257,221	751		257,972
Gross assets	272,812	316,570	346,328	629		346,957
Debt	118,882	57,000	87,000	-		87,000
Net Assets	151,434	254,440	257,221	751		257,972
Units on issue	66,635,378	148,516,055	142,150,000	-		142,150,000
NTA per unit	1.55	1.48	1.47	(0.02)		1.45
Cash & equivalents	1,083	9,719	16,192	(12,973)		3,219
Headline Gearing	44%	18%	25%	-		25%
Net Gearing	43%	10%	16%	1%		17%

Note 1. There have been constructive negotiations with Yuhu Group in relation to the release of a portion of the retention amount held in trust. Half of the total is reflected as a current asset.

Note 2. We continue to put our strong cash balance to work in the loan portfolio as we receive a substantially better return on those loans compared to the extremely low returns achieved with cash placed on bank deposit.

Note 3. COVID rent relief continues to be provided to a very limited number of tenants in compliance with the mandatory code. The period for granting relief has been extended to the end of December 2020.

Note 4. All properties in the portfolio have been independently valued in November 2020.

Note 5. There have been no changes made to borrowings since June 2020. Net gearing has increased marginally to 17%.

(b) **Profit or Loss (\$'000)**

BWR Profit or Loss	30 Jun 2018 (audited)	30 Jun 2019 (audited)	30 Jun 2020 (audited)
Property Income	19,075	25,143	24,020
Net gain / (loss) on assets	20,457	10,816	19,313
Interest income	19	375	648
Other Income	4		
Total Revenue	39,555	36,334	43,981
Property outgoings	(6,025)	(9,472)	(7,194)
Depreciation expense	(4,025)	(5,259)	(6,857)
Finance costs	(4,133)	(5,026)	(2,615)
Administration expenses	(1,920)	(2,677)	(3,355)
Amortisation of lease incentive	(396)	(116)	(104)
Gain / (Loss) on sale of assets	(8)	(807)	4
Total Expenses	(16,507)	(23,357)	(20,121)
Profit	23,048	12,977	23,860
Attributable to:			
Owners of the Trust	17,985	4,393	7,397
Non Controlling Interests	5,063	8,584	16,463
Total	23,048	12,977	23,860
Basic earnings per unit (cents)	27.0	5.9	5.1
Weighted average number of units for EPU	66,635,378	74,935,611	145,935,194

(c) **Cashflow (\$'000)**

BWR Cash Flows	30 Jun 2018 (audited)	30 Jun 2019 (audited)	Notes	30 Jun 2020 (audited)
Receipts from tenants	20,132	25,766		24,081
Interest received	19	375		648
Payments to suppliers	(9,576)	(13,749)		(15,759)
Interest paid	(3,969)	(5,162)		(2,615)
Net cash inflow (outflow) from operating activities	6,606	7,230		6,355
Net inflow from Kirela transaction	-	125,243	1	-
Net payment for additional Pyrmont investment	(3,710)	(17,436)	1	(1,783)
Loan advance made - portfolio	-	(17,180)		(5,203)
Payment for capital expenditure	(1,998)	(4,542)		(5,644)
Net outflow from Fortitude Valley transaction	-	(6,549)	1	-
Loan advance made - BlackWall and others	-	(1,045)		-
Proceeds on disposal of capital improvements	-	-		2,044
Proceeds on sale of investments	4,001			
Returns of capital from Investments	4,038	-		-
Net cash inflow (outflow) from investing activities	2,331	78,491		(10,586)
Repayment of borrowings	(1,300)	(68,882)		-
Distributions paid	(8,244)	(8,118)		(11,162)
Payment for capital raising costs	-	(85)		-
Proceeds from NAB borrowings	-	-		30,000
Payment for buy-back of BWR units including transaction costs	-	-		(8,134)
Net cash inflow (outflow) from financing activities	(9,544)	(77,085)		10,704
Net increase (decrease) in cash	(607)	8,636		6,473
Cash and cash equivalents at the beginning of the year	1,690	1,083		9,719
Cash and cash equivalents at end of the year	1,083	9,719		16,192

So far as the BWR Board is aware and other than as disclosed in the Scheme Booklet, there has been no material change in BWR's financial position since 30 June 2020.

5.3 Planloc

The summarised financials included below are comprised of:

- » a Balance Sheet, Profit or Loss and Cash Flow Statement, that has been extracted from the audited financial statements of Pelorus Private Equity for the year ended 30 June 2020. As Planloc is part of the Pelorus Private Equity Group, it has not previously been audited on a stand-alone basis. However, as a result of the stapling proposal, Planloc was presented as discontinuing operation in the FY20 Annual Report, per AASB 5 - *Assets Held for Sale and Discontinued Operations*. Refer to Note 16 of the 30 June 2020 financial statements for further information regarding these historical figures; and
- » a pro-forma balance sheet as at 28 February 2021, which represents the expected balance sheet position based on actuals to 30 September 2020 and adjusted for expected movements to 28 February 2021, including the winding down of the Penrith No3 Fund, which reaches maturity in December 2020. The pro-forma balance sheet also takes into account latest property valuations, distributions payable and the resulting expected movements in cash and borrowings.

(a) Balance Sheet (\$'000)

Planloc Balance Sheet	30 Jun 2020 (audited)	Pro-forma adjustments	Notes	28 Feb 2021 (pro forma)
Cash and cash equivalents	134	(107)		27
Trade and other receivables	59	230		289
Financial Assets	1,995	(1,995)	1	-
Total Current Assets	2,188	(1,872)		316
Deferred rent receivable	46	42		88
Investment in WRV	3,989	40		4,029
Investment properties	21,500	-		21,500
Total Non-current Assets	25,535	82		25,617
TOTAL ASSETS	27,723	(1,790)		25,933
Trade and other payables	271	(69)		202
Borrowings - BWR	10,000	4,190	1,2	14,190
Borrowings – Penrith No3	4,500	(4,500)	2	-
Provision for performance fee	1,285	(1,285)	1	-
Total Current Liabilities	16,056	(1,664)		14,392
Borrowings	10,000	-		10,000
Deferred tax liabilities	1,541	-		1,541
Total Non-current Liabilities	11,541	-		11,541
TOTAL LIABILITIES	27,597	(1,664)		25,933
NET ASSETS	126	(126)		-
Issued Capital	-	-		-
Retained earnings / (accumulated losses)	126	(126)		-
TOTAL EQUITY	126	(126)		-

Note 1: Repayment of loan receivable will be used to pay Penrith No3 performance fee and reduce BWR borrowings.

Note 2: Repayment of Penrith No3 mortgage on maturity of the fund in December 2020. This is expected to be repaid by drawing down BWR borrowings.

(b) **Profit or Loss (\$'000)**

Planloc Profit or Loss	<i>30 Jun 2020 (audited)</i>
Property Income	1,478
Net gain / (loss) on assets	-
Interest income	-
Other income	-
Total Revenue	1,478
Property outgoings	(538)
Depreciation expense	(307)
Finance costs	(807)
Administration expenses	(154)
Amortisation of lease incentive	-
Gain / (Loss) on sale of assets	-
Total Expenses	(1,806)
Profit from Continuing Operations	(328)
Profit from discontinued operations	-
Profit for the year	(328)
Other comprehensive income	-
Profit and other comprehensive income	(328)
Attributable to:	
Owners of the Trust	(328)
Non Controlling Interests	-
Total	(328)

(c) **Cash Flow (\$'000)**

Planloc Cash Flows	<i>30 Jun 2020 (audited)</i>
Receipts from tenants	1,964
Payments to suppliers	(873)
Interest paid	(807)
Performance fee paid	(433)
Net cash inflow (outflow) from operating activities	(149)
Payment for capital expenditure	(636)
Purchase of WRV units	(2,824)
Net cash inflow (outflow) from investing activities	(3,460)
Loans repaid	(6,258)
Loan received	10,000
Net cash inflow (outflow) from financing activities	3,742
Net increase (decrease) in cash	133
Cash and cash equivalents at the beginning of the year	1
Cash and cash equivalents at end of the year	134

So far as the Planloc Board is aware and other than as disclosed in the Scheme Booklet, there has been no material change in Planloc's financial position since 30 June 2020.

5.4 Stapled Group

The pro forma balance sheet below represents the expected financial position at 28 February 2021 if the stapling transaction were completed at this time. The pro forma balance sheet has been prepared by consolidating the pro forma balance sheets of each of the Stapled Entities (for a 28 February 2021 balance date) as disclosed above in this Section 5.

WOTSO Property would report consolidated financial statements, comprising BWR (as the notional parent entity), WOTSO and Planloc. The net assets of the stapled acquirees (ie WOTSO and Planloc) are recognised as a non-controlling interest within the consolidated financial statements. WOTSO Property expects to elect to value this non-controlling interest at fair value, which will give rise to goodwill.

(a) **Proforma Balance Sheet (at 28 Feb 2020) (\$'000)**

WOTSO Property Balance Sheet		<i>28 Feb 2021 (pro forma)</i>
Assets		
Current Assets		
Cash and cash equivalents		3,559
Trade and other receivables		1,490
Loan portfolio		15,343
Financial assets		4,000
Property plant and equipment		62
Other assets		42
Total Current Assets		24,496
Non-Current Assets		
Investment Properties		323,950
Goodwill - WOTSO		25,989
WOTSO Lease right of use asset		22,690
Property, plant and equipment		13,256
Financial assets		4,000
Deferred rent receivable		593
Lease rental deposits		556
Total Non-Current Assets		391,034
Total Assets		415,530
Liabilities		
Current Liabilities		
Trade and other payables		3,333
Borrowings		47,000
WOTSO lease right of use liabilities		3,377
Other liabilities		908
Total Current Liabilities		54,618
Non-Current Liabilities		
Borrowings		50,000
WOTSO lease right of use liabilities		23,482
WOTSO lease make good provisions		1,394
Deferred tax liabilities		1,541
Other liabilities		552
Total Non-Current Liabilities		76,970
Total Liabilities		131,588
Net Assets Before Minorities		283,943
NCI of Stapled Entities		
Planloc		-
WOTSO		30,000
Total NCI of Stapled Entities		30,000
Other Minority Interests		(47,834)
Net Assets attributable to stapled security holders		236,109
NTA		
Net Assets		236,109
Gross Units on Issue		162,841,412
Net Assets per security		\$1.45/security
Headline Gearing		23%
Net Gearing		20%

6. Risks of the Stapled Group

6.1 Introduction

The WOTSO Board considers that it is appropriate for WOTSO Shareholders, in considering the Scheme, to be aware that there are a number of risk factors which could adversely affect the future operating and financial performance of the Stapled Group, as well as the value of the Stapled Securities.

This Section 6 is a summary only. There may be:

- additional risks and uncertainties not currently known to the Stapled Entities (as applicable); or
- risks which are known to the applicable Stapled Entity, but not currently considered material.

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. Prior to deciding how to vote on the Scheme, WOTSO Shareholders should carefully consider the risk factors discussed in this Section, as well as other information contained in this Scheme Booklet and seek independent professional advice.

6.2 COVID-19

On 11 March 2020, the World Health Organisation declared COVID-19 to have reached pandemic status.

In the medium to longer term, the direct effects of COVID-19 and measures introduced by State and Federal governments to limit transmission of the virus (such as the forced closure of businesses to facilitate 'social distancing', travel bans and quarantine requirements) will likely have a material negative impact on Australia's economic growth, including the potential for further significant impact on capital markets and share prices.

(a) Impact on WOTSO

When COVID hit Australia, WOTSO was quick to act and offered all members immediate suspensions to their membership without penalty if they no longer wished to come into their space. Our monthly terms meant our members were not burdened by lease obligations throughout this unprecedented time, allowing them to make whatever decisions were best for their business. Our members appreciated this response and whilst 65% of members took us up on this offer in April and May, by August we were back to 90% of our pre-COVID occupancy. The business is cash flow positive and will continue to be as the government support and rent relief runs off. The table below shows the movement in occupied desk numbers since February.

COVID Impact on Occupancy	Total
Occupied desks as at February 2020	3,637 desks
Suspended or cancelled due to COVID	(2,394) desks
Other cancellations	538 desks
Reactivated desks	1,509 desks
New desks sold between March 2020 and October 2020	1,194 desks
Occupied Desks as at 31 October 2020	3,426 desks
% of February 2020 Occupancy	94%

Of particular note in the above is the 1,194 desks that have been sold to new members from since the onset of COVID to 31 October 2020. We feel the value of flexible lease terms has been underestimated by employers and business-owners in the past and COVID has pushed this issue into the spotlight. In our view it is too early to tell what the long term effect on where and how people work will be, but at the very least it has forced all businesses to look at their work practices and consider alternatives. We do not think that the CBD office is dead, rather that it will be used differently and in all likelihood alongside other solutions such as working from home or flexible alternatives like WOTSO.

We have always thought that we have a product that larger enterprises could use but have not seen much take up by them in the past. This is changing. In July we signed our first substantial deal to a business that has indicated they will use 100 day passes per month across our Sydney network. We think this take up will continue and WOTSO will become much like a gym membership which corporates can provide to their employees.

(b) Impact on BWR

Revenue

The COVID pandemic has had an impact on BWR's revenue for the year. As yet BWR has not had any tenants permanently vacate any property as a result of COVID.

In April the Federal Government issued a mandatory code of conduct between landlords and tenants (that qualified for JobKeeper and had turnover of less than \$50 million). Each State then released its own mandatory code for commercial properties and BWR complied with each applicable code. Each code called for rent relief to be provided to tenants in proportion to their turnover decline with at least half of the relief to be given in the form of a rent waiver and the remainder as a deferral of rent. BWR complied with the code as a minimum and in some cases offered more relief than required, in particular for smaller tenants such as cafes and gyms. As a result BWR waived \$713,000 of rent from March to June which represents a reduction of 15% in rent for that period. Since June the waiver has diminished to only 8% of rental income as tenants' turnover recovers. Deferred rent of \$531,000 has been recorded as a receivable and is expected to be recovered over the term of the leases or 2 years whichever is the greater. A detailed assessment has been made of the likely recovery of the deferred amounts with reference to how tenants are reporting a recovery in their revenue and through the payments they are making in relation to rent. Given the time available for the repayment of the deferred rent, BWR does not consider at

this time much of this balance as doubtful. \$24,000 has been raised as a provision for credit loss.

Valuations

There is a level of uncertainty regarding the ultimate impact of COVID on BWR's property valuations. Independent Valuations were performed in June and November 2020 and valuers have noted this uncertainty. The effects of COVID were reflected in various assumptions by the valuers including yield, discount rates and market rent. The overall result was a decline from December 2019 to November 2020 reported values of around 4%.

(c) Impact on Planloc

The valuations of the Penrith and Villawood properties have decreased from \$22.8 million to \$21.5 million and from \$22.3 million to \$22.0 million respectively. While this decrease was expected due to COVID, the lack of activity in the commercial property market has made it difficult to assess the recovery timeline. There has also been some rent waivers and deferrals (as a result of the mandatory rent relief code discussed above) at both the Penrith and Villawood properties, which has impacted the revenue of these sites. Penrith waived around \$100,000 of rent and deferred a further \$90,000 to September 2020. Given the nature of the Villawood property (an entertainment precinct), greater relief was given with \$375,000 of rent being waived to September 2020 and \$90,000 deferred.

6.3 General investment risks – Stapled Security

The market price of Stapled Securities quoted on the ASX will be influenced by a number of factors, including those set out below.

- (a) change in investor sentiment and overall performance of the Australian and international stock markets;
- (b) changes in credit markets;
- (c) changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels and consumer demand;
- (d) changes in legislation and fiscal, monetary and regulatory policies;
- (e) liquidity cannot be guaranteed and the number of potential buyers or sellers of Stapled Securities on the ASX at any given time may vary;
- (f) natural disasters, catastrophes and health pandemics, whether of a global, regional or local scale; and
- (g) accounting standards which affect the financial performance and position reported by Stapled Group and the Stapled Entities.

These factors may vary across the markets in which the Stapled Entities will operate and have differing effects on different parts of the Stapled Entities' businesses and therefore the price of the Stapled Securities.

6.4 Risks specific to an investment in WOTSO Shares

There are a range of business-specific risks associated with your continued investment in WOTSO Shares, as set out below. You will continue to be exposed to these risks upon the Stapling Proposal becoming successful and WOTSO forming part of the Stapled Group. You should be aware that the COVID-19 economic and social environment has the potential

to exacerbate each of these specific risks in relation to WOTSO (further information as to the effects of COVID-19 on WOTSO is set out in Section 6.2 above).

- (a) **Competition** - There is currently little competition within most localities WOTSO operates. If more competitors expand into suburban and regional areas, WOTSO's competitive advantage could be eroded. In localities with a direct competitor, price undercutting can either lead to lower realised prices or reduced occupancy. Both of which would reduce revenue and profitability and could lead to leasing defaults.
- (b) **Lease Obligations** - The single greatest financial risk to WOTSO is its lease commitments. The profitability of sites is affected by movements in market rents, which also impact the price at which WOTSO can sell to its customers. As WOTSO's lease terms are significantly longer than the month-to-month terms it provides to customers, there is a potential mismatch if market rents fall significantly, which can impact profitability and cash flows.
- (c) **Employee training, retention and recruitment** - As a service-based business, the strength and capabilities of our team are critical in acquiring and retaining customers.
- (d) **Emerging trends and disruptive technology** - New formats and technological developments are driving demand for flexible working. Failure to recognise these could mean WOTSO's product offering is below that of our competitors.
- (e) **Failure to attract and retain clients** - While turnover is expected in the industry, a failure to retain a proportion of current clients and attract new clients would adversely impact financial performance.
- (f) **Failure of IT systems** - A failure of internet or telephone connection or our in-house operating system could cause business interruptions, breaches of customer privacy and loss or corruption of and to customer data. An occurrence of this kind may involve costs to WOTSO to investigate, recover or repair customer data or the company's IT infrastructure. It also poses a risk of losing customers or damaging WOTSO's reputation, which could negatively affect its operating and financial performance.

6.5 Risks specific to an investment in BWR Units and Planloc Shares

There are a range of business-specific risks associated with an investment in BWR Units and Planloc Shares, as set out below. If the Stapling Proposal is successful, you will become exposed to these risks due to holding BWR Units and Planloc Shares as part of the Stapled Security. The specific risks associated with these entities have been dealt with together as the business models and underlying assets are similar. You should be aware that the COVID-19 economic and social environment has the potential to exacerbate each of these specific risks in relation to BWR and Planloc (further information as to the effects of COVID-19 on BWR and Planloc is set out in Section 6.2 above).

- (a) **Valuations** - a valuation by its very nature is an opinion and therefore, the directors' valuations or future independent valuations of BWR or Planloc's assets, may not reflect the price at which an asset could be sold. A low valuation of a material investment would have an adverse impact on the net tangible asset value of BWR or Planloc and as a result could impact the trading price or cause lending covenants to be breached.
- (b) **Tenancy Risk** - the level of vacancies may fluctuate with market forces. An increase in vacancies may adversely affect rental income from the properties BWR or Planloc invests in, which would affect the income of BWR or Planloc.
- (c) **Competition** - the effect of pricing or competition policies of any competing properties or tenants or increased competition from new or existing properties may have an

adverse effect on the level of tenancy vacancies and on the value of the relevant property.

- (d) **Unplanned Capital Expenditure** - the need for unforeseen capital expenditure, and how this expenditure will be funded, may affect BWR or Planloc's ability to meet its debt obligations as well as impacting on the level of distributions to investors.
- (e) **Damage to Assets and Insurance** - insurance in relation to BWR or Planloc's assets may not cover all events or all claims made. Further, appropriate cover for terrorism, pandemics and other uninsurable risks may not be available, or the cover that is available may not be adequate or commercially viable.
- (f) **Liquidity** - there can be no guarantee that BWR or Planloc will be able to sell their properties or investments within a reasonable time, or that any such sale will be at a price equivalent or close to the most recent valuation. Generally, it is BWR and Planloc's strategy to hold property long-term.
- (g) **Distributions/Dividends** - the ability of BWR or Planloc to pay distributions/dividends is dependent on the entity having sufficient cash resources and distributable income. Whilst the level of income derived by BWR or Planloc from year to year is expected to be relatively certain, default in payment of rent by any lessees of the properties or variances in the costs of operating BWR or Planloc may affect the level of income available for distribution/dividends as well as the timing of distributions/dividends.

7. Key Steps and Documents

All dates referred to in this Section 7 are indicative only and any variations to these dates will be published on WOTSO's website.

7.1 Key steps in implementing the Scheme

The key steps in implementing the Scheme are outlined in the following table and summarised below.

#	Step
1.	<u>Preliminary Steps:</u> Enter into Scheme Implementation Deed and Deed Poll First Court Hearing
2.	Scheme meeting of WOTSO shareholders
3.	General meeting of WOTSO shareholders
4.	General meeting of BWR unitholders
5	Completion or waiver of outstanding Scheme Conditions
6.	Second Court Hearing
7.	Effective Date (lodgement of Court order with ASIC)
8.	WOTSO Share Consolidation
9.	Split, transfer, allotment and issue of securities of the Stapled Entities
10.	Stapled Securities quoted on the ASX

(a) Preliminary Steps

- (i) **Enter into Scheme Implementation Deed:** On 17 November 2020, WOTSO, BFSL as responsible entity of BWR and Planloc executed the Scheme Implementation Deed under which, among other things, WOTSO agreed to propose the Scheme. On 16 December 2020, the parties entered into a Deed of Amendment and Restatement to insert customary agreements and warranties into the Scheme of Arrangement to be made on behalf of Ineligible Scheme Shareholders for the transfer of their Scheme Shares to the WOTSO Sale Nominee. A copy of the Scheme Implementation Deed is reproduced in Annexure C and a summary of its key terms (including the Scheme Conditions, exclusivity and termination rights) is set out at Section 7.2.
- (ii) **Enter into Deed Poll:** BFSL as responsible entity of BWR, Planloc and Pelorus Private Equity have executed the Deed Poll in favour of Scheme Shareholders. Subject to the Scheme becoming Effective, pursuant to the Deed Poll, BFSL, Planloc and Pelorus Private Equity covenant in favour of Scheme Shareholders to perform their respective obligations under the Scheme. A copy of the Deed Poll is reproduced in Annexure E.

The Deed Poll is made to ensure BFSL as responsible entity of BWR, Planloc and Pelorus Private Equity perform their respective obligations under the Scheme, including the issue and allotment of (or procuring the issue and allotment of) additional units and shares in accordance with the Scheme.

WOTSO undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against BFSL, Planloc and Pelorus Private Equity on behalf of, and as agent and attorney for, the Scheme Shareholders.

(iii) **First Court hearing**

On 18 December 2020, the Court heard and granted:

- (A) an application made by WOTSO for the Court to make an order under section 411(1) of the Corporations Act directing WOTSO to convene the Scheme Meeting; and
- (B) an application by BFSL as responsible entity of BWR for the Court to provide confirmation under section 63 of the *Trustee Act 1925* (NSW) that:
 - » BFSL would be justified in convening the BWR Meeting for the purposes of considering the BWR Resolution;
 - » and subject to BWR Unitholders passing the BWR Resolution, BWR Trust RE would be justified in proceeding on the basis that repealing the BWR Constitution and replacing it with the BWR Replacement Constitution would be within the powers conferred by the BWR Constitution and section 601GC of the Corporations Act,

(First Judicial Advice).

(b) **Scheme Meeting**

- (i) At the First Court hearing, the Court ordered that WOTSO convene the Scheme Meeting to be held on Friday 29 January 2021 commencing at 10:00am (AEDT) for the purpose of the WOTSO Shareholders voting on the Scheme. Instructions on how to attend and vote at the Scheme Meeting (including how to appoint a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on your behalf) are set out in Section 2 of this Scheme Booklet and in the notes for the Notice of Scheme Meeting in Annexure G to this Scheme Booklet.
- (ii) Votes cast in favour of the Scheme Resolution must be approved by the Requisite Majorities, being:
 - (A) a majority in number (more than 50%) of WOTSO Shareholders present and voting (whether in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting) at the Scheme Meeting; and
 - (B) at least 75% of the total number of WOTSO Shares voted at the Scheme Meeting by WOTSO Shareholders (whether in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting).

The Court has the discretion to waive the first of these two requirements if it considers appropriate to do so.

(c) **General Meeting**

- (i) WOTSO is convening the General Meeting for the purpose of voting on the Supporting Resolutions (the passing of which are Scheme Conditions). The General Meeting will be held on the same date as the Scheme Meeting, and immediately upon the close of the Scheme Meeting. Instructions on how to attend and vote at the General Meeting are set out in Section 2 of this Scheme Booklet and in the notes for the Notice of General Meeting in Annexure H of this Scheme Booklet.
- (ii) Votes cast in favour of the Supporting Resolutions must be approved by:
 - (A) in the case of the Constitution Replacement Resolution, at least 75% of the votes cast either in person or by proxy at the meeting by WOTSO Shareholders entitled to vote on the resolution; and
 - (B) in the case of each of the Share Consolidation Resolution and each of the Directors Appointment Resolutions, a majority of the votes cast either in person or by proxy at the meeting by WOTSO Shareholders entitled to vote on each resolution.

Further details about the Supporting Resolutions are set out in Section 8 of this Scheme Booklet.

(d) **BWR Meeting**

As a condition to the Scheme becoming Effective, an extraordinary general meeting of BWR Unitholders (**BWR Meeting**) is being convened to approve the repeal of the existing constitution of BWR and replacing it with the BWR Replacement Constitution which includes provisions necessary for the Stapling Proposal (**BWR Resolution**).

A summary of the BWR Replacement Constitution is provided at Section 9.12(b) of this Scheme Booklet.

(e) **Second Court Hearing**

If the Scheme is approved by the Requisite Majorities of WOTSO Shareholders at the Scheme Meeting and all other Scheme Conditions have been satisfied or remain capable of being satisfied or waived (as applicable), WOTSO will apply to the Court for an order approving the Scheme. Subject to any restrictions arising due to the COVID-19 pandemic which will be announced by WOTSO on its website, each WOTSO Shareholder has the right to appear at Court at the hearing of the application by WOTSO for orders approving the Scheme. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is agreed to by the Requisite Majorities of WOTSO Shareholders.

In addition, also at the Second Court Hearing, BFSL as responsible entity of BWR will seek customary confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that, BWR Unitholders having approved the BWR Resolution by the requisite majority, BFSL would be justified in implementing the BWR Resolution, giving effect to the provisions of the BWR Replacement Constitution and in doing all things and taking all necessary steps to implement the Stapling Proposal (**Second Judicial Advice**).

(f) **Effective Date**

If the Court Order approving the Scheme is obtained, on or before 5.00pm (AEDT) on the first Business Day following approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, WOTSO will lodge with ASIC an office copy of the Court Order. The date the office copy of the Court Order is lodged with ASIC will be the Effective Date.

Once the Scheme becomes Effective, WOTSO, BWR, Pelorus Private Equity and Planloc will take or procure the taking of the steps required for the Scheme to be implemented.

(g) **WOTSO Consolidation**

In accordance with the Share Consolidation Resolution at the General Meeting, WOTSO will complete the consolidation of all WOTSO Shares on a 1:0.255233429 basis, with effect by no later than the Scheme Record Date.

The consolidation ratio has been determined by the WOTSO Board with reference to the valuation of WOTSO compared with the valuations of BWR and Planloc.

Please see the Independent Expert's Report in Annexure B for the Independent Expert's analysis of the Scheme.

(h) **Split, transfer, allotment and issue of securities of the Stapled Entities**

Under the Stapling Proposal, the Stapled Entities and Pelorus Private Equity (as applicable) will complete the following actions on or before the Implementation Date:

- (i) Planloc completes the Planloc Share Split to ensure that on the Scheme Record Date there are the equal numbers of Planloc Shares as BWR Units;
 - (ii) all BWR Units held by Ineligible BWR Unitholders on the Scheme Record Date will be transferred to the BWR Sale Nominee;
 - (iii) all WOTSO Shares held by Ineligible WOTSO Shareholders on the Scheme Record Date will be transferred to the WOTSO Sale Nominee;
 - (iv) Pelorus Private Equity completes the transfer of all existing Planloc Shares on issue on the Scheme Record Date to:
 - (A) BFSL, on the basis of one Planloc Share for each BWR Unit held by an Eligible BWR Unitholder on the Scheme Record Date. BFSL will hold these Planloc Shares as agent for each Eligible BWR Unitholder; and
 - (B) the BWR Sale Nominee (on behalf of Ineligible BWR Unitholders) on the basis of one Planloc Share per BWR Unit held by the Ineligible BWR Unitholders on the Schemed Record Date.
- (Planloc Transfer Shares);**
- (v) BFSL will transfer the Planloc Transfer Shares to all existing Eligible BWR Unitholders so that for every one BWR Unit held by an Eligible BWR Unitholder on the Scheme Record Date, an existing Planloc Share will be transferred to them by BFSL;

- (vi) Upon completion of the WOTSO Share Consolidation, WOTSO will complete the allotment and issue a total of 142,150,000 new WOTSO Shares in the following manner:
 - (A) to BFSL who will hold those WOTSO Shares as agent for each Eligible BWR Unitholder (on the basis of one WOTSO Share per BWR Unit held by the Eligible BWR Unitholder on the Scheme Record Date), and who will then transfer the newly issued WOTSO Shares to the Eligible BWR Unitholders on that basis; and
 - (B) to the BWR Sale Nominee (on behalf of Ineligible BWR Unitholders) on the basis of one WOTSO Share per BWR Unit held by the Ineligible BWR Unitholders on the Scheme Record Date.
- (vii) Planloc will complete the allotment and issue of:
 - (A) one Planloc Share to each Eligible Scheme Shareholder for every one WOTSO Share held by the Eligible Scheme Shareholder on the Scheme Record Date (on a post WOTSO consolidation basis); and
 - (B) Planloc Shares to the WOTSO Sale Nominee (on behalf of Ineligible Scheme Shareholders) on the basis of one Planloc Share issued for every one WOTSO Share held by the Ineligible Scheme Shareholders on the Scheme Record Date (on a post WOTSO consolidation basis); and
- (viii) BWR will complete the allotment and issue of:
 - (A) one BWR Unit to each Eligible Scheme Shareholder for every one WOTSO Share held by the Eligible Scheme Shareholder on the Scheme Record Date (on a post WOTSO consolidation basis); and
 - (B) BWR Units to the WOTSO Sale Nominee (on behalf of Ineligible Scheme Shareholders) on the basis of one BWR Unit issued for every one WOTSO Share held by the Ineligible Scheme Shareholders on the Scheme Record Date (on a post WOTSO consolidation basis).

The effect of the steps above will result in the same number of WOTSO Shares, BWR Units and Planloc Shares on issue on the Implementation Date of the Scheme, with each WOTSO Share, BWR Unit and Planloc Share being stapled together to form one Stapled Security. The effect of the stapling will be that WOTSO, BWR and Planloc will operate as a single economic group to be known as "WOTSO Property".

(i) Eligibility of foreign Scheme Shareholders

A foreign Scheme Shareholder is any WOTSO Shareholder on the Scheme Record Date whose address is a place outside of Australia or who acts on behalf of such a person.

Restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries. Accordingly, not all foreign Scheme Shareholders will be eligible to receive securities under the Stapling Proposal.

Foreign Scheme Shareholders are eligible to participate in the Stapling Proposal only to the extent WOTSO, in conjunction with BWR and Planloc, determines that it is lawful and not unduly onerous or unduly impracticable for the relevant foreign Scheme Shareholder to receive securities under the Stapling Proposal.

No action has been taken to register or qualify the Stapled Securities or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to WOTSO, foreign WOTSO Shareholders whose addresses are shown in the register on Scheme Record Date as being in the following jurisdictions will be entitled to have BWR Units and Planloc Shares issued to them under the Stapling Proposal subject to any qualifications set out below in respect of that jurisdiction:

- » Hong Kong;
- » New Zealand;
- » United Kingdom; and
- » any other person or jurisdiction in respect of which WOTSO, in conjunction with BWR and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to issue BWR Units or Planloc Shares to a WOTSO Shareholder with a registered address in such jurisdiction.

(Eligible Scheme Shareholders)

Nominees, custodians and other shareholders who hold WOTSO Shares on behalf of a beneficial owner resident outside Australia, Hong Kong, New Zealand and the United Kingdom may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of WOTSO.

All other foreign Scheme Shareholders are deemed to be "**Ineligible Scheme Shareholders**" and their interests will be dealt with under the WOTSO Sale Facility as discussed below in Section 7.1(j).

Hong Kong

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Stapling Proposal. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire an interest in or participate in (or offer to acquire an interest in or participate in) a collective investment scheme. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance ("SFO") and any rules made thereunder) or in other circumstances that do not result in this Scheme Booklet constituting an invitation to the public of Hong Kong for the purpose of the SFO.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to the Stapled

Securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to the Stapled Securities only directed to persons outside Hong Kong or to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of the Stapled Securities, to the public in Hong Kong. The document is for the exclusive use of WOTSO shareholders in connection with the Stapling Proposal, and no steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Stapling Proposal by the person to whom this Scheme Booklet is addressed.

New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013. The offer of Stapled Securities under the Stapling Proposal is being made to existing shareholders of WOTSO in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

United Kingdom

Neither the information in this Scheme Booklet nor any other document relating to the Stapling Proposal has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Stapled Securities.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the Prospectus Regulation (2017/1129/EU) or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Stapled Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to WOTSO.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

(j) **WOTSO Sale Facility and WOTSO Sale Nominee**

Ineligible Scheme Shareholders will not receive BWR Units or Planloc Shares under the Stapling Proposal. Rather, the existing holding of WOTSO Shares held by Ineligible Scheme Shareholders on the Scheme Record Date will be transferred to the WOTSO Sale Nominee pursuant to the terms of the WOTSO Sale Facility.

Under the WOTSO Sale Facility:

- (i) WOTSO Shares held by Ineligible Scheme Shareholders on the Scheme Record Date will be transferred to the WOTSO Sale Nominee without the need for any further action by the Ineligible Scheme Shareholders;
- (ii) the WOTSO Sale Nominee will participate in the Stapling Proposal in respect of those WOTSO Shares by being issued BWR Units and Planloc Shares that would otherwise have been issued to the Ineligible Scheme Shareholders, in the same way as other Eligible Scheme Shareholders. After the implementation of the Stapling Proposal, the WOTSO Sale Nominee will hold the Stapled Securities which would otherwise have been received by Ineligible Scheme Shareholders;
- (iii) as soon as reasonably practicable after the Implementation Date (and in any event within 30 days of the Implementation Date), the WOTSO Sale Nominee will sell the Stapled Securities it holds. The sale will occur on market in the ordinary course of trading; and
- (iv) promptly after the sale of all the Stapled Securities held by the WOTSO Sale Nominee, the sale proceeds will be paid to Ineligible Scheme Shareholders by cheque or electronic funds transfer into a bank account nominated by the Ineligible Scheme Shareholder for the amount due to each Ineligible Scheme Shareholder together with a statement of how the amount is calculated.

Each Ineligible Scheme Shareholder will participate in the WOTSO Sale Facility and receive an amount equal to the average price per security at which the WOTSO Sale Nominee sold the Stapled Securities, multiplied by the number of Stapled Securities to which the Ineligible Scheme Shareholder would otherwise have been entitled had they participated under the Stapling Proposal.

WOTSO will bear any costs or fees of the WOTSO Sale Nominee.

The sale price of the Stapled Securities and the proceeds that an Ineligible Scheme Shareholder will receive cannot be guaranteed. The sale proceeds will not necessarily be the highest price at which the securities could be sold during the sale period. The WOTSO Sale Nominee will sell the securities in such manner, at such prices and as the WOTSO Sale Nominee determines in good faith with the objective of achieving the best prices reasonably obtainable at the time of the sales. Factors that may influence the price that may be obtained include:

- (i) the total number of Stapled Securities that participate in the WOTSO Sale Facility;
- (ii) the fact there will be a concurrent sale facility for the purpose of selling Stapled Securities that would otherwise have been held by foreign BWR Unitholders who were not eligible to participated in the Stapling Proposal (**Ineligible BWR Unitholders**, see below for more details);
- (iii) the prevailing market conditions, including the prevailing price of Stapled Securities on ASX and the prevailing demand for those securities; and

(iv) the period during which the sale process is undertaken.

(k) **Ineligible BWR Unitholders and the BWR Sale Nominee**

Similar to the process described in Sections 7.1(i) and 7.1(j) in relation to Ineligible Scheme Shareholders, foreign BWR Unitholders who are similarly deemed ineligible to participate in the Stapling Proposal (ie the transfer of Planloc Shares and the issue of WOTSO Shares to BWR Unitholders) (**Ineligible BWR Unitholders**) will have the Stapled Securities to which they would otherwise have been entitled acquired and sold by the BWR Sale Nominee under a sale facility on substantially similar terms as the WOTSO Sale Facility.

(l) **Stapled Securities quoted on the ASX**

Subject to ASX providing its approval, the Stapled Group will be admitted to the Official List and official quotation of the Stapled Securities will commence on, or as soon as possible after the Implementation Date.

The Stapled Securities are expected to trade under the ASX code "WOT".

7.2 Scheme Implementation Deed

The Scheme Implementation Deed sets out the obligations of WOTSO, BWR and Planloc in connection with the implementation of the Scheme. A summary of certain key terms of the Scheme Implementation Deed is set out below. A copy of the Scheme Implementation Deed is contained in Annexure C.

(a) **Exclusivity**

The Scheme Implementation Deed provides that WOTSO is subject to certain exclusivity obligations during the Exclusivity Period. These are summarised below:

- (i) "no shop" obligation
- (ii) "no talk" obligation
- (iii) "no due diligence" obligation

WOTSO is required to notify both BWR and Planloc of any Competing Proposals that WOTSO receives. As at the date of this Scheme Booklet, no such Superior Proposal has been received.

However, if the WOTSO Board determines that complying with no talk or no due diligence restrictions or the notification obligation would be likely to constitute a breach of the fiduciary or statutory duties owed by the WOTSO Board, it need not do so, and in those circumstances WOTSO would be permitted to respond to any Competing Proposal or refrain from notifying BWR and Planloc of any Competing Proposal.

WOTSO will keep you informed of any material developments, including by making announcements to WOTSO Shareholders via the WOTSO website. WOTSO Shareholders are encouraged to continue to monitor the WOTSO website until the Scheme is implemented.

Full details of the exclusivity provisions are set out in clause 9 of the Scheme Implementation Deed, set out in Annexure C.

(b) **Scheme Conditions**

The Scheme is subject to the satisfaction (or, if applicable, waiver) of the Scheme Conditions which are summarised below and set out in the Scheme Implementation Deed (which is reproduced in Appendix C to this Scheme Booklet). If the Scheme Conditions are not satisfied or waived (as applicable) by the End Date (being 17 May 2021 or such other date as agreed between WOTSO, BWR and Planloc), the Scheme will not proceed and WOTSO Shareholders will not be issued the additional BWR Units and Planloc Shares.

As at the date of this Scheme Booklet, the outstanding Scheme Conditions which must be satisfied or waived (as applicable) before the Scheme can become Effective are summarised as follows:

- (i) **(Regulatory Approvals)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals as are necessary or which the parties agree are necessary or desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00am on the Second Court Date;
- (ii) **(Admission of stapled group)** the stapled group comprising WOTSO, BWR and Planloc must be approved for admission to the official list of ASX (subject only to customary listing conditions);
- (iii) **(Quotation of Stapled Securities)** ASX has indicated in writing that it will grant permission for the quotation of the Stapled Securities (subject only to customary pre-quotation listing conditions);
- (iv) **(Independent Expert)** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of WOTSO Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date;
- (v) **(Shareholder approval for Scheme)** WOTSO Shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act;
- (vi) **(Shareholder approval for Supporting Resolutions)** WOTSO Shareholders approve each of the Supporting Resolutions by the requisite majorities in accordance with the Corporations Act;
- (vii) **(Unitholder approval for BWR Resolution)** BWR Unitholders approve the BWR Resolution by the requisite majority in accordance with the Corporations Act;
- (viii) **(Shareholder approval for Planloc Resolutions)** the Planloc Resolutions are approved by the requisite majorities in accordance with the Corporations Act;
- (ix) **(Court approval)** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, and grants the Second Judicial Advice;
- (x) **(Stapling Deed)** the Stapling Deed has been executed to take effect on the Implementation Date;
- (xi) **(Management Agreement)** the Management Agreement has been executed to take effect on the Implementation Date;

- (xii) **(No regulatory intervention)** no Court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8.00am on the Second Court Date;
- (xiii) **(No Prescribed Occurrence)** no WOTSO Prescribed Occurrence, BWR Prescribed Occurrence or Planloc Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and as at 8.00am on the Second Court Date;
- (xiv) **(Representations and Warranties)** the WOTSO Representations and Warranties, BWR Representations and Warranties, and Planloc Representations and Warranties are true and correct in all material respects at all times between the date of the Scheme Implementation Deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date;
- (xv) **(No change of WOTSO Board recommendation)** between the date of the Scheme Implementation Deed and the date of the Scheme Meeting, none of the Directors of WOTSO changing, qualifying or withdrawing their unanimous recommendation to WOTSO Shareholders to vote in favour of the Scheme, which recommendation may be expressed to be given subject to the Independent Expert opining that the Scheme is in the best interest of WOTSO Shareholders.

The Scheme Conditions in paragraphs (i) to (iii) and (v) to (x) above cannot be waived. As at the date of this Scheme Booklet, the WOTSO Directors are not aware of any reason why the Scheme Conditions should not be satisfied.

(c) **Termination**

As outlined in clause 14 of the Scheme Implementation Deed, the Scheme Implementation Deed may be terminated in circumstances including the following events:

- (i) by any of WOTSO, BWR and Planloc if:
 - (A) the Scheme has not become Effective by the End Date;
 - (B) a Scheme Condition has not been satisfied or waived (as applicable) by the date required, and, in certain circumstances, WOTSO, BWR and Planloc are unable to agree on a course of action;
 - (C) the Court refuses to make orders convening the Scheme Meeting or approving the Scheme and either:
 - » WOTSO, BWR and Planloc agree not to appeal the Court's decision; or
 - » an independent senior counsel advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date;
 - (D) at any time before 8:00am on the Second Court Date any of the other parties have materially breached any provision of the Scheme Implementation Deed and, if the breach is capable of remedy, the

party in breach has not remedied the breach within the prescribed time; or

- (E) agreed to in writing by WOTSO, BWR and Planloc;
- (ii) by BWR and Planloc if at any time before 8:00am on the Second Court Date, any member of the WOTSO Board fails to make or withdraws their recommendation to the Scheme Shareholders that the Scheme Shareholders should vote in favour of the resolution to approve the Scheme, including any adverse modification to their recommendation, or otherwise makes a public statement indicating that they no longer supports the Scheme;
- (iii) by WOTSO at any time before 8:00am on the Second Court Date if a majority of the WOTSO Board publically recommends a Competing Proposal that is a Superior Proposal, and provided that the Competing Proposal was not facilitated or solicited in breach of the WOTSO's exclusivity obligations described in Section 7.2(a) above.

Full details of the termination events are detailed in the Scheme Implementation Deed contained in Annexure C. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

(d) **End Date**

The Scheme will lapse and be of no further force or effect if the Scheme has not become Effective on or before 17 May 2021 or such later date as WOTSO, BWR and Planloc agree in writing.

7.3 Stapling Deed

The Stapling Deed sets out the terms and conditions governing the relationship between WOTSO, BWR and Planloc upon becoming a Stapled Group and in respect of the Stapled Securities. A copy of the Stapling Deed is annexed to this Scheme Booklet as Annexure F. Capitalised terms in this Section that are not defined have the meaning given in the Stapling Deed.

The key terms of the Stapling Deed include:

(a) **Stapling**

The WOTSO Shares, BWR Units and Planloc Shares will remain stapled unless a special resolution of the relevant stapled securityholders approves unstapling, if stapling becomes unlawful or prohibited by the Listing Rules, or a winding up is commenced in respect of any of the Stapled Entities.

(b) **Co-operation and Consultation**

The parties to the Stapling Deed agree to share accounting and other information, and to co-operate in operating the Stapled Group, including in relation to providing information to securityholders, valuing assets, preparing accounts, holding meetings, issuing securities, acquiring investments and making dividends and distributions.

(c) **Financial Benefits**

The parties to the Stapling Deed agree to give financial benefits to the other entities in the Stapled Group including by lending money and providing guarantees.

(d) **Dealing in Stapled Securities**

The relevant components of the Stapled Group may only be issued or transferred as part of the Stapled Securities.

Each of the parties to the Stapling Deed must not cancel, buy-back or redeem shares or units unless at the same time there is a corresponding cancellation, buy-back or redemption of the shares or units of each other entity in the Stapled Group.

(e) **Registers**

Each of the parties to the Stapling Deed may maintain or procure the maintenance of a register of Stapled Securities. This includes the appointment of a common registrar.

All details of Stapled Securities and dealings in those securities must be entered in the register. Although separate registers may be kept, the registers must be kept entirely consistent with one another.

(f) **Duties**

When exercising any power or discretion, each of the parties to the Stapling Deed may consider the interest of holders of the relevant Stapled Securities as a whole, not only the interests of members of each stapled entity separately.

(g) **Dispute Resolution**

If there are disagreements arising from the Stapling Deed, each of the parties must use their best endeavours to resolve them and negotiate in good faith before instituting proceedings.

(h) **Allocation of the Issue Price**

Each of the parties to the Stapling Deed must agree from time to time what part of the amount payable for the issue, redemption or buy-back of a Stapled Security is to represent the price of shares or units in each of the entities forming part of the Stapled Group. The allocation is to be based on the methodology set out in the stapling provisions in the constitutions (unless agreed otherwise in the case of an issue or redemption) or fair values of the shares or units (in the case of a buy-back).

If the parties are unable to agree, an independent accountant must be appointed to determine what part of the amount payable is to represent the price of the constituent shares or units.

7.4 Management Agreement

The Management Agreement sets out the terms and conditions on which WOTSO, BWR and Planloc, upon becoming a Stapled Group, appoint BFSL to provide investment and other management services in respect of the Stapled Group.

The key terms of the Management Agreement include:

(a) **Appointment**

The Stapled Group appoints BFSL as Investment Manager to provide investment management services and any other services agreed between the Stapled Group and Investment Manager from time to time.

(b) Stapled Group Obligations

The Board of the Stapled Group will supervise the performance of the Investment Manager, and agrees to follow the directions or instructions of the Investment Manager provided that any such direction or instruction is consistent with the Stapling Documents and relevant law, the due exercise of a Director's duties to the Stapled Group, and is in the best interests of the Stapled Group.

(c) Investment Manager Obligations

The Investment Manager must:

- (i) exercise its responsibilities and powers and discharge its duties under the Management Agreement with all reasonable professional care and in a manner consistent with relevant law and the Stapling Documents;
- (ii) comply with any reasonable directions or instructions, from the Stapled Group in relation to the performance of the Services (as set out below); and
- (iii) only provide those Services that constitute a financial service under the Corporations Act to the extent that the Investment Manager has an AFSL or is authorised to provide those Services as a corporate authorised representative arrangement approved by the Board.

(d) The Services

On commencement of the Management Agreement, the Investment Manager will provide the Stapled Group the following services (in summary):

- (i) *Investment Management Services* – providing Portfolio management services in relation to the Stapled Group assets including:
 - (A) advising on capital and investment matters;
 - (B) setting hedging policies and monitoring associated ongoing exposures;
 - (C) evaluating, monitoring and exercising voting rights in respect of the Portfolio;
 - (D) providing and approving monthly valuations of assets at market value or otherwise based on a valuation policy approved by the Stapled Group;
 - (E) directing the Stapled Group regarding all matters relating to investments of the Stapled Group, including the acquisition and divestment of investments;
 - (F) arranging for financial accommodation to be obtained by the Stapled Group as and when required; and
 - (G) advising in respect of debt assets;
- (ii) *Operational Support* – providing administrative assistance in respect of the Stapled Group including:
 - (A) co-ordinating or providing company secretarial and administrative services to the Stapled Group, including assisting the Stapled Group to monitor and review the Stapled Group's investments and assets;

- (B) providing routine legal and compliance services including compliance with appropriate policies governing conflicts of interest, code of business conduct and fraud prevention;
 - (C) co-ordinating the payment out of the respective assets of the Stapled Group (to the extent that expenses are attributable to an entity) of the expenses of the Investment Manager;
 - (D) assisting and co-ordinating the obtaining of advice for the benefit of the Stapled Group; and
 - (E) co-ordinating the engagement, instructing, replacement and removal of third party advisers;
- (iii) *Promotion and Marketing Services* – The Investment Manager will be responsible for all matters relating to the marketing of the Stapled Group, including the preparation, review, distribution of any information memorandum, product disclosure statement or disclosure document (**IM**), provided that all marketing materials must be approved by the Stapled Group; and
- (iv) *Offer document and marketing responsibilities* – in consultation with the Stapled Group, determine the type of offer document (if any) that is required to be issued to prospective investors in the Stapled Group including;
- (A) preparing the necessary IM and any promotional, marketing or advertising material for the Stapled Group in accordance with all Relevant Law, relevant transaction documents and due diligence and verification procedures approved by the Stapled Group;
 - (B) signing off on the final form of the IM (and any updated or supplements to it) before being issued by the Stapled Group;
 - (C) submitting for approval all media, advertising, promotional and stationery materials and any internet or web-based information in relation to the Stapled Group prior to publication by the Investment Manager or any of their related parties;
 - (D) complying with the Stapled Group's marketing policies as provided from time to time;
 - (E) marketing the Stapled Group in a manner that complies with the Relevant Law;
 - (F) notifying the Stapled Group if there is a material change to the marketing plan of the Stapled Group;
 - (G) notifying the Stapled Group if a key person in the Investment Manager's advertising or marketing approval process changes;
 - (H) ensuring at least one of its representatives attends and participates in the Stapled Group's due diligence committee meetings for the IM; and
 - (I) promptly notifying the Stapled Group if, in relation to an IM or any promotional, marketing or advertising material, it becomes aware of (amongst other things) an IM or any promotional, marketing or advertising material ceases to comply with the requirements of the Relevant Law or contains a statement that is false or misleading.

(e) **Expenses**

The Stapled Group is liable (from the assets of the Portfolio) for any outgoings, costs, expenses, duties, taxes, fees and commissions properly incurred by the Investment Manager (or its agents) in connection with the Investment Manager performing the Services.

(f) **Indemnity**

The Investment Manager indemnifies each Stapled Entity against any liabilities, direct losses or outgoings suffered by a Stapled Entity, arising from or in connection with a breach of the Management Agreement or any wrongful conduct on the part of the Investment Manager or its agents (except to the extent a Stapled Entity contributed to the liability).

(g) **Reports**

The Investment Manager must, on request of the Stapled Group, provide such reports and information as the Stapled Group may reasonably require.

(h) **Term and termination**

Unless terminated earlier, the Management Agreement may be terminated by the Stapled Group by giving 90 days written notice to the Investment Manager where directed to do so by a special resolution of Stapled Security holders. However, such right may only be exercised by giving notice of a termination date that is 10 years after the commencement date of the Management Agreement.

The Investment Manager may terminate the Management Agreement for convenience with 90 days prior written notice.

(i) **Fees**

In consideration for providing the Services, BFSL as Investment Manager is paid management and other fees by each Stapled Entity comprising the Stapled Group. Section 3.13 sets out the fees payable by each Stapled Entity.

7.5 Who can participate

(a) **Scheme Record Date**

Eligible Scheme Shareholders will be entitled to be issued BWR Units and Planloc Shares in respect of WOTSO Shares they hold as at the Scheme Record Date (being 5.00pm on the second Business Day following the Effective Date).

(b) Dealings prior to the Scheme Record Date

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

- (i) in the case of transfers other than registrable transmission applications (or transfers in respect of those dealings), the transferee is registered in the WOTSO Register as the holder of the relevant WOTSO Shares on or before the Scheme Record Date; and
- (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Scheme Record Date at the place where the WOTSO Register is kept,

and WOTSO will not accept for registration, nor recognise for any purpose, 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.

(c) Dealings after the Scheme Record Date

- (i) WOTSO will not accept for registration or recognise for any purpose any transmission or transfer in respect of WOTSO Shares received after the Scheme Record Date.
- (ii) The WOTSO Register as at the Scheme Record Date will solely determine entitlements to newly issued BWR Units and Planloc Shares.
- (iii) All statements of holding for WOTSO Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares.

(d) Provision of information

As soon as practicable after the Scheme Record Date and in any event within 1 Business Day after the Scheme Record Date, WOTSO will procure the provision to BWR and Planloc of details of the names, registered addresses and holdings of WOTSO Shares for each Eligible Scheme Shareholder, and which will be reflected on each of BWR unitholders register and Planloc shareholders register as the details for each Eligible Scheme Shareholder who is to become registered holders of BWR Units and Planloc Shares.

(e) Warranty by Ineligible Scheme Shareholders about their Scheme Shares

The Scheme provides that each Ineligible Scheme Shareholder warrants to the WOTSO Sale Nominee and is deemed to have authorised WOTSO as agent and attorney to warrant to the WOTSO Sale Nominee, that as at the Implementation Date:

- (i) all of its Scheme Shares which are to be transferred to the WOTSO Sale Nominee under the Scheme, including any rights and entitlements attaching to those Scheme Shares, will, at the time of transfer, be free from all mortgages, charges, liens, assignments, encumbrances, title retentions, preferential rights or trust arrangements, claims, covenants, profit a prendre, easements, pledges, or any other security interests or arrangements (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and any other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- (ii) all of its Scheme Shares which are to be transferred to the WOTSO Sale Nominee under the Scheme will, on the date on which they are transferred, be fully paid;
- (iii) it has full power and capacity to transfer its Scheme Shares to the WOTSO Sale Nominee together with any rights attaching to those Scheme Shares; and
- (iv) it has no existing right to be issued any WOTSO Shares, options exercisable into WOTSO Shares, convertible notes convertible into WOTSO Shares or any other securities issued by WOTSO.

7.6 Appointment as attorney and agent

Each Scheme Shareholder, without the need for any further act, irrevocably appoints WOTSO and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against BFSL, Planloc and Pelorus Private Equity; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it.

8. Supporting Resolutions

8.1 Purpose

If the Scheme Resolution is approved by the requisite majority of WOTSO Shareholders at the Scheme Meeting, WOTSO Shareholders will be asked to consider and, if thought fit, approve the Supporting Resolutions at the General Meeting which will commence shortly after the Scheme Meeting concludes or is adjourned.

Each Supporting Resolution is dependent on the passage of each other Supporting Resolution and on the Scheme becoming Effective. The majorities required for each Supporting Resolutions are set out in the Notice of General Meeting and are summarised below.

Each of the Supporting Resolutions is discussed in Section 8.3, in particular for the purposes of informing WOTSO Shareholders of relevant information required to be disclosed under the Corporations Act. However, WOTSO Shareholders should consider the whole of this Scheme Booklet as material to the making of a decision whether to approve the Stapling Proposal.

8.2 Eligibility to vote at General Meeting

Each person who is registered on the WOTSO Share Register as a WOTSO Shareholder as at the Voting Eligibility Time (7.00pm (Sydney time) on Wednesday 27 January 2021) is entitled to attend and vote at the General Meeting, either in person, by proxy or attorney or, in the case of a corporate WOTSO Shareholder or proxy, by a representative.

Section 2 of this Scheme Booklet provides a summary of how to vote at the General Meeting with further information provided in the Notice of General Meeting. A proxy form for the General Meeting is enclosed with this Scheme Booklet.

8.3 Explanation of Supporting Resolutions

(a) Constitution Replacement Resolution

The purpose of the Constitution Replacement Resolution is for WOTSO Shareholders to consider repealing WOTSO's existing constitution and replacing it with the WOTSO Replacement Constitution that will be appropriate to WOTSO's new role as a Stapled Entity within the Stapled Group, and admission to the Official List.

The Constitution Replacement Resolution is proposed as a special resolution and is being put to WOTSO Shareholders to obtain their approval under section 136(2) of the Corporations Act. This section requires that the repeal of WOTSO's existing Constitution and the adoption of the proposed new WOTSO Replacement Constitution be approved by special resolution of WOTSO Shareholders. To be approved, this resolution must be passed by at least 75% of the votes cast either in person or by proxy at the meeting by WOTSO Shareholders entitled to vote on the resolution.

The proposed new WOTSO Replacement Constitution is summarised in Section 9.12(a), and a copy of which has been provided in Annexure I.

The proposed new WOTSO Replacement Constitution is designed to permit and facilitate the stapling of WOTSO Shares to BWR Units and Planloc Shares. The new WOTSO Replacement Constitution:

- (i) reflects WOTSO's obligations under the Stapling Deed and enables WOTSO to effect the Stapling of additional securities to Stapled Securities in the future; and
- (ii) includes provisions necessary for WOTSO to be admitted to the Official List, being provisions required to be included in an entity's constitution by the Listing Rules.

(b) Directors Appointment Resolutions

The purpose of the Directors Appointment Resolutions is to appoint each of Mr Richard Hill and Mr Robin Tedder as non-executive directors of WOTSO.

Messrs Hill and Tedder are currently non-executive directors of BFSL and Planloc, and their appointment to the board of WOTSO will result in the boards of each Stapled Entity comprising the same directors.

Information about each of the candidates can be found in Section 3.14.

(c) Share Consolidation Resolution

The purpose of the Share Consolidation Resolution is to seek WOTSO Shareholder approval for WOTSO to consolidate its issued capital to facilitate the Stapling. There are 81,068,581 WOTSO Shares on issue which means a consolidation is necessary to allow WOTSO Shares to be stapled to BWR Units and Planloc Shares on a 1:1:1 basis.

Under section 254H(1) of the Corporations Act, WOTSO may convert all or any of its shares into a smaller number of shares by ordinary resolution passed at a general meeting.

If the Share Consolidation Resolution is approved (and subject to the Scheme becoming Effective), every one WOTSO Share will be consolidated into 0.255233429 WOTSO Shares which will result in there being 20,691,412 WOTSO Shares on issue immediately after the consolidation (and by the Scheme Record Date).

The consolidation ratio has been determined by the WOTSO Board with reference to the valuation of WOTSO compared with the valuations of BWR and Planloc.

Following the issue of additional WOTSO Shares to BWR Unitholders pursuant to the Scheme and the issue of BWR Units and Planloc Shares to WOTSO Shareholders, there will be the same number of WOTSO Shares on issue as there are BWR Units and Planloc Shares, which will allow the Stapling to occur on a 1:1:1 basis.

As the consolidation applies equally to all WOTSO Shareholders, individual shareholdings will be reduced in the same ratio as the total number of WOTSO Shares (subject to rounding).

Please see the Independent Expert's Report in Annexure B for the Expert's analysis of the Scheme.

9. Additional information

9.1 Directors' interests in WOTSO Shares, BWR Units and Planloc Shares

The table below lists the Relevant Interests of the proposed Directors of the Stapled Entities (being the existing WOTSO Directors and the additional BWR Directors to be appointed to the Boards of WOTSO and Planloc) in WOTSO Shares and BWR Units as at 16 December 2020, as well as their expected Relevant Interest in the Stapled Group upon implementation of the Stapling Proposal.

As at 16 December 2020, given there are only 4 Planloc Shares on issue all of which are held by Pelorus Private Equity, the table below discloses each Director's Relevant Interest in Pelorus Private Equity as at 16 December 2020 instead.

Director	Relevant Interest in WOTSO Shares		Relevant Interest in BWR Units		Relevant Interest in Pelorus Private Equity Shares		Expected Relevant Interest in Stapled Group	
	Number	%	Number	%	Number	%	Number	%
Seph Glew	14,353,723	17.71%	57,430,373	40.40%	36,770,303	23.25%	61,093,923	37.52%
Tim Brown	1,456,537	1.80%	499,756	0.35%	718,149	0.45%	871,513	0.54%
Jessie Glew	535,000	0.66%	318,631	0.22%	nil	0.00%	455,181	0.28%
Richard Hill	1,961,278	2.24%	6,168,618	4.34%	17,030,696	10.77%	6,669,202	4.10%
Robin Tedder	8,152,424	10.06%	12,143,876	8.54%	nil	0.00%	14,224,647	8.74%

Directors, and entities who are controlled by any of them, who hold WOTSO Shares, will be entitled to vote at the Scheme Meeting.

Directors, or the entities controlled by them, who are Eligible Scheme Shareholders will be issued one BWR Unit and one Planloc Share for each WOTSO Share held on the Scheme Record Date, along with the other Eligible Scheme Shareholders.

9.2 Substantial shareholders

The Substantial Holders of BWR and WOTSO as at 16 December 2020 are set out below. Although WOTSO is not currently subject to the Substantial Holding disclosure requirements under the Corporations Act, the information has been provided below to show the control implications of the Stapling Proposal.

As at the date of this Scheme Booklet all existing Planloc Shares are held by Pelorus Private Equity.

The information below is compiled based on information the Stapled Entities are reasonably expected to know, being information based on substantial holder notices lodged with BWR, and information obtained from the Directors of WOTSO.

(a) **WOTSO**

Substantial Holder	Number of WOTSO Shares	Percentage of shares on issue
Seph Glew ¹	14,353,723	17.71%
Paul Tresidder ²	13,290,235	16.39%
BlackWall Limited	10,519,241	12.98%
Robin Tedder	8,152,424	10.06%
Pelorus Private Equity Limited	6,488,723	8.00%
Vintage Capital Pty Ltd	5,734,678	7.07%
National Nominees Limited	5,302,895	6.54%
Seno Management Pty Ltd	5,300,000	6.54%
Lymkeesh Pty Ltd	4,304,742	5.31%

Note 1

Seph Glew is deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in WOTSO as Pelorus Private Equity Limited and Seno Management Pty Ltd. As seen from the table above, Pelorus Private Equity Limited and Seno Management Pty Ltd have a total Substantial Holding of 14.54% in WOTSO.

In addition, Seph is also deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in WOTSO as SAO Investments Pty Ltd, Valview Pty Ltd, PRSC Pty Ltd, IPUT Nominees Pty Ltd, Mosman Branch Pty Ltd, and Freymas Project Management Ltd who collectively hold Relevant Interest of 3.17% in WOTSO.

Note 2

Paul Tresidder (a recent Non-Executive Director of Planloc) is deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in WOTSO as Pelorus Private Equity Limited and Lymkeesh Pty Ltd. As seen from the table above, Pelorus Private Equity Limited and Lymkeesh Pty Ltd have a total Substantial Holding of 13.31% in WOTSO.

In addition, Paul is also deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in WOTSO as SAO Investments Pty Ltd, Valview Pty Ltd, PRSC Pty Ltd, IPUT Nominees Pty Ltd, and Mosman Branch Pty Ltd who collectively hold Relevant Interest of 3.08% in WOTSO.

(b) **BWR**

Substantial Holder	Number of BWR Units	Percentage of units on issue
Seph Glew ¹	57,430,373	40.40%
Paul Tresidder ²	48,337,439	34.00%
Robin Tedder	12,143,876	8.54%
Pelorus Private Equity Limited	11,640,062	8.19%
BlackWall Limited	10,919,554	7.68%

Note 1

Seph Glew is deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in BWR as Pelorus Private Equity Limited. As seen from the table above, Pelorus Private Equity Limited has a Substantial Holding of 8.19% in BWR.

In addition, Seph is also deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in BWR as Seno Management Pty Ltd, Alerik Pty Ltd, Jagar Holdings Pty Ltd, SAO Investments Pty Ltd, PRSC Pty Ltd who collectively hold Relevant Interest of 32.13% in BWR.

Finally, Mrs Nona Glew, an associate of Seph (Nona is the spouse of Seph) holds 0.08% Relevant Interest in BWR. As such, Seph's total Voting Power in BWR includes that of Mrs Nona Glew.

Note 2

Paul Tresidder (a recent Non-Executive Director of Planloc) is deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in BWR as Pelorus Private Equity Limited. As seen from the table above, Pelorus Private Equity Limited has a Substantial Holding of 8.19% in BWR.

In addition, Paul is also deemed by section 608(3) of the Corporations Act to have the same Relevant Interest in BWR as Lymkeesh Pty Ltd, Alerik Pty Ltd, Hollia Pty Ltd, SAO Investments Pty Ltd, PRSC Pty Ltd who collectively hold Relevant Interest of 25.81% in BWR.

(c) **WOTSO Property**

Upon implementation of the Stapling Proposal, the expected Substantial Holders of the Stapled Group and their expected holdings (on the basis that their holdings do not change after 16 December 2020 other than in accordance with the Stapling Proposal) are set out below.

Substantial Holder	Number of Stapled Securities	Percentage of Stapled Securities on issue
Seph Glew ¹	61,093,923	37.52%
Paul Tresidder ²	51,729,551	31.77%
Robin Tedder	14,224,647	8.74%
Pelorus Private Equity Limited	13,296,201	8.17%
BlackWall Limited	13,604,416	8.35%

Note 1

Seph Glew's expected Substantial Holding in WOTSO Property is comprised of the deemed Relevant Interests as disclosed in sections 9.2(a) and 9.2(b) above.

Note 2

Paul Tresidder's expected Substantial Holding in WOTSO Property is comprised of the deemed Relevant Interests as disclosed in sections 9.2(a) and 9.2(b) above.

9.3 Interests in WOTSO

(a) Interest in WOTSO Shares

As at 16 December 2020:

- (i) BFSL does not have any Relevant Interest in any WOTSO Shares. The interest of the directors of BFSL are disclosed in section 9.1;
- (ii) BlackWall is the controller of BFSL, and it has a voting power (or Substantial Holding) of 12.98% in WOTSO (as disclosed in section 9.2). Therefore, BFSL is also deemed to have the same voting power as Blackwall Limited in WOTSO;
- (iii) Planloc does not have any Relevant Interest in WOTSO Shares; and
- (iv) Pelorus Private Equity currently has control of Planloc, and it has a voting power (or Substantial Holding) of 8% in WOTSO (as disclosed in section 9.2). Therefore, Planloc is also deemed to have the same voting power as Pelorus Private Equity in WOTSO.

(b) Dealing in WOTSO Shares in the previous four months

None of BFSL, Planloc nor any of their Associates have provided or agreed to provide consideration for any WOTSO Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

(c) Benefits given during previous four months

During the four months before the date of this Scheme Booklet, none of BFSL, Planloc nor any of their Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to vote in favour of the Scheme or dispose of WOTSO Shares, where the benefit was not offered to all WOTSO Shareholders, or which will not be provided to all Scheme Shareholders under the Scheme.

(d) Benefits to WOTSO Directors

None of BFSL, Planloc nor any of their Associates will be making any payment or giving any benefit to any current officers of WOTSO (or any related body corporate of WOTSO) as compensation for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

9.4 WOTSO interests in BWR Units

WOTSO has no Relevant Interest in any BWR Units, any Related Body Corporate of BWR, nor in any securities issued by BFSL.

9.5 WOTSO interests in Planloc Shares

WOTSO has no Relevant Interest in any Planloc Shares or in any securities issued by a Related Body Corporate of Planloc.

9.6 Payments or other benefits

Except as set out in this Scheme Booklet, no payment or other benefit is proposed to be made or given to any Director, secretary or executive officer of WOTSO or of any Related Body Corporate of WOTSO as compensation for loss of, or as consideration for or in connection with his or her retirement from, office as a Director, secretary or executive officer of WOTSO or of a Related Body Corporate of WOTSO, as the case may be, as a result of the Scheme.

9.7 Agreements or arrangements with WOTSO Directors

Except as set out in this Scheme Booklet there is no agreement or arrangement made between WOTSO and any WOTSO Director and any other person in connection with or conditional on, the outcome of the Scheme.

9.8 Other interests of WOTSO Directors

The table below sets out the Relevant Interests of the proposed Directors of the Stapled Entities in BlackWall as at 16 December 2020. This information has been provided given that BFSL (a wholly owned entity of BlackWall) will be the Manager under the Management Agreement and will receive management fees as set out in Section 3.13.

Director	Relevant Interest in shares issued by BlackWall	
	Number	%
Seph Glew	9,287,770	14.71%
Tim Brown	1,456,537	2.31%
Jessie Glew	550,178	0.87%
Richard Hill	1,969,278	3.12%
Robin Tedder	8,150,424	12.91%

Except as set out in this Scheme Booklet, no WOTSO Director has any other interest, whether as a director, member or creditor of WOTSO or otherwise, which is material to the Scheme, other than in their capacity as a holder of WOTSO Shares, BWR Units or prospective Stapled Securities.

9.9 Recent trading history

(a) WOTSO

There has not been any ordinary trading of WOTSO Shares in the 6 months immediately before the date on which this Scheme Booklet. In the past 6 months, there have been six transactions recorded on the WOTSO register totalling 71,500 shares. Each transaction has been between either deceased estates and the beneficiaries or an individual and their self-managed super fund.

(b) Planloc

There has not been any trading of Planloc Shares in the previous 3 months immediately before the date on which this Scheme Booklet was prepared.

(c) BWR

BWR Units are listed on the ASX under the trading code "BWR".

The closing price of BWR Units on ASX on 17 November 2020 (being the last trading day prior to the announcement of the Scheme Implementation Deed) was \$1.42.

During the 3 months prior to 16 December 2020:

- (i) the highest recorded daily closing share price for BWR Units was \$1.45 most recently on 15 December 2020; and
- (ii) the lowest recorded daily closing share price for BWR Units was \$1.38 most recently on 27 October 2020.

9.10 Status of regulatory conditions

An application for admission by WOTSO and Planloc to the Official List and quotation of the Stapled Securities will be made shortly after the date of this Scheme Booklet. An update on the status of this condition will be provided at the Scheme Meeting.

9.11 ASIC Relief and ASX Waivers

(a) ASIC Relief

Certain applications for relief have been made to ASIC, and it is expected the following modifications and exemptions in relation to the operation of the Corporations Act as it applies to the Stapling Proposal will be granted:

- (i) relief for BFSL as responsible entity of BWR:
 - (A) to allow related party transactions to be undertaken by BWR within the Stapled Group without member approval under Part 5C.7 ;
 - (B) from the duty in section 601FC(1)(d) to deal with interests of Ineligible BWR Unitholders who will not be allowed to participate in the Stapling Proposal, and who will have their BWR Units (as part of Stapled Securities) sold on-market on their behalf by the BWR Sale Nominee; and
 - (C) in relation to certain duties in section 601FC, 601FD and 601FE to allow BFSL (in its capacity as responsible entity of BWR), its officers and employees to consider interests of holders of Stapled Securities as a whole rather than their interests solely as holders of BWR Units; and
- (ii) relief to allow BWR to lodge cleansing notices in accordance with section 1012DA(5) in the circumstances where, due to implementing the Stapling Proposal, trading in quoted BWR Units has been suspended from trading on the ASX for more than 5 days; and
- (iii) relief to allow WOTSO and Pelorus from having to comply with certain prospectus provisions in Chapter 6D of the Corporations Act, being:
 - (A) sections 711(5), 723(3) and 724(1)(b) to ensure the ASX admission applications can be made at any time (and not strictly by within 7 days of the lodgement of the prospectuses by WOTSO and Pelorus), and the statutory 3 month period typically applying to fundraising prospectuses during which the issuer needs to be admitted to the ASX does not apply (as well as relief from related ancillary provisions);
 - (B) relief from the expiry date provision in section 711(6), from the trust account provisions in section 722(1), and application form provisions in section 723(1) as the prospectuses lodged by WOTSO and Pelorus are not seeking to raise any funds; and
 - (C) relief from section 734(5) in relation to advertising provisions.

(b) ASX Waivers

ASX has granted in-principal advice in relation to the following waivers or provided confirmation in relation to the operation of the following Listing Rules as they apply to the Stapling Proposal:

- (i) confirmation that the Stapled Group may issue an information memorandum in lieu of a prospectus or a product disclosure statement for purposes of admission of WOTSO and Planloc and quotation of the Stapled Securities;
- (ii) confirmation that for the purposes of Listing Rule 3.1, disclosure by one Stapled Entity on behalf of the other Stapled Entities will satisfy the requirements of the listing rule;
- (iii) waivers from condition 8 of Listing Rule 1.1 to the extent necessary not to require WOTSO and Planloc to comply with the spread requirements in that rule, on condition that each WOTSO Share and Planloc Share is stapled to a BWR Unit, and the Stapled Group satisfies listing rule 12.4 at the time of admission of WOTSO and Planloc to the official list of ASX;
- (iv) waivers from condition 9 of Listing Rule 1.1 to the extent necessary not to require WOTSO and Planloc to comply with listing rules 1.2 or 1.3, on condition that each WOTSO Share and Planloc Share is stapled to a BWR Unit, and the Stapled Group satisfies listing rules 12.1 and 12.2 at the time of admission of WOTSO and Planloc to the official list of ASX;
- (v) waivers from condition 2 of Listing Rule 2.1 to the extent necessary not to require the issue price of WOTSO Shares and Planloc Shares to separately be at least 20 cents, on condition that each WOTSO Share and Planloc Share is stapled to a BWR Unit and each Stapled Security has an issue price of at least 20 cents; and
- (vi) waivers from Listing Rule 8.10 to permit the Stapled Entities to refuse to register the transfer of a single component security of a Stapled Security (ie: individual WOTSO Shares, BWR Units or Planloc Shares) unless the transfer document for the corresponding securities forming part of the Stapled Security is provided.

9.12 Summary of Stapled Entity Constitutions

(a) WOTSO and Planloc Constitution

The constitutions of WOTSO and Planloc are the primary documents governing the relationship between WOTSO Shareholders and WOTSO, and Planloc Shareholders and Planloc, and which sets out the rights and obligations attaching to the WOTSO Shares and Planloc Shares.

In accordance with the implementation of the Scheme, WOTSO will be seeking to replace its existing constitution with the effect being the constitutions of both WOTSO and Planloc will be identical in nature (other than the name of the corporate entity). See Annexure I.

A summary of the significant rights, liabilities and obligations attaching to the WOTSO Shares (and thus also attaching to Planloc Shares) and a description of other material provisions of the replacement WOTSO Constitution (and thus also the existing Planloc Constitution) are set out below. Capitalised terms in this Section 9.12(a) that are not defined in the Scheme Booklet have the meaning given in the WOTSO

Constitution. The summary in this Section is general in nature and is not intended to explain the legal effect of the document.

Voting at a general meeting	At a general meeting of WOTSO, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each WOTSO Share held. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote and the resolution will be decided in the negative.
Meetings of members	Each Shareholder is entitled to receive notice of, attend and vote at general meetings of WOTSO and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules. WOTSO must give at least 28 days' written notice of a general meeting.
Hybrid meetings	WOTSO is permitted to hold hybrid meetings, being general meetings conducted from a physical location in combination with participation from other physical or virtual locations via electronic facilities.
Dividends	The Board may pay any interim and final dividends that, in its judgement, the financial position of WOTSO justifies. The Board may also pay any dividend required to be paid under the terms of issue of a WOTSO Share, and fix a record date, for a dividend and the timing and method of payment.
Transfer of Shares	Subject to the Constitution and to any restrictions attached to a Shareholder's WOTSO Share, WOTSO Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act and Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of WOTSO Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the Listing Rules.
Issue of further Shares	The Board may, subject to the Constitution, Corporations Act and the Listing Rules issue, allot or grant options for, or otherwise dispose of, WOTSO Shares on such terms as the Board decides.
Stapling	The Constitution includes stapling provisions to facilitate the implementation of the Stapling Proposal including mechanisms to staple, unstaple and restaple WOTSO shares with other securities. Once Stapled, the Stapled Securities are treated as one security. WOTSO must not: • offer or issue a WOTSO Share, unless a corresponding offer or issue is made at the same time and to the same person for a BWR Unit and Planloc Share; • cancel, buy-back or redeem a WOTSO Share unless at the same time there is a corresponding cancellation, buy-back or redemption of a BWR Unit and Planloc Share; or • register any transfer of a WOTSO Share to any person unless a BWR Unit and Planloc Share is also transferred to the same person at the same time in a single instrument of transfer of Stapled Securities.
Winding up	If WOTSO is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any WOTSO Shares or classes of

	shares, Shareholders will be entitled to a share in any surplus property of WOTSO in proportion to the number of WOTSO Shares held by them. If WOTSO is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of WOTSO's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.
Non-marketable parcels	In accordance with the Listing Rules, the Board may sell WOTSO Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of shares is defined in the Listing Rules and is generally, a holding of shares with a market value of less than \$500.
Proportional takeover provisions	The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.
Variation of class rights	The procedure set out in the Constitution must be followed for any variation of rights attached to the WOTSO Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied: • with the consent in writing of the holders of 75% of the issued shares included in that class; or • by a special resolution passed at a separate meeting of the holders of those shares.
Directors – appointment and removal	Under the Constitution, the Board is comprised of a minimum of three (3) Directors and a maximum fixed by the Directors from time to time, but not exceeding ten (10) Directors. Directors are elected or re-elected at annual general meetings of WOTSO. No Director (excluding the managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected.
Directors – remuneration	Under the Constitution, the Board may decide the remuneration from WOTSO to which each Director is entitled for his or her services as a Director. However, the total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by WOTSO in general meeting. The remuneration of a Director must not include a commission on, or a percentage of, operating revenue.
Indemnities	WOTSO may, to the extent permitted by law, indemnify each Director and executive officer of WOTSO on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of WOTSO or of a related body corporate.
Amendment	The Constitution can only be amended by special resolution passed by at least 75% of Shareholders present and entitled to vote on the resolution at a general meeting of WOTSO.
Ranking of	At the date of this Scheme Booklet, all WOTSO Shares on issue in WOTSO

WOTSO Shares	are ordinary shares and rank equally in all respects.
Restricted Securities	A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.
Share buy-back	Subject to the Corporations Act, the Listing Rules and ASX Settlement Operating Rules, WOTSO may buy back WOTSO Shares on terms and at times determined by the Board.
Reduction of share capital	Subject to the Constitution, the Corporations Act and the Listing Rules, WOTSO may make any reduction or alteration to its share capital in any way permissible by the Corporations Act.
Dividend reinvestment plan	The Constitution permits the Directors to implement, on the terms and conditions they think fit, a dividend reinvestment plan under which any Shareholder or any class of Shareholders may elect that dividends payable by WOTSO be reinvested by a subscription for WOTSO Shares.

(b) **BWR Replacement Constitution**

The constitution of BWR is the primary document governing the relationship between BWR unitholders and BFSL (as responsible entity). BFSL established the BWR by constitution dated 23 June 2004.

A summary of the key rights and obligations attaching to a BWR Unit is set out below. The summary is not exhaustive and should be read subject to the full terms of the BWR Constitution. The summary provided below is on the basis of the replacement BWR Constitution which will be in force upon implementation of the Scheme (**BWR Replacement Constitution**).

A copy of the BWR Replacement Constitution is available at blackwall.com.au/invest/. The summary in this Section is general in nature and is not intended to explain the legal effect of the document.

Division of beneficial interest	The beneficial interest in BWR is divided into BWR Units. Subject to the terms of issue, every BWR Unit confers an equal and undivided interest in the Assets (as defined in the BWR Replacement Constitution) as a whole, subject to the liabilities of BWR, but not an interest in any particular Asset.
Powers of RE	The responsible entity has all the powers in respect of the BWR that it is possible under the law to confer on a responsible entity and as though it were the absolute owner of the Assets acting in its personal capacity.
Winding up	The responsible entity must wind up BWR or cause BWR to be wound up in any one of the following circumstances: • BWR comes to the end of its term set out in the constitution; • BWR is without a responsible entity; • a Court orders BWR to be wound up; • if BWR's purpose has been accomplished or cannot be accomplished

	and the responsible entity uses the mechanism provided for in section 601NC of the Corporations Act; or any of the circumstances set out in section 601NE of the Corporations Act apply such that the responsible entity is required to wind up BWR.
Fees	The responsible entity is entitled to be paid certain fees for its services to BWR details of which are set out in Section 3.3(i). The responsible entity will be indemnified and reimbursed out of BWR's Assets for all costs, charges and expenses properly incurred in connection with the establishment, administration, management and winding up of BWR by the responsible entity. The responsible entity must apportion any cost, charge or expense referable to a class asset.
Indemnity and Liability	The responsible entity has a right of indemnity out of the Assets in respect of liabilities incurred in the performance of its duties and for all fees and costs recoverable by it under the constitution. However, this indemnity does not apply in specific circumstances where there has been any negligence, deceit, breach of duty, fraud or breach of trust on the part of the responsible entity. The liability of Unitholders is limited to their Units and the Assets.
Withdrawal Rights	While the Units are officially quoted on the ASX, Unitholders may seek to sell their Units on-market. Otherwise a Unitholder may make a request for the withdrawal of their Units. The responsible entity has the discretion to accept or reject a withdrawal request.
Stapling and reorganisation proposals	The constitution contains broad powers for the responsible entity to implement the Stapling Proposal. This includes powers to: - staple, unstaple and restaple BWR Units; - apply for or purchase fully paid securities on behalf of the Unitholders and consent to become a member of another entity on their behalf; and - act as agent and attorney for Unitholders to do all things reasonably necessary to implement the proposal. The responsible entity has specific powers to carry out certain types of reorganisation proposals, including consolidating or dividing BWR Units, stapling and unstapling BWR Units, and, undertaking various other strategies to restructure BWR (such as exchanging BWR Units for interests in another trust). While BWR is stapled, the constitution allows the re-allocation of capital across the stapled entities within the stapled group, to ensure that each entity is appropriately capitalised. For this purpose, the responsible entity may at any time, distribute an amount of capital from BWR, on terms that that distribution is to be applied by the responsible entity (on behalf of and at the deemed direction of members) as a capital payment to another stapled entity within the stapled group. Similarly, the constitution facilitates another stapled entity within the stapled group undertaking a capital reduction or distribution, on terms that the whole or any part of that amount is to be paid to or for the benefit of each Unitholder.

	In that event, each Unitholder is deemed to have directed the responsible entity to accept that incoming capital reallocation amount on their behalf. Once Stapled, the Stapled Securities are treated as one security. The responsible entity must not: • offer or issue a BWR Unit, unless a corresponding offer or issue is made at the same time and to the same person for a WOTSO Share and Planloc Share; • cancel, buy-back or redeem a BWR Unit unless at the same time there is a corresponding cancellation, buy-back or redemption of a WOTSO Share and Planloc Share; or • register any transfer of a BWR Unit to any person unless a WOTSO Share and Planloc Share is also transferred to the same person at the same time in a single instrument of transfer of Stapled Securities. The constitution also provides the manner of determining the issue price of Units (as part of stapled securities), calculating "market price" for various reasons, determining distributable income, making payments, sending notices and holding meetings for Stapled Security holders.
Changing the constitution	The constitution can be changed or replaced by Unitholders passing a special resolution. The constitution can also be changed or replaced by the responsible entity (without Unitholders' approval) if the responsible entity believes the change will not adversely affect Unitholders' rights.
Non-marketable parcels	In accordance with the Listing Rules, the responsible entity may sell Units that constitute less than a marketable parcel by following the procedures set out in the BWR constitution. An unmarketable parcel of shares is defined in the Listing Rules and is generally a holding of shares with a market value of less than \$500.
Restrictions on relevant interests	The constitution restricts the number of Units a Unitholder (and the Unitholder's associates or related entities) may have an interest in or exercise control over. A person may not (without the responsible entity's prior written approval which, subject to the Corporations Act, may be granted or withheld in the responsible entity's absolute discretion) acquire by any means or become entitled in any way to a relevant interest in Units if as a result of the acquisition or entitlement that person would have a relevant interest in excess of 15%, or increase the amount by which the person's relevant interest exceeds 15%. This clause does not apply to any class units. This clause does not apply while BWR is admitted to the Official List.
Restricted Securities	A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.
Valuation of Assets	The responsible entity may cause an Asset to be valued at any time, however the responsible entity must do so as and when required by the Corporations Act.
Amendment	The constitution can be changed or replaced by Unitholders passing a special resolution. The constitution can also be changed or replaced by the responsible entity (without Unitholders' approval) if the responsible entity

	believes the change will not adversely affect Unitholders' rights.
Further Issue of Units	Subject to the Corporations Act, the responsible entity may determine to create and issue further Units of the same class or of a different class to those already on issue. The responsible entity may make the issue of further Units in different classes subject to rights, obligations and restrictions the responsible entity determines. The constitution sets out the calculation price of new Units.

9.13 Consents

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:

- (a) Automic Group as the WOTSO Share Registry and the BWR and Planloc share registries;
- (b) Gadens as legal adviser to WOTSO in relation to the Scheme;
- (c) ESV as auditor for BWR, WOTSO and Pelorus Private Equity;
- (d) Morgans Financial Limited as the WOTSO Sale Nominee and the BWR Sale Nominee.
- (e) RSM Corporate Australia Pty Ltd as the Independent Expert. 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 B 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.
- (f) BFSL has given, and has not withdrawn, its consent to be named in this Scheme Booklet and in relation to the inclusion of BWR Information in this Scheme Booklet in the form and context in which that information is included.
- (g) Pelorus Private Equity has given, and has not withdrawn, its consent to be named in this Scheme Booklet.
- (h) Planloc has given, and has not withdrawn, its consent to be named in this Scheme Booklet and in relation to the inclusion of the Planloc Information in this Scheme Booklet in the form and context in which that information is included.

Each person named in this Section 9.13:

- (a) has not authorised or caused the issue of this Scheme Booklet;
- (b) 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 9.13; and
- (c) 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 9.13.

9.14 Supplementary information

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

- (a) a material statement in this Scheme Booklet is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter in this Scheme Booklet; or
- (d) 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, WOTSO may circulate and publish any supplementary document by:

- (e) posting a statement on WOTSO's website;
- (f) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia; and/or
- (g) posting the supplementary document to WOTSO Shareholders at their registered address as shown in the WOTSO Register,

as WOTSO in its absolute discretion considers appropriate.

9.15 Transaction costs

The Stapled Group estimates that it will incur approximately \$400,000 in external transaction costs related to the Scheme, which includes legal fees, taxation advisory fees, valuation fees, Court fees and registry, printing and mailing costs.

Of this, approximately \$350,000 will be incurred regardless of whether the Scheme becomes Effective or not, including Independent Expert's fees of \$30,000. The parties have agreed that unless directly attributable to them these costs will be shared in equal proportions between WOTSO and BWR.

9.16 No unacceptable circumstances

The WOTSO Board does not consider that the Scheme involves any circumstances in relation to the affairs of WOTSO that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

9.17 Implication for creditors

As at the date of this Scheme Booklet, WOTSO is not aware of any material contractual disputes or litigation matters in respect of WOTSO, including with its customers or other third parties. WOTSO has paid and is paying all its creditors within WOTSO's normal terms of trade. Each WOTSO Group company is solvent and is trading in an ordinary commercial manner.

The Scheme, if implemented, is not expected to materially prejudice the WOTSO Group's ability to pay its creditors.

9.18 No other material information

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 that is material to the making of a decision by a WOTSO Shareholder in relation to the Scheme, being information that is known to any WOTSO Director and which has not previously been disclosed to WOTSO Shareholders.

10. Glossary of Terms

A\$ or \$ means the lawful currency for the time being of the Commonwealth of Australia;

AEDT means Australian Eastern Daylight Time;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in section 12 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and where the context requires, the financial market operated by it;

BlackWall or BWF means BlackWall Limited ACN 146 935 131;

BFSL means BlackWall Fund Services Limited ACN 079 608 825;

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

BWR means BFSL as responsible entity of the Blackwall Property Trust ARSN 109 684 773 (ASX:BWR);

BWR Board means the board of directors of BFSL;

BWR Information means the information in relation to BWR as set out in Sections 3.3, 3.11(b) and 5.2;

BWR Meeting means the meeting of BWR Unitholders convened to consider and, if thought fit, approve the BWR Resolution;

BWR Prescribed Occurrence has the meaning in the Scheme Implementation Deed;

BWR Register means the register of holders of BWR Units;

BWR Replacement Constitution means the proposed replacement constitution for BWR, a summary of which is set out in Section 9.12(b);

BWR Representations and Warranties means the representations and warranties of BWR set out in clause 11.4 of the Scheme Implementation Deed;

BWR Resolution means the resolution to be considered at the BWR Meeting to approve the repeal of the existing constitution of BWR and replacing it with the BWR Replacement Constitution which includes provisions necessary for the Stapling Proposal;

BWR Sale Nominee means Morgans Financial Limited AFSL 235410, being the person nominated by BFSL as responsible entity of BWR to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible BWR Unitholders, on their behalf, under the terms of the Scheme;

BWR Unitholder means a person registered in the BWR Register as the holder of BWR Units.

BWR Units means fully paid ordinary units issued by BWR;

Capital Reorganisation means each of the steps described in Section 4.4;

Chairman means the chairman of the Scheme Meeting;

Control has the meaning given by section 50AA of the Corporations Act;

Competing Proposal means any expression of interest, proposal, offer, agreement, transaction or arrangement (whether existing before, on or after the date of the Scheme Implementation Deed) by or with any person which, if entered into or completed substantially in accordance with its terms, would mean a person would:

- (a) directly or indirectly acquire or have a right to acquire an interest in or become the holder of 50% or more of the issued WOTSO Shares, or in any of WOTSO's subsidiaries, including by way of takeover bid, scheme of arrangement, capital reduction, reconstruction, sale of shares or joint venture;
- (b) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a material part of the assets or business of WOTSO or its subsidiaries;
- (c) acquire control of WOTSO (or a material subsidiary of WOTSO);
- (d) otherwise acquire or merge (including by a reverse takeover bid, joint venture or dual listed company structure) with WOTSO (or a material subsidiary of WOTSO); or
- (e) enter into any agreement, arrangement or understanding that, if implemented, would prevent implementation of the Stapling Proposal;

For the purposes of the definition of "Competing Proposal", a subsidiary or relevant business or assets will be material if the relevant subsidiary or business or assets contributes more than 50% of the consolidated net profits or represents more than 50% of the total consolidated assets of the WOTSO Group;

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

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

Court means the Supreme Court of New South Wales, or another court of competent jurisdiction under the Corporations Act agreed by WOTSO, BWR and Planloc;

Court Order means an order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme;

Deed Poll means the deed poll made by BFSL, Planloc and Pelorus Private Equity in favour of Scheme Shareholders, a copy of which is substantially reproduced in Annexure E;

Directors Appointment Resolutions means the ordinary resolutions of WOTSO Shareholders to appoint Richard Hill and Robin Tedder to the WOTSO Board;

Effective and **Effect** mean the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

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

Eligible BWR Unitholders means BWR Unitholders on the Scheme Record Date other than an Ineligible BWR Unitholders.

Eligible Scheme Shareholders means Scheme Shareholders other than Ineligible Scheme Shareholders;

End Date means 17 May 2021 or such other date as WOTSO, BWR and Planloc may agree in writing;

Exclusivity Period means the period from and including the date of the Scheme Implementation Deed to the earlier of:

- (a) the termination of the Scheme Implementation Deed in accordance with its terms;
- (b) the Effective Date; and
- (c) the End Date.

Explanatory Statement means the explanatory statement for the purposes of section 412 of the Corporations Act, constituted by this Scheme Booklet;

First Judicial Advice means the confirmation of the Court to be sought by BFSL as described in Section 7.1(a)(iii)(B);

General Meeting means the meeting of WOTSO Shareholders convened to consider and, if thought fit, approve the Supporting Resolutions;

Implementation Date means the 5th Business Day after the Scheme Record Date or such other date as WOTSO, BWR and Planloc agree;

Independent Expert means RSM Corporate Australia Pty Ltd ACN 050 508 024;

Independent Expert's Report means the independent expert's report prepared by the Independent Expert, a copy of which is reproduced in Annexure B;

Ineligible BWR Unitholder means a BWR Unitholder on the Scheme Record Date whose address in the BWR Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand (and their respective external territories), unless BFSL (as responsible entity of BWR), in conjunction with WOTSO and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to transfer Planloc Shares and issue WOTSO Shares under the Stapling Proposal to a BWR Unitholder with a registered address in such jurisdiction;

Ineligible Scheme Shareholder means a Scheme Shareholder whose address in the WOTSO Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand and their respective external territories, unless WOTSO, in conjunction with BWR and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to issue BWR Units or Planloc Shares to a WOTSO Shareholder with a registered address in such jurisdiction;

Investment Manager means the party appointed by the Stapled Group to provide management investment services under the Management Agreement, being BFSL as of the date of this Scheme Booklet;

Judicial Advices means the First Judicial Advice and the Second Judicial Advice;

Listing Rules means the official listing rules of ASX;

Management Agreement means the deed governing the management services to be provided by BFSL to the Stapled Group as summarised in Section 3.13 and 7.4;

Notice of General Meeting means the notice of general meeting which is contained in Annexure H;

Notice of Scheme Meeting means the notice of the Scheme Meeting contained in Annexure G;

Official List means the official list of the ASX;

Pelorus Private Equity means Pelorus Private Equity Limited ACN 091 209 639;

Planloc means Planloc Ltd ACN 062 367 560;

Planloc Constitution means the constitution of Planloc, a summary of which is contained at Section 9.12(a);

Planloc Information means the information in relation to Planloc as set out in Sections 3.4, 3.11(c) and 5.3;

Planloc Prescribed Occurrence has the meaning set out in the Scheme Implementation Deed;

Planloc Representations and Warranties means the representations and warranties of Planloc set out in clause 11.7 of the Scheme Implementation Deed;

Planloc Resolutions means the resolutions described in Section 4.3(d);

Planloc Shares means fully paid ordinary shares issued by Planloc;

Planloc Share Split means the sub-division of the capital of Planloc in the manner described in Section 4.3(d)(i);

Planloc Share Transfer means the transfer of all Planloc Shares by Pelorus Private Equity in the manner described in the Capital Reorganisation;

Portfolio means all of the assets, liabilities and rights of the Stapled Group including all income and accretions thereof;

Proxy Form means the proxy form for the Scheme Meeting and General Meeting (as applicable) enclosed with this Scheme Booklet;

Regulatory Authority includes:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Body Corporate or Related Bodies Corporate has the meaning given to those terms in section 50 of the Corporations Act;

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act;

Relevant Law means the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth) and any other present or future law of the Commonwealth of Australia or any State or Territory, so far as it applies to the Stapled Entities or the Investment Manager;

Requisite Majorities has the meaning set out in Section 2.4;

Second Judicial Advice means the confirmation of the Court to be sought by BFSL as described in Section 7.1(e);

Scheme and **Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act between WOTSO and the WOTSO Shareholders in respect of all of the WOTSO Shares, a copy of which is set out in Annexure D, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act;

Scheme Booklet means this scheme booklet, including the Annexures to it and the Proxy Form for the Scheme Meeting;

Scheme Conditions means the conditions set out in clause 3.1 of the Scheme and clause 3.1 of the Scheme Implementation Deed and summarised in Section 7.2(b);

Scheme Implementation Deed means the Scheme Implementation Deed dated 17 November 2020 between WOTSO, BWR and Planloc (and amended by a deed of restatement and amendment dated 16 December 2020) a copy of which is substantially reproduced in Annexure C;

Scheme Meeting means the meeting of WOTSO Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, approve the Scheme;

Scheme Record Date means 5.00pm on the date that is two Business Days after the Effective Date, or such other date as may be agreed in writing between WOTSO, BWR and Planloc;

Scheme Resolution means a resolution of WOTSO Shareholders to approve the Scheme, the form of which is set out in the Notice of Scheme Meeting;

Scheme Shareholder means each person registered in the WOTSO Register as the holder of Scheme Shares as at the Scheme Record Date;

Scheme Shares means all of the WOTSO Shares on issue on the Scheme Record Date;

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**;

Share Consolidation Resolution means the resolution put to WOTSO Shareholders at the General Meeting to effect the WOTSO Share Consolidation;

Stapled Entity means each of WOTSO, BWR and Planloc;

Stapled Group means the group of entities comprising the Stapled Entities, which will also be known as "WOTSO Property";

Stapled Security means a WOTSO Share stapled to a BWR Unit stapled to a Planloc Share and listed for quotation and trading together as one security on ASX;

Stapling Deed means the deed embodying the stapling arrangements between the Stapled Entities contemplated for the purposes of the Stapling Proposal, substantially on the terms set out in Annexure F (or on such other terms as may be agreed by the Stapled Entities);

Stapling Documents means the Stapling Deed, the BWR Replacement Constitution, the WOTSO Replacement Constitution and the Planloc Constitution;

Stapling Proposal means the stapling of every one WOTSO Share with one BWR Unit and one Planloc Share (and subsequent quotation as a Stapled Security on the ASX) through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed;

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

Substantial Holding has the meaning given to that term in section 9 of the Corporations Act, and a person with a Substantial Holding is a **Substantial Holder**;

Superior Proposal means a publicly announced Competing Proposal which the WOTSO Board, acting in good faith, and after taking advice from its legal and financial advisers, determines is:

- (a) reasonably capable of being completed in a timely manner taking into account all aspects of the Competing Proposal;
- (b) reasonably likely to be implemented within 6 months, having regard to the proponents and conditionality of the Competing Proposal; and
- (c) if implemented substantially in accordance with its terms, more favourable to WOTSO Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal;

Supporting Resolutions means the following resolutions:

- (a) the Constitution Replacement Resolution;
- (b) the Directors Appointment Resolutions; and
- (c) the Share Consolidation Resolution;

to be considered and voted by WOTSO Shareholders at the General Meeting;

Third Party means a person other than WOTSO and its Associates;

Voting Eligibility Time means the time for determining eligibility of WOTSO Shareholders to vote at the Scheme Meeting and the General Meeting, being 7:00pm (AEDT) on Wednesday 27 January 2021;

WOTSO or Company means WOTSO Limited ACN 636 701 267;

WOTSO Board or WOTSO Directors means the board of directors of WOTSO;

WOTSO Constitution means the constitution of WOTSO to be adopted in accordance with the Scheme, a summary of which is contained at Section 9.12(a);

WOTSO Group means WOTSO and each of its Related Bodies Corporate;

WOTSO Information means the information in this Scheme Booklet other than the BWR Information, the Planloc Information and the Independent Expert's Report;

WOTSO Prescribed Occurrence has the meaning in the Scheme Implementation Deed;

WOTSO Register means the register of members of WOTSO maintained in accordance with the Corporations Act;

WOTSO Representations and Warranties means the representations and warranties of WOTSO set out in clause 11.1 of the Scheme Implementation Deed;

WOTSO Sale Nominee means Morgans Financial Limited AFSL 235410, being the person nominated by WOTSO to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible Scheme Shareholders, on their behalf, under the terms of the Scheme;

WOTSO Sale Facility means the facility to be established and implemented by WOTSO, in agreement with BWR and Planloc, under which Stapled Securities attributable to Ineligible Scheme Shareholders are sold by the WOTSO Sale Nominee;

WOTSO Share means a fully paid ordinary share of WOTSO;

WOTSO Share Consolidation means the consolidation of the WOTSO Shares described in section 8.3(c);

WOTSO Share Registry means Automic Pty Ltd ACN 152 260 814; and

WOTSO Shareholder means each person registered as a holder of WOTSO Shares in the WOTSO Register.

Annexure A – Taxation Implications of the Transaction

1. Introduction

This section provides a summary of the Australian tax implications of the Stapling Proposal for WOTSO Shareholders and the subsequent holding and disposal of Stapled Securities as securityholders (**Securityholders**). The information contained in this section is general in nature and should not be relied on as tax advice. This section is not intended to be a complete statement of the taxation law applicable to the particular circumstances of each WOTSO shareholder or Securityholder. WOTSO Shareholders / Securityholders should obtain their own professional advice on the taxation consequences of participating in the Stapling Proposal and the subsequent holding and disposal of Stapled Securities.

This taxation summary assumes the relevant WOTSO Shareholder / Securityholder:

- is an Australian tax resident; and
- holds its shares in WOTSO / Stapled Securities on capital account (i.e. for investment purposes) and the Australian capital gains tax (CGT) rules apply.

WOTSO Shareholders / Securityholders who are tax residents in a country other than Australia should also take into account the tax consequences of the Stapling Proposal under the tax laws of their country of residence.

The information contained in this section is based on the Australian taxation law in force at the date of this Scheme Booklet. The taxation consequences outlined in this section are subject to changes in the taxation law after the date of this Scheme Booklet.

2. Stapling Proposal

Consolidation of WOTSO Shares

WOTSO Shareholders should have a tax cost base in their pre-existing WOTSO Shares. The tax cost base of those shareholders should be spread across the consolidated WOTSO Shares on a reasonable basis.

Consolidated WOTSO Shares are taken to have been acquired on same date as original shares (for CGT discount purposes). If the original WOTSO Shares had different acquisition dates, then a proportional basis is used (i.e. if 10% of original shares were acquired on an earlier date, 10% of consolidated shares are taken to have been acquired on that date).

Issue of securities in BWR Trust and Planloc to WOTSO Shareholders

Any pre-stapling WOTSO Shareholder will have a nil cost base in the BWR Units and Planloc Shares they receive as part of the Stapling Proposal.

Stapling of securities in BWR Trust, Planloc and WOTSO

Upon stapling of the securities in BWR Trust, Planloc and WOTSO, Securityholders who hold the Stapled Securities will have an interest in each of the individual securities (i.e. BWR Units, Planloc Shares and WOTSO Shares).

Although each Stapled Security cannot be traded separately, each BWR Unit, Planloc Share and WOTSO Share is treated as a separate asset for investors.

3. Holding Stapled Securities

The taxation of distributions will depend upon which entity within the stapled structure is paying it:

- If WOTSO – the distribution will be a dividend, and will be taxed in the same way as any corporate dividend.
- If Planloc - the distribution will be a dividend, and will be taxed in the same way as any corporate dividend.
- If BWR – the distribution is taxed in the same way as a distribution from an attribution managed investment trust (**AMIT**), such that a Securityholder will be taxed on the amount of BWR's taxable income that is attributed to that Securityholder as noted in the attribution managed investment trust member annual statement.

It should be noted that, if the distribution is more than the amount of BWR's taxable income attributed to that Securityholder, the Securityholder will have an AMIT cost base net excess amount on which that Securityholder will be immediately taxable.

4. Disposing of Stapled Securities

Where a Stapled Security is disposed of, the Securityholder is treated as disposing of three separate assets (a share in Planloc, a share in WOTSO and a unit in BWR Trust).

The proceeds a Securityholder receives on disposal of a Stapled Security will need to be apportioned across the three assets on a reasonable basis – a percentage apportionment based on relative net assets will be provided to Securityholders at 6-monthly intervals.

A capital gain should arise to the extent the disposal proceeds exceed the tax cost base. A Securityholder will need to work out their capital gain or loss on each separate component of the Stapled Securities sold by subtracting their tax cost base in each component from the apportioned proceeds.

A Securityholder may be eligible for a CGT discount for CGT assets held over 12 months. The discount percentage is 50% for individuals and trusts, and 33.33% for complying super funds and eligible life insurance companies. In working out whether the CGT discount applies, a Securityholder is treated as having acquired each security on the actual day of acquisition.

For pre-existing WOTSO Shareholders, they will retain the acquisition date of their WOTSO Shares, but will be treated as having acquired their BWR Units and Planloc Shares on the Implementation Date. To the extent a Securityholder makes any CGT gain on the disposal of a Stapled Security within 12 months of the Implementation Date, the CGT discount will not be available to capital gains made on a BWR Unit or Planloc Share but may be available to the extent any gain is made on a WOTSO Share provided the WOTSO Share has been held for 12 months.

5. GST

No GST liability should arise for any WOTSO Shareholder / Securityholder under the proposed transaction steps. GST is not payable on the acquisition, holding or disposal of securities as such supplies should be input taxed, GST-free or outside the scope of GST.

To the extent that a WOTSO Shareholder / Securityholder incurs any GST on costs relating to the receiving, holding or disposing of Securities (such as advisor fees) they may be entitled to input tax credits or reduced input tax credits for such GST, but should seek independent advice in relation to their individual circumstances.

Annexure B – Independent Expert’s Report



WOTSO LIMITED

Financial Services Guide and Independent Expert's Report

November 2020

Overview

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

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17 November 2020

Shareholders
WOTSO Limited
50 Yeo Street
Neutral Bay NSW 2089

Dear Shareholders

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 On 24 July 2020, BlackWall Property Trust ("BWR" or "the Trust") announced that its Directors had resolved to proceed with a transaction comprising the acquisition of WOTSO Limited ("WOTSO") and certain real estate assets currently held by Pelorus Private Equity Limited ("Pelorus"), along with the restructuring of BWR with the intention of forming a stapled security structure. Under the proposed transaction, BWR units would be stapled to shares in WOTSO and the Pelorus real estate assets. The acquisition of WOTSO is to be effected via a scheme of arrangement ("the Scheme").
- 1.2 The parties to the Scheme comprise WOTSO, BlackWall Fund Services Limited as responsible entity of BWR ("BFSL") and Planloc Pty Ltd ("Planloc"), a wholly owned subsidiary of Pelorus. Under the terms of the Scheme Implementation Agreement ("SIA"), WOTSO has entered into the SIA with BWR and Planloc in relation to a proposal to merge with BWR via the Scheme under Section 411 of the *Corporations Act 2001* ("the Act" or "the Corporations Act"). The parties have executed the SIA to give effect to the Scheme if all conditions precedent are satisfied.
- 1.3 Under the terms of the Scheme, WOTSO, BWR and Planloc will undertake a capital reorganisation, resulting in the same number of WOTSO shares, BWR units and Planloc shares on issue at the Scheme implementation date, with all shares and units stapled together to form one stapled group ("Stapled Group" or "WOTSO Property"), with the effect that the Stapled Group will operate as a single economic entity. If the Scheme is implemented, BWR will no longer trade on the ASX as a standalone entity, but will instead trade together with WOTSO and Planloc as WOTSO Property.
- 1.4 The implementation of the Scheme will result in BWR unitholders holding an 87% equity interest in WOTSO and Planloc, and existing WOTSO shareholders ("Shareholders") holding a 13% interest in BWR and Planloc.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

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- 1.5 The Scheme is subject to the Court convening a meeting of Shareholders where they will consider a resolution seeking approval of the Scheme (“Scheme Meeting”). The Scheme Meeting is to be held on or about 22 January 2021 and, under the Act, it will be approved by Shareholders if the resolution is passed by a majority of Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all WOTSO Shareholders who hold WOTSO shares as at the Scheme record date, irrespective of whether or not they voted for the Scheme.
 - 1.6 The Directors of WOTSO have requested RSM Corporate Australia Pty Ltd (“RSM”), being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Shareholders.
 - 1.7 Accordingly, we have prepared this Report for the purpose of stating, in our opinion whether or not the Scheme, and as such the offer under the Scheme, is in the best interests of Shareholders and to set out the reasons for that opinion. Our Report is to be included in the Scheme Booklet and Notice of Meeting to be sent to Shareholders in respect of the Scheme Meeting.
 - 1.8 This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders. The ultimate decision whether to approve the Scheme should be based on each Shareholder’s assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Shareholders should read and have regard to the contents of the Scheme Booklet and Notice of Meeting which have been prepared by the Directors and Management of WOTSO. Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice.

2. Summary and Conclusion

Opinion

- 2.1 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **not fair but reasonable** to Shareholders. Whilst the Scheme Consideration (on a non-controlling basis) is less than the Fair Value of a WOTSO share prior to the Scheme (on a controlling basis), we consider that there are sufficient reasons for security holders to vote in favour of the Scheme in the absence of a higher offer and, as such, that the Scheme is **in the best interests of Shareholders**. A summary of our reasons and the approach we have taken in assessing our opinion is set out in this Section of our Report.

Approach

- 2.2 In assessing whether the Scheme is “in the best interests” of Shareholders, we have considered Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 – Content of expert reports (“RG 111”), which provides specific guidance as to how an expert is to appraise a scheme of arrangement.
- 2.3 Schemes of arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid.

2.4 In effect, the Scheme represents a takeover offer for WOTSO via the acquisition of an 87% interest in the Company by BWR. Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of Shareholders, we have considered whether the Scheme is “fair” to Shareholders by assessing and comparing:

- the Fair Value of a share in WOTSO on a controlling basis prior to the Scheme; with
- the Fair Value of the consideration offered per WOTSO share on a non-controlling basis immediately after the Scheme; and

considered whether the Scheme is “reasonable” to Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to Shareholders, in their decision of whether or not, to approve the Scheme.

2.5 Further information of the approach we have employed in assessing whether the Scheme is in “the best interests” of Shareholders is set out at Section 3 of this Report.

Is the Scheme Fair to Shareholders?

2.6 In assessing whether we consider the Scheme to be fair to Shareholders, we have valued a share in WOTSO on a controlling basis prior to the implementation of the Scheme, and compared it to the value of the consideration offered under the Scheme, being shares and units in the Stapled Group, on a non-controlling basis to determine whether a Shareholder would be better or worse off should the Scheme be approved.

2.7 As set out in paragraph 4.1, under the terms of the Scheme, WOTSO will undertake a share consolidation of approximately 1 share for every 4 currently on issue (rounded), resulting in 20,691,412 shares on issue immediately after the share consolidation. For consistency, our analysis of whether we consider the Scheme to be fair to Shareholders has valued the Fair Value per share prior to the Scheme on a controlling basis after taking into account the impact of the share consolidation.

2.8 The table below sets out our assessment of the Fair Value of a WOTSO share prior to the Scheme on a controlling basis, adjusted for this consolidation ratio compared to the Fair Value of the Scheme Consideration on a non-controlling basis.

	Ref	Low	High	Preferred
Fair Value per share prior to the Scheme (controlling basis) (post consolidation)	Table 21	\$1.31	\$1.38	\$1.35
Fair Value of Scheme Consideration (non-controlling basis)	Table 20	\$1.23	\$1.25	\$1.24

Source: RSM analysis

Table 1: Assessed Fair Value of a WOTSO share prior to the Scheme and the Scheme Consideration

2.9 The above comparison is depicted graphically in the chart below.



Chart 1: Assessed Fair Value of a WOTSO share prior to the Scheme and the Scheme Consideration

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- 2.10 As the Fair Value of the Scheme Consideration (on a non-controlling basis) is less than the Fair Value of a WOTSO share prior to the Scheme (on a controlling basis and post consolidation), and in the absence of any other relevant information, in our opinion, the Scheme is **not fair** to Shareholders.

Is the Scheme Reasonable to Shareholders?

Consideration of other factors relating to Scheme

- 2.11 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. Section 14 of this Report sets out our consideration of other factors relating to the implementation of the Scheme which are likely to be relevant to the decision of Shareholders as to whether or not to approve the Scheme. We set out a summary of these factors below.

Future Prospects of WOTSO if the Scheme is not approved

- 2.12 If the Scheme is not approved by Shareholders, WOTSO will continue in its existing operations. The Directors consider that WOTSO will need to find alternative sources of capital to fund its growth strategy. There is a risk that finding alternative sources of capital could limit the Company's growth potential in the short to medium term, and reduce the chance of dividends being paid in order to retain capital to reinvest in the business.

Advantages of approving the Scheme

- 2.13 The key advantages of the Scheme are:

- WOTSO Shareholders will hold BWR units and Planloc shares and this will have exposure to the benefits of investing in those entities;
- the Directors of WOTSO consider that the Stapled Group will facilitate WOTSO's growth strategy by providing operational efficiencies and alignment of interests with WOTSO's largest landlord, BWR;
- if the Scheme is approved, the Stapled Securities will be traded on the ASX, providing increased liquidity to Shareholders and hence a more efficient market for Shareholders to dispose of their shareholdings;
- WOTSO will have access to listed capital markets for future funding requirements as part of the Stapled Securities traded on the ASX;
- the Scheme will cement WOTSO's relationship with the Company's largest landlord (8 of WOTSO's 17 sites are operated from BWR owned properties); and
- whilst we have assessed the Scheme as a control transaction, we note that the preferred value of the Scheme Consideration on a control basis is \$1.44. Further, whilst entities associated with Joseph Glew will hold a circa 37% relevant interest in the Stapled Group, this may not preclude Shareholders from the opportunity to access a control premium in the future.

Disadvantages of approving the Scheme

- 2.14 The key disadvantages of the Scheme are:

- the Scheme is not fair;
- the dilution of existing WOTSO Shareholders' interests in the Company from 100% to 13%;
- the dilution of Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of WOTSO, including the acceptance or rejection of other takeover or merger proposals;
- upon completion of the Scheme, entities associated with Joseph Glew (which in total currently hold a 17.71% relevant interest in WOTSO), will hold a circa 37.5% relevant interest in the Stapled Group. Consequently, Joseph Glew will have a significant influence on the Stapled Group with the ability to block compulsory acquisitions and special resolutions;

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- the change in the nature and scale of activities of the Stapled Group may not fit the risk or investment profile of Shareholders; and
 - Shareholders may consider that WOTSO will become less attractive to potential buyers due to the stapled nature of WOTSO shares requiring a potential acquirer to also acquire BWR units and Planloc shares.

Alternative proposals and likelihood of an alternative takeover offer

- 2.15 WOTSO has advised us that no formal alternative offers or approaches by potential acquirers have been received prior to the announcement of the Scheme on 24 July 2020.
- 2.16 The alternative to the Scheme is for Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in WOTSO either through maintaining WOTSO as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that Shareholders would be better off under this alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 24 July 2020, we have been advised that no superior offers have been put forward at the date of this Report.

Conclusion

- 2.17 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **reasonable** to Shareholders. Whilst the Scheme Consideration (on a non-controlling basis) is less than the Fair Value of a WOTSO share prior to the Scheme (on a controlling basis), we consider that there are sufficient reasons for security holders to vote in favour of the Scheme in the absence of a higher offer and, as such, that the Scheme is **in the best interests of Shareholders**.
- 2.18 An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, Shareholders should consult an independent advisor.

3. Scope of the Report

Purpose of this Report

- 3.1 The Directors of WOTSO have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Shareholders.

Regulatory guidance

- 3.2 It is relevant to note that the expression “in the best interests” is not defined within either the Act or the Regulations. Therefore, in determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by the ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.
- 3.3 RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction. Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns “in the best interests” with the “fair and reasonable” test. While RG 111 does not define “fair and reasonable” it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the “fair and reasonable” test as two distinct criteria, stating:
- a takeover offer is considered “fair” if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
 - a takeover offer is considered “reasonable” if it is fair or, where the offer is “not fair”, it may still be “reasonable” if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- 3.4 RG 111 contends that if an expert was to conclude that a Scheme is “fair and reasonable” if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

Adopted basis of evaluation

- 3.5 In effect, the Scheme represents a takeover offer for WOTSO via the acquisition of an 87% interest in the Company by BWR. Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of Shareholders, we have considered whether the Scheme is “fair” to Shareholders by assessing and comparing:
- the Fair Value of a share in WOTSO on a controlling basis prior to the Scheme; with
 - the Fair Value of the consideration offered per WOTSO share on a non-controlling basis immediately after the Scheme.
- 3.6 On this basis, if the Fair Value of the consideration offered per WOTSO share immediately after the Scheme is equal to or greater than the Fair Value of a WOTSO share prior to the Scheme, in our opinion, the Scheme would be “fair” and, as such, in the best interests of Shareholders.
- 3.7 Our assessment of the Fair Value of a share in WOTSO has been prepared on a basis which is consistent with the following definition of Fair Value:
- “the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction”

3.8 In assessing whether the Scheme is in the “best interests” of Shareholders, in addition to considering whether or not the Scheme is “fair” to Shareholders, we have also considered whether the Scheme is “reasonable” by undertaking an analysis of the following factors:

- the likelihood of an alternative takeover offer emerging;
- the future prospects of WOTSO if the Scheme is not implemented;
- qualitative factors, advantages and disadvantages of the Scheme to Shareholders; and
- the liquidity the Scheme provides.

3.9 Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

4. Summary of the Scheme

Overview

4.1 Under the terms of the Scheme, the ownership structure of the Stapled Group will be effected via a capital reorganisation as follows:

- at the date of this Report, WOTSO has 81,068,581 shares on issue and will undertake a share consolidation of approximately 1 share for every 4 currently on issue (rounded), resulting in 20,691,412 shares on issue immediately after the share consolidation. The share consolidation will be followed by the issue of 142,150,000 new ordinary shares to BWR unitholders, resulting in BWR unitholders holding an 87% interest in WOTSO, and WOTSO having a total of 162,841,412 shares on issue upon implementation of the Scheme;
- BWR currently has 142,150,000 units on issue and will issue an additional 20,691,412 new units to WOTSO Shareholders, resulting in Shareholders holding a 13% interest in BWR, and BWR having 162,841,412 units on issue upon implementation of the Scheme;
- Planloc currently has 4 shares on issue, all of which are held by Pelorus. Planloc will undertake a share split resulting in 142,150,000 shares on issue immediately after the share split, and will issue an additional 20,691,412 shares to WOTSO Shareholders. Consistent with WOTSO and BWR, Planloc will have 162,841,412 shares on issue upon implementation of the Scheme; and
- as part of the Scheme, Pelorus will transfer 142,150,000 Planloc shares to BFSL, which will in turn, transfer the Planloc shares to each BWR unitholder, such that for every BWR unit held by a unitholder, an existing Planloc share will be transferred to them.

4.2 The effect of the above capital reorganisation will result in the same number of WOTSO shares, BWR units and Planloc shares on issue upon implementation of the Scheme (being 162,841,412 shares/units), with all shares and units stapled together to form the Stapled Group.

4.3 Upon the implementation of the Scheme, BWR unitholders will hold an 87% interest in WOTSO and Planloc and existing WOTSO Shareholders will hold a 13% interest in BWR and Planloc.

4.4 The Scheme has been structured based on an expected net tangible asset position of BWR at 28 February 2020 of \$206.1m which is based upon assumptions in relation to expected half year distributions and income and expenditure to February 2021.

Key conditions of the Scheme

4.5 The implementation of the Scheme is subject to a number of Conditions Precedent. The Conditions Precedent which must be satisfied or waived are:

- (a) **Regulatory Approvals:** before 8.00 am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals as are necessary or which the parties agree are necessary or desirable to implement

the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00 am on the Second Court Date.

- (b) **Admission of Stapled Group:** the stapled group comprising WOTSO, BWR and Planloc must be approved for admission to the official list of the ASX (subject to customary listing conditions).
- (c) **Quotation of Stapled Securities:** ASX has indicated in writing that it will grant permission for the quotation of the Stapled Securities (subject only to customary pre-quotation listing conditions).
- (d) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of WOTSO Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00 am on the Second Court Date.
- (e) **Shareholder approval for Scheme:** WOTSO Shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act.
- (f) **Shareholder approval for Supporting Resolutions:** WOTSO Shareholders approve each of the Supporting Resolutions by the requisite majorities in accordance with the Corporations Act.
- (g) **Unitholder approval for BWR Resolution:** BWR Unitholders approve the BWR Resolution by the requisite majorities in accordance with the Corporations Act.
- (h) **Shareholder approval for Planloc Resolutions:** Planloc Shareholders approve each of the Planloc Resolutions by the requisite majorities in accordance with the Corporations Act.
- (i) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, and grants the Second Judicial Advice.
- (j) **Stapling Deed:** the Stapling Deed has been executed to take effect on the Implementation Date.
- (k) **Management Deed:** the Management Deed has been executed to take effect on the Implementation Date.
- (l) **No regulatory intervention:** no Court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or other imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8.00 am on the Second Court Date.
- (m) **No WOTSO Prescribed Occurrence:** no WOTSO Prescribed Occurrence occurs between the date of the SIA and 8.00 am on the Second Court Date.
- (n) **No BWR Prescribed Occurrence:** no BWR Prescribed Occurrence occurs between the date of the SIA and 8.00 am on the Second Court Date.
- (o) **No Planloc Prescribed Occurrence:** no Planloc Prescribed Occurrence occurs between the date of the SIA and 8.00 am on the Second Court Date.
- (p) **WOTSO Representations and Warranties:** the WOTSO Representations and Warranties are true and correct in all material respects at all times between the date of the SIA and as at 8.00 am on the Second Court Date, except where expressed to be operative at another date.
- (q) **BWR Representations and Warranties:** the BWR Representations and Warranties are true and correct in all material respects at all times between the date of the SIA and as at 8.00 am on the Second Court Date, except where expressed to be operative at another date.
- (r) **Planloc Representations and Warranties:** the Planloc Representations and Warranties are true and correct in all material respects at all times between the date of the SIA and as at 8.00 am on the Second Court Date, except where expressed to be operative at another date.

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- (s) **No change of WOTSO Board recommendation:** between the date of the SIA and the date of the Scheme Meeting, none of the Directors of WOTSO changing, qualifying or withdrawing their unanimous recommendation to WOTSO Shareholders to vote in favour of the Scheme, which recommendation may be expressed to be given subject to the Independent Expert opining that the Scheme is in the best interests of the WOTSO Shareholders.

4.6 Defined terms as set out in the Conditions Precedent have the same meaning as defined in the SIA and the Scheme Booklet.

5. Profile of WOTSO Limited

Overview

- 5.1 WOTSO commenced operations in 2014 through WOTSO Workspace Pty Ltd, a subsidiary of ASX-listed BlackWall Limited (ASX:BWF) ("BlackWall" or "BWF"). WOTSO Limited was incorporated by BlackWall in 2019 to carry on the WOTSO business. The Company demerged from BWF on 8 January 2020 and is currently an unlisted public company.
- 5.2 WOTSO operates flexible workspaces, largely targeted towards small to medium enterprises in suburban or regional locations. The Company commenced operations with 2 sites in Sydney and has since grown to operate 16 flexible workspaces across Australia, and 1 in Malaysia.
- 5.3 Circa 70% of WOTSO's revenue is derived from private offices on monthly terms, with the remainder being memberships in open plan coworking environments, events, meeting rooms and other additional services. The majority of members sign on a month to month basis and payment is made by credit card or direct debit monthly in advance. The Company provides flexible terms for the length of memberships.
- 5.4 As at the date of this Report, WOTSO had a total of 17 sites, with a desk capacity of just over 5,200 and occupancy rates of circa 64%. The locations of the WOTSO sites are set out below.

NSW	QLD	ACT	SA	TAS	Asia
Bondi Junction	Sunshine Coast	Dickson	Adelaide	Hobart	Malaysia
Manly	Gold Coast	Symonston			
Neutral Bay	Chermside	Woden			
North Strathfield	Fortitude Valley				
Penrith					
Pymont					
Zetland					

Table 2: WOTSO locations

- 5.5 WOTSO leases each of the sites that the business operates in (with each lessee being wholly owned entities of WOTSO).

Directors and management

- 5.6 The current directors and key management personnel of WOTSO are summarised below:

- Mr Joseph Glew (Non-Executive Director and Chairman);
- Mr Timothy Brown (Executive Director and Interim Joint Managing Director);
- Ms Jessica Glew (Executive Director and Interim Joint Managing Director); and
- Mr Alex Whitelum (Company Secretary).

If the Scheme is implemented, the Stapled Group's board of directors will comprise BWR's board of directors set out in paragraph 6.16.

Financial Performance

- 5.7 The following table sets out a summary of the consolidated financial performance of WOTSO for the years ended 30 June 2019 ("FY19") and 30 June 2020 ("FY20") extracted from the audited financial statements of the Company and the 4 months ended 31 October 2020 ("PE21") extracted from the unaudited management accounts of the Company. Although WOTSO demerged from BWF on 8 January 2020, the financial statements for FY20 included the full year results for the WOTSO group, together with the prior year comparatives for FY19. Prior to the issue of the FY20 financial statements, WOTSO's financial results were reported as a segment within BWF's financial statements.

WOTSO Limited Historical Financial Performance	Note	FY19 \$'000	FY20 \$'000	PE21 \$'000
Revenue				
Revenue from WOTSO members	5.8.1	7,888	8,854	4,265
Franchise fees	5.8.1	-	351	35
Government assistance – COVID	5.9	-	408	413
Capital works incentive – North Strathfield	5.10, 5.11	-	183	-
Yuhu incentive	5.10, 5.11	-	-	97
Virtual office income		-	-	64
Management agreements	5.14	706	-	-
Total revenue		8,594	9,796	4,874
Expenses				
Rent waivers - COVID		-	671	312
Rent expenses	5.15, 5.16	(3,394)	-	(35)
Staff costs		(1,527)	(2,961)	(1,015)
Other operating expenses		(2,273)	(3,468)	(1,378)
Total operating expenses		(7,194)	(5,758)	(2,116)
Operating profit		1,400	4,038	2,758
Depreciation – fit-out		(622)	(1,502)	(760)
Depreciation – right of use asset	5.15, 5.16	-	(8,551)	(2,496)
Interest – right of use lease liability	5.15, 5.16	-	(2,133)	(488)
Share of profit / (loss) from UEM Joint Venture	5.17	(66)	-	-
Gain on North Strathfield lease modifications	5.13	-	661	-
Write-off of North Strathfield fit-out	5.12, 5.13	-	(2,904)	-
Impairment of goodwill - Bondi	5.18	-	(162)	-
Impairment of loan - UEM Joint Venture	5.17	-	(338)	-
Profit / (loss) before income tax		712	(10,891)	(986)
Income tax expense		(214)	-	-
Profit / (loss) from continuing operations		498	(10,891)	(986)
Loss from discontinued operations	5.8.1	(132)	-	-
Profit / loss for the year	5.19	366	(10,891)	(986)

Source: Audited financial statements for FY19 and FY20 and unaudited management accounts for PE21

Table 3: WOTSO historical financial performance

- 5.8 We make the following comments in relation to the changes in WOTSO's operations that have impacted the presentation of the historical financial performance for PE21, FY20 and FY19 as set out in Table 3 above:
- 5.8.1 during the second half of FY20, WOTSO changed its operational structure from operating five BWR leases under a franchise agreement (with net franchise fees received) to operating the majority of its sites under lease agreements; and
- 5.8.2 the Company adopted AASB 16 Leases ("AASB 16") during FY20 with the impact to the presentation of the financial performance discussed in further detail at paragraphs 5.15 to 5.16.

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- 5.9 WOTSO recognised income in relation to the Federal Government's COVID-19 economic stimulus totalling \$408k in FY20 comprising JobKeeper wage subsidy and Cash Flow Boost income of \$345k and \$63k, respectively. Subsequent to 30 June 2020, WOTSO was deemed ineligible for the cash flow boost by the Australian Taxation Office, and the \$63k income and receivables related to this amount has been reversed in the period post 30 June 2020. WOTSO recognised further JobKeeper wage subsidies in PE21.
- 5.10 The Company also recognised capital works incentive income of \$183k for FY20 relating to its North Strathfield lease (comprising separate Coworking, Office and Expansion leases). WOTSO is currently in negotiations with its North Strathfield landlord, Yuhu Group ("Yuhu"), to reduce the three leases. WOTSO is retaining the Coworking and Expansion leases, with WOTSO office members commencing the move to the Expansion lease area in September 2020. During FY20, WOTSO and Kirela Development Unit Trust ("Kirela") (formerly a wholly-owned subsidiary of BWF and acquired by WOTSO on 30 June 2020), completed works required to receive a \$5m incentive from Yuhu. Kirela was the long-term holder of the property precinct known as the Bakehouse Quarter at North Strathfield before it was sold to the Yuhu Group in April 2019.
- 5.11 This \$5m incentive included a set-off clause, meaning this payment could be set-off against future lease payments and other amounts due to Yuhu instead of being received as a cash lump-sum. WOTSO expects to use the remaining incentive available against future Expansion lease payments to cover the rent up until December 2021.
- 5.12 As at 30 June 2020, WOTSO disposed of the Office lease and remeasured the Expansion lease to reflect the additional rent holiday of which \$183k was recognised as the capital works incentive income above.
- 5.13 The carrying value of the fit-out allocated to the lease area being terminated of \$2.9m was written off, and in accordance with AASB 16 *Leases* ("AASB 16"), the Office lease termination was accounted for by removing the relevant right of use asset and liability, with the difference of \$661k being recognised as a gain through the profit or loss.
- 5.14 Management fee income of \$706k recognised in FY19 relates to income for management of a BWR site.
- 5.15 WOTSO adopted AASB 16 from 1 July 2019 using the modified retrospective approach and accordingly, the comparative financial performance for FY19 has not been restated. On adoption of AASB 16, WOTSO recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities at 1 July 2019 was 3.75%. Right of use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised on the balance sheet at 30 June 2019.
- 5.16 As a result of the adoption of AASB 16, the Company recognised depreciation on right of use assets and interest and interest on right of use liabilities of \$8.6m and \$2.1m, respectively, and \$nil rent expenses under operating expenses for FY20.
- 5.17 WOTSO operates a 50% joint venture with UEM Sunrise WOTSO Malaysia Sdn Bhd ("UEM Joint Venture") in relation to the Company's co-workspace operations located in Kuala Lumpur, Malaysia. The investment is accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures* ("AASB 128"). During FY20, WOTSO assessed the recoverability of its loan of \$338k to the UEM Joint Venture as being at risk, resulting in the impairment of the full amount. The Company also recognised its share of losses from the UEM Joint Venture of \$66k during FY19 limited to WOTSO's capital contribution made.
- 5.18 On 1 July 2019, WOTSO took over control of WOTSO Bondi Junction Pty Ltd ("WOTSO Bondi"), which was previously operated under a management agreement. Under this agreement, WOTSO managed the property on behalf of the lessee and took a share of revenue as management fees. However, on 1 July 2019, WOTSO took over this lease and the management agreement ceased. This was treated as a business combination under AASB 3 *Business Combinations* ("AASB 3") and 100% of WOTSO Bondi was consolidated in the Company's financial statements from 1 July 2019. WOTSO Bondi was in a net liability position at acquisition date and was purchased for \$nil consideration, with net liabilities of \$162k written off in FY20 and disclosed as an impairment of goodwill expense.

5.19 WOTSO disclosed losses for the year of \$10.9m for FY20 compared to profits of \$366k for FY19. The losses for FY20 compared to FY19 have primarily been attributed to COVID-19 related occupancy reductions in March to July 2020, as well as to operating losses incurred from the commencement of three new sites during FY20 (due to the nature of losses being incurred during the start-up phase of new sites until occupancy matures). Further, the application of AASB 16 resulted in higher total expenses being recognised, totalling \$9.4m and comprising depreciation on right of use assets, interest on right of use liabilities and gains recognised on lease modifications, than would have been recognised as a rental expense under the previous accounting standard of AASB 117 which would have totalled \$5.6m. Accordingly, the application of AASB 16 resulted in an additional \$3.8m loss disclosed for FY20.

Historical growth rates

5.20 The Company's operating income is driven by the occupancy rates of each site which are analysed below.

Historical occupancy rates

5.21 The charts below set out the portfolio and individual historical occupancy rates of each of the 16 sites operating in Australia. The Malaysian site is currently run under the UEM Joint Venture and is accounted for using the equity method. The following charts do not include occupancy rates and revenue attributable to the Malaysian site.

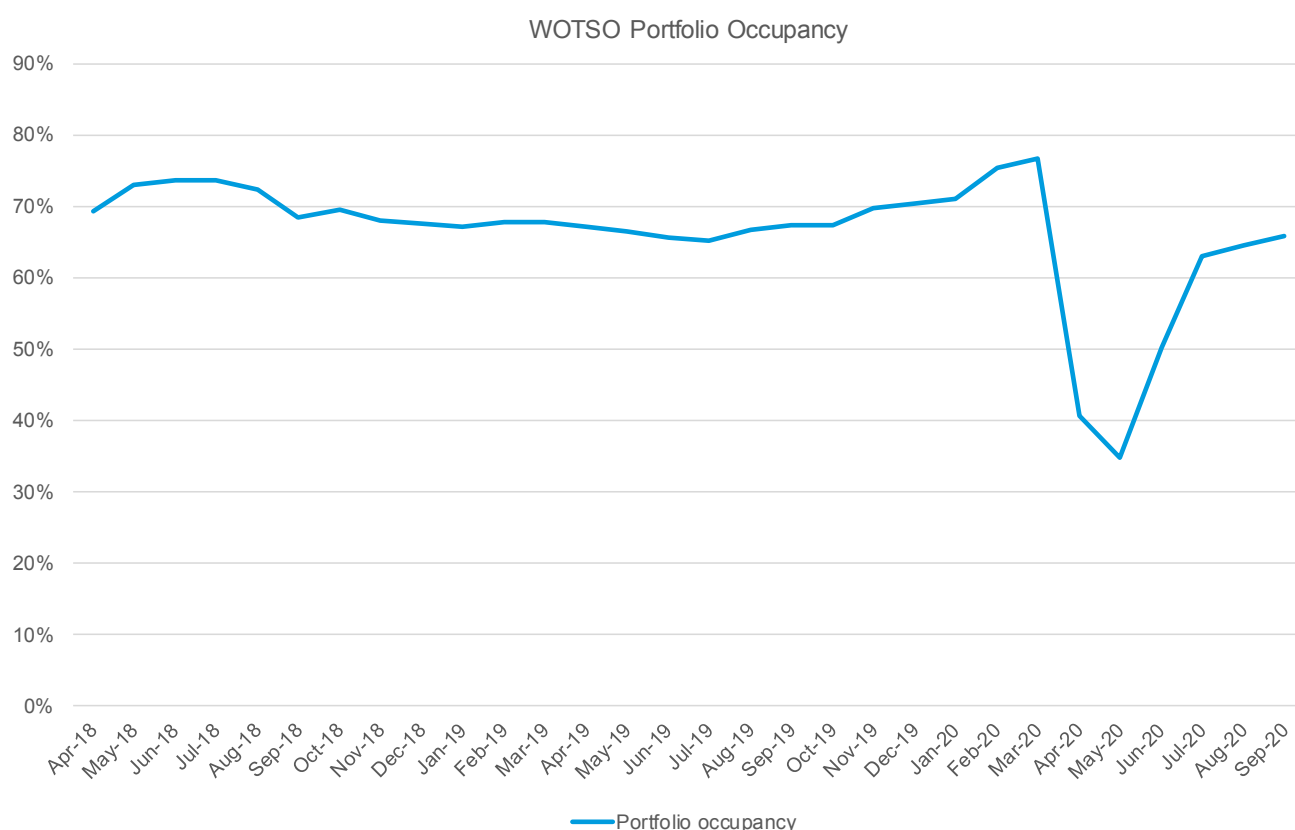


Chart 2: WOTSO historical portfolio occupancy rates

Historical annualised turnover and monthly annual turnover

5.22 The chart below sets out the Company's historical monthly annualised turnover and the turnover on a running last 12 month (LTM) basis for the period 1 July 2015 to 30 September 2020.

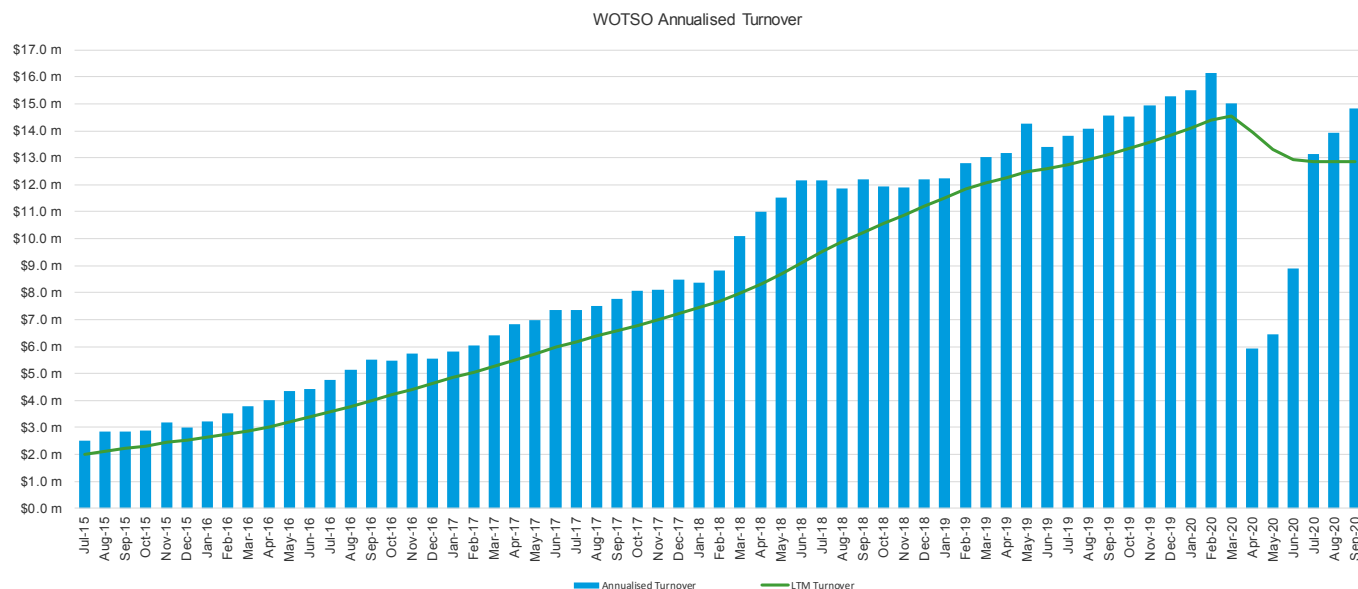


Chart 3: WOTSO historical monthly annualised turnover and running LTM turnover

- 5.23 As set out in the chart above, revenue for the LTM to 30 September 2020, comprising revenue attributable to each of the 16 Australian leases, totalled \$12.9m.
- 5.24 Monthly revenue had increased from circa \$1.01m for July 2018 to \$1.34m for February 2020, resulting in implied annualised turnover of \$12.1m and \$16.1m, respectively.
- 5.25 Monthly turnover declined to \$493k and \$537k for April and May 2020, respectively due to the negative impact of the COVID-19 pandemic on occupancy rates. Thereafter, monthly revenue has slowly increased and totalled \$1.2m for September 2020. This resulted in annualised total revenue based on September 2020 revenue of \$14.8m.

Financial Position

5.26 The table below sets out a summary of the consolidated financial position of WOTSO as at 30 June 2019, 30 June 2020, extracted from the audited financial statements of the Company and the consolidated financial position of WOTSO as at 31 October 2020, extracted from the unaudited management accounts of the Company.

WOTSO Limited Historical Financial Position	Note	As at 30-Jun-19 \$'000	As at 30-Jun-20 \$'000	As at 31-Oct-20 \$'000
Current assets				
Cash and cash equivalents		50	695	184
Trade and other receivables	5.29	125	410	375
Lease incentive receivable – Yuhu	5.30	-	1,419	1,517
Provision for lease incentive – Yuhu	5.30	-	(582)	(582)
Total current assets		175	1,942	1,494
Non-current assets				
Lease rental deposits		220	528	1,077
Internal software development	5.31	173	435	13,015
Property, plant and equipment	5.32	5,232	11,233	
Right of use asset	5.33	-	34,827	34,932
Deferred tax asset		23	-	-
Loan - UEM Joint Venture		802	-	-
Total non-current assets		6,450	47,023	49,024
Total assets		6,625	48,965	50,518
Current liabilities				
Trade and other payables	5.34	807	1,628	2,092
Rent payable – North Strathfield	5.30	-	838	935
Loans payable – related party	5.35	1,167	2,000	2,400
Deferred revenue – COVID member credits		60	216	243
Deferred lease payments – COVID	5.36	-	82	82
Employee provisions		83	173	210
Tenant deposits		150	109	133
Right of use lease liabilities	5.33	-	5,773	7,085
Total current liabilities		2,267	10,819	13,180
Non-current liabilities				
Deferred lease payments – COVID	5.36	-	330	748
Make good provisions	5.37	-	1,369	1,381
Employee provisions		-	3	3
Right of use lease liabilities	5.33	-	31,435	31,268
Total non-current liabilities		-	33,137	33,400
Total liabilities		2,267	43,956	46,580
Net assets	5.27, 5.28	4,358	5,009	3,938
Share capital	5.27	60	11,602	11,602
Retained earnings	5.27	4,298	(6,593)	(7,664)
Total equity	5.27, 5.28	4,358	5,009	3,938

Source: Audited financial statements for FY19 and FY20 and unaudited management accounts for PE21

Table 4: WOTSO historical financial position

5.27 At 30 June 2020, the Company disclosed net assets of \$5.0m compared to \$4.4m at 30 June 2019. The increase of \$651k in net assets was due to the following:

- the demerger from BWF in January 2020 resulting in an increase in share capital of \$8.0m comprising the conversion of \$5.0m of loans from BWF that were converted to equity at demerger and a further capital raise of \$3.0m;
- private placements to raise a further \$3.5m post-demerger; and
- offset by losses disclosed for FY20 of \$10.9m.

-
- 5.28 As at 31 October 2020, the Company disclosed net assets of \$3.9m, with the reduction in assets compared to 30 June 2020, primarily as a result of the losses disclosed for PE21.
- 5.29 At 30 June 2020 and 31 October 2020, trade and other receivables primarily comprised amounts due from WOTSO members, GST receivable and JobKeeper wage subsidy amounts receivable. A receivable of \$63k relating to the Cash Flow Boost from the Federal Government's COVID economic stimulus was also included in trade and other receivables (refer paragraph 5.9).
- 5.30 Lease incentive receivables, provision for lease incentive payable by Yuhu and rent payable due to Yuhu in relation to the North Strathfield lease relate to the lease modifications and incentive receivable from Yuhu adjusted for the set-off clauses as set out in paragraphs 5.10 to 5.13.
- 5.31 Capitalised costs in relation to internal software development relate to costs incurred to develop WOTSO's internal software used in operation of all WOTSO sites. The software functionality covers billing, meeting room bookings, interaction with members and customer relationship management (CRM) functionality.
- 5.32 Property, plant and equipment comprises of office fit-out and office equipment. The increase at 30 June 2020 compared to 30 June 2019 was due primarily to additions of \$11.7m recognised during FY20, offset by depreciation expense, disposals and asset write-offs totalling \$6.7m. The additions primarily related to the opening of three new sites in FY20 comprising Manly and Zetland in NSW and Woden in ACT, and the expansion and refurbishment of a number of existing sites including Dickson and Symonston (ACT), and Fortitude Valley (QLD).
- 5.33 Right of use assets and liabilities were recognised in accordance with the Company's adoption of AASB 16 as set out in paragraph 5.15.
- 5.34 Trade and other payables of \$1.6m as at 30 June 2020 comprised trade payables due to related parties and third parties of \$292k and \$951k, respectively, and sundry payables and accrued expenses of \$385k. The increase in trade and other payables at 30 June 2020 and 31 October 2020 was attributed primarily to an overall increase in workspace sites during FY20 and PE21.
- 5.35 Related party loans of \$2.0m and \$2.4m at 30 June 2020 and 31 October 2020, respectively (2019: \$1.2m) comprise of amounts due to BWF.
- 5.36 The Federal Government mandated a code of conduct between commercial landlords and their tenants as part of its response to negative economic conditions arising from the COVID-19 pandemic. This code of conduct mandated that lessors provide rent relief to any commercial tenant significantly impacted by the pandemic. Deferred lease payments relate to rent deferrals received by WOTSO and are recognised as a deferred rent liability.
- 5.37 Non-current make good provisions of \$1.4m at 30 June 2020 and 31 October 2020 related to estimated costs required to return leased property to the state required by the lease.

Capital Structure

5.38 As at 1 October 2020, WOTSO had 81,068,581 ordinary shares on issue, of which 76.2% were held by the top 20 shareholders. The top 20 shareholders are set out in the table below.

WOTSO Limited Shareholder	Number	%
BlackWall Limited	10,519,241	13.0%
Pelorus Private Equity Limited	6,488,723	8.0%
Vintage Capital Pty Limited	5,329,943	6.6%
National Nominees Limited	5,302,895	6.5%
Seno Management Pty Ltd (Seno Super Fund A/c>	5,300,000	6.5%
Lymkeesh Pty Ltd	4,304,742	5.3%
Frogstorm Pty Ltd <Rockahula A/c>	3,900,000	4.8%
Sandhurst Trustees Ltd	2,762,000	3.4%
Glenahilty Pty Ltd	2,724,515	3.4%
Koonta Pty Ltd	2,250,985	2.8%
Sao Investments Pty Ltd	2,225,000	2.7%
Truebell Capital Pty Ltd	2,218,917	2.7%
Kiut Investments Pty Ltd	1,771,175	2.2%
Pinnatus Pty Ltd	1,178,434	1.5%
Mr Richard Hill & Mrs Evelyn Hill	1,151,295	1.4%
Mr Archibald Geoffrey Loudon	986,973	1.2%
Methuselah Capital Management Pty Ltd	939,263	1.2%
Frolic Events Pty Ltd	896,537	1.1%
Tampopo Pty Ltd	777,983	1.0%
Frogstorm Pty Ltd <Bossanova Superfund A/c>	708,338	0.9%
	61,736,959	76.2%
Other Shareholders	19,331,622	23.8%
Total	81,068,581	100.0%

Source: WOTSO share registry at 1 October 2020

Table 5: WOTSO shareholder summary

Share price performance

5.39 WOTSO demerged from BWF on 8 January 2020 and is currently an unlisted public company. Accordingly, an analysis of share trading is not relevant for our analysis.

5.40 However, we have had regard to the private placement undertaken by WOTSO in early 2020 post the demerger, raising \$3.5m at approximately \$0.47 per share.

6. Profile of BlackWall Property Trust

Overview

- 6.1 BWR is an ASX-listed real estate investment trust with operations based in Neutral Bay, NSW. The trust was registered as a managed investment scheme on 7 July 2004 and was admitted to the official list of the ASX on 28 October 2011 under its previous name, P-REIT.
- 6.2 On 11 May 2012, BlackWall Fund Services Limited (BFSL), the wholly owned subsidiary of ASX-listed BlackWall Limited (BlackWall), was appointed as the responsible entity for BWR. BWR changed its name to BlackWall Property Trust on 7 July 2014.

Business Activities

- 6.3 BWR is a real estate investment trust with commercial, retail and industrial property interests. As at the date of this Report, BWR's investment portfolio comprised of 11 properties as set out below. The majority of BWR's investments are 100% owned, but the Pymont and Villawood properties are held indirectly via joint venture positions in unlisted funds.

QLD	NSW	ACT	SA	TAS
Fortitude Valley	Pymont	Dickson	Adelaide	Hobart
Varsity Lakes	Villawood	Symonston		
Sippy Downs				
Yandina				
Toowoomba				

Table 6: BWR property investment portfolio

- 6.4 The above properties are discussed in greater detail below.

Fortitude Valley, QLD

- 6.5 This property is located at 76-84 Brunswick Street and is a corner property with development potential comprising two adjacent buildings. The property's net lettable area is 2,400m². The site is undergoing redevelopment to accommodate service-based uses on the ground floor and WOTSO on level 1.

Varsity Lakes, QLD

- 6.6 Located at 194 Varsity Parade, this property is a four storey office building with net lettable area of 5,000m². Major tenants include WOTSO and Coral Homes and includes a gym, childcare centre, café and office tenants.

Sippy Downs, QLD

- 6.7 This property comprises a mixed-use commercial centre located at 30 Chancellor Village Boulevard with tenants including a gym, car detailer, other bulky goods tenants, and WOTSO. The property's net lettable area is 9,500m².

Yandina, QLD

- 6.8 This industrial property located at 54 Pioneer Road is a purpose built printing facility leased to News Limited. The property's net lettable area is 9,100m² and houses News Limited's main printing press service in Southeast Queensland.

Toowoomba, QLD

6.9 This industrial property located at 52 Industrial Avenue has a net lettable area of 4,200m².

Pymont, NSW (46% interest)

6.10 This property located at 55 Pymont Bridge Road is a seven storey mixed use building covering net lettable area of 15,000m². Major tenants include Verizon, IAG and WOTSO. BWR holds a 46% interest in the Pymont property as at the date of this Report.

Villawood, NSW (46% interest)

6.11 This property located at 850 Woodville Road in an entertainment precinct in Sydney's west covering net lettable area of 9,400m². The property is occupied by eight tenants including Zone Bowling, Flip Out and Sydney Indoor Climbing Gym. At the date of this Report, BWR and Planloc hold a 46% and 49% interest in the Villawood property, respectively.

Dickson, ACT

6.12 This commercial property located at 490 Northbourne Avenue is a seven storey building with net lettable area of 8,000m². The majority of the property (70%) is leased to WOTSO.

Symonston, ACT

6.13 This commercial property located at 10-14 Wormald Street was formerly the Canberra Eye Hospital. It is now 50% leased by WOTSO, with the remainder of the building leased to conventional office tenants. The property's net lettable area is 2,700m².

Adelaide, SA

6.14 This commercial property located at 217-221 Flinders Street comprises two adjacent buildings on the fringe of the Adelaide CBD with a net lettable area of 4,300m². The property at 217 Flinders Street is a WOTSO coworking space. 221 Flinders Street was recently acquired and is currently being converted for commercial space.

Hobart, TAS

6.15 This commercial property located at 162 Macquarie Street is a six storey office building in Hobart's CBD. The property's net lettable area is 3,500m² and WOTSO and RGIT are the anchor tenants.

Directors and management

6.16 The directors and key management of BWR comprise the following:

- Mr Timothy Brown (Joint Managing Director and Chief Financial Officer);
- Ms Jessica Glew (Joint Managing Director and Chief Operating Officer);
- Mr Joseph Glew (Non-Executive Director and Chairman);
- Mr Richard Hill (Non-Executive Director);
- Mr Robin Tedder (Non-Executive Director); and
- Mr Alex Whitelum (Company Secretary and Fund Manager).

Financial Performance

- 6.17 The following table sets out a summary of the consolidated financial performance of BWR for the years ended 30 June 2018 (FY18), 30 June 2019 (FY19) and 30 June 2020 (FY20), extracted from the audited financial statements of BWR and the 4 months ended 31 October 2020 (PE21), extracted from the unaudited management accounts of BWR.

BlackWall Property Trust Historical Financial Performance	Note	FY18 \$'000	FY19 \$'000	FY20 \$'000	PE21 \$'000
Revenue					
Property income	6.18, 6.19	19,075	25,143	24,020	7,320
Net gain / (loss) on assets	6.20, 6.21	20,457	10,816	19,313	(200)
Gain / (loss) on sale of assets		(8)	(807)	4	-
Other income		4	-	-	-
Total revenue		39,528	35,152	43,337	7,120
Expenses					
Property outgoings		(6,025)	(9,472)	(7,194)	(1,505)
Administration expenses		(1,920)	(2,677)	(3,355)	(1,360)
Total operating expenses	6.22	(7,945)	(12,149)	(10,549)	(2,865)
EBITDA		31,583	23,003	32,788	4,255
Finance costs		(4,133)	(5,026)	(2,615)	(734)
Interest income		19	375	648	224
Depreciation and amortisation expenses		(4,421)	(5,375)	(6,961)	-
Profit for the year	6.23	23,048	12,977	23,860	3,745
Profit and other comprehensive income attributable to:					
Owners of the Trust	6.23	17,985	4,393	7,397	2,663
Non-controlling interests		5,063	8,584	16,463	1,082
		23,048	12,977	23,860	3,745

Source: Audited financial statements for FY19 and FY20 and unaudited management accounts for PE21

Table 7: BWR historical financial performance

- 6.18 Property income decreased 4% from \$25.1m in FY19 to \$24.0m for FY20. The decrease was primarily attributed to the negative impact of the COVID-19 pandemic during FY20. Property income for the 4 months to 31 October 2021 continued to be negatively impacted by the COVID-19 pandemic and amounted to \$7.3m (\$22.0m annualised).
- 6.19 The Government issued a mandatory code of conduct between landlords and qualifying tenants for commercial properties requiring rent relief to be provided to tenants in proportion to their turnover decline with at least half of this relief to be given in the form of a rent waiver and the remainder as a deferral of rent. As a result, BWR waived \$713k of rent from March to June 2020, which represented a reduction of 15% in rent for that period. Deferred rent receivable of \$513k was recorded as a receivable on the balance sheet at 30 June 2020 and 31 October 2020 and is expected to be recovered over the term of the lease or 2 years, whichever is greater.
- 6.20 Net gain on assets primarily reflected the net gain on the fair value of BWR's property investment portfolio based on independent valuations performed at each reporting period. The financial statements noted that there was a level of uncertainty regarding the ultimate impact of the COVID-19 pandemic on BWR's property valuations. The effects of the pandemic were reflected by various assumptions used by the independent valuers at 30 June 2020 including yield, discount rates and market rent. However, based on the independent property valuations, BWR recognised a net gain on the fair value of its property investment portfolio of \$19.0m, together with a net gain on the fair value of interest rate hedges of \$282k for FY20.
- 6.21 The net gain in relation to BWR's property investment portfolio of \$19.0m for FY20 was primarily attributable to a \$22.7m net gain on the assessed fair value of the Pymont property in NSW. BWR recognised net losses in relation to the Hobart, Adelaide, Toowoomba, Fortitude Valley and Sippy Downs properties for FY20.

6.22 Operating expenses comprised property outgoings and administration expenses. Administration expenses comprised responsible entity fees and compliance expenses such as listing and registry.

6.23 BWR disclosed profits for the year of \$23.0m, \$13.0m, \$23.9m and \$3.7m for FY18, FY19, FY20 and PE21, respectively, with profit attributable to the owners of the Trust of \$18.0m, \$4.4m, \$7.4m and \$2.7m for FY18, FY19, FY20 and PE21, respectively, noting that depreciation has not been charged for PE21.

Financial Position

6.24 The table below sets out a summary of the consolidated financial position of BWR as at 30 June 2018, 30 June 2019, 30 June 2020 and 31 October 2020.

BlackWall Property Trust Historical Financial Position	Note	As at 30-Jun-18 \$'000	As at 30-Jun-19 \$'000	As at 30-Jun-20 \$'000	As at 31-Oct-20 \$'000
Current assets					
Cash and cash equivalents		1,083	9,719	16,192	5,301
Trade and other receivables	6.27	115	559	921	1,051
Financial asset		-	2,000	2,000	2,762
Prepayments		-	-	97	-
Borrowing costs		131	32	42	42
Property, plant and equipment		-	-	62	62
Loan portfolio		-	17,180	22,383	29,576
Bakehouse Quarter investment		36,133	-	-	-
Total current assets		37,462	29,490	41,697	38,794
Non-current assets					
Deferred rent receivable	6.28	-	-	531	740
Financial asset	6.29	-	6,000	6,000	6,000
Property investment portfolio	6.30	235,350	281,080	298,100	298,947
Total non-current assets		235,350	287,080	304,631	305,687
Total assets		272,812	316,570	346,328	344,481
Current liabilities					
Trade and other payables		1,471	4,276	1,756	1,357
Other liabilities		713	572	351	351
Borrowings	6.31	53,882	57,000	47,000	47,000
Interest rate hedges		255	282	-	-
Total current liabilities		56,321	62,130	49,107	48,708
Non-current liabilities					
Borrowings	6.31	65,000	-	40,000	40,000
Interest rate hedges		57	-	-	-
Total non-current liabilities		65,057	-	40,000	40,000
Total liabilities		121,378	62,130	89,107	88,708
Net assets	6.25, 6.26	151,434	254,440	257,221	255,773
Issued capital		136,036	254,710	246,576	246,576
Accumulated losses		(33,040)	(35,311)	(37,521)	(39,834)
Attributable to Owners of the Trust		102,996	219,399	209,055	206,742
Non controlling interests		48,438	35,041	48,166	49,031
Total equity	6.25, 6.26	151,434	254,440	257,221	255,773

Source: Audited financial statements for FY19 and FY20 and unaudited management accounts for PE21

Table 8: BWR historical financial position

6.25 As at 30 June 2020, BWR disclosed net assets of \$257.2m compared to \$254.4m and \$151.4m as at 30 June 2019 and 30 June 2018, respectively. The increase in net assets at 30 June 2020 compared to 30 June 2019 was due to total comprehensive income for FY20 of \$23.9m, offset by distributions paid, on market buy-back of BWR units, transaction costs and purchase of additional non-controlling interest shares of \$11.2m, \$8.0m, \$124k and \$1.8m, respectively. As at 31 October 2020, BWR disclosed net assets of \$255.8m a marginal decrease compared to 30 June 2020 as a result of the profit for the 4 months, offset by distributions paid.

6.26 The increase in net assets at 30 June 2019 of \$254.4m compared to \$151.4m at 30 June 2018 was due to total comprehensive income for FY19 of \$13.0m, the issue of units and an increase in non-controlling interests in

relation to the Villawood property of \$121.2m and \$5.2m, respectively, offset by distributions paid, transaction costs related to the issue of units and the purchase of additional Pymont property units of \$8.7m, \$2.5m and \$25.1m, respectively.

- 6.27 As at 30 June 2020, trade and other receivables totalling \$921k comprised \$627k of trade receivables and \$294k of receivables from related parties. Trade and other receivables at 31 October 2020 were relatively consistent at \$1.05m.
- 6.28 As set out in paragraph 6.19, BWR recognised \$531k and \$740k in deferred rent receivable at 30 June 2020 and 31 October 2020, respectively, in relation to deferred rent provided to tenants under the mandatory code of conduct between tenants and landlords under the COVID legislation.
- 6.29 The financial asset of \$6.0m is a retention amount relating to the sale of the Bakehouse Quarter, formerly held by Kirela and sold to Yuhu in April 2019. An amount of \$2m will be released each financial year provided WOTSO North Strathfield Pty Ltd (a wholly owned subsidiary of WOTSO), meets its rental obligations. The amount is held in a solicitor's Trust account and receives interest. It is expected that the first \$2m will be released before December 2020.
- 6.30 The property investment portfolio of \$298.1m at 30 June 2020 comprised the assessed fair value of each property discussed in paragraphs 6.5 to 6.15 based on independent valuations undertaken at 30 June 2020, with the exception of the Villawood property that was valued in February 2020. The property investment portfolio valuation increased marginally to \$298.9m at 31 October 2020 as a result of capitalised property costs.
- 6.31 At 30 June 2020 and 31 October 2020, BWR disclosed total borrowings of \$87.0m comprising current and non-current borrowings of \$47.0m and \$40.0m, respectively. Total borrowings comprised three debt facilities with National Australia Bank (NAB) with current borrowings relating to the Villawood property (\$7.0m) and various other properties (\$47.0m), and non-current borrowings of \$40.0m relating to the Pymont property.

Capital Structure

6.32 As at 1 October 2020, BWR had 142,150,000 units on issue, of which 79.9% were held by the top 20 unitholders. The top 20 unitholders are set out in the table below

BlackWall Property Trust		
Unitholder	Number	%
Jagar Holdings Pty Ltd	19,025,000	13.4%
SAO Investments Pty Ltd	15,025,000	10.6%
Hollia Pty Limited	13,814,865	9.7%
Pelorus Private Equity Limited	11,425,000	8.0%
BlackWall Fund Services Limited	10,919,554	7.7%
Vintage Capital Pty Limited	9,040,983	6.4%
Seno Management Pty Ltd	5,600,000	3.9%
Mr Archibald Geoffrey Loudon	3,707,894	2.6%
Mr Richard Hill & Mrs Evelyn Hill	3,309,871	2.3%
Alerik Pty Limited	3,000,000	2.1%
PRSC Pty Ltd	3,000,000	2.1%
Tampopo Pty Ltd	2,858,747	2.0%
Castle Bay Pty Limited	2,755,258	1.9%
Ms Gia Ravazzotti	2,700,000	1.9%
Mr Peter John Gray	1,723,370	1.2%
Lymkeesh Pty Ltd	1,459,917	1.0%
Methuselah Capital Management Pty Ltd	1,126,756	0.8%
Castle Bay Pty Limited	1,091,611	0.8%
Koonta Pty Ltd	1,032,532	0.7%
Mr Peter Joy	1,000,000	0.7%
	113,616,358	79.9%
Other Unitholders	28,533,642	20.1%
Total	142,150,000	100.0%

Source: BWR share registry at 1 October 2020

Table 9: BWR unitholder summary

Share price performance

6.33 The figure below sets out a summary of BWR's daily closing price and traded volumes on the ASX over the period 1 July 2019 to 13 November 2020.

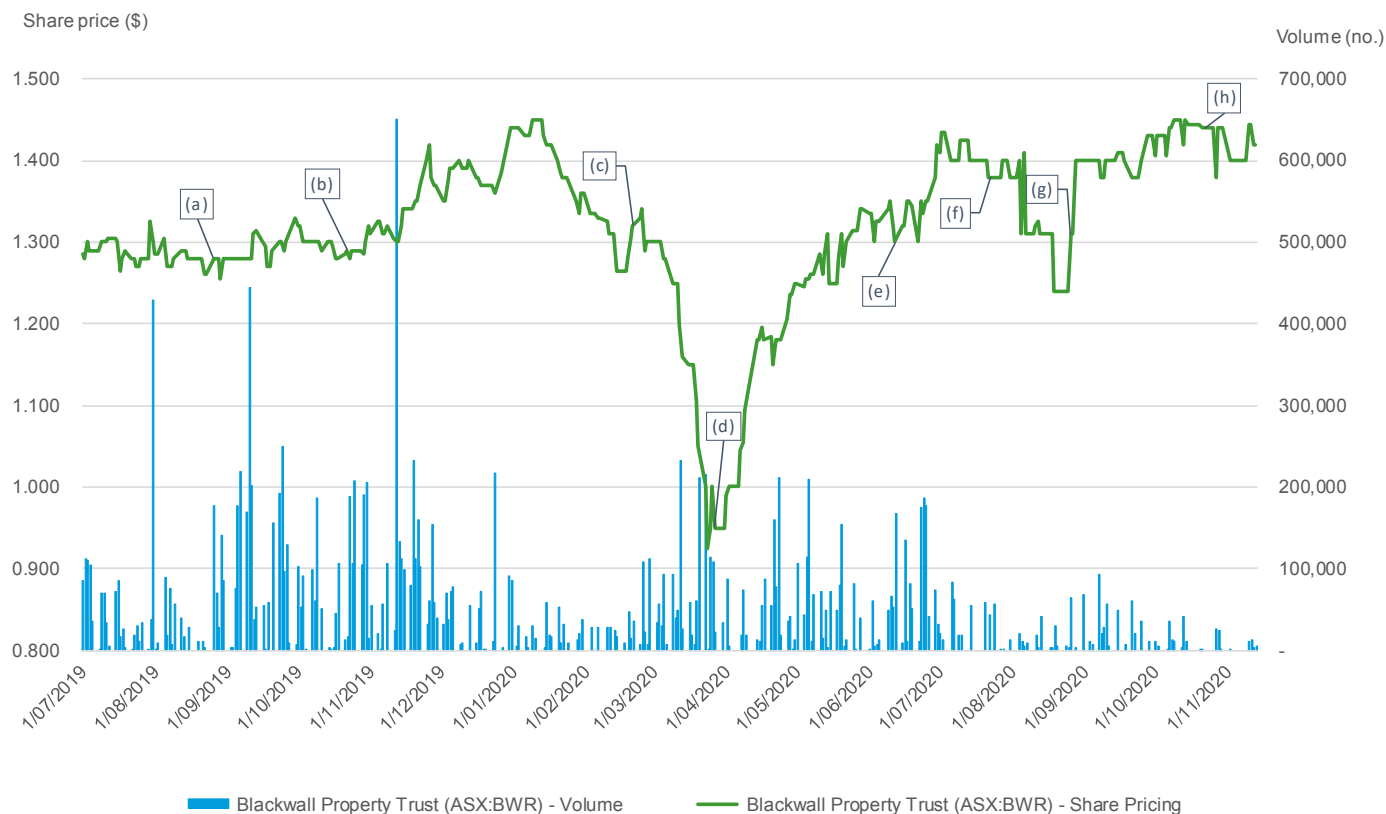


Chart 4: BWR recent unit prices and volumes traded (Source: Capital IQ and RSM analysis)

6.34 Over the period 1 July 2019 to 13 November 2020 BWR's shares have traded from a high of \$1.45 (first reached on 9 January 2020) to a low of \$0.925 (on 24 March 2020).

6.35 We make the following comments with regard to BWR's recent share price performance:

- On 26 August 2019, BWR released its annual report to unitholders for FY19 and announced that the Trust had \$317m in assets and gearing of 18%, with its current portfolio consisting of 11 properties. In addition, BWR announced that it would pay a final distribution of 3.5 cents per unit (100% tax deferred) on 8 October 2019.
- On 23 October 2019, BWR announced that the Trust would conduct an on-market buy-back of up to 10% of units on issue over the next 12 months (expiring 23 October 2020), totalling a maximum of 14,851,605 units.
- On 20 February 2020, BWR released results for the half-year ended 31 December 2019 ("HY20"). BWR disclosed \$354 million in assets and gearing of 20%. BWR also reported that net tangible assets per unit had grown to \$1.56 (30 June 19: \$1.48). In addition, BWR announced that it would pay a distribution of 3.5 cents per unit on 13 March 2020.
- On 30 March 2020, BWR released a COVID-19 impact update. The Trust announced that it would provide rent abatements for all small businesses where economic survival was at risk and offer rent deferrals to those tenants needing cash flow support. Accordingly, BWR advised the 10 coffee shops and restaurants in their portfolio that no rent would be payable for April. In addition, BWR announced that the Trust had arranged and drawn an additional debt facility for the BWR group which would result in \$22m cash on

hand and would continue to retain significant capacity to expand with gearing at 24% (up from 20% at 31 December 2019).

- (e) On 12 June 2020, the S&P Dow Jones Indices announced the changes in the S&P/ASX indices, effective at the open of trading on 22 June 2020. BWR was included as an addition to the All Ordinaries Index.
- (f) On 24 July 2020, BWR announced the proposed acquisition of the WOTSO WorkSpace business and certain real estate assets held by Pelorus in relation to the proposed Scheme.
- (g) On 26 August 2020, BWR released its results for FY20 and also announced that despite the negative impact of the COVID-19 pandemic, BWR would maintain its final distribution at 3.5 cents per unit. BWR disclosed gross assets of \$346 million and \$1.47 of net tangible assets per unit.
- (h) On 20 October 2020, BWR announced a change to the on-market buy-back announced on 23 October 2019, extending the expiry date of the on-market buy-back to 23 October 2021 to maintain flexibility in relation to capital management options. No changes were made to the terms of the on-market buy-back other than the extension of the expiry date. As set out in section 3.3(d)(ii) of the Scheme Booklet, BWR has so far bought back 6,366,055 units. Although the buy-back is due to expire on 23 October 2021, the buy-back has been paused to facilitate the Scheme. The buy-back will lapse if the Scheme is implemented. At the date of this Report, the Stapled Group does not intend to conduct a buy-back in relation to Stapled Securities. The Stapled Group will revisit the appropriateness of any buy-back of Stapled Securities if the Stapled Group becomes operational.

7. Profile of Planloc Limited

Overview

- 7.1 Planloc is a wholly owned subsidiary of Pelorus. Pelorus is an unlisted public company that, in addition to its investment in Planloc, holds a significant investment in BWR and periodically invests in small start-up businesses. At the date of this Report, Pelorus also holds an 8% interest in WOTSO.
- 7.2 Planloc has two primary assets as set out in further detail below.

Penrith, NSW (100% interest)

- 7.3 This retail mixed use property is located at 120 Mulgoa Road. Tenants include Barbeques Galore, Boating Camping Fishing, Rashay's Restaurant and a Bliss Early Learning Centre. Tru Ninja and Factory Plus have recently taken the majority of the space previously occupied by Toys R Us leaving a small 300m² vacancy.

Villawood, NSW (49% interest)

- 7.4 This property located at 850 Woodville Road is an entertainment precinct in Sydney's west covering net lettable area of 9,400m². The property is occupied by eight tenants including Zone Bowling, Flip Out and Sydney Indoor Climbing Gym. At the date of this Report, BWR and Planloc hold a 46% and 49% interest in the Villawood property, respectively.

Operations

- 7.5 Planloc holds and operates the two assets at Penrith and Villawood discussed above. Planloc does not have any operations outside of these assets.
- 7.6 Planloc has a \$10m debt facility with Commonwealth Bank (CBA) secured against the Penrith property. The facility expires in December 2022. The remainder of its debt is held by BWR.

8. Valuation Approach

Valuation methodologies

- 8.1 In assessing the Fair Value of an ordinary WOTSO share on a control basis, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
 - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
 - the amount which would be available for distribution on an orderly realisation of assets;
 - the quoted price for listed securities; and
 - any recent genuine offers received.
- 8.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market Based Methods

- 8.3 Market based methods estimate Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include:
- the quoted price for listed securities; and
 - industry specific methods.
- 8.4 The recent quoted price for listed securities method provides evidence of the Fair Value of a company’s securities where they are publicly traded in an informed and liquid market.
- 8.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the Fair Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Fair Value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income Based Methods

- 8.6 Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:
- discounted cash flow methods; and
 - capitalisation of future maintainable earnings.
- 8.7 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

- 8.8 The capitalisation of maintainable earnings methodology estimates the Fair Value of a business as being the product of a company's Future Maintainable Earnings ("FME") multiplied by an appropriate earnings multiple. The methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax. The earnings from any non-trading surplus assets are excluded from the estimate of FME and the value of such assets is separately added to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

Asset Based methods

- 8.9 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net assets on a going concern basis.
- 8.10 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 8.11 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame, reflecting a distressed liquidation value. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method, and is appropriate for companies in financial distress or when a company is not valued on a going concern basis.
- 8.12 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a WOTSO Share prior to the Scheme

Discounted cash flow methodology

- 8.13 In valuing a share in WOTSO prior to the Scheme we have utilised the DCF methodology as our primary valuation methodology.
- 8.14 WOTSO currently operates 16 flexible workspaces across Australia, and 1 in Malaysia (under the UEM Joint Venture). The workspaces have reached varying rates of occupancy levels due to the combination of the adverse impact of the COVID-19 pandemic on operations and the opening of three new workspaces during FY20.
- 8.15 Consequently, to take into account the impact of COVID-19, the opening of the new sites at Manly (NSW), Zetland (NSW) and Woden (ACT) and expansion plans for a number of other workspaces, we have utilised the DCF methodology to value WOTSO.
- 8.16 WOTSO has prepared financial projections for each of the workspaces in Australia for the five years ending 31 December 2025 (comprising the calendar years ("CY") CY21, CY22, CY23, CY24 and CY25).

-
- 8.17 As a cross-check to our primary valuation methodology, we have considered using the Capitalisation of FME methodology. The capitalisation of FME is an appropriate method if the earnings of the business are regular, maintainable, and sufficient to justify a value exceeding the value of the underlying assets.
- 8.18 We do not consider the Capitalisation of FME method to be appropriate in valuing WOTSO for the following reasons:
- WOTSO has recently undergone a change in its business operations, moving away from operating coworking spaces under franchise agreements to having separate lease agreements with lessors;
 - WOTSO is currently in an expansion phase of its operations, having commenced the operations of three new sites during FY20 as well as the majority of its sites have yet to reach mature occupancy levels; and
 - the impact of the COVID-19 pandemic resulted in abnormally low occupancy rates, resulting in operating losses disclosed for FY20 and to the date of this Report.

Valuation of the Consideration offered per WOTSO Share immediately after the Scheme

Valuation of the Stapled Group

- 8.19 To assess the fairness of the Scheme, we have estimated the value of a share of the Stapled Group immediately after the implementation of the Scheme. The value of the Stapled Group is based on the combined Fair Values of WOTSO, BWR and Planloc immediately following the Scheme, and adjusted for a minority interest (non-controlling interest) discount to reflect the fact that approval of the Scheme will result in the unitholders of BWR acquiring an 87% interest in WOTSO.

Valuation of BWR and Planloc

- 8.20 In order to assess the Fair Value of the Stapled Group immediately following the Scheme, it is necessary to assess the Fair Value of a 100% equity interest in BWR and Planloc.
- 8.21 m3property Pty Ltd (“m3property”) has prepared independent property valuation reports of properties held by BWR and Planloc. For the purposes of this Report, we have relied upon the Market Value of the properties provided by m3property in our assessment of the Fair Value of BWR and Planloc. Copies of m3property’s reports are set out in Appendix H.
- 8.22 We have selected the net assets on a going concern basis in our valuation of BWR and have based our assessment on the carrying value of assets and liabilities as set out in BWR’s audited consolidated statement of financial position as at 30 June 2020, and the Market Values of the property investment portfolio held by BWR as set out in Appendix H. Based on our review, we consider the other assets and liabilities disclosed on BWR’s consolidated statement of financial position at 30 June 2020 (with the exception of the property investment portfolio), to be reflective of Fair Value
- 8.23 Prices at which a company’s shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.
- 8.24 As a cross-check, we have also had regard to the quoted market price of BWR’s units prior to the announcement of the Scheme.
- 8.25 We have selected the net assets on a going concern basis in our valuation of Planloc and have based our assessment on the pro forma carrying value of assets and liabilities disclosed on the pro forma statement of financial position of Planloc provided by Planloc management, and the Market Values of the properties held by Planloc assessed by m3property, as set out in Appendix H. Based on our review, we consider the other assets and liabilities disclosed on Planloc’s pro forma statement of financial position (with the exception of the property investments), to be reflective of Fair Value.

9. Valuation of WOTSO

- 9.1 As set out in Section 8, we have assessed the value of WOTSO prior to the Scheme using the DCF methodology as our primary methodology.

Primary valuation methodology – Discounted Cash Flow

- 9.2 We have assessed the value of a 100% equity interest in WOTSO, prior to the Scheme, on a control basis to be in the range of \$27.2m to \$28.5m, with a preferred value of \$27.85m, utilising the DCF methodology, as summarised in the table below.

WOTSO Limited	Low \$'000	High \$'000	Preferred \$'000
Enterprise Value - NPV of future cash flows	31,900	33,200	32,550
Less: Net Debt (rounded)	(4,700)	(4,700)	(4,700)
Equity Value (100% interest)	27,200	28,500	27,850

Source: RSM analysis

Table 10: Assessed Fair Value of a 100% Equity Interest in WOTSO

Discounted cash flow analysis

- 9.3 The DCF analysis has been based on a 5-year forecast cash flow projection, utilising Management's 5-year forecast financial performance as a base. The DCF analysis projects nominal after tax cash flows to 31 December 2025, when the lease sites are all expected to have reached consistent and mature levels of occupancy. A terminal value is then applied, calculated by capitalising net after tax cash flows based on the Gordon Growth formula and an assumed terminal growth rate of 2.0% to represent the value of cash flows into perpetuity.
- 9.4 Consistent with Management's 5-year forecast, the DCF analysis has been prepared without factoring in the impact of the adoption of AASB 16 by WOTSO, with effect from 1 July 2019 and, as a consequence:
- operating lease payments have been treated as operating cash flows (under AASB 16 these payments are treated as financing cash flows being the repayment of lease liabilities and associated interest);
 - right of use lease liabilities as disclosed in Table 4 have not been included within our calculation of net debt; and
 - our weighted average cost of capital ("WACC") assessment has not factored in the right of use lease liabilities in either our assessment of the cost of debt or the optimal debt gearing ratio.
- 9.5 Had our DCF analysis been prepared factoring in the impact of AASB 16, we would have assessed the 100% Equity Value of WOTSO at the same valuation range, however:
- the assessed net debt would have been higher as it would have included right of use lease liabilities as disclosed in Table 4 and there would have been an offsetting increase in the assessed Enterprise Value; and
 - the assessed WACC of WOTSO would have been lower to incorporate the higher proportion of debt related to the right of use lease liabilities and the lower cost of that debt, compared to the required return on equity.
- 9.6 Ungeared, after tax cash flows are discounted by a WACC in the range of 18.0% to 20.0% (refer to Appendix G).
- 9.7 A corporate tax rate of 26% (FY21) and 25%, thereafter has been utilised based on the for the legislated corporate tax rates for companies with an aggregated turnover of less than \$50m. Corporate tax cash outflows take into account estimated tax losses of \$6.5m as at the date of this Report.

9.8 The DCF analysis incorporates the following key assumptions:

Revenue per desk

9.9 Revenue per desk has been forecast based on the following key assumptions:

- Revenue per desk rate has been forecast based on current desk rates, having regard to each site's desk rates in February 2020 (pre COVID-19 conditions) and as at September 2020 (reflecting the gradual recovery as movement restrictions have eased);
- Initial occupancy levels have been forecast based on each site's expectation to gradually return to February 2020 occupancy levels on a site by site basis;
- Thereafter, occupancy rates are forecast to reach maturity occupancy rates of 85% based on site historical trends and Management's expectations on a specific site by site basis;
- Office expansion plans to increase the number of desks available in a number of sites have been assessed on a site specific basis. This expansion is expected to be funded from forecast operating cash flows, with expansion expenditure estimated at \$800 per sqm based on existing average costs; and
- Services revenue is expected to remain flat at \$60/desk per month based on current revenue levels.

Expenses

- 9.10 Staffing costs have been forecast based on existing staffing levels, increasing in line with forecast increases in occupancy levels and/or increase in the number of available desks.
- 9.11 Occupancy costs have been forecast based on the applicable lease terms for each site and any agreed COVID-19 rent abatement arrangements in place. Leases are expected to be renewed for each site, as required.
- 9.12 Direct costs and general overheads are relatively fixed costs and have been forecast based on current levels of expenditure incurred.

Adjustments for working capital

- 9.13 WOTSO disclosed negative working capital levels at 30 June 2020 due primarily to high levels of current trade and other payables totalling \$1.6m at 30 June 2020 which was attributed to higher levels of fit out costs incurred during FY20. Adjustments for additional working capital have been made over the 8 months ending 31 August 2021 to adjust for higher levels of working capital required. Thereafter, the Company is assumed to be working capital neutral over the remainder of the forecast period.
- 9.14 Lease incentive offset assets recognised have been factored into the DCF calculation.

NPV Conclusion

- 9.15 Based on the above DCF analysis the NPV of the forecast cash flows have been assessed at \$31.9m to \$33.2m, with a preferred value of \$32.6m.

Net debt adjustment

- 9.16 At 31 October 2020, the Company disclosed net debt of \$4.7m (rounded), calculated as cash and cash equivalents of \$184k, less related party borrowings of \$2.4m, COVID-19 deferred lease payments of \$830k, COVID-19 related deferred revenue of \$243k and make good provisions of \$1.4m.
- 9.17 Accordingly, we have deducted net debt from the Enterprise Value of WOTSO in our assessment of the Fair Value of a 100% equity interest in WOTSO.

Surplus assets

- 9.18 Based on our review of the audited financial statements of WOTSO, we consider that there were no assets surplus to the Company's operations.

Valuation summary and conclusion

- 9.19 A summary of our assessed Fair Value of a WOTSO share on a control basis prior to the Scheme is set out in the table below.

	Ref	Low \$'000	High \$'000	Preferred \$'000
Equity Value (100% interest)	Table 10	27,200	28,500	27,850
Number of shares on issue (no.)	Table 5	81,068,581	81,068,581	81,068,581
Fair Value of a WOTSO share (control basis)		\$0.34	\$0.35	\$0.34

Source: RSM analysis

Table 11: Assessed Fair Value of a WOTSO share prior to the Scheme (control basis)

- 9.20 We consider the Fair Value of a WOTSO share on a controlling basis is in the range of \$0.34 to \$0.35, with a preferred Fair Value of \$0.34, which has been derived using the DCF methodology. This valuation is an assessment of the Fair Value of a WOTSO share prior to the share consolidation under the terms of the Scheme, which has been considered in our assessment of fairness in paragraphs 13.3 to 13.4.

10. Valuation of BWR

- 10.1 As set out in Section 8, we have assessed the Fair Value of BWR on the basis of the Fair Value of its underlying assets and have also considered the recent quoted price of its listed securities as a secondary methodology.

Net assets on a going concern basis

- 10.2 In order to determine the Fair Value of BWR, we have utilised the net assets on a going concern methodology based on our assessment on the carrying value of the assets and liabilities set out in BWR's audited consolidated statement of financial position at 30 June 2020. . We have adjusted the statement of financial position for the Market Values of its property investment portfolio as valued by m3property as set out below.

BlackWall Property Trust		
Assessed Fair Value prior to the Scheme	Ref	\$'000
Net assets at 31 October 2020 (attributable to the owners of BWR)	Table 8	206,742
Add: increase in Market Value of property investments	Table 13	2,045
Less: BWR pro forma distribution to be paid prior to Scheme implementat	10.6	(2,687)
Fair Value of BWR (control basis)		206,100
Units on issue prior to the Scheme (no.)	Table 9	142,150,000
Fair Value per unit (control basis)		\$1.45

Source: Audited financial statements, m3property and RSM analysis

Table 12: Assessed Fair Value of BWR prior to the Scheme (control basis)

- 10.3 As set out above, the assessment of the Fair Value of BWR is based on the audited statement of financial position of BWR as at 30 June 2020. Based on our review, we consider the other assets and liabilities (other than the property investments) to be reflective of Fair Value.

- 10.4 The table below sets out a summary of the adjustments made in relation to the Market Value of BWR's property investment portfolio.

BlackWall Property Trust Property investment portfolio	As at 30-Jun-20 Carrying value \$'000	Current Market Value \$'000	Change in value \$'000
Pymont, NSW	147,000	150,000	3,000
Dickson, ACT	31,100	31,100	-
Sippy Downs, QLD	23,000	24,200	1,200
Villawood, NSW	22,300	22,000	(300)
Yandina, QLD	20,300	20,200	(100)
Varsity Lakes, QLD	19,500	19,750	250
Fortitude Valley, QLD	8,200	8,200	-
Symonston, ACT	8,200	8,200	-
Hobart, TAS	8,000	8,200	200
Adelaide, SA	6,700	6,800	100
Toowoomba, QLD	3,800	3,800	-
Total	298,100	302,450	4,350
Capitalised costs between 30 June 2020 and 31 October 2020	847	-	(847)
Adjustment for non-controlling interests			
Pymont (54% non-controlling interest)			(1,620)
Villawood (54% non-controlling interest)			162
Total			2,045

Source: Audited financial statements and Independent property valuation reports prepared by m3property

Table 13: Adjustments made for the Market Value of BWR's property investment portfolio

- 10.5 M3property has assessed the Market Value of each of the properties set out above. Executive summaries from each of these independent valuations are included in Appendix H. In accordance with RG 111.102, to avoid the inclusion of extraneous information, and to ensure that our report is clear and concise, we have not included full copies of each of these independent valuations in the Report. However, should Shareholders require a full copy of m3property's independent valuations, these can be obtained from the Company on request, free of charge.
- 10.6 The Scheme has been structured based on an expected net tangible asset position of BWR at 28 February 2020 of \$206.1m which is based upon assumptions in relation to expected half year distributions and income and expenditure to February 2021. Based on the net tangible asset position of BWR at 31 October 2020, we have included the payment of a pro forma distribution of \$2.7m such that, all things being equal, the net tangible asset position of BWR is reduced to the target net tangible asset position of \$206.1m.
- 10.7 Based on the above and as set out in Table 12, we have assessed the Fair Value of BWR to be \$206.1m and the Fair Value of a BWR unit prior to the Scheme to be \$1.45.
- 10.8 The net assets on a going concern basis represents the value of a controlling shareholding. Accordingly, we consider the value generated under the net assets on a going concern basis to incorporate a premium for control and no further premium is considered necessary to assess the value of BWR prior to the Scheme.

Quoted Price of Listed Securities

- 10.9 In order to provide a cross-check to the valuation of a BWR unit under the net assets on a going concern basis, we have also assessed the Fair Value based on the quoted market price.
- 10.10 The assessment only reflects trading prior to the announcement of the Scheme in order to avoid the influence of any movement in price that occurred as a result of the announcement.

Analysis of recent trading in BWR units

10.11 We have considered the volume weighted average price (VWAP) over the number of trading day periods prior to 24 July 2020. An analysis of the volume in trading in BWR units for the 5, 10, 30, 60, 90, 120 and 180-day trading periods is set out in the table below.

Calendar days	Unit price Low \$	Unit price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
5 days	1.380	1.400	2	100,390	139,688	1.391	0.1%
10 days	1.380	1.400	3	155,110	216,296	1.394	0.1%
30 days	1.335	1.435	14	877,960	1,205,572	1.373	0.6%
60 days	1.300	1.435	33	1,889,130	2,550,207	1.350	1.3%
90 days	1.180	1.435	53	3,040,000	4,005,655	1.318	2.1%
120 days	0.950	1.435	70	4,091,700	5,180,224	1.266	2.9%
180 days	0.925	1.435	106	6,017,180	7,473,390	1.242	4.2%

Source: Capital IQ and RSM analysis

Table 14: VWAP and traded volume of BWR units prior to 24 July 2020

10.12 As set out in the table above, the VWAP of BWR's units ranged from \$1.242 to \$1.394 over the 180 calendar days prior to 24 July 2020.

10.13 RG 111.69 indicates that for the quoted market share price methodology to represent a reliable indicator of Market Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's traded securities must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in the share price.

10.14 Units were traded for 106 days over the 180 calendar day period and comprised 4.2% of the weighted units outstanding over the period.

10.15 Notwithstanding the low liquidity of BWR's units traded, the Trust complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of BWR.

10.16 Based on the analysis of recent trading, we have assessed the value of a BWR unit on a minority interest basis, to be \$1.30 to \$1.35, being relatively consistent with the 60 to 90-day VWAP of a unit in BWR prior to the announcement of the proposed Scheme.

10.17 The value above is indicative of the value of a marketable parcel of securities assuming a holder does not have control of BWR. To provide a consistent comparison of our assessment of the Fair Value of a BWR unit using the net assets on a going concern methodology, we should include a premium for control.

Premium for control

10.18 Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies;
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

10.19 In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. A control premium is the amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in a business enterprise, to reflect the premium a buyer will pay to acquire control in a business enterprise. Consequently, earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares/securities).

10.20 RSM has undertaken a survey of control premiums paid over a 5-year period to 30 June 2016 in 463 successful takeovers and schemes of arrangements of companies listed on the ASX ("RSM Control Premium Study 2017"). The findings are summarised in the table below, showing the average control premiums paid 20, 5 and 2 days prior to announcement of a transaction, which are applied at the equity level.

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium - all industries	463	34.5%	28.3%	26.4%
Average control premium - Real Estate	30	16.9%	15.6%	14.2%

Source: RSM Control Premium Study 2017

Table 15: RSM Control premium study

10.21 Based on the above, we consider that a control premium of 15% to 16% is appropriate in assessing the value of a BWR unit on a controlling basis.

Pro Forma distribution

10.22 As set out in paragraph 10.6, the Scheme has been structured based on an expected net tangible asset position of BWR at 28 February 2020 of \$206.1m which is based upon assumptions in relation to expected half year distributions and income and expenditure to February 2021. Based on the net tangible asset position of BWR at 31 October 2020, a pro forma distribution of \$2.7m would be required to reduce the net tangible asset position of BWR to the target net tangible asset position of \$206.1m. This equates to a distribution of \$0.02 per unit that we have, therefore, factored into our quoted market price analysis.

10.23 The table below sets out our assessment of the value of a BWR unit on a controlling basis and non-controlling basis utilising the quoted price of listed securities methodology.

	Ref	Low	High	Preferred
Quoted market price (non-controlling basis)	10.16	\$1.30	\$1.35	\$1.33
Control premium	10.18 -10.21	15.0%	16.0%	15.5%
Value of a BWR unit (controlling basis)		\$1.50	\$1.57	\$1.53
Less: Pro forma distribution	10.22	\$(0.02)	\$(0.02)	\$(0.02)
Value of a BWR unit (controlling basis) (excluding distribution)		\$1.48	\$1.55	\$1.51

Source: RSM analysis

Table 16: Assessed Fair Value of a BWR unit (control basis) – Quoted price of listed securities methodology

Valuation summary and conclusion

10.24 A summary of our assessed values of a BWR unit prior to the Scheme is set out in the table below.

	Ref	Low	High	Preferred
Net assets on a going concern - primary methodology	Table 12	\$1.45	\$1.45	\$1.45
Quoted price of listed securities - secondary methodology	Table 16	\$1.48	\$1.55	\$1.51

Source: RSM analysis

Table 17: Assessed Fair Value of a BWR unit prior to the Scheme (control basis)

10.25 We note the following with regards to BWR's recent trading history:

- as set out in Table 14 above, only 4.2% of the weighted average outstanding units issued were traded in the 180 days prior to the announcement of the Scheme;
- the bid/ask spread is often used to measure efficiency. For the 180-day period prior to 24 July 2020, the closing bid/ask spread of BWR averaged 3.0% of the midpoint price. On the basis that, over a comparable time period, all stocks trading on the ASX had an average bid/ask spread of 0.250%¹, we consider the bid/ask spread of BWR to be relatively large; and
- BWR commenced an on-market buy-back in October 2019 for capital management purposes. The ongoing buy-back may be distorting the Trust's traded price.

10.26 Based on the above, we have relied upon the net assets on a going concern methodology as we consider that that the trading market for BWR's units is not sufficiently liquid and therefore, its price may not be a reliable indicator of value as the market for the units may not be fully efficient.

10.27 We have, therefore, assessed the Fair Value of a BWR unit on a control basis prior to the Scheme utilising the net assets on a going concern basis, to be \$1.45.

10.28 Notwithstanding the low liquidity of BWR's units traded, we consider the value obtained under the quoted price of listed securities to be supportive of our primary methodology.

¹ Equity market data for the quarter ended 30 June 2020 – ASIC

11. Valuation of Planloc

- 11.1 As set out in Section 8, we have also selected the net assets on a going concern basis in our valuation of Planloc and based our assessment on the pro forma carrying value of assets and liabilities provided by Planloc management in its statement of financial position, and the Market Values of the properties held by Planloc as set out in Appendix H. Based on our review, we consider the other assets and liabilities disclosed on Planloc's pro forma statement of financial position (with the exception of the property investments), to be reflective of Fair Value.
- 11.2 As set out in Section 7, Planloc holds and operates the two assets at Penrith (100% interest) and Villawood (49% interest).
- 11.3 Planloc has a \$10m debt facility with Commonwealth Bank (CBA) secured against the Penrith property. The facility expires in December 2022. The remainder of its debt is held by BWR.
- 11.4 Planloc owns approximately 49% of the WRV Unit Trust, which owns the Villawood property. BWR is the other substantial holder in the WRV Unit Trust, holding a 46% interest. The remaining 5% interest is held by six third-party investors who are unrelated to Planloc, BWR or WOTSO.
- 11.5 The table below sets out our assessment of the Fair Value of Planloc prior to the Scheme (on a control basis).

Planloc Limited	
Pro Forma statement of financial position	
	\$'000
Current assets	
Cash and cash equivalents	27
Trade and other receivables	289
Total current assets	316
Non-current assets	
Deferred rent receivable	88
Financial assets - WRV investment (Villawood)	4,029
Investment properties	21,500
Total non-current assets	25,617
Total assets	25,933
Current liabilities	
Trade and other payables	202
Borrowings - BWR	14,190
Total current liabilities	14,392
Non-current liabilities	
Borrowings - bank	10,000
Deferred tax liabilities	1,541
Total non-current liabilities	11,541
Total liabilities	25,933
Net assets	-

Source: Planloc management and m3property

Table 18: Assessed Fair Value of Planloc prior to the Scheme (control basis)

- 11.6 The assessment of the Fair Value of Planloc prior to the Scheme is based on the unaudited pro-forma statement of financial position of Planloc prepared by Planloc management which represents the expected statement of financial position based on actual balances, adjusted for the Market Value of the Penrith property of \$21.5m assessed by m3property (refer Appendix H), and the expected movements in cash and borrowings at the date of this Report.

11.7 The carrying value of Planloc's investment in the WRV Unit Trust (Villawood property) of \$4.0m is disclosed at Planloc's equity interest at the date of this Report, based on the audited statement of financial position at 30 June 2020, adjusted for the Market Value of the Villawood property of \$22.0m assessed by m3Property (refer Appendix H), and other non-material adjustments the audited statement of financial position of the WRV Unit Trust as at 30 June 2020 to the date of this Report.

11.8 Based on the above, our assessed Fair Value of Planloc prior to the Scheme is \$nil.

12. Valuation of the Stapled Group

Valuation of the Scheme Consideration (control basis)

12.1 As required by RG 111, in order to provide an indication of the value to WOTSO Shareholders immediately after the Scheme, we have calculated the theoretical value of WOTSO, BWR and Planloc immediately after the implementation of the Scheme (the Stapled Group).

12.2 To assess the fairness of the Scheme, we have estimated the value of a share of the Stapled Group immediately after the implementation of the Scheme. The value of the Stapled Group is based on the combined Fair Values of WOTSO, BWR and Planloc immediately following the Scheme, and adjusted for a minority interest (non-controlling interest) discount to reflect the fact that approval of the Scheme will result in the unitholders of BWR acquiring an 87% interest in WOTSO.

12.3 The table below sets out our assessment of the value per share of the Stapled Group (on a control basis).

	Ref	Low \$'000	High \$'000	Preferred \$'000
Assessed Equity Value of WOTSO	Table 10	27,200	28,500	27,850
Assessed Equity Value of BWR	Table 12	206,100	206,100	206,100
Assessed Equity Value of Planloc	Table 18	-	-	-
Total Equity Value of Stapled Group		233,300	234,600	233,950
Total number of Stapled Securities immediately after the Scheme (no.)	4.2	162,841,412	162,841,412	162,841,412
Assessed value per Stapled Security (control basis)		\$1.43	\$1.44	\$1.44

Source: RSM analysis

Table 19: Assessed Fair Value of the Stapled Group immediately after the Scheme (control basis)

12.4 We consider the value of a Stapled Security (on a control basis), immediately after the Scheme to be in the range of \$1.43 to \$1.44, with a preferred value of \$1.44.

Valuation of the Scheme Consideration (minority interest basis)

12.5 The table below sets out our assessment of the Fair Value of a Stapled Security immediately after the Scheme on a minority interest basis (non-controlling basis), representing the value of the Scheme Consideration.

	Ref	Low	High	Preferred
Fair Value per Stapled Security (controlling interest)	Table 19	\$1.43	\$1.44	\$1.44
Discount for non-controlling interest	12.6	(13.8%)	(13.0%)	(13.4%)
Fair Value per Stapled Security immediately after the Scheme (non-controlling interest)		\$1.23	\$1.25	\$1.24

Source: RSM analysis

Table 20: Assessed Fair Value per Stapled Security immediately after the Scheme (non-controlling basis)

- 12.6 A discount to reflect a minority interest in an entity is the inverse of a control premium. As set out in paragraph 10.21, we assessed a suitable control premium for BWR to be in the range of 15% to 16%. Having regard to the value contribution of BWR to the Stapled Group, we have determined a control premium in the range of 15% to 16% to be appropriate, the inverse being in the range of 13.0% to 13.8% as presented in Table 20 above.
- 12.7 Based on the above, our assessed Fair Value of the Scheme Consideration offered per WOTSO share immediately after the Scheme (on a non-controlling basis) is in the range of \$1.23 to \$1.25, with a preferred value of \$1.24.

13. Is the Scheme Fair to Shareholders

- 13.1 ASIC RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer or in this case, the Scheme, is equal to or greater than the value of the securities being the subject of the offer.
- 13.2 In assessing whether we consider the Scheme to be fair to Shareholders, we have valued a share in WOTSO prior the implementation of the Scheme, and compared it to the value of the consideration offered per WOTSO share immediately after the Scheme, to determine whether a Shareholder would be better or worse off should the Scheme be approved.
- 13.3 As set out in paragraph 4.1, under the terms of the Scheme, WOTSO will undertake a share consolidation of approximately 1 share for every 4 currently on issue (rounded), resulting in 20,691,412 shares on issue immediately after the share consolidation. The table below sets out our assessment of the Fair Value of a WOTSO share prior to the Scheme, adjusted for this consolidation ratio.

	Ref	Low	High	Preferred
Fair Value of a WOTSO share (control basis) (pre consolidation)	Table 11	\$0.34	\$0.35	\$0.34
Multiply by consolidation ratio	13.3	3.918	3.918	3.918
Fair Value of a WOTSO share (control basis) (post consolidation)		\$1.31	\$1.38	\$1.35

Source: RSM analysis

Table 21: Assessed Fair Value of a WOTSO share prior to the Scheme (post consolidation basis)

- 13.4 Based on the above, we have assessed the Fair Value of a WOTSO share prior to the Scheme (on a control and post consolidation basis), to be in the range of \$1.31 to \$1.38, with a preferred value of \$1.35.
- 13.5 Our assessment of fairness is summarised below.

	Ref	Low	High	Preferred
Fair Value per share prior to the Scheme (controlling basis) (post consolidation)	Table 21	\$1.31	\$1.38	\$1.35
Fair Value of Scheme Consideration (non-controlling basis)	Table 20	\$1.23	\$1.25	\$1.24

Source: RSM analysis

Table 22: Assessed Fair Value of a WOTSO share prior to the Scheme and the Scheme Consideration

13.6 The above comparison is depicted graphically in the chart below.



Chart 5: Assessed Fair Value of a WOTSO share prior to the Scheme and the Scheme Consideration

13.7 As the Fair Value of the Scheme Consideration (on a non-controlling basis) is less than the Fair Value of a WOTSO share prior to the Scheme (on a controlling basis), and in the absence of any other relevant information, in our opinion, the Scheme is **not fair** to Shareholders.

14. Consideration of other factors relating to the Scheme

14.1 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. We consider and outline in this Section of the Report an analysis of other factors which are likely to be relevant to Shareholders in their assessment of the Scheme.

Future Prospects of WOTSO if the Scheme is not approved

14.2 If the Scheme is not approved by Shareholders, WOTSO will continue in its existing operations. The Directors consider that WOTSO will need to find alternative sources of capital to fund its growth strategy. There is a risk that finding alternative sources of capital could limit the Company's growth potential in the short to medium term, and reduce the chance of dividends being paid in order to retain capital to reinvest in the business.

Advantages of approving the Scheme

14.3 The key advantages of the Scheme are:

- WOTSO Shareholders will hold BWR units and Planloc shares and this will have exposure to the benefits of investing in those entities;
- the Directors of WOTSO consider that the Stapled Group will facilitate WOTSO's growth strategy by providing operational efficiencies and alignment of interests with WOTSO's largest landlord, BWR;
- if the Scheme is approved, the Stapled Securities will be traded on the ASC, providing increased liquidity to Shareholders and hence a more efficient market for Shareholders to dispose of their shareholdings;
- WOTSO will have access to listed capital markets for future funding requirements as part of the Stapled Securities traded on the ASX;
- the Scheme will cement WOTSO's relationship with the Company's largest landlord (8 of WOTSO's 17 sites are operated from BWR owned properties); and
- whilst we have assessed the Scheme as a control transaction, we note that the preferred value of the Scheme Consideration on a control basis is \$1.44. Further, whilst entities associated with Joseph Glew will hold a circa 37% relevant interest in the Stapled Group, this may not preclude Shareholders from the opportunity to access a control premium in the future.

Disadvantages of approving the Scheme

14.4 The key disadvantages of the Scheme are:

- the Scheme is not fair;
- the dilution of existing WOTSO Shareholders' interests in the Company from 100% to 13%;
- the dilution of Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of WOTSO, including the acceptance or rejection of other takeover or merger proposals;
- upon completion of the Scheme, entities associated with Joseph Glew (which in total currently hold a 17.71% relevant interest in WOTSO), will hold a circa 37.5% relevant interest in the Stapled Group. Consequently, Joseph Glew will have a significant influence on the Stapled Group, and the ability to block compulsory acquisitions and special resolutions of the Stapled Group;
- the change in the nature and scale of activities of the Stapled Group may not fit the risk or investment profile of Shareholders; and
- Shareholders may consider that WOTSO will become less attractive to potential buyers due to the stapled nature of WOTSO shares requiring a potential acquirer to also acquire BWR units and Planloc shares.

Alternative proposals and likelihood of an alternative takeover offer

14.5 WOTSO has advised us that no formal alternative offers or approaches by potential acquirers have been received prior to the announcement of the Scheme on 24 July 2020.

14.6 The alternative to the Scheme is for Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in WOTSO either through maintaining WOTSO as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that Shareholders would be better off under this alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 24 July 2020, we have been advised that no superior offers have been put forward at the date of this Report.

Conclusion

14.7 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **reasonable** to Shareholders. Whilst the Scheme Consideration (on a non-controlling basis) is less than the Fair Value of a WOTSO share prior to the Scheme (on a controlling basis), we consider that there are sufficient reasons for security holders to vote in favour of the Scheme in the absence of a higher offer and, as such, that the Scheme is in the best interests of Shareholders.

14.8 An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, Shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD



Glyn Yates
Director



Andrew Clifford
Director



APPENDICES

APPENDIX A - DECLARATIONS AND DISCLOSURES

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM Australia) a large national firm of chartered accountants and business advisors.

Mr Glyn Yates and Mr Andrew Clifford are directors of RSM Corporate Australia Pty Ltd. Both Mr Yates and Mr Clifford are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting Shareholders in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and Management of WOTSO Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd 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.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Glyn Yates, Andrew Clifford, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd is expected to receive a fee of \$45,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether WOTSO Limited receives Shareholder approval for the Scheme, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Notice of Scheme Meeting and Scheme Booklet to be issued to Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Notice of Scheme Meeting or Scheme Booklet. Accordingly, we take no responsibility for the content of the Notice of Scheme Meeting or the Scheme Booklet.

APPENDIX B – SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- The Scheme Booklet;
- The Scheme Implementation Agreement;
- WOTSO Limited audited financial statements for the years ended 30 June 2020 and 30 June 2019;
- Forecast financial information prepared by WOTSO Management for the five years ending 31 December 2025;
- BlackWall Property Trust audited financial statements for the years ended 30 June 2020, 30 June 2019 and 30 June 2018;
- Pro forma and management accounts for WOTSO, Planloc and BWR;
- Share and Unit registry details of WOTSO Limited and BlackWall Property Trust;
- ASX announcements of BlackWall Property Trust;
- Information provided to us during correspondence with Directors and Management of WOTSO Limited and BlackWall Property Trust;
- S&P Capital IQ database; and
- IBISWorld.

APPENDIX C – GLOSSARY OF TERMS AND ABBREVIATIONS

Term or Abbreviation	Definition
\$	Australian Dollar
AFCA	Australian Financial Complaints Authority
AASB	Australian Accounting Standards Board
AASB 3	AASB Standard 13 Business Combinations
AASB 16	AASB Standard 16 Leases, replacing AASB Standard 117 Leases
AASB 128	AASB Standard 128 Investments in Associates and Joint Ventures
Act or Corporations Act	Corporations Act 2001 (Cth)
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
BlackWall or BWF	BlackWall Limited
BFSL	BlackWall Fund Services Limited
BWR or the Trust	BlackWall Property Trust
Control	The power to direct the management and policies of an entity or business enterprise
Control basis or controlling basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
CYXX	Calendar year ended 31 December 20XX
Discounted Cash Flow Method (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
EBIT	Earnings, Before, Interest and Tax
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
Equity Value	The owners' interest in a business, company or property after deduction of all liabilities
Enterprise Value (EV)	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value or Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
Future maintainable earnings (FME)	The normal maintainable earnings expected to be achieved in the future
FSG	Financial Services Guide
FYXX	Financial year ended 30 June 20XX
Gross Margin	Total sales minus cost of goods sold, divided by total sales revenue, expressed as a percentage
Gross Profit	Total sales minus cost of goods sold
HY20	half-year ended 31 December 2019
IER or the Report	This Independent Expert's Report
k	thousands
Kirela	Kirela Development Unit Trust
m	millions
Management	The management of WOTSO Limited

Term or Abbreviation	Definition
M3property	M3property Pty Ltd
Non-controlling basis or minority interest basis	An assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of the entity in which the equity is held
NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax
PE21	4 months ended 31 October 2020
Pelorus	Pelorus Private Equity Limited
Planloc	Planloc Limited
Regulations	Corporations Regulations 2001 (Cth)
Report	This Independent Expert's Report prepared by RSM
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
Scheme	The Scheme of arrangement under Part 5.1 of the Corporations Act between WOTSO and the WOTSO Shareholders in respect of all the WOTSO Shares, a copy of which is set out in Annexure D of the Scheme Booklet
Scheme Booklet	Booklet prepared for the Scheme to which this Report is attached
Scheme Meeting	a meeting of Shareholders where they will consider a resolution seeking approval of the Scheme.
Second Court Hearing Date	The day on which the application is made to the Court for an order pursuant to section 411(4)(b) of the Act approving the Scheme
SIA	Scheme Implementation Agreement executed by WOTSO, BFSL and Planloc.
Shareholders	Shareholders of WOTSO
Share	An ordinary share in WOTSO
Stapled Group or WOTSO Property	The group of entities comprising WOTSO, BWR and Planloc
Stapled Security (or Stapled Securities, as applicable) or WOTSO Property	A WOTSO share stapled to a BWR unit stapled to a Planloc share and listed for quotation and trading together as one security on the ASX
VWAP	Volume weighted average share (traded security) price
WACC	Weighted Average Cost of Capital
Yuhu	Yuhu Group
WOTSO or the Company	WOTSO Limited

APPENDIX D – BWR INDUSTRY OVERVIEW

BWR primarily invests in industrial, retail and commercial Australian properties. The different trends in each property class are detailed below.

Industrial Property²

Industrial property performance has been strong over the five years to 2019-20, with revenue growing by an annualised 5.5% per annum, to \$16.2 billion. Rapid growth in online shopping has boosted demand for warehousing, transport and logistics facilities over the past five years. Major retail chains have adopted a bricks-and-clicks business model, integrating bricks-and-mortar operations with an online presence. Furthermore, several new retailing firms operate with only a warehouse distribution centre and no physical shopfront. As a result, retailers require increased storage space and distribution capabilities, which has boosted demand for industrial facilities.

Industry revenue is forecast to grow at an annualised 3.6% over the five years through 2024-25, to \$19.4 billion. The COVID-19 outbreak is not expected to significantly affect demand for industrial property. The improving domestic economy is projected to continue driving business investment in industrial property over the next five years as rising import and business inventory volumes boost demand. Furthermore, rental income is anticipated to grow over the period as continued growth in online shopping increases demand for industrial warehouses.

Retail Property³

Weak retail trade conditions have caused the industry to decline over the past five years. Consumer goods retailers have faced mounting competitive pressures from online retailers over the period, constraining demand for floorspace. This trend has decreased rental yields and increased vacancy rates over the period. Additionally, the COVID-19 pandemic is expected to severely limit industry operations over the two years through 2020-21. Industry profit has declined as tenants have either renegotiated rent or terminated lease agreements while trading conditions were limited. As a result, industry revenue has declined at an annualised 2.8% over the five years through 2020-21, to \$28.3 billion.

As COVID-19 restrictions are lifted and retail trade conditions improve, industry operations are forecast to gradually increase over the next five years. However, competitive pressures from online retailers are projected to continue to mount over the period, limiting industry expansion. Overall, industry revenue is forecast to rise at an annualised 3.6% over the five years through 2025-26, to \$33.9 billion.

Office Property⁴

Operating conditions in the industry have been volatile over the past five years. Industry revenue is expected to decline at an annualised 2.8% over the five years through 2020-21, to \$35.8 billion. The COVID-19 pandemic has sharply decreased rental income and demand for office property over the two years through 2020-21. Most office facilities have not been fully operational, causing tenants to either renegotiate rental payments or end lease agreements to save costs. Additionally, tenants have moved from premium-grade offices towards A-grade and B-grade offices due to rising rental costs. Furthermore, the popularity of hot desking and shared office spaces has reduced the amount of floorspace demanded over the period, constraining industry expansion.

As work from home and social distancing measures are lifted, industry revenue is forecast to grow at an annualised 3.2% over the five years through 2025-26, to \$41.9 billion. Rental yields are forecast to rebound to pre-COVID-19 levels over the period, as lease agreements are adjusted once businesses return to offices. However, a shift towards more flexible working arrangements is anticipated to reduce demand for office space.

² IBISWorld Industry Report L6712c – Industrial and Other Property Operators in Australia, September 2019

³ IBISWorld Industry Report L6712b – Retail Property Operators in Australia, September 2020

⁴ IBISWorld Industry Report L6712a – Office Property Operators in Australia, August 2020

APPENDIX E – WOTSO INDUSTRY OVERVIEW

WOTSO is a provider of flexible space solutions for all business types, as well as open plan coworking environments, events, meeting rooms and other additional services. Therefore, WOTSO operates within the Office Property Operators industry.⁵ Refer to the industry's trends discussed at Appendix D.

Shared Office Spaces

Firms that provide shared office spaces have decreased the amount of floorspace required by tenants over past five years, which has constrained industry demand and revenue. The popularity and cost effectiveness of shared office spaces are likely to threaten industry expansion over the five years through 2025-26.

Tenants are aware of the costs and risks associated with leasing office premises. Demand for shorter leases is growing and more tenants are engaging advisers for new lease negotiations, rent reviews, planning accommodation requirements and disputes with landlords. Tenants will likely seek more flexible arrangements from lessors over the next five years. These demands are anticipated to create new types of office operators who provide temporary or shared office space for companies across different Australian cities.

⁵ IBISWorld Industry Report L6712a – Office Property Operators in Australia, August 2020

APPENDIX F – COMPARABLE COMPANIES

WOTSO Limited Comparable companies	Business description
Victory Offices Limited	Victory Offices Limited provides workspace services for individuals and businesses in Australia. The company offers space to private serviced, virtual, and day offices; training and board rooms; and co-working, hot desks, and shared and meeting spaces, as well as victory lounge, auditorium, and event spaces. It also offers COVID-19 risk solutions, such as virtual assistance and business continuity programs. The company was founded in 2013 and is based in Melbourne, Australia. Victory Offices Limited is a subsidiary of Victory Group Holdings Pty Ltd.
Blackwall Property Trust	Blackwall Property Trust is a real estate investment trust externally managed by BlackWall Fund Services Limited. It invests in the real estate markets across Australia. It primarily invests in the industrial, retail and commercial Australian properties, and unlisted property securities. Blackwall Property Trust is based in Australia.
BlackWall Limited	BlackWall Limited (ASX:BWF), formerly BlackWall Property Funds Limited is a vertically integrated property management, funds management and investment business. It provides property and asset management services to a range of property syndicates. BlackWall Limited also generates fee income from an income producing portfolio. The majority of these assets are held by BlackWall Property Trust, which BlackWall Limited holds a strategic position in.
Servcorp Limited	Servcorp Limited provides executive serviced and virtual offices, coworking and IT, communications, and secretarial services. It offers office space solutions; virtual office services, such as business address, secretary and receptionist, mail forwarding, and telephone answering services; and co-working and meeting room services. The company operates in Australia, New Zealand, Southeast Asia, the United States, Europe, the Middle East, North Asia, and internationally. Servcorp Limited was founded in 1978 and is headquartered in Sydney, Australia.
IWG plc	IWG plc, together with its subsidiaries, provides workspace solutions in the Americas, Europe, the Middle East, Africa, the Asia Pacific, the United Kingdom, and internationally. The company offers co working and office space; virtual, custom, and membership offices, as well as business lounges, meeting rooms, and workplace recovery solutions. It provides its services to property owners and investors, franchisees, and various other customers under the Regus, Spaces, No18, HQ, and Signature, as well as Open Office, The Clubhouse, The Office Operators, Stop & Work, BizDojo, and Basepoint brands. In addition, the company operates Meetingo, a digital platform that provides solutions for meeting; Easy Offices, an online broker that helps to find places to work; Rowa, an online toolkit which provides a range of products and services that help the clients to take their businesses further; and managed office solutions that provides customized workspaces. It operates through 3,388 locations in 1,100 towns and cities across 110 countries. The company was formerly known as Regus plc and changed its name to IWG plc in December 2016. IWG plc was founded in 1989 and is headquartered in Zug, Switzerland.

Source: Capital IQ

APPENDIX G – WACC CALCULATION

The WACC represents the weighted rate of return required by providers of both debt and equity to compensate for the time value of money and the perceived risk of the associated cash flows. The discount rates required by providers of both debt and equity are weighted in proportion to the optimal proportions of debt and equity.

The WACC is calculated as follows:

$$\text{WACC} = [\text{Re} \times \text{E/V}] + [\text{Rd} \times (1 - \text{tc}) \times \text{D/V}]$$

Where:

WACC = post tax weighted average cost of capital

Re = required rate of return on equity capital

E = market value of equity capital

V = market value of debt and equity capital (D + E)

Rd = required rate of return on debt capital

D = market value of debt capital

tc = corporate tax rate

Required rate of Return on Equity Capital (Re)

The Capital Asset Pricing Model (CAPM) can be used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

$$\text{Re} = \text{Rf} + \beta(\text{Rm} - \text{Rf}) + \alpha$$

The components of the formula are as follows:

Re = Required return on equity;

Rf = Risk free rate of return;

Rm = the expected return from a market portfolio;

β = Beta, a measure of the systematic risk of a stock; and

α = specific company risk premium.

Risk Free Rate (Rf)

The risk-free rate of return compensates investors for the time value of money.

The Commonwealth Government bond rate is widely used and is an accepted benchmark for the risk-free return. We have used the 10-year bond rate as this provides the best match against the timeframe of the cash flows being valued.

The 10-year Australian Government bond rate as at 1 November 2020 was 1.00% (Source: Reserve Bank of Australia). However, given the current historically low Government bond rates, we have observed yield on the 10-year Australian Government bond over a longer period.

Based on the average yield for the 5 years to 11 November 2020, we consider it reasonable to adopt a risk-free rate of 2.0% in the calculation of the WACC.

Market rate (R_m)

This represents the additional risk in holding the market portfolio of investments. The term $(R_m - R_f)$ represents the additional return required, above the risk-free rate, to hold the market portfolio of investments. $(R_m - R_f)$ is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium with, generally, most estimates falling within a range of 4% to 8%.

Using our professional judgement, we have assessed the Equity Market Risk Premium $(R_m - R_f)$ for the Company to be 6.5%.

This is consistent with the standard premium applied by most valuation practitioners when assessing the Market Rate as at the Valuation Date.

Beta (β)

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market. A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for comparable companies (Column A). The equity betas are adjusted to remove the effect of company specific debt levels resulting in an ungeared beta (Column B). The ungeared betas are then "regeared" based upon an assessment of the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below (Column C).

The table below sets out the equity beta analysis in relation to the comparable companies.

Company Name	Country	Market Cap \$m (i)	Notional Tax Rate	Net Debt / Total Equity	(A) Unadjusted Beta (ii)	(B) Ungeared Beta	(C) Regeared Beta
Victory Offices Limited	Australia	31.1	26.0%	6.1%	0.66	0.64	0.79
Blackwall Property Trust*	Australia	201.9	26.0%	35.1%	0.24	0.19	0.24
BlackWall Limited	Australia	27.8	26.0%	0.0%	1.29	1.29	1.61
Servcorp Limited	Australia	270.1	30.0%	0.0%	1.16	1.16	1.43
IWG plc*	Switzerland	6,149.0	14.9%	0.3%	2.10	2.09	2.69
Mean (all)					1.09	1.07	1.35
Median (all)					1.16	1.16	1.43
Min (all)					0.24	0.19	0.24
Max (all)					2.10	2.09	2.69
Mean (excluding outliers*)					1.04	1.03	1.28
Median (excluding outliers*)					1.16	1.16	1.43

Sources: Capital IQ and RSM calculations

(i) market capitalisation as at 12 November 2020

(ii) As calculated by the Rozetta Institute Limited using 4-monthly observations to 30 June 2020 (excluding March 2020) for Australian companies, where available, and using Capital IQ monthly Capital IQ observations to 12 November 2020,

(iii) Where Net Debt/Equity ratio is negative, the unadjusted beta is taken to equal the ungeared beta

(iv) For consistency with our DCF model, we have excluded lease liabilities related to the adoption of AASB 16 from the net debt of comparable companies

Table 23: Equity beta analysis

The comparable company descriptions are included in Appendix F.

As a result of the COVID-19 pandemic, In March 2020 the Australian equity market experienced a significant downturn in values, with just over 22% of total market value being lost in March 2020, following an 8% decline in February. The comparable companies selected were in a sector that was particularly impacted by this market downturn and, as a result, the 4-year historical beta to June 2020 were significantly skewed upwards. We consider this to be an outlier that is skewing the normal risks of companies within the real estate sector. We have, therefore, utilised comparable beta estimates published by Rozetta Institute Limited (where available) that utilises 4-year monthly estimates to June 2020, excluding the month of March 2020.

For the purposes of this valuation, we have adopted an equity beta (β) of 1.40.

Specific company risk and size premium (α)

In considering an appropriate WACC for WOTSO, we have considered the specific risks of the Company, which are not experienced by the listed comparable companies and are therefore not reflected in the reported betas or implied multiples derived from publicly available market data.

WOTSO is significantly smaller as compared to the comparable listed companies as at the Valuation Date.

We have considered the following specific risks:

- WOTSO's workspace sites have yet to reach mature level of occupancy and there is execution risk inherent in achieving the forecast level of occupancy growth rates; and
- the lower geographical diversification compared to a number of the listed comparable companies.

On the basis of the above, using our professional judgement, we have adopted a specific company risk factor of between 11% to 12% in our assessment of the WACC for WOTSO.

Required rate of return on debt (R_d)

The rate of return required by providers of debt includes a risk premium over and above the risk-free rate that reflects the debt risk that is specific to the business being valued. This risk effectively represents the risk of default on payments.

In assessing an appropriate debt premium, we have considered a number of factors including:

- the cost of debt for Australian companies similar to WOTSO; and
- the gearing levels adopted for the purposes of calculating the WACC.

We have adopted a risk premium of 150 to 200 basis points over the risk-free rate. Based on a risk-free rate of 2.0%, this equates to a pre-tax cost of debt of 3.5% to 4.0%. This is broadly consistent with the indicator lending rates for revolving credit loans as at November 2020.

Capital structure or Gearing Level (D/V)

The capital structure or gearing level adopted for the purposes of undertaking the valuation should generally reflect the level of debt that can be reasonably sustained by any company operating in a particular industry as opposed to the actual capital structure adopted by the business.

The optimal capital structure of a business is driven by two main considerations:

- the tax benefits of debt finance i.e. the deductibility of interest payments for the purposes of assessing corporate tax liabilities; and
- the financial risk to equity holders i.e. the risk of financial distress as a result of over-gearing.

In assessing the optimal capital structure of WOTSO, we have considered the following:

- the gearing levels of comparable companies as set out in Table 23; and
- the level of debt sustainable by the forecast earnings and cash flows of the Company.

For the purposes of this valuation we have assessed the optimal capital structure to be 20% debt and 80% equity.

Corporate tax rate (tc)

We have utilised the long-term Australian base corporate tax rate of 25% based on corporate tax rates of 26% for FY21 and 25%, thereafter based on current legislated corporate tax rates for entities with consolidated turnover below \$50m.

Assessment of WACC

Based on the assumptions set out above, we have assessed the WACC for WOTSO as set out in the table below.

WOTSO Limited Calculation of WACC	Low	High
Cost of Equity (CAPM)		
Risk free rate	2.0%	2.0%
Beta	1.40	1.40
Risk premium	6.5%	6.5%
Company specific risk factor	11.0%	13.0%
R_e	22.1%	24.1%
Cost of Debt		
Risk free rate	2.0%	2.0%
Debt premium	1.5%	2.0%
R_d	3.5%	4.0%
Capital Structure		
Debt / (Debt + Equity)	20.0%	20.0%
Equity / (Debt + Equity)	80.0%	80.0%
Corporate Tax Rate	25.0%	25.0%
Cost of Equity (Equity / Debt) x R _e	17.7%	19.3%
Cost of Debt (Debt / Value) x R _d	0.7%	0.8%
WACC (Post Tax, Nominal)	18.2%	19.9%
WACC (Post Tax, Nominal) (rounded)	18.0%	20.0%

Source: Capital IQ and RSM analysis

Table 24: Assessment of WACC

APPENDIX H – SUMMARY INDEPENDENT PROPERTY VALUATIONS PREPARED BY M3PROPERTY PTY LTD⁶

⁶ In accordance with RG 111.102, to avoid the inclusion of extraneous information, and to ensure that our report is clear and concise, we have not included full copies of each of these independent valuations in the Report. However, should Shareholders require a full copy of m3property's independent valuations, these can be obtained from the Company on request, free of charge.

Valuation Report

55 Pyrmont Bridge Road, Pyrmont, NSW

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM.
Interest Valued	Fee simple subject to the existing leases.



Property Details

Address	55 Pyrmont Bridge Road, Pyrmont, NSW.
Registered Proprietor	Pyrmont Bridge Property Pty Ltd.
Site Area	3,155 m ² .
Planning	'B4 Mixed Use' pursuant to Sydney Local Environmental Plan 2012
Description	The subject property consists of a modern seven-storey office building which was completed in 1990 and has been periodically refurbished. It incorporates one basement parking level, ground floor foyer and commercial tenancies and six upper office floors. The office accommodation generally presents in good order and benefits from an outlook across Blackwattle Bay and Anzac Bridge to the west and north. The property occupies a prominent corner site, fronting Pyrmont Bridge Road, with additional frontages to Bulwara Road and Ada Place along the western and eastern boundaries respectively, within a mixed-use location at the western City fringe.
Environmental Performance	Not currently rated.
Net Lettable Area	14,285 m ² .
Car Spaces	70 spaces.
Vacancy	Nil.
Lease Expiry	4.67 years – income weighted. 4.13 years – area weighted.



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison.
Date of Inspection	23 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$150,000,000 exclusive of GST.



Prepared By

Valuer	Andrew Duguid B.Bus Prop F.Fin AAPI Certified Practising Valuer Managing Director Primary Signatory	Yash Shah B.Bus Prop AAPI Certified Practising Valuer Valuer Primary Signatory

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

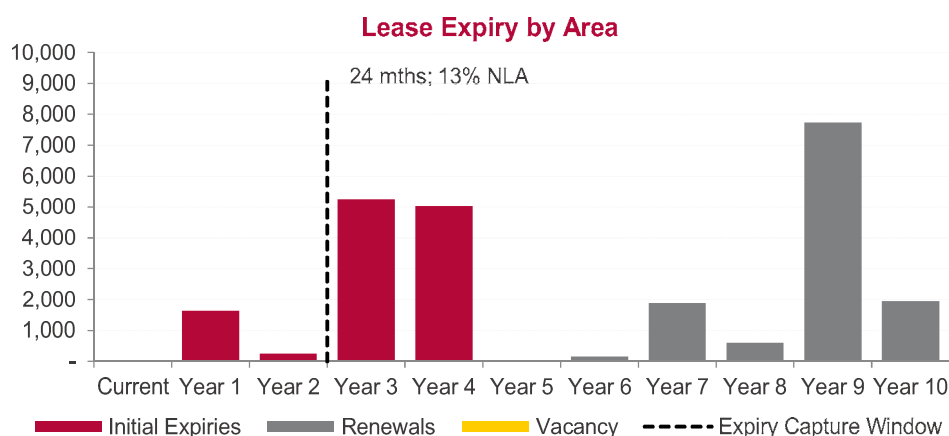
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Purpose of Valuation	Financial Reporting
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	7,439,677	521	9,589,202	671
Passing Income (fully leased)	7,439,677	521	9,589,202	671
Market Income	9,124,012	639	11,273,538	789
Outgoings \$ pa.	(2,149,525)	(150)	(2,149,525)	(150)
Vacancy Factor	-	-	-	-
Office Passing Income	7,229,603	514	9,062,523	644
Office Market Income	8,933,167	635	10,766,088	765

Area & Occupancy Details

Total NLA	14,285.30
Occupied NLA	100.0%
Vacant NLA	-
Weighted Lease Duration By Area	4.67 Years
Weighted Lease Duration By Gross Passing Income	4.13 Years



Valuation Conclusion and Metrics

Capitalisation Approach	153,000,000
DCF Approach	146,000,000
Adopted Market Value	150,000,000
Initial Yield	4.96%
Initial Yield (After Abatements)	4.84%
Initial Yield (Fully Leased)	4.96%
Equated Market Yield	5.86%
Capital Value \$/m ² - NLA	10,500

Capitalisation Approach

Gross Market Income		11,273,538	
Outgoings		2,149,525	
Net Market Income		9,124,012	
Capitalisation rate	6.00%	5.75%	5.50%
Core Capital Value (fully leased)	152,066,875	158,678,478	165,891,136
Adjustments	(5,656,934)	(5,671,630)	(5,686,439)
Capitalisation Value	146,409,941	153,006,848	160,204,698
Capitalisation Value, Rounded	146,000,000	153,000,000	160,000,000

Expiry Allowances for Tenancies expiring before 1-Dec-22 24 capturing 13% of NLA

Capital Expenditure	\$	\$/m²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	593,291	42	0.40%
Capital Expenditure (10 years, inflated)	4,980,678	349	3.32%
Capital Expenditure (10 years, PV)	3,594,274	252	2.40%
Capex (10 yrs incl. terminal value allowances, inflated)	5,663,948	396	3.78%
Capex (10 yrs incl. terminal value allowances, PV)	5,344,674	374	3.56%

Discounted Cash Flow Approach

Cash Flow period	10		
Discount Rate	6.50%		
Terminal Capitalisation Rate	6.00% + 25.0 bp spread		
Terminal Allowance for Tenancies expiring before	1-Dec-32	24 capturing 13% of NLA	
Assumed WALE By Area (as at 1-Dec-30)	3.93 Years		
Assumed WALE By Gross Passing Income (as at 1-Dec-30)	3.91 Years		
Sum of Discounted Cash Flows	46,466,234	30.04%	
Present Value of Terminal Value	108,214,935	69.96%	
NPV (before acquisition costs)	154,681,169		
Acquisition Costs	(8,410,560)		
NPV (after acquisition costs)	146,270,609		

10 Year DCF Sensitivity Matrix

		<u>Discount rate</u>				
		7.00%	6.75%	6.50%	6.25%	6.00%
<u>TerminalYield</u>	6.50%	132,936,308	135,501,345	138,129,337	140,822,026	143,581,206
	6.25%	136,664,657	139,317,935	142,036,471	144,822,073	147,676,601
	6.00%	140,705,047	143,453,951	146,270,609	149,156,898	152,114,755
	5.75%	145,098,197	147,951,076	150,874,422	153,870,191	156,940,397
	5.50%	149,892,232	152,858,574	155,898,345	159,013,583	162,206,391

10 Year IRR Sensitivity Matrix

		<u>Adopted Value</u>				
		153,000,000	151,500,000	150,000,000	148,500,000	147,000,000
<u>TerminalYield</u>	6.50%	5.19%	5.31%	5.44%	5.57%	5.70%
	6.25%	5.55%	5.67%	5.80%	5.93%	6.06%
	6.00%	5.92%	6.05%	6.18%	6.30%	6.43%
	5.75%	6.32%	6.44%	6.57%	6.70%	6.83%
	5.50%	6.73%	6.86%	6.99%	7.12%	7.25%

Capital Expenditure Summary		10 Year Total	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Total Budgeted Capex		-	-	-	-	-	-	-	-	-	-	-
Total Sinking Fund		2,323,432	214,280	216,049	217,671	221,347	227,046	233,136	239,119	245,210	251,545	258,029
Total Refurbishment Allowances		2,657,246	164,731	25,575	523,447	525,360	-	-	212,761	68,428	900,484	236,461
Total Capital Expenditure		4,980,678	379,010	241,624	741,119	746,707	227,046	233,136	451,880	313,638	1,152,029	494,489
Terminal Capital Expenditure Allowance		683,270										683,270
Total Capital Expenditure (Incl. Allowances)		5,663,948	379,010	241,624	741,119	746,707	227,046	233,136	451,880	313,638	1,152,029	1,177,759
Leasing Allowances		10 Year Total	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Downtime		10,167,653	57,629	527,607	142,785	3,244,038	531,889	54,392	610,663	207,298	3,333,107	1,458,246
Incentives		21,029,836	185,895	1,088,915	446,669	4,661,356	2,296,530	1,273,152	2,073,522	1,606,681	932,579	6,464,536
Leasing Costs		2,927,651	15,750	181,979	61,350	815,350	232,454	29,749	192,342	88,162	30,590	1,279,927
Total Leasing Allowances		34,125,140	259,275	1,798,501	650,804	8,720,743	3,060,873	1,357,293	2,876,526	1,902,141	4,296,277	9,202,709
Expense Growth		10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
CPI		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Statutory Expenses		2.93%	1.31%	1.87%	1.74%	2.78%	3.65%	3.69%	3.56%	3.55%	3.59%	3.58%
Operating Expenses		1.93%	0.31%	0.87%	0.74%	1.78%	2.65%	2.69%	2.56%	2.55%	2.59%	2.58%
Building Capex		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Adopted Outgoings		2.30%	0.68%	1.24%	1.11%	2.15%	3.02%	3.06%	2.93%	2.93%	2.97%	2.96%
Income Growth		10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Office Market Rent Growth - Net		3.43%	(0.25%)	2.31%	3.57%	3.88%	4.17%	4.21%	4.49%	4.23%	3.93%	3.90%
Office Market Rent Growth - Gross		3.28%	-	2.11%	3.31%	3.72%	3.98%	4.00%	4.23%	4.02%	3.77%	3.75%
Car Parking Market Rent Growth - Net		3.01%	-	2.29%	2.75%	3.57%	3.68%	3.57%	3.55%	3.58%	3.58%	3.56%
Car Parking Market Rent Growth - Gross		3.01%	-	2.29%	2.75%	3.57%	3.68%	3.57%	3.55%	3.58%	3.58%	3.56%
Pool Market Rent Growth - Net		1.98%	0.68%	0.60%	1.54%	2.42%	2.53%	2.41%	2.39%	2.42%	2.41%	2.39%
Pool Market Rent Growth - Gross		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Retail Market Rent Growth - Net		3.03%	(0.30%)	1.71%	2.85%	3.73%	3.84%	3.72%	3.70%	3.73%	3.73%	3.70%
Retail Market Rent Growth - Gross		2.93%	-	1.59%	2.69%	3.57%	3.68%	3.57%	3.55%	3.58%	3.58%	3.56%
Storage Market Rent Growth - Net		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Storage Market Rent Growth - Gross		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Childcare Market Rent Growth - Net		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Childcare Market Rent Growth - Gross		2.13%	0.83%	0.75%	1.69%	2.57%	2.68%	2.57%	2.55%	2.58%	2.58%	2.56%
Office		Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	m²	-	1,635	253	5,046	5,032	-	-	1,888	554	7,573	1,951
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	9.0	9.0	9.0	9.0	12.0	9.0	9.0	9.0	9.0	9.0	12.0
Applied Downtime	months	9.0	4.5	4.5	4.5	6.0	4.5	4.5	4.5	4.5	4.5	6.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Gross Incentives	%	28.0%	28.0%	28.0%	27.5%	27.0%	26.0%	25.0%	24.0%	23.0%	22.0%	21.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Gross Incentives	%	28.0%	28.0%	28.0%	27.5%	27.0%	26.0%	25.0%	24.0%	23.0%	22.0%	21.0%
Applied Incentives	months	16.8	16.8	16.8	16.5	16.2	15.6	15.0	14.4	13.8	13.2	12.6
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m²	100.00	100.83	101.58	103.30	105.96	108.80	111.59	114.43	117.39	120.42	120.42
Net Market Rent (start of period)	\$/m²		635	633	648	671	697	726	756	790	824	856
Gross Market Rent (start of period)	\$/m²		765	765	781	807	837	870	905	943	981	1,018
Occupancy Rate (Weighted by Area)	%		99.9%	95.1%	98.5%	72.8%	96.0%	100.0%	95.3%	98.2%	77.4%	90.4%
Car Parking		Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	bays	-	-	-	-	-	-	-	-	-	-	-
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Applied Downtime	months	9.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-
Applied Incentives	months	-	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m²	-	-	-	-	-	-	-	-	-	-	-
Net Market Rent (start of period)	\$/m²	-	-	-	-	-	-	-	-	-	-	-
Gross Market Rent (start of period)	\$/m²	-	-	-	-	-	-	-	-	-	-	-
Occupancy Rate (Weighted by Area)	%	-	-	-	-	-	-	-	-	-	-	-
Pool		Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	bays	-	-	-	159	-	-	159	-	-	159	-
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	-	-	-	-	-	-	-	-	-	-	-
Applied Downtime	months	-	-	-	-	-	-	-	-	-	-	-
Lease term	years	1	1	1	1	1	1	1	1	1	1	1
Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-
Applied Incentives	months	-	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m²	-	-	-	-	-	-	-	-	-	-	-
Net Market Rent (start of period)	\$/m²	-	370	372	374	380	389	399	409	418	429	439
Gross Market Rent (start of period)	\$/m²	-	520	524	528	537	551	566	580	595	610	626
Occupancy Rate (Weighted by Area)	%	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Property Specific Assumptions

Verifiable Assumptions

- The major tenant, WOTSO Workspace Pty Ltd is a subsidiary of WOTSO Limited, a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are “arm length”. If this is not the case our valuation may be affected and should be returned to us for review.
-

The above property specific assumptions are provided in addition to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

Market

Investment

- The estimated selling period is 4 to 6 months in the current investment environment.
- Likely buyer profile is private investors, investment syndicates, local and off shore listed and wholesale funds.
- Investment demand has moderated since March 2020 at which time the Covid-19 pandemic began to disrupt the Australian economy and property markets. Transaction volumes have reduced significantly with few offerings and prospective purchasers exercising heightened levels of caution. If offered to the market, we believe the property would meet with moderate to good demand. We recommend regular valuation updates are undertaken.

Tenant

- The property is leased to 9 commercial tenants.
- Two large areas on Level 1 are leased to Genius Learning Pty Ltd, as childcare facilities. These tenancies are subject to 20 year leases from January 2016.
- The largest tenant is Verizon, occupying 4,492 m² (31.4% of NLA) on Levels 4 and 5, with this lease expiring 30 November 2023. The tenancy is utilised as offices and a data centre with considerable data centre infrastructure installed.
- The tenancy profile is varied and includes a large child care facility, large areas of co-working space, general offices and a data centre component.
- Gross passing rents vary from \$477 to \$747/m² for the commercial tenancy areas. The average gross passing rent for the commercial tenancies is \$644/m² which is below the assessed average gross market rent (\$765/m²), indicating good prospects for passing income growth and rent reversions.
- The CBD and fringe markets experienced strong rental growth in 2018 and 2019, although demand has been weak since March 2020 when Covid-19 began to materially impact the Australian economy and real estate markets. Demand is likely to continue to be challenged until economic conditions stabilise.

Asset

- The building has been refurbished over recent years and generally presents in good order throughout.
- Floor plates are relatively large, averaging 2,273 m² (Levels 1 to 6).
- Levels 4 and 6 include external terraces.
- With three street frontages, the office floors have good natural light provisions and enjoy attractive views to the north and west across Blackwattle Bay, Anzac Bridge and the neighbouring district.
- Parking provisions are moderate for this location.
- The property is located in the CBD fringe suburb of Pyrmont, a location that has experienced increased occupier demand and commercial investment and development over recent years.
- The location is reasonably well serviced by public transport with regular light rail and bus services in close proximity.
- We have incorporated an annual capital expenditure allowance equivalent to \$15/m² (escalated annually at CPI) plus an average \$100/m² (escalated at CPI) refurbishment allowance at each lease expiry.
- Building services include a generator to power essential building services during periods of mains power interruption.
- The property occupies a large generally regular site, with 3 street frontages which is zoned B4 Mixed Use. Whilst the existing use is considered to be the highest and best use at the current time, the physical attributes of the site and the planning provisions provide scope for redevelopment longer term.

Cash Flow Profile

- The tenancy profile is varied with the presence of industries including child care, IT, property services and insurance. It is generally considered to be of good calibre.
- The lease expiry is medium term at 4.13 years (income weighted).
- The lease expiry profile is staggered although there is a concentration of expiries in years 3 and 4 (March 2023 to February 2025). During this period leases over 10,287 m² of NLA expires, reflecting 72% of NLA.
- The adopted building outgoings represent \$150.47/m² which is considered reasonable for an office building of this size and nature.
- W & Co is currently receiving rent relief for business interruption caused by Covid-19, which is reviewed on a monthly basis.

Asset Management

- The property comprises a multi tenanted office building which has average management requirements. It appears to be well managed.
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Valuation Report

490 Northbourne Avenue, Dickson, ACT

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM.
Interest Valued	100% Crown Leasehold interest, subject to the existing Lease and Sub-leases.



Property Details

Address	490 Northbourne Avenue, Dickson, ACT.
Registered Proprietor	Trust Company Limited.
Site Area	6,587 m ² .
Planning	'CZ5 – Mixed Use' pursuant to Territory Plan 2008.
Description	The property consists an older style 8 storey B-grade office building which is refurbished in some areas and generally presents in fair to good condition.
Environmental Performance	Not currently rated.
Net Lettable Area	7,861 m ² .
Car Spaces	159 spaces.
Vacancy	2,645 m ² or 33.65%.
Lease Expiry	1.98 years – income weighted. 2.40 years – area weighted.



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison.
Date of Inspection	29 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$31,100,000 exclusive of GST.



Prepared By

Valuer	Andrew Duguid B.Bus Prop F.Fin AAPI Certified Practising Valuer Managing Director <i>Primary Signatory</i>	Yash Shah B.Bus Prop AAPI Certified Practising Valuer Valuer <i>Primary Signatory</i>

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

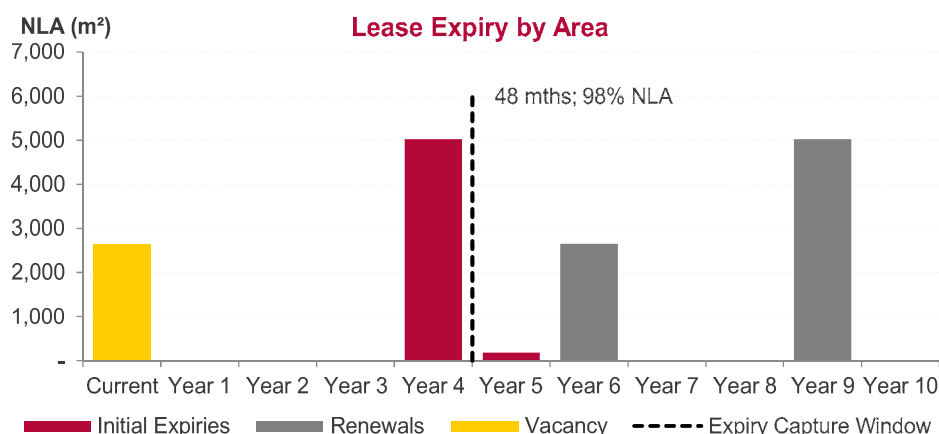
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Purpose of Valuation	Financial Reporting
Interest Valued	100% Leasehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	923,465	117	1,653,764	210
Passing Income (fully leased)	1,975,600	251	2,705,899	344
Market Income	2,665,749	339	3,396,048	432
Outgoings \$ pa.	(730,299)	(93)	(730,299)	(93)
Vacancy Factor	-	-	-	-
Office Passing Income	978,322	125	1,461,875	186
Office Market Income	2,371,778	302	3,101,055	395

Area & Occupancy Details

Total NLA	7,861.00
Occupied NLA	66.4% 5,216.00
Vacant NLA	33.6% 2,645.00
Weighted Lease Duration By Area	2.40 Years
Weighted Lease Duration By Gross Passing Income	1.98 Years



Valuation Conclusion and Metrics

Capitalisation Approach	32,000,000
DCF Approach	30,300,000
Adopted Market Value	31,100,000
Initial Yield	2.97%
Initial Yield (After Abatements)	2.97%
Initial Yield (Fully Leased)	6.35%
Equated Market Yield	6.64%
Capital Value \$/m ² - NLA	3,956
10 Year IRR	6.69%

Capitalisation Approach

Gross Market Income		3,396,048	
Outgoings		730,299	
Net Market Income		2,665,749	
Capitalisation rate	6.75%	6.50%	6.25%
Core Capital Value (fully leased)	39,492,576	41,011,521	42,651,982
Adjustments	(9,012,027)	(9,059,248)	(9,107,023)
Capitalisation Value	30,480,550	31,952,273	33,544,959
Capitalisation Value, Rounded	30,500,000	32,000,000	33,500,000

Expiry Allowances for Tenancies expiring before 1-Dec-24 48 capturing 98% of NLA

Capital Expenditure	\$	\$/m ²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	2,338,747	298	7.52%
Capital Expenditure (10 years, inflated)	4,584,820	583	14.74%
Capital Expenditure (10 years, PV)	3,559,319	453	11.44%
Capex (10 yrs incl. terminal value allowances, inflated)	5,285,574	672	17.00%
Capex (10 yrs incl. terminal value allowances, PV)	4,941,048	629	15.89%

Discounted Cash Flow Approach

Cash Flow period	10		
Discount Rate	7.00%		
Terminal Capitalisation Rate	6.75% + 25.0 bp spread		
Terminal Allowance for Tenancies expiring before	1-Dec-32	24 capturing 36% of NLA	
Assumed WALE By Area (as at 1-Dec-30)	3.24 Years		
Assumed WALE By Gross Passing Income (as at 1-Dec-30)	3.02 Years		
Sum of Discounted Cash Flows	7,920,336	24.79%	
Present Value of Terminal Value	24,025,434	75.21%	
NPV (before acquisition costs)	31,945,769		
Acquisition Costs	(1,642,440)		
NPV (after acquisition costs)	30,303,329		
Rounded NPV	30,300,000		

10 Year DCF Sensitivity Matrix

		Discount rate				
		7.50%	7.25%	7.00%	6.75%	6.50%
TerminalYield	7.25%	27,455,040	28,025,583	28,610,096	29,208,963	29,822,581
	7.00%	28,233,977	28,822,868	29,426,206	30,044,389	30,677,826
	6.75%	29,071,146	29,679,758	30,303,329	30,942,271	31,597,009
	6.50%	29,973,275	30,603,137	31,248,511	31,909,823	32,587,515
	6.25%	30,948,166	31,600,993	32,269,928	32,955,414	33,657,912

10 Year IRR Sensitivity Matrix

		Adopted Value				
		31,722,000	31,411,000	31,100,000	30,789,000	30,478,000
TerminalYield	7.25%	5.76%	5.88%	6.00%	6.12%	6.24%
	7.00%	6.10%	6.22%	6.33%	6.45%	6.58%
	6.75%	6.45%	6.57%	6.69%	6.81%	6.93%
	6.50%	6.82%	6.93%	7.05%	7.17%	7.30%
	6.25%	7.20%	7.32%	7.44%	7.56%	7.68%

Capital Expenditure Summary			10 Year Total	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Total Budgeted Capex			1,181,405	1,181,405	-	-	-	-	-	-	-	-	-
Total Sinking Fund			1,734,829	158,093	159,026	161,985	166,180	170,530	174,782	179,152	183,690	188,333	193,058
Total Refurbishment Allowances			1,663,591	-	-	-	748,348	-	302,008	-	-	613,236	-
Total Capital Expenditure			4,579,825	1,339,498	159,026	161,985	914,528	170,530	476,790	179,152	183,690	801,568	193,058
Terminal Capital Expenditure Allowance			700,754										700,754
Total Capital Expenditure (Incl. Allowances)			5,280,579	1,339,498	159,026	161,985	914,528	170,530	476,790	179,152	183,690	801,568	893,812
Expense Growth			10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
CPI			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Statutory Expenses			3.34%	2.14%	2.93%	3.65%	3.61%	3.48%	3.50%	3.54%	3.53%	3.51%	3.55%
Operating Expenses			2.34%	1.14%	1.93%	2.65%	2.61%	2.48%	2.50%	2.54%	2.53%	2.51%	2.55%
Building Capex			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Adopted Outgoings			2.70%	1.48%	2.27%	3.00%	2.96%	2.83%	2.86%	2.89%	2.88%	2.87%	2.91%
Income Growth			10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Office Market Rent Growth - Net			2.80%	(0.49%)	1.71%	2.06%	2.81%	3.28%	3.56%	4.05%	3.73%	3.70%	3.69%
Office Market Rent Growth - Gross			2.77%	-	1.83%	2.27%	2.85%	3.17%	3.38%	3.77%	3.52%	3.50%	3.50%
Parking Wotso Market Rent Growth - Net			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Parking Wotso Market Rent Growth - Gross			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Car Parking Market Rent Growth - Net			2.65%	-	2.22%	3.09%	3.12%	2.99%	3.00%	3.03%	3.03%	3.01%	3.05%
Car Parking Market Rent Growth - Gross			2.65%	-	2.22%	3.09%	3.12%	2.99%	3.00%	3.03%	3.03%	3.01%	3.05%
Telecoms Market Rent Growth - Net			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Telecoms Market Rent Growth - Gross			2.33%	1.15%	1.86%	2.59%	2.62%	2.49%	2.50%	2.53%	2.53%	2.51%	2.55%
Retail Market Rent Growth - Net			2.82%	1.50%	2.37%	3.10%	3.12%	3.00%	3.01%	3.04%	3.03%	3.01%	3.05%
Retail Market Rent Growth - Gross			2.82%	1.50%	2.36%	3.09%	3.12%	2.99%	3.00%	3.03%	3.03%	3.01%	3.05%
Office			Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	m ²	2,645	-	-	-	-	5,025	180	2,645	-	-	5,025	-
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	9.0	9.0	9.0	9.0	12.0	9.0	9.0	9.0	9.0	12.0
Applied Downtime	months	12.0	6.0	4.5	4.5	4.5	4.5	6.0	4.5	4.5	4.5	4.5	6.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5	5
Gross Incentives	%	26.0%	26.0%	26.0%	25.0%	24.0%	24.0%	23.0%	23.0%	23.0%	22.0%	22.0%	21.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Gross Incentives	%	26.0%	26.0%	26.0%	25.0%	24.0%	24.0%	23.0%	23.0%	23.0%	22.0%	22.0%	21.0%
Applied Incentives	months	15.6	15.6	15.6	15.0	14.4	14.4	13.8	13.8	13.8	13.2	13.2	12.6
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m ²		100.00	101.15	103.03	105.70	108.47	111.17	113.95	116.84	119.79	122.79	
Net Market Rent (start of period)	\$/m ²		302	301	306	312	321	331	343	357	370	384	
Gross Market Rent (start of period)	\$/m ²		395	395	402	411	423	437	451	468	485	502	
Occupancy Rate (Weighted by Area)	%		66.3%	100.0%	100.0%	83.9%	99.6%	99.5%	87.4%	100.0%	89.3%	78.8%	
Parking Wotso			Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	m ²	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Probability	%	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Downtime	months	-	-	-	-	-	-	-	-	-	-	-	-
Applied Downtime	months	-	-	-	-	-	-	-	-	-	-	-	-
Lease term	years	5	5	5	5	5	5	5	5	5	5	5	5
Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	-	-	-	-	-	-	-	-	-	-	-
Applied Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-	-
Applied Incentives	months	-	-	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	-	-	-	-	-	-	-	-	-	-	-	-
Applied Refurbishment Expiry Allowance	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Net Market Rent (start of period)	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Gross Market Rent (start of period)	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy Rate (Weighted by Area)	%	-	-	-	-	-	-	-	-	-	-	-	-
Car Parking			Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	m ²	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	9.0	9.0	9.0	9.0	12.0	9.0	9.0	9.0	9.0	12.0
Applied Downtime	months	12.0	6.0	4.5	4.5	4.5	4.5	6.0	4.5	4.5	4.5	4.5	6.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5	5
Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Gross Incentives	%	-	-	-	-	-	-	-	-	-	-	-	-
Applied Incentives	months	-	-	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Net Market Rent (start of period)	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Gross Market Rent (start of period)	\$/m ²	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy Rate (Weighted by Area)	%	-	-	-	-	-	-	-	-	-	-	-	-

Property Specific Assumptions

Verifiable Assumptions

- The major tenant, WOTSO Workspace Pty Ltd is a subsidiary of WOTSO Limited, a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are “arm length”. If this is not the case our valuation may be affected and should be returned to us for review.
 - The copy of the lease to WOTSO Workspace Pty Ltd provided to us, is a draft only and is not executed. At the date of inspection, WOTSO were in occupation of whole floor levels 3 to 6 and part floor 7 commercial tenancies. For the purpose of this valuation, we have assumed that the lease has been or will become duly executed and registered on title. If this is not the case our valuation may be affected and should be returned to us for review.
-

The above property specific assumptions are provided in addition to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.



Risk Assessment

Market

Investment

- Investment demand has moderated since July 2020 at which time the Covid-19 pandemic began to disrupt the Australian economy and property markets. Transaction volumes have reduced significantly with few offerings and prospective purchasers exercising heightened levels of caution. If offered to the market, we believe the property would meet with moderate to good demand.
- The expected selling period is four to six months under current market conditions.
- The likely buyer profile would include private investors, investment syndicates and boutique investment funds.

Tenant

- The property is 66.4% leased to six tenants with a short-term lease expiry.
- Leasing demand in Canberra generally has been positive, although demand has been weak since March 2020 when Covid-19 began to materially impact the Australian economy and real estate markets. Demand is likely to continue to be challenged until economic conditions stabilise.
- The passing rent is on average, below market.
- Leasing demand in this location is largely driven by Federal and Territory government departments with some accompanying corporate demand.
- We have adopted gross market rents for the office space (ground floor to Level 7) ranging between \$350 to \$410/m², based on assumed gross incentives of 26%.

Asset

- The building provides medium standard office accommodation with very good natural light provisions and good district views.
- The building does not have a NABERS rating.
- Car parking is provided at a ratio of 2.02 spaces per 100m², which is an adequate provision for this market.
- We have been advised by BlackWall that there are minor outstanding capital expenditure works to be completed for F45 Pty Ltd tenancy fit-out totalling \$5,000. We have included this allowance in our valuation as well as refurbishment allowances for the office space equivalent to between \$50 and \$300/m² at the end of each of the existing leases, together with an annual capital expenditure allowance of \$20/m², escalated at CPI. We have made further allowances to refurbish the existing vacant tenancies of between \$300 and \$450/m².

Cash Flow Profile

- The tenancy profile is regarded as medium to good calibre.
- The lease expiry is short term at 1.98 years (income weighted).
- The adopted building outgoings represent \$92.90/m² which is considered reasonable for an office building of this size and nature.
- There are no outstanding lease incentives.

Asset Management

- The property presents well and appears well managed.
-

Valuation Report

Chancellor Park Homemaker Centre
30 Chancellor Village Boulevard, Sippy Downs, Qld
Date of Valuation: 30 November 2020



30 Chancellor Village Boulevard, Sippy Downs – Aerial



30 Chancellor Village Boulevard, Sippy Downs

Executive Summary



Instructions

Prepared for	Glyn Yates RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing leases.



Property Details

Address	Chancellor Park Homemaker Centre, 30 Chancellor Village Boulevard, Sippy Downs, Qld.
Registered Proprietor	Trust Company Limited.
Site Area	26,710 square metres.
Planning	Identified by Sunshine Coast Council as being within a 'Specialised Centre' area and subject to Sunshine Coast Planning Scheme 2014.
Description	The property comprises an irregular shaped 26,710 square metre inside allotment with frontage to Chancellor Village Boulevard. The property is improved with a modern, large format retail complex comprising four detached buildings with a Gross Lettable Area Retail (GLAR) of 9,481 square metres. The property has been partitioned into seven tenancies ranging in size from 501 to 2,431 square metres.
Gross Lettable Area	9,481 square metres.
Car Spaces	309 spaces, providing a ratio of 3.26 spaces per 100 square metres of GLAR.
Vacancy	Nil.
Lease Expiry	4.35 years – income weighted. 4.10 years – area weighted.



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison.
Date of Inspection	30 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$24,200,000 exclusive of GST.



Critical Conditions

- In regard to Tenancy 5, we have been provided with email correspondence between both parties on acceptance of a new five-year lease from March 2020, however we have not sighted any signed documentation. Our valuation has been undertaken on the basis that a new lease is fully executed by both parties and is legally binding. We recommend that the reliant party sight a copy of the signed lease and if the details from what has been relied upon, the report should be returned for further comment.
- In regard to Tenancy 7, we note that the lease is due to expire in March 2021 and we have been provided with correspondence from the lessee varying the lease for an extended term of five years. The letter states that there will be no market review on 6 March 2021 and that from 6 March 2022 the annual reviews will be varied to annual CPI reviews. We have been supplied with a copy of the letter dated 13 August 2020 from the tenant exercising their option. We recommend that the reliant party sight a copy of the lease amendment and if the details differ from what has been relied upon, the report should be returned for further comment.
- In regard to Tenancy 8 we have been advised by the owner that the tenant has exercised their option from 2021, however we have been provided with an unsigned amendment of lease document. Our valuation has been undertaken on the basis that the lease amendment is fully executed by both parties and is legally binding. We recommend that the reliant party sight a copy of the signed lease and if the details from what has been relied upon, the report should be returned for further comment.
- We note that the Tenancy 1 is leased to WOTSO Sippy Downs Pty Ltd, is a subsidiary of WOTSO Limited, a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are at arm's length. If this is not the case our valuation may be affected and should be returned to us for review.

Comments

- Due to the current economic conditions as a result of COVID-19, we have reduced the tenant retention factor to 50% for the first three years of the cash flow period. We have also adopted an increased letting up period in Years 1 and 2, reverting back to nine-12 months in Year 3 onwards. We have also adopted a three-year horizon for capital adjustments as part of our capitalisation approach.



Prepared By

Valuer

Duane Gilliland AAPI
Certified Practising Valuer
Registration No. 3658MR
Director - Retail
Primary Valuer

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

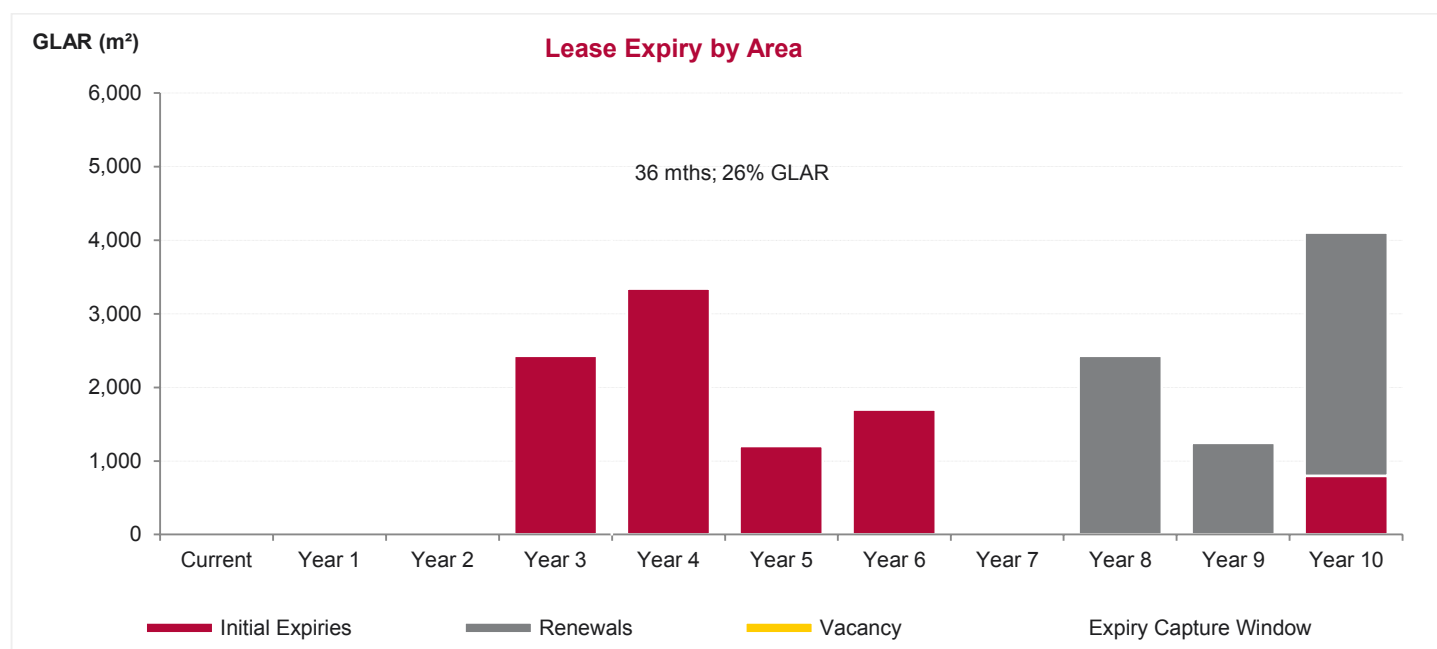
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	1,737,565	183	2,029,315	214
Market Income	1,838,306	194	2,130,056	225
Outgoings \$ pa.	(291,750)	(31)	(291,750)	(31)
Large Format Retail Passing Income	1,631,981	182	1,830,884	204
Large Format Retail Market Income	1,718,228	191	1,917,131	213

Area & Occupancy Details

Total GLAR		9,481.00
Occupied GLAR	100.0%	9,481.00
Vacant GLAR	-	-
Weighted Lease Duration By Area		4.10 Years
Weighted Lease Duration By Gross Passing Income		4.35 Years



Valuation Conclusion and Metrics

Capitalisation Approach	24,800,000
DCF Approach	24,200,000
Adopted Market Value	24,200,000
Initial Yield	7.18%
Initial Yield (After Abatements)	7.18%
Initial Yield (Fully Leased)	7.18%
Equated Market Yield	7.42%
Capital Value \$/m ² - GLAR	2,552
10 Year IRR	7.76%

Capitalisation Approach

Gross Market Income		2,130,056	
Outgoings		291,750	
Net Market Income		1,838,306	
Capitalisation rate	7.50%	7.25%	7.00%
Core Capital Value (fully leased)	24,510,751	25,355,949	26,261,519
Adjustments	(555,176)	(558,392)	(561,632)
Capitalisation Value	23,955,575	24,797,557	25,699,887
Capitalisation Value, Rounded	24,000,000	24,800,000	25,500,000
Expiry Allowances for Tenancies expiring before	1-Dec-23	36	<i>capturing 26% of GLAR</i>

Capital Expenditure	\$	\$/m ²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	108,342	11	0.45%
Capital Expenditure (10 years, inflated)	496,106	52	2.05%
Capital Expenditure (10 years, PV)	339,220	36	1.40%
Capex (10 yrs incl. terminal value allowances, inflated)	584,009	62	2.41%
Capex (10 yrs incl. terminal value allowances, PV)	537,777	57	2.22%

Discounted Cash Flow Approach

Cash Flow period	10		
Discount Rate	7.75%		
Terminal Capitalisation Rate	7.50% + 25.0 bp spread		
Terminal Allowance for Tenancies expiring before	1-Dec-32	24	<i>capturing 18% of GLAR</i>
Assumed WALE By Area (as at 1-Dec-30)	3.39 Years		
Assumed WALE By Gross Passing Income (as at 1-Dec-30)	2.97 Years		
Sum of Discounted Cash Flows	11,415,706	44.47%	
Present Value of Terminal Value	14,255,327	55.53%	
NPV (before acquisition costs)	25,671,034		
Acquisition Costs	(1,453,077)		
NPV (after acquisition costs)	24,217,956		
Rounded NPV	24,200,000		

10 Year DCF Sensitivity Matrix

Terminal Yield	Discount rate					
		8.25%	8.00%	7.75%	7.50%	7.25%
8.00%		22,581,043	22,966,696	23,361,337	23,765,204	24,178,546
7.75%		22,976,782	23,371,692	23,775,828	24,189,436	24,612,771
7.50%		23,398,908	23,803,692	24,217,956	24,641,955	25,075,950
7.25%		23,850,150	24,265,489	24,690,580	25,125,686	25,571,075
7.00%		24,333,628	24,760,276	25,196,968	25,643,974	26,101,572

10 Year IRR Sensitivity Matrix

Terminal Yield	Adopted Value					
		24,684,000	24,442,000	24,200,000	23,958,000	23,716,000
8.00%		6.95%	7.09%	7.23%	7.38%	7.53%
7.75%		7.21%	7.35%	7.49%	7.64%	7.78%
7.50%		7.47%	7.61%	7.76%	7.90%	8.05%
7.25%		7.75%	7.89%	8.03%	8.18%	8.33%
7.00%		8.04%	8.18%	8.32%	8.47%	8.62%

Valuation Report

824-850 Woodville Road, Villawood, NSW

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	Blackwall Property Trust. Jessie Glew.
Reliant Party	RSM Corporate Australia Pty Ltd.
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM.
Interest Valued	Fee simple subject to the existing leases.



Property Details

Address	824-850 Woodville Road, Villawood, NSW.
Registered Proprietor	WRV Pty Ltd.
Site Area	23,330 square metres.
Planning	'B5 Business Development' Fairfield Local Environmental Plan 2013.
Description	The subject property consists of a large format retail complex set over two separate detached buildings, which together house eight (8) separate tenancies. The complex predominantly caters for 'entertainment' users including Zone Bowling and Timezone, Chipmunks Playland, Sydney Indoor Climbing Gym and Jump Swim School, together with a café and one small light industrial tenancy. The property has small frontage and adequate exposure to the heavily trafficked Woodville Road and is located within the established Western Sydney suburb of Villawood, approximately 28 kilometres west of the Sydney CBD.
Net Lettable Area	9,386 square metres.
Car Spaces	At grade parking for 303 cars.
Vacancy	Nil.
Lease Expiry	4.61 years – income weighted. 4.74 years – area weighted.



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison.
Date of Inspection	23 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$22,000,000 exclusive of GST.



Prepared By

Valuer	James Ruben AAPI MRICS Certified Practising Valuer Director <i>Primary Signatory</i>

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

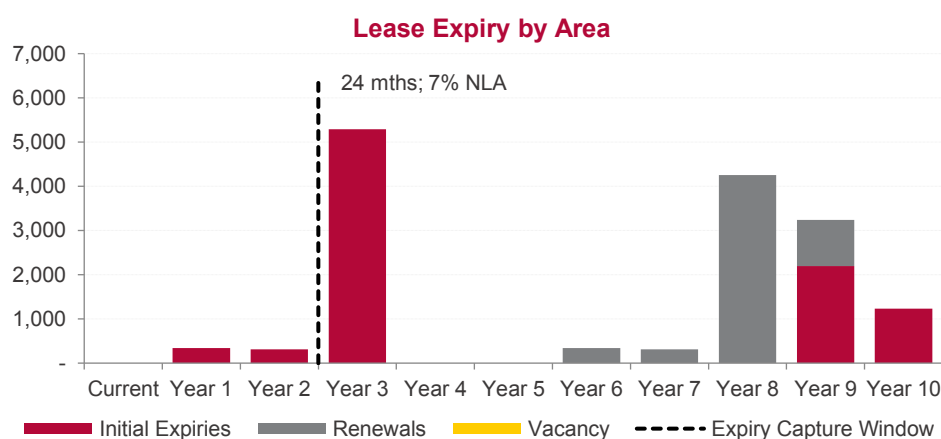
Valuation Details

Date of Valuation 30 November 2020
Interest Valued 100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	1,439,805	153	1,889,317	201
Passing Income (fully leased)	1,439,805	153	1,889,317	201
Market Income	1,439,805	153	1,889,317	201
Outgoings \$ pa.	(449,512)	(48)	(449,512)	(48)
Retail Passing Income	1,439,805	153	1,889,317	201
Retail Market Income	1,439,805	153	1,889,317	201

Area & Occupancy Details

Total NLA 9,388.00
Occupied NLA 100.0% 9,388.00
Vacant NLA -
Weighted Lease Duration By Area 4.74 Years
Weighted Lease Duration By Gross Passing Income 4.61 Years



Valuation Conclusion and Metrics

Capitalisation Approach 21,900,000
DCF Approach 22,200,000
Adopted Market Value 22,000,000

Initial Yield 6.54%
Initial Yield (After Abatements) 6.54%
Initial Yield (Fully Leased) 6.54%
Equivalent Market Yield 6.48%
Capital Value \$/m² - NLA 2,343

Capitalisation Approach

Gross Market Income		1,889,317	
Outgoings		449,512	
Net Market Income		1,439,805	
Capitalisation rate	6.75%	6.50%	6.25%
Core Capital Value (fully leased)	21,330,444	22,150,846	23,036,880
Adjustments	(233,241)	(233,692)	(234,146)
Capitalisation Value	21,097,203	21,917,154	22,802,734
Capitalisation Value, Rounded	21,100,000	21,900,000	22,800,000

Expiry Allowances for Tenancies expiring before 1-Dec-22 24 capturing 7% of

Capital Expenditure	\$	\$/m ²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	152,481	16	0.69%
Capital Expenditure (10 years, inflated)	2,247,769	239	10.22%
Capital Expenditure (10 years, PV)	1,527,198	163	6.94%
Capex (10 yrs incl. terminal value allowances, inflated)	2,443,431	260	11.11%
Capex (10 yrs incl. terminal value allowances, PV)	2,344,939	250	10.66%

Discounted Cash Flow Approach

Cash Flow period	10	
Discount Rate	7.25%	
Terminal Capitalisation Rate	6.75% + 25.0 bp spread	
Terminal Allowance for Tenancies expiring before	1-Dec-32	24 capturing 7% of
Assumed WALE By Area (as at 1-Dec-30)	3.32 Years	
Assumed WALE By Gross Passing Income (as at 1-Dec-30)	3.30 Years	
Sum of Discounted Cash Flows	8,998,094	38.39%
Present Value of Terminal Value	14,441,622	61.61%
NPV (before acquisition costs)	23,439,716	
Acquisition Costs	(1,274,500)	
NPV (after acquisition costs)	22,165,216	

10 Year DCF Sensitivity Matrix

		Discount rate				
		7.75%	7.50%	7.25%	7.00%	6.75%
Terminal Yield	7.25%	20,458,923	20,828,571	21,207,033	21,594,548	21,991,364
	7.00%	20,899,884	21,279,894	21,668,987	22,067,411	22,475,418
	6.75%	21,373,561	21,764,703	22,165,216	22,575,356	22,995,386
	6.50%	21,883,729	22,286,860	22,699,674	23,122,433	23,555,411
	6.25%	22,434,769	22,850,850	23,276,949	23,713,339	24,160,302

10 Year IRR Sensitivity Matrix

		Adopted Value				
		22,440,000	22,220,000	22,000,000	21,780,000	21,560,000
Terminal Yield	7.25%	6.46%	6.60%	6.74%	6.88%	7.03%
	7.00%	6.76%	6.90%	7.04%	7.18%	7.32%
	6.75%	7.07%	7.21%	7.35%	7.49%	7.63%
	6.50%	7.40%	7.53%	7.67%	7.82%	7.96%
	6.25%	7.74%	7.87%	8.01%	8.16%	8.30%

Capital Expenditure Summary		10 Year Total	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Total Budgeted Capex		-	-	-	-	-	-	-	-	-	-	-
Total Sinking Fund		518,346	47,128	48,166	43,405	50,237	52,806	54,184	55,651	53,380	53,189	60,201
Total Refurbishment Allowances		1,729,423	34,666	31,670	549,744	-	-	38,854	35,905	501,113	386,495	150,977
Total Capital Expenditure		2,247,769	81,793	79,836	593,149	50,237	52,806	93,038	91,555	554,493	439,684	211,178
Terminal Capital Expenditure Allowance		195,661										195,661
Total Capital Expenditure (Incl. Allowances)		2,443,431	81,793	79,836	593,149	50,237	52,806	93,038	91,555	554,493	439,684	406,839
Leasing Allowances		10 Year Total	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Downtime		933,525	20,173	19,464	254,576	33,582	-	16,520	30,480	194,391	271,012	93,328
Incentives		574,649	8,493	10,077	100,057	44,009	25,684	31,722	38,378	27,983	207,031	81,215
Leasing Costs		470,718	10,171	9,688	119,753	25,550	-	7,517	16,133	7,605	227,467	46,833
Total Leasing Allowances		1,978,893	38,837	39,229	474,386	103,142	25,684	55,759	84,992	229,979	705,510	221,376
Expense Growth		10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
CPI		2.21%	0.48%	1.91%	2.64%	2.48%	2.42%	2.41%	2.42%	2.48%	2.47%	2.43%
Statutory Expenses		2.44%	0.03%	1.06%	2.53%	3.20%	2.96%	2.92%	2.91%	2.92%	2.98%	2.96%
Operating Expenses		1.94%	(0.47%)	0.56%	2.03%	2.70%	2.46%	2.42%	2.41%	2.42%	2.48%	2.46%
Building Capex		2.21%	0.48%	1.91%	2.64%	2.48%	2.42%	2.41%	2.42%	2.48%	2.47%	2.43%
Adopted Outgoings		2.19%	(0.23%)	0.81%	2.28%	2.95%	2.71%	2.67%	2.67%	2.68%	2.74%	2.72%
Income Growth		10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Retail Market Rent Growth - Net		3.45%	1.98%	3.14%	3.72%	3.72%	3.65%	3.64%	3.65%	3.68%	3.67%	3.63%
Retail Market Rent Growth - Gross		3.19%	1.56%	2.74%	3.46%	3.52%	3.43%	3.42%	3.43%	3.46%	3.46%	3.43%
Retail		Vacancies	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Expiry Profile	m ²	-	346	314	5,294	-	-	346	314	4,254	3,239	1,235
Renewal Probability	%	-	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives	%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Applied Incentives	months	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Applied Leasing Costs	%	15.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Applied Refurbishment Expiry Allowance	\$/m ²		100.00	100.48	102.40	105.10	107.71	110.32	112.99	115.72	118.59	121.51
Net Market Rent (start of period)	\$/m ²		153	156	161	167	174	180	186	193	200	208
Gross Market Rent (start of period)	\$/m ²		201	204	210	217	225	233	241	249	257	266
Occupancy Rate (Weighted by Area)	%		99.1%	99.2%	87.7%	98.1%	100.0%	99.4%	98.8%	92.1%	87.9%	96.7%

Property Specific Assumptions

Verifiable Assumptions

- We were advised at instruction that terms have been agreed for the gym tenancy to expand into the area currently occupied by Parramatta Glass, once the lease is terminated. However, the lease is yet to be signed, and for the purposes of this valuation, we have adopted the current occupancy arrangements only.
 - Various relief has been offered to all of the tenants at the centre at various times since the pandemic began in March 2020, and trading conditions softened. We understand that rent relief arrangements have now concluded and we are not aware of any other outstanding rent relief arrangements. If there are other relief arrangements of which we are not aware, we reserve the right to review and amend this valuation.
-

The above property specific assumptions are provided in addition to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.



Risk Assessment

Market

Investment

- The property should demonstrate reasonable demand if offered to the market at the current time.
- The estimated selling period is three to six months in the current investment environment.
- Likely buyer profile is private investors, investment syndicates and smaller investment funds.
- The market has experienced high levels of market uncertainty during the COVID-19 pandemic. Properties with strong lease profiles and good covenants have largely remained desirable, although retail in general has faced significant challenges.

Tenant

- Leasing demand for large format retail properties in western Sydney and neighbouring markets is currently subdued as a result of the COVID-19 pandemic.
- The property is leased to several tenants with a WALE of 4.74 years (by area).
- The passing rent is considered to be at market levels.
- We were advised at instruction that terms have been agreed for the gym tenancy to expand into the area currently occupied by Parramatta Glass, once the lease is terminated. However, the lease is yet to be signed, and for the purposes of this valuation, we have adopted the current occupancy arrangements only.

Asset

- The building is modern and generally presents in good order.
- The building is a modern style large format retail centre with an entertainment focused tenancy mix. It has been designed and constructed to a reasonable standard, and provides functional large format retail accommodation, commensurate with the requirements of the current tenants.
- On site car parking is provided for approximately 303 vehicles, which is considered to be adequate for the current use.
- We have incorporated an annual capital expenditure allowance equivalent to 2.5% of the base rent each year.

Cash Flow Profile

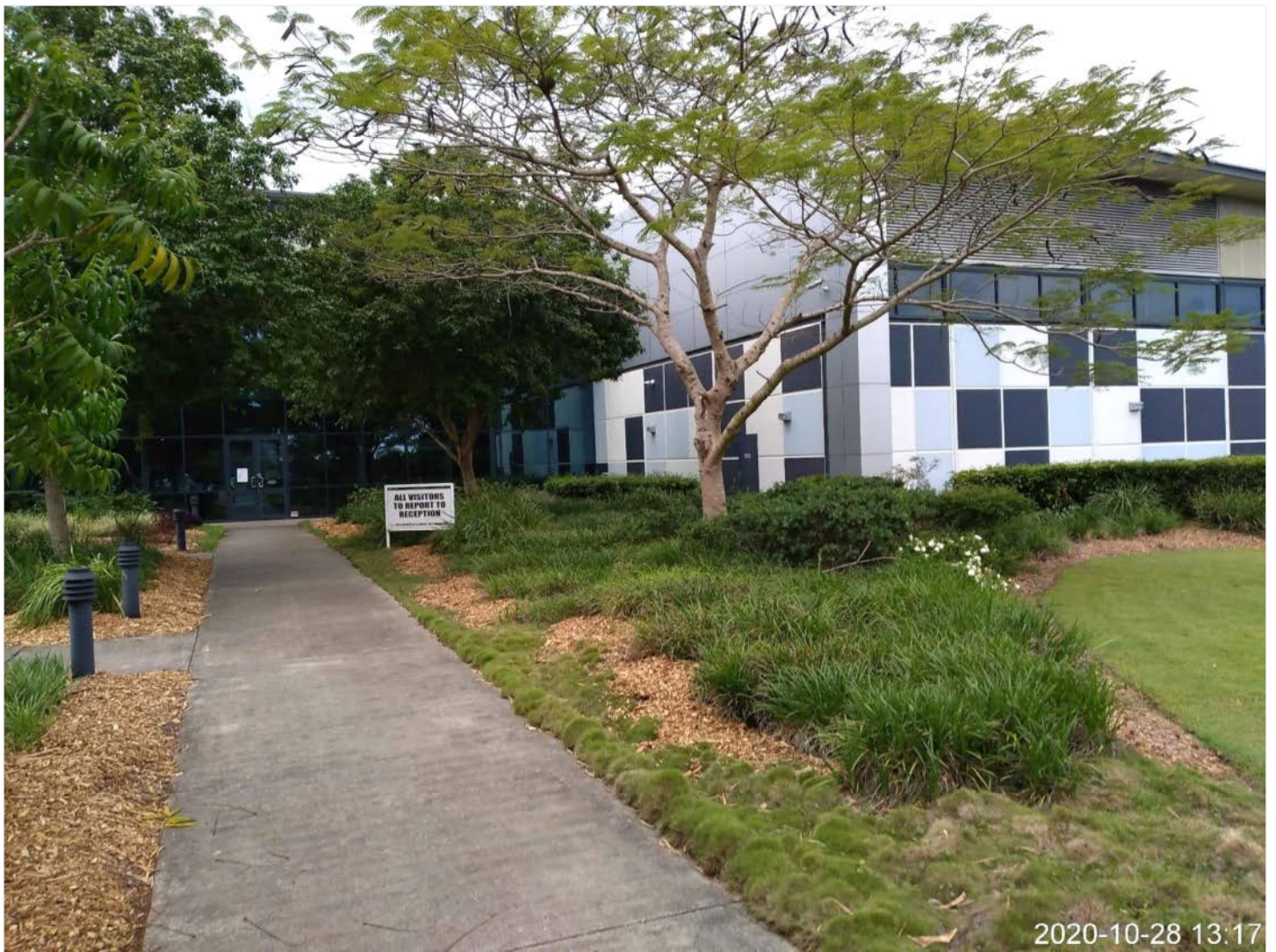
- The tenancy mix is generally considered to be appropriate for this asset, and together, the various tenants are considered to be of a reasonable calibre, and provide adequate cash flow security.
- A small portion of the rental income is paid as a percentage rent from Zone Bowling. This portion of rental income may fluctuate with trading performance. It has been excluded from our valuation calculations.
- The lease expiry profile is good with a WALE of 4.74 years (by area).
- The rent is considered to be at market levels.
- Building outgoings are assessed at approximately \$48 per square metre which is reasonable for a building of this quality.
- We have made no allowances for COVID-19 related rent relief, and we understand that relief arrangements that were in place have now concluded.

Asset Management

- The property caters for several large tenants with relatively straightforward management requirements however due to the size of the asset, professional asset management is recommended.
-

Valuation Report

54 Pioneer Road, Yandina, Qld
Date of Valuation: 28 October 2020



54 Pioneer Road, Yandina, Qld

Executive Summary



Instructions

Prepared for	Glyn Yates. RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing lease.



Property Details

Address	54 Pioneer Road, Yandina, Qld.
Registered Proprietor	Trust Company Limited.
Site Area	22,960 square metres.
Planning	Identified by the Sunshine Coast Council as being within a 'Medium Impact Industry' area under Sunshine Coast Planning Scheme 2014.
Description	The property is located on the northern side of Pioneer Road, approximately 1.35 kilometres north west of the connection with the Bruce Highway, within the established Industrial precinct of Yandina. It is approximately 112 kilometres north of the Brisbane CBD and 32 kilometres south-west of the Noosa CBD. Improvements comprise a purpose-built printing facility leased to News Limited. It houses News Limited's main printing press service in Southeast Queensland. The building is constructed over three levels, providing corporate style office accommodation, and specialised warehouse/production areas purpose built for its current use as a printing facility.
Gross Lettable Area (GLA)	9,100 square metres.
Building to Site Area Ratio	40%.
Vacancy	Nil.
Remaining Lease Term	6.02 years.



Valuation

Valuation Approaches	Capitalisation of Net Income, Discounted Cash Flow and Direct Comparison.
Date of Inspection	28 October 2020.
Date of Valuation	28 October 2020.
Market Value	\$20,200,000 exclusive of GST.



Valuation Comments

Major Issues

- COVID-19 has caused an unprecedented interruption in economic activity, and agents are reporting mixed sale and leasing strength. However, at the date of this valuation, the transactional sales evidence indicates that the market has not changed in a material way for good quality industrial assets. However, market conditions are still unfolding as transactions come to light during this pandemic period and our adopted valuation has some market uncertainty, particularly with the short-term outlook period.
- The Code mandates leasing principles that are to apply on a case by case basis. The leasing principles operate as a guide to the negotiations landlords and tenants are encouraged to have to reach agreement on measures and arrangements that suit the particular case. We have been advised by Blackwall Property Trust that no existing tenants have requested rental relief and our valuation has been made on this basis.
- The valuation includes the present value of this rental overage of \$9,006,775 which is a diminishing interest as the lease get closer to the expiry date.



Prepared By

Valuer

Daniel McGrath AAPI
 Certified Practising Valuer
 Registration No. 5031MR
 Director
 Primary Valuer

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

Valuation Details					
Date of Valuation		28 October 2020			
Date of Cash Flow Model		28 October 2020			
Interest Valued		100% Freehold			
Income Assessment		Net	\$/m ²	Gross	\$/m ²
Passing Income		2,983,644	328	3,149,644	346
Passing Income (fully leased)		2,983,644	328	3,149,644	346
Market Income		1,074,000	118	1,240,000	136
Outgoings \$ pa.		(166,000)	(18)	(166,000)	(18)
Vacancy Factor		-	-	-	-
Over/Under Rated		177.8%		154.0%	
Capital Expenditure		\$	\$/m ²	% of Value	
Capital Expenditure adopted in Cap Val (24 months)		-	-	-	
Capital Expenditure (10 years, inflated)		1,980,958	218	9.8%	
Capital Expenditure (10 years, PV)		1,159,697	127	5.7%	

Capitalisation Approach				
Expiry Allow ances for Tenancies expiring before		27-Oct-22	24 months capturing 0% of GLA	
Market Capitalisation rate		9.25%	9.00%	8.75%
Market Capitalisation Value		20,561,885	20,940,108	21,337,378
Rounded Market Capitalisation Value		20,550,000	20,950,000	21,350,000

Discounted Cash Flow Approach				
Cash Flow period		10 years		
Discount Rate		9.50%		
Terminal Capitalisation Rate		9.50%		+ 50.0 bp spread
Terminal Allow ance for Tenancies expiring before		28-Oct-32	24 months capturing 0% of GLA	
Assumed WALE By Area (as at 28-Oct-30)		7.02 years		
Assumed WALE By Net Passing Income (as at 28-Oct-30)		7.02 years		

10 Year DCF Sensitivity Matrix						
Terminal Yield		10.00%	9.75%	Discount rate		
			9.50%	9.25%	9.00%	
	10.00%	18,808,963	19,015,073	19,225,253	19,439,607	19,658,237
	9.75%	18,936,184	19,145,222	19,358,404	19,575,836	19,797,623
	9.50%	19,070,101	19,282,220	19,498,563	19,719,236	19,944,346
	9.25%	19,211,257	19,426,625	19,646,299	19,870,387	20,099,000
9.00%	19,360,254	19,579,051	19,802,241	20,029,935	20,262,245	

Area & Occupancy Details					
Total				GLA	
Occupied				9,100.00	
Vacant		100.0%		9,100.00	
Weighted Average Lease Expiry By Area				6.02 years	
Weighted Average Lease Expiry By Net Income				6.02 years	

Valuation Reconciliation				
Market Capitalisation Approach		20,950,000		
DCF Approach		19,500,000		
Adopted Market Value		20,200,000		
Initial Passing Yield		14.77%		
Equated Market Yield		9.60%		
Capital Value \$/m ² - GLA		2.22%		
10 Year IRR		8.72%		
7 Year IRR		7.88%		
5 Year IRR		7.00%		
3 Year IRR		10.36%		
10 Year Average Cash on Cash (on Gross Investment Capital)		9.26%		

10 Year IRR Sensitivity Matrix						
Terminal Yield			20,604,000	20,402,000	Adopted Value	
				20,200,000	19,998,000	19,796,000
	10.00%	7.97%	8.18%	8.40%	8.62%	8.84%
	9.75%	8.13%	8.34%	8.56%	8.78%	9.00%
	9.50%	8.29%	8.50%	8.72%	8.94%	9.16%
	9.25%	8.46%	8.67%	8.89%	9.11%	9.33%
9.00%	8.64%	8.85%	9.06%	9.28%	9.50%	



Risk Assessment

Market

Investment

- The impact of the COVID-19 pandemic on property markets has evolved since the onset in circa mid-February 2020, however there is still a lack of clarity and a high degree of uncertainty as to the market sentiment outlook. It is evident that the impact is property and sector dependent. There has been a high volume and scale of investment sales transactions in the industrial sector in the last three to four months that has come to light.
- Overall investment demand for industrial property pre-COVID-19 was strong due to the weight of money and low interest rate regime prevailing. Looking past the acute phase of the virus, the fundamentals for investment in industrial property, remain sound. The 'lower for longer' forecast for the official cash rate is likely to encourage investment into real estate going forward (post the COVID-19 pandemic period), however, this will only occur when confidence and certainty returns to the market.
- Should the property be offered for sale in the current market conditions, we consider that the most likely purchaser would be an institutional investor/A-REIT or syndicated investment fund.
- If the property was offered to the market, we would expect an estimated selling period of up to six months if offered for sale as part of an expressions of interest or similar marketing campaign. We do however emphasise that the current uncertainty (as a result of COVID-19) may extend this timeframe, depending on ongoing market conditions.
- The key characteristics that would receive due consideration from a potential purchaser would include:
 - **Positive:** The subject property is considered to be high quality industrial facility with a strong Nasdaq listed company covenant originally secured on a significant 20-year lease with two additional option periods of 10 years each. Should the tenant continue to occupy the premises beyond the initial term there is some strong cash flow for the additional 10-year lease term(s). News Corp has announced the closure of the Murarrie, Brisbane printing press with their operations to shift to the subject property. On inspection, we were also advised of the current consideration of News Corp to build a new printing press in the subject property at an approximate cost of \$30 million, thereby indicating a possibility of longer term commitment to the subject property.
 - **Negative:** Major negative considerations include the lack of a suitable environmental indemnity and remediation clause in the lease document, as well as the looming lease expiry on 5 November 2026 and the industry wide scaling back of print media. The facility is also of a specialist design and layout which may not appeal to the wider industrial market should the incumbent tenant vacate. There is some significant redecoration and repositioning costs on lease expiry in the event that the tenant vacates. Remaining lease term is 6.02 years and this may deter some investors given the downside risk if the tenant vacates.

Tenant

- News Corp Australia is part of News Corp (a Nasdaq listed company). It is a global, diversified media and information services company focused on creating and distributing authoritative and engaging content. The company comprises businesses across a range of media, including: news and information services, subscription video services in Australia, book publishing and digital real estate services. Headquartered in New York, News Corp operates primarily in the United States, Australia, and the United Kingdom, and its content is distributed and consumed worldwide.
- News Corp Australia's printing division, including APN Print, manages one of Australia's largest network of printing operations.
- Letting up allowances over the forecast period include 24-month marketing/letting up period 17.5% tenant incentive on a notional 10-year lease with a 50% tenant retention probability and 15% agents letting fee.

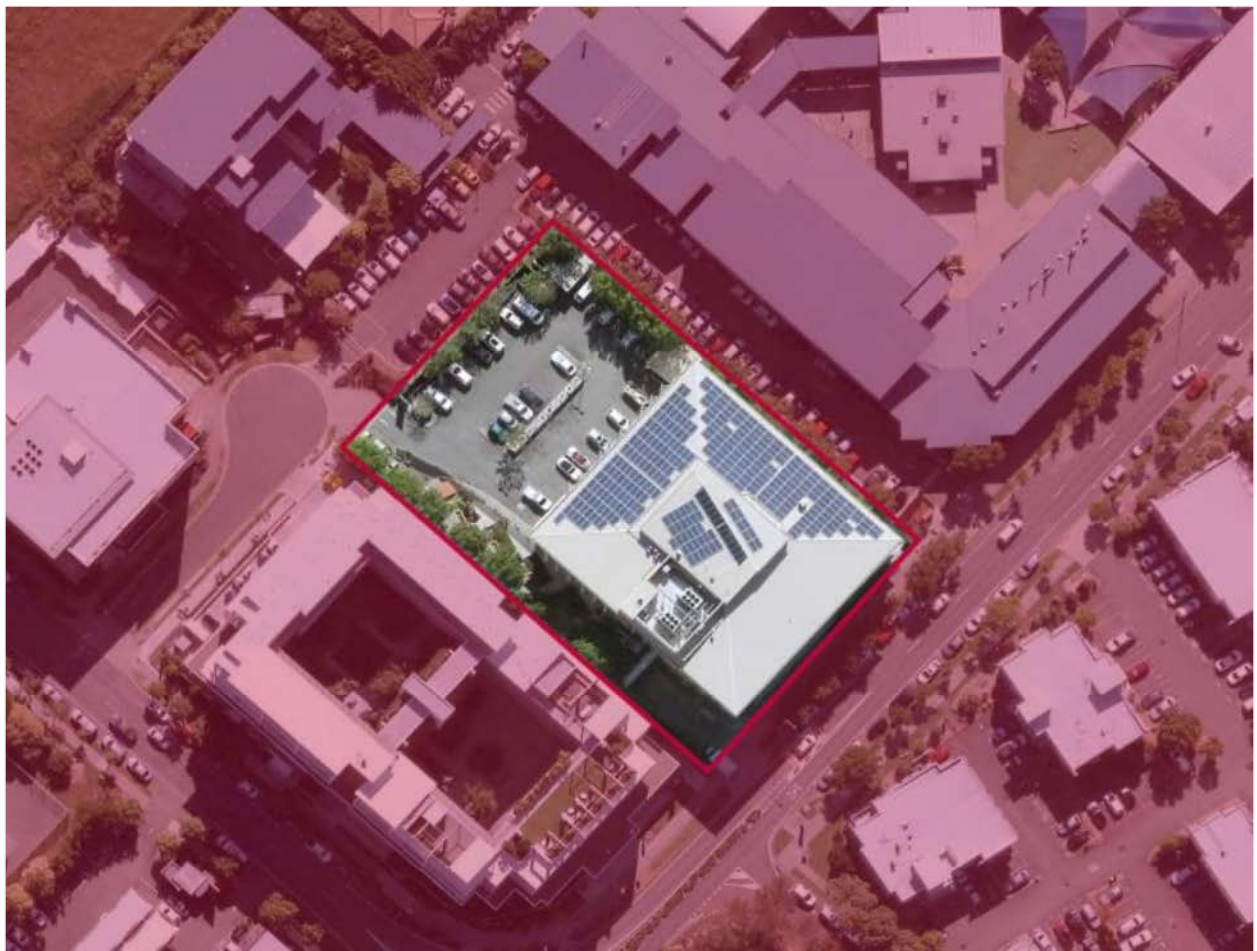
Asset	- The title confers an estate in fee simple, subject to a burdening easement (believed to be a sewer easement to the northern border of the site and not considered to have a material impact on value or the ongoing use on the site). - The property has good location attributes, being within an established industrial precinct, close to arterial roads (Bruce Highway). - Purpose built production/printing press facility. - The highest and best use is considered to be the intended and ongoing industrial use/s.
Environmental	- The Sunshine Coast Council does identify the property as being susceptible to flooding. As such, the flooding risk of the property is considered to be medium. - The site IS listed on the EMR register given the existing use, but not listed on the CLR register. - No obvious Environmental Contamination indemnity and remediate contamination clause in the lease document. - The current use of the site is a printing press, which we consider to be a medium-high risk for matters of environmental concern. - Surrounding uses are light and general industrial and commercial. Industrial uses by their nature have some grounds for environmental concern, however on our inspection we did not notice any obvious matters of significant concern. - The API Environmental Checklist has been completed with the above noted.
Cash Flow Profile	- Current passing rent of \$3,001,644 per annum net (\$330 per square metre net) is considered to be above current market rental value of the original base building industrial office/warehouse unit of 9,100 square metres assessed at \$1,092,000 per annum net (\$120 per square metre). - The present value of this rental overage of \$9,006,775 is a diminishing interest. - Medium term cashflow volatility can be expected at the initial term expiry on 5 November 2026. - Current outgoings are \$148,000 per annum (\$16.26 per square metre). - There are no outstanding tenant incentives. - Income growth in the lease document is 3.0% per annum which is considered to be generally in-line with the wider industrial market.
Asset Management	A modern and specialised facility such as the subject is considered to incorporate experienced management requirements.
Potential Future Value Considerations	- Remaining lease term is 6.02 years. - CAPEX – Within our Discounted Cash Flow Approach, we have allowed \$3.5 per square metre per annum and a \$1,500,000 allowance on lease expiry, amounting to \$1,980,958 over the 10 years inflated by CPI with the present value of this CAPEX forecast being \$1,159,697 (reflecting 5.7% of the adopted value). - Growth Rates are forecast to be 2.47% as an average compound rate over the 10 year forecast period. - Letting up allowances over the forecast period include 24-month marketing/letting up period 17.5% tenant incentive on a notional 10-year lease with a 50% tenant retention probability and 15% agents letting fee.

Valuation Report

Silver @ The Exchange

Lots 1 and 3 / 194 Varsity Parade, Varsity Lakes, Qld

Date of Valuation: 30 November 2020



Aerial Photograph 194 Varsity Parade, Varsity Lakes



194 Varsity Parade, Varsity Lakes

Executive Summary



Instructions

Prepared for	Glyn Yates. RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing leases.



Property Details

Address	Lots 1 and 3 / 194 Varsity Parade, Varsity Lakes, Qld.
Registered Proprietor	Trust Company Limited.
Site Area	4,160 square metres.
Planning	Identified by City of Gold Coast as being within a 'Centre' area under the Gold Coast City Plan Interactive Mapping – Version 7.
Description	The property is located within the Gold Coast suburb of Varsity Lakes, approximately 14.3 kilometres south of the Southport Central Business District and approximately 85.5 kilometres by road south-east of the Brisbane Central Business District. It is situated within the Silver @ The Exchange (Community Titles Scheme), a modern four level office building comprising three strata units and secure basement parking. The units typically provide office accommodation however there is a portion of space used for café, gym and childcare (licence 83 places) provider. The parent site comprises an irregular-shaped inside allotment with a site area of 4,160 square metres with frontage to Boston Court and Varsity Parade. The subject Lots 1 and 3 are configured to provide 5,435 square metres of Net Lettable Area (NLA), over levels one to four conforming to a modern standard. The car park includes 179 car parking spaces of which 48 are visitor bays providing a car parking ratio of 1:30.
Environmental Performance	The property has not been assessed for an environmental rating.
Net Lettable Area	5,435 square metres.
Car Spaces	179.
Vacancy	Nil.
Lease Expiry	4.31 years – income weighted. 4.01 years – area weighted.



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison.
Date of Inspection	23 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$19,750,000 exclusive of GST.



Critical Conditions

- In regard to WATSO leases, we have been provided with a tenancy schedule and email correspondence from the landlord confirming a five-year lease from 01 July 2019, however we have not sighted any executed/signed documentation. Our valuation has been undertaken on the basis that a new lease is fully executed by both parties and is legally binding. We recommend the instructing party sight a copy of the signed lease and if the details vary from what has been relied upon, the report should be returned for further comment.
- We note that WOTSO Limited, is a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust (ASX Code: BWR) announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are at arm's length. If this is not the case our valuation may be affected and should be returned to us for review.

Comments

- The Code of Conduct relating to commercial tenancies, mandates leasing principles that are to apply on a case by case basis. The leasing principles operate as a guide to the negotiations landlords and tenants are encouraged to have to reach agreement on measures and arrangements that suit the particular case. However we have been advised by the owner that no tenants are receiving any COVID-19 related relief from 01 November 2020.
- The Coronavirus pandemic has impacted the commercial property market in 2020 and is property sector dependant. Although the affect is yet to translate into verifiable evidence of a market movement, agents, funds and operators are seeing caution flow through by investors, buyers and prospective tenants. Any party relying on this report should have regard to the current economic uncertainty and the potential for high volatility in property values over the short to medium term.



Prepared By

Valuer

Michael Coverdale AAPI
Certified Practising Valuer
Registration No. 3651
Director
Primary Valuer

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

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Valuation Summary

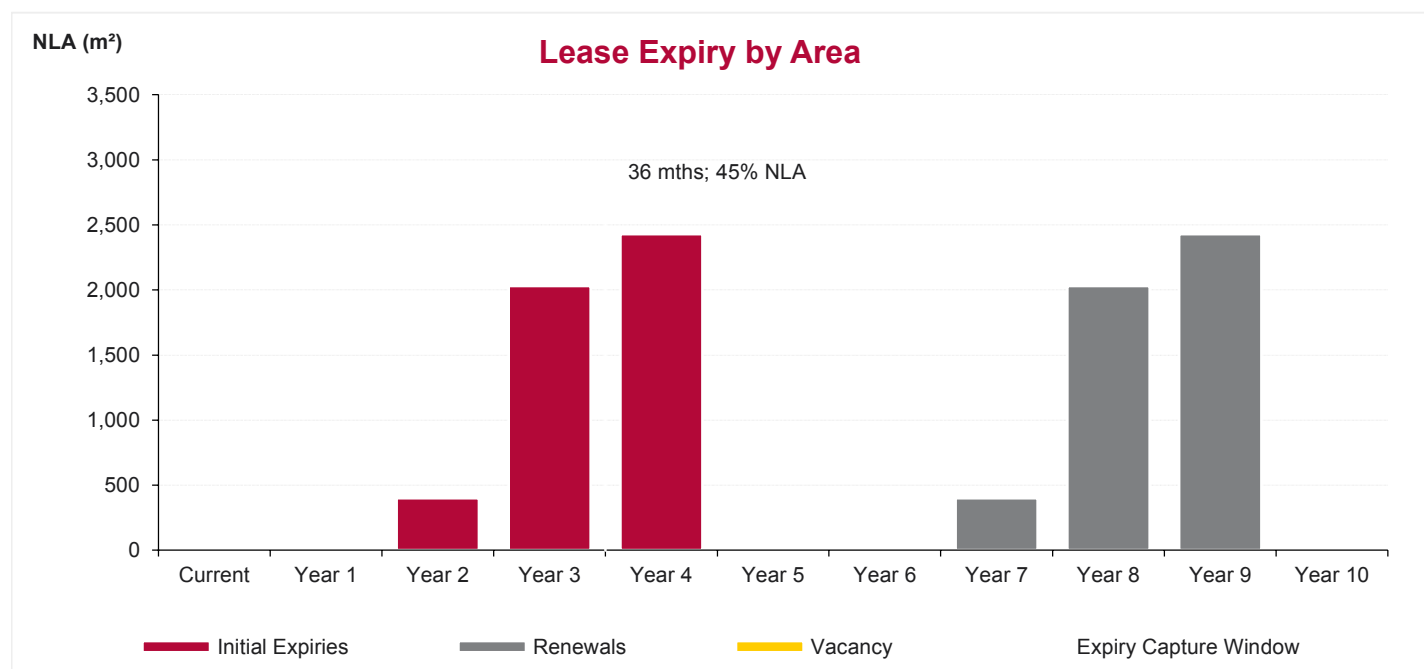
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	1,428,149	263	1,967,439	362
Passing Income (fully leased)	1,440,149	265	1,979,439	364
Market Income	1,608,030	296	2,147,320	395
Outgoings \$ p.a.	(539,290)	(99)	(539,290)	(99)

Area & Occupancy Details

Total NLA		5,435.00
Occupied NLA	100.0%	5,435.00
Vacant NLA	-	-
Weighted Lease Duration By Area		4.01 Years
Weighted Lease Duration By Gross Passing Income		4.31 Years



Valuation Conclusion and Metrics

Capitalisation Approach	20,000,000
DCF Approach	19,250,000
Adopted Market Value	19,750,000
Initial Yield	7.23%
Equated Market Yield	7.36%
Capital Value \$/m ² - NLA	3,634
10 Year IRR	7.66%

Capitalisation Approach

Gross Market Income		2,147,320	
Outgoings		539,290	
Net Market Income		1,608,030	
Capitalisation rate	7.50%	7.25%	7.00%
Core Capital Value (fully leased)	21,440,400	22,179,724	22,971,857
Adjustments	(2,078,885)	(2,090,758)	(2,102,726)
Capitalisation Value	19,361,515	20,088,966	20,869,131
Capitalisation Value, Rounded	19,250,000	20,000,000	20,750,000

Expiry Allowances for Tenancies expiring before	1-Dec-23	36	<i>capturing 45% of NLA</i>

Capital Expenditure	\$	\$/m²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	358,818	66	1.82%
Capital Expenditure (10 years, inflated)	1,404,638	258	7.11%
Capital Expenditure (10 years, PV)	961,098	177	4.87%
Capex (10 yrs incl. terminal value allowances, inflated)	1,562,800	288	7.91%
Capex (10 yrs incl. terminal value allowances, PV)	1,477,897	272	7.48%

Discounted Cash Flow Approach

Cash Flow period	10		
Discount Rate	8.00%		
Terminal Capitalisation Rate	7.50%		+ 25.0 bp spread
Terminal Allowance for Tenancies expiring before	1-Dec-32	24	<i>capturing 8% of NLA</i>
Assumed WALE By Area (as at 1-Dec-30)	3.64 Years		
Assumed WALE By Gross Passing Income (as at 1-Dec-30)	3.56 Years		
Sum of Discounted Cash Flows	7,306,713	35.78%	
Present Value of Terminal Value	13,112,217	64.22%	
NPV (before acquisition costs)	20,418,930		
Acquisition Costs	(1,155,788)		
NPV (after acquisition costs)	19,263,141		
Rounded NPV	19,250,000		

10 Year DCF Sensitivity Matrix

		Discount rate				
		8.50%	8.25%	8.00%	7.75%	7.50%
Terminal Yield	8.00%	17,829,663	18,159,554	18,497,312	18,843,152	19,197,290
	7.75%	18,183,496	18,521,643	18,867,871	19,222,399	19,585,450
	7.50%	18,560,924	18,907,879	19,263,141	19,626,936	19,999,494
	7.25%	18,964,389	19,320,759	19,685,679	20,059,381	20,442,102
	7.00%	19,396,680	19,763,139	20,138,406	20,522,722	20,916,332

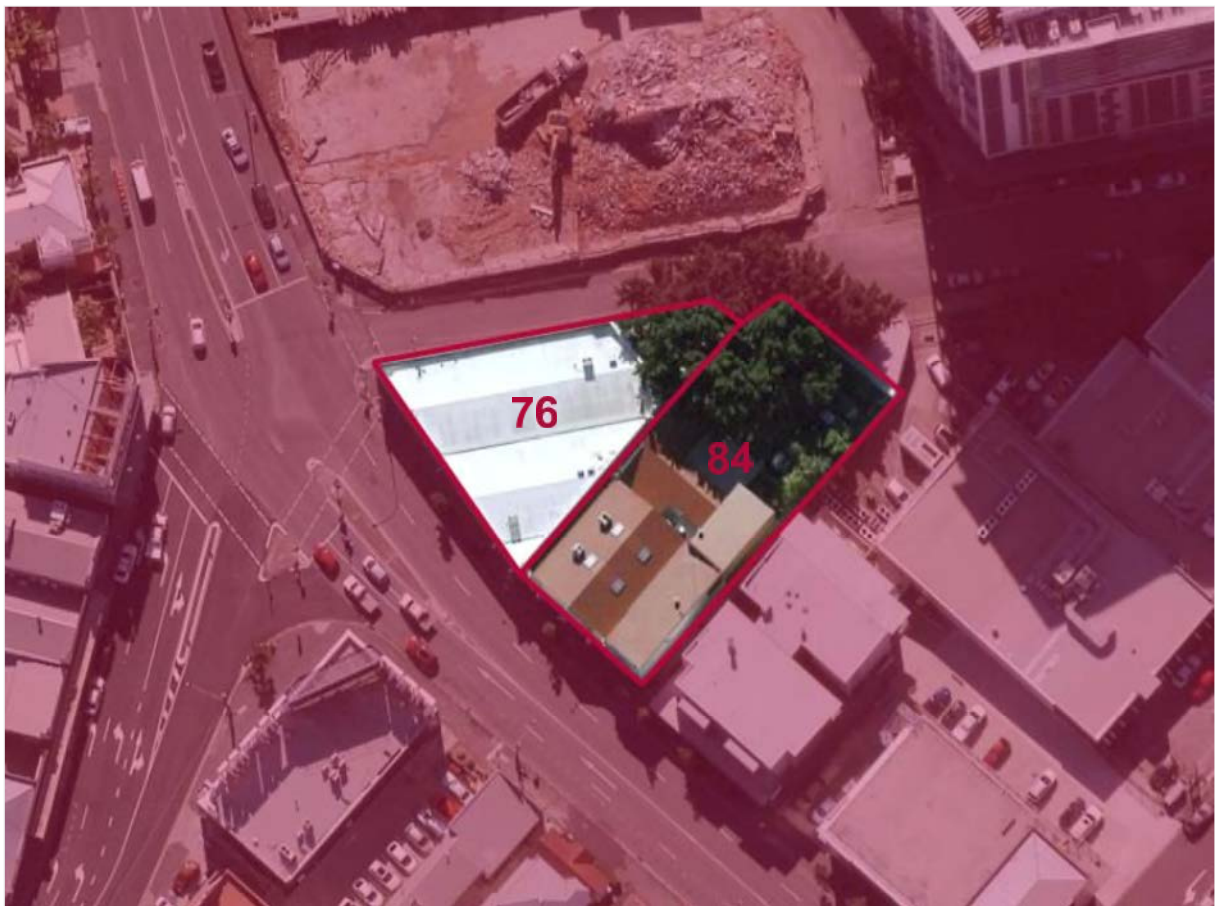
10 Year IRR Sensitivity Matrix

		Adopted Value				
		20,250,000	20,000,000	19,750,000	19,500,000	19,250,000
Terminal Yield	8.00%	6.79%	6.95%	7.12%	7.29%	7.46%
	7.75%	7.05%	7.22%	7.39%	7.55%	7.73%
	7.50%	7.33%	7.50%	7.66%	7.83%	8.00%
	7.25%	7.62%	7.79%	7.95%	8.12%	8.29%
	7.00%	7.92%	8.09%	8.25%	8.42%	8.60%

Valuation Report

76-84 Brunswick Street, Fortitude Valley, Qld

Date of Valuation: 30 November 2020



Aerial Photograph of 76-84 Brunswick Street, Fortitude Valley



76-84 Brunswick Street, Fortitude Valley

Executive Summary

Instructions

Prepared for	Glyn Yates. RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing lease.

Property Details

Address	76-84 Brunswick Street, Fortitude Valley, Qld.
Registered Proprietor	87 Brunswick Street, Pty Limited.
Site Area	76 Brunswick Street: 698 square metres. 84 Brunswick Street: 956 square metres. Total: 1,654 square metres.
Planning	Identified by Brisbane City Council as being within a 'Mixed Use (inner city)' area and within the Fortitude Valley neighbourhood plan and within the Water Street precinct – NPP-006 under the Brisbane City Council City Plan 2014.
Description	The property is located within the established near-city suburb of Fortitude Valley, approximately 2.2 kilometres by road north of the Brisbane Central Business District and approximately 450 metres by road north-west of the Fortitude Valley train station. Significant landmarks located within close proximity to the subject include the Brisbane Exhibition Grounds, Royal Brisbane and Women's Hospital and the Brunswick Street Mall. The site comprises two contiguous allotments, which together provide an irregular shaped corner allotment with a combined site area of 1,654 square metres, with frontage to Brunswick Street and Water Street. 76 Brunswick Street comprises an older-style two level mixed-use building incorporating office accommodation to the first level and storage below. 84 Brunswick Street comprises two merged character buildings that comprises two and three levels of office accommodation.
Environmental Performance	The property has not been assessed for an environmental rating.
Net Lettable Area	2,120 square metres.
Car Spaces	13.
Vacancy	600 square metres or 28.3%.
Lease Expiry	2.73 years – income weighted. 2.85 years – area weighted.

Valuation

Valuation Approaches	Capitalisation of Net Income and Direct Comparison.
Date of Inspection	23 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$8,200,000 exclusive of GST.



Critical Conditions

- In regard to *Watso 84*, we have been provided with a non-executed lease document, tenancy schedule and email correspondence from the landlord on acceptance of a new five-year lease from 01 July 2019, however we have not sighted any signed documentation. Our valuation has been undertaken on the basis that a new lease is fully executed by both parties and is legally binding. We note that the tenant is in occupation. We recommend that the lender sight a copy of the signed lease and if the details vary from what has been relied upon, the report should be returned for further comment.
- In regard to *Watso 76*, we have been provided with email correspondence from the landlord on acceptance of a new five-year lease from 01 July 2020, however we have not sighted any signed documentation. We note that the tenant has recently undertaken a fitout for this space. Our valuation has been undertaken on the basis that a new lease is fully executed by both parties and is legally binding. We recommend that the lender sight a copy of the signed lease and if the details vary from what has been relied upon, the report should be returned for further comment.
- We note that WOTSO Limited, is a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust (ASX Code: BWR) announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are at arm's length. If this is not the case our valuation may be affected and should be returned to us for review.
- We have included a vacant possession value in Section 10 of this report.
- The Courtyard area to the basement level of 84 Brunswick Street is in the process of being converted into open parking as at the date of inspection. Note that our valuation assumes completion of these works.
- We have included a \$150,000 of capital expenditure allowance to bring the vacant area to a marketable and usable condition.

Comments

- The Code of Conduct relating to commercial tenancies, mandates leasing principles that are to apply on a case by case basis. The leasing principles operate as a guide to the negotiations landlords and tenants are encouraged to have to reach agreement on measures and arrangements that suit the particular case. However we have not been advised by property management that the Watso tenant is receiving any Covid rental relief.
- The Coronavirus pandemic has impacted the commercial property market in 2020 and is property sector dependant. Although the effect is yet to translate into verifiable evidence of a market movement, agents, funds and operators are seeing caution flow through by investors, buyers and prospective tenants. Any party relying on this report should have regard to the current economic uncertainty and the potential for high volatility in property values over the short to medium term.



Prepared By

Valuer

Michael Coverdale AAPI
Certified Practising Valuer
Registration No. 3651
Director
Primary Valuer

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

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Valuation Summary

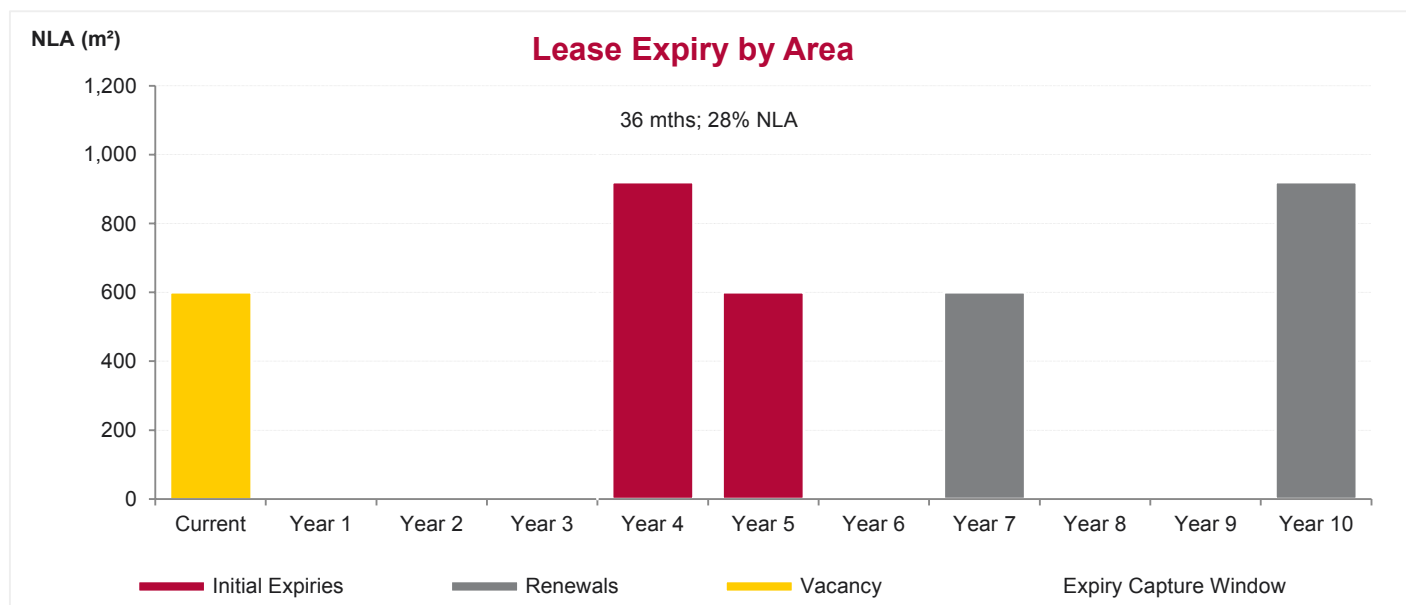
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	234,015	110	403,831	190
Passing Income (fully leased)	414,015	195	583,831	275
Market Income	642,015	303	811,831	383
Outgoings \$ pa.	(169,816)	(80)	(169,816)	(80)

Area & Occupancy Details

Total NLA	2,120.00
Occupied NLA	71.7% 1,520.00
Vacant NLA	28.3% 600.00
Weighted Lease Duration By Area	2.85 Years
Weighted Lease Duration By Gross Passing Income	2.73 Years



Valuation Conclusion and Metrics

Capitalisation Approach	8,100,000
Direct Comparison Approach	8,250,000
Adopted Market Value	8,200,000
Initial Yield	2.85%
Equated Market Yield	6.69%
Capital Value \$/m ² - NLA	3,868
Capital Value \$/m ² - Site Area	4,958

Capitalisation Approach

Gross Market Income		811,831	
Outgoings		169,816	
Net Market Income		642,015	
Capitalisation rate	7.00%	6.75%	6.50%
Core Capital Value (fully leased)	9,171,637	9,511,327	9,877,147
Adjustments	(1,393,240)	(1,397,884)	(1,402,563)
Capitalisation Value	7,778,396	8,113,443	8,474,584
Capitalisation Value, Rounded	7,800,000	8,100,000	8,450,000

Direct Comparison Approach - Net Lettable Area

		Low	Mid	High
Net Lettable Area	m ²		2,120	
Value of Net Lettable Area	\$m ²	3,750		4,000
Direct Comparison - Net Lettable Area	\$	7,950,000		8,480,000
Rounded Value			8,250,000	
				3,892/m ² NLA

Valuation Report

10-14 Wormald Street, Symonston, ACT

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM.
Interest Valued	100% Crown Leasehold interest, subject to the existing Lease and Sub-leases.



Property Details

Address	10-14 Wormald Street, Symonston, ACT.
Registered Proprietor	Trust Company Limited.
Site Area	6,435 m ² .
Planning	'IZ1 – General Industrial' pursuant to Territory Plan 2008.
Description	The property consists of a modern mainly single and part two storey office building, above a single level basement car park with on grade parking at the rear. It situated in Symonston, an outer suburb of Canberra approximately 7 kilometres south east of the Canberra Civic precinct and 3 kilometres south of the Canberra Airport. The major tenant is WOTSO Workspace (2,156 m ² or 82% of NLA).
Environmental Performance	Not currently rated.
Net Lettable Area	2,645 m ² .
Car Spaces	39 spaces.
Vacancy	Nil.
Lease Expiry	2.88 years – income weighted. 3.11 years – area weighted.



Valuation

Valuation Approaches	Capitalisation of Net Income and Direct Comparison.
Date of Inspection	29 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$8,200,000 exclusive of GST.



Prepared By

Valuer	Andrew Duguid B.Bus Prop F.Fin AAPI Certified Practising Valuer Managing Director Primary Signatory	Yash Shah B.Bus Prop AAPI Certified Practising Valuer Valuer Primary Signatory

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

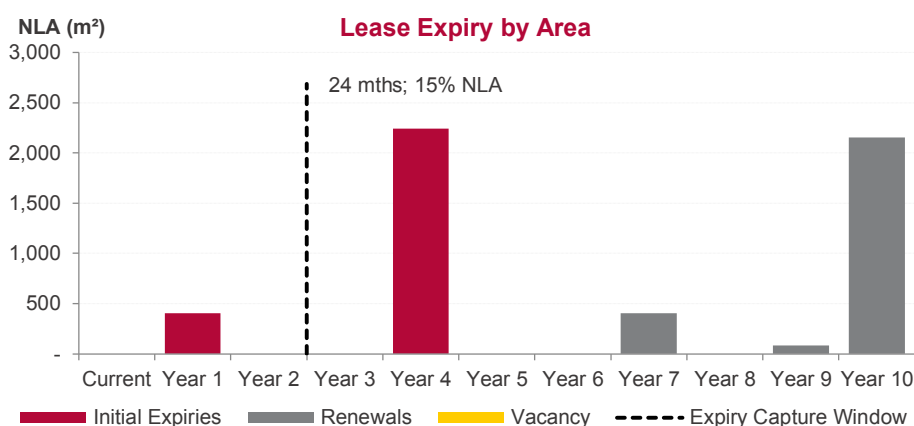
Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	30 November 2020
Purpose of Valuation	Financial Reporting
Interest Valued	100% Leasehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	495,528	187	761,954	288
Passing Income (fully leased)	495,528	187	761,954	288
Market Income	680,474	257	946,900	358
Outgoings \$ pa.	(266,426)	(101)	(266,426)	(101)
Office Passing Income	453,190	177	711,054	278
Office Market Income	638,136	249	896,000	350

Area & Occupancy Details

Total NLA	2,645.00
Occupied NLA	100.0% 2,645.00
Weighted Lease Duration By Area	3.11 Years
Weighted Lease Duration By Gross Passing Income	2.88 Years



Valuation Conclusion and Metrics

Capitalisation Approach	8,300,000
Direct Comparison - NLA Approach	8,200,000
Adopted Market Value	8,200,000
Initial Yield	6.04%
Initial Yield (After Abatements)	6.04%
Initial Yield (Fully Leased)	6.04%
Equated Market Yield	7.34%
Capital Value \$/m ² - NLA	3,100
10 Year IRR	4.44%

Capitalisation Approach

Gross Market Income	946,900
Outgoings	266,426
Net Market Income	680,474
Capitalisation rate	7.50% 7.25% 7.00%
Core Capital Value (fully leased)	9,072,981 9,385,843 9,721,051
Adjustments	(1,069,132) (1,071,957) (1,074,803)
Capitalisation Value	8,003,849 8,313,886 8,646,249
Capitalisation Value, Rounded	8,000,000 8,300,000 8,600,000

Property Specific Assumptions

Verifiable Assumptions

- The major tenant, WOTSO Workspace Pty Ltd is a subsidiary of WOTSO Limited, a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company. On 24 July 2020 BlackWall Property Trust announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that WOTSO Workspace Pty Ltd is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are “arm length”. If this is not the case our valuation may be affected and should be returned to us for review.
 - The copy of the lease to WOTSO Workspace Pty Ltd provided to us, is a draft only and is not executed. At the date of inspection, WOTSO were in occupation of two of the four ground floor commercial tenancies. For the purpose of this valuation, we have assumed that the lease has been or will become duly executed and registered on title. If this is not the case our valuation may be affected and should be returned to us for review.
-

The above property specific assumptions are provided in addition to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.



Risk Assessment

Market	
Investment	- Investment demand has moderated since March 2020 at which time the Covid-19 pandemic began to disrupt the Australian economy and property markets. Transaction volumes have reduced significantly with few offerings and prospective purchasers exercising heightened levels of caution. If offered to the market, we believe the property would meet with moderate to good demand. - The expected selling period is four to six months under current market conditions. - The likely buyer profile would include private investors, investment syndicates and boutique investment funds.
Tenant	- The property is 100% leased to three tenants with a short to medium term lease expiry. - Approximately 15% of the NLA is subject to leases which expire in the 24 month period from the date of valuation. - Leasing demand in Canberra generally has been positive, although demand has been weak since March 2020 when Covid-19 began to materially impact the Australian economy and real estate markets. Demand is likely to continue to be challenged until economic conditions stabilise. - The passing rent is on average, below market. - We have adopted a gross market rent for the office space of \$350/m², based on assumed gross incentives of 26%.
Asset	- The building provides modern, good standard, office accommodation with good natural light provisions. It has been well maintained and presents in good order throughout. - The building does not have a NABERS rating. - Car parking is provided at a ratio of 1.47 spaces per 100m², which is an adequate provision for this market. - We have included an annual capital expenditure allowance of \$20/m², escalated at CPI and a refurbishment allowance of \$100/m² at each lease expiry, escalated at CPI.
Cash Flow Profile	- The tenancy profile is regarded as medium to good calibre. - The lease expiry is short to medium term at 2.88 years (income weighted). - The adopted building outgoings represent \$100.73/m² which is considered reasonable for an office building of this size and nature. - There are no outstanding lease incentives.
Asset Management	The property presents well and appears well managed.

Valuation Report

162 Macquarie Street, Hobart, TAS

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	Jessie Glew BlackWall
Reliant Party	RSM Corporate Australia Pty Ltd (RSM)
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing leases



Property Details

Address	162 Macquarie Street, Hobart, TAS
Registered Proprietor	BlackWall Hobart Pty Ltd
Site Area	Land Area square metres
Planning	Central Business (22.0) under the Hobart Interim Planning Scheme 2015 Planning Scheme
Description	A five storey building with ground level retail and office and four upper levels of office accommodation, with secure basement car parking.
Environmental Performance	No current NABERS rating
Net Lettable Area (NLA)	3,685 square metres
Car Spaces	34
Vacancy	53.00 square metres or 1.44%
Lease Expiry	2.61 years – area weighted 2.44 years – income weighted



Valuation

Valuation Approaches	Discounted Cash Flow, Capitalisation of Net Income and Direct Comparison
Date of Inspection	21 October 2020
Date of Valuation	30 November 2020
Market Value	\$8,200,000 exclusive of GST



Prepared By

Valuer	Nathan Sinni AAPI Certified Practising Valuer Valuer Primary Valuer	Gary Longden FAPI FRICS Certified Practising Valuer Director Primary Valuer

This valuation report is prepared subject to the [Critical Assumptions and Qualifications](#) and [Definitions and Disclaimers](#) detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

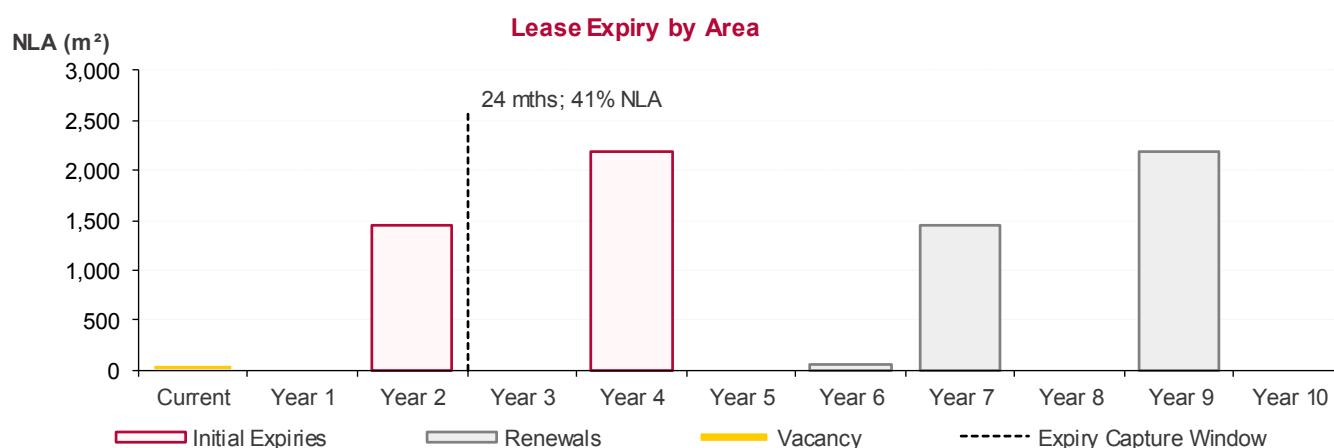
Valuation Details

Date of Valuation	30 November 2020
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	576,394	156	882,621	240
Passing Income (fully leased)	610,093	166	916,320	249
Market Income	736,304	200	1,042,531	283
Outgoings \$ pa.	(306,227)	(83)	(306,227)	(83)
Vacancy Factor	-	-	-	-
Office Passing Income	530,398	146	832,221	229
Office Market Income	642,498	177	944,320	260

Area & Occupancy Details

Total NLA		3,685.00
Occupied NLA	98.6%	3,632.00
Vacant NLA	1.4%	53.00
Weighted Lease Duration By Area		2.61 years
Weighted Lease Duration By Gross Passing Income		2.44 years



Valuation Conclusion and Metrics

Capitalisation Approach	8,200,000
Adopted Market Value	8,200,000
Initial Yield	7.03%
Initial Yield (After Abatements)	5.47%
Initial Yield (Fully Leased)	7.44%
Equated Market Yield	7.74%
Capital Value \$/m ² - NLA	2,225

Capitalisation Approach			
Gross Market Income		1,042,531	
Outgoings		306,227	
Net Market Income		736,304	
Capitalisation rate	8.00%	7.75%	7.50%
Core Capital Value (fully leased)	9,203,803	9,500,700	9,817,390
Adjustments	(1,311,644)	(1,315,982)	(1,320,350)
Capitalisation Value	7,892,159	8,184,717	8,497,039
Capitalisation Value, Rounded	7,900,000	8,200,000	8,500,000
Expiry Allowances for Tenancies expiring before	1-Dec-22	24	capturing 41% of NLA
Capital Expenditure	\$	\$/m ²	% of Value
Capital Expenditure adopted In Cap Val (24 months)	333,580	91	4.07%
Capital Expenditure (10 years, inflated)	1,364,512	370	16.64%
Capital Expenditure (10 years, PV)	973,441	264	11.87%
Capex (10 yrs incl. terminal value allowances, inflated)	1,612,953	438	19.67%
Capex (10 yrs incl. terminal value allowances, PV)	1,482,286	402	18.08%

Direct Comparison Approach - Net Lettable Area

		Low	Mid	High
Net Lettable Area	m ²		3,685	
Value of Net Lettable Area	\$m ²	2,000	2,250	2,500
Direct Comparison - Net Lettable Area	\$	7,370,000	8,291,250	9,212,500
Rounded Value			8,300,000	

Income Growth	10 Year CAGR	Year 1 1-Dec-20 30-Nov-21	Year 2 1-Dec-21 30-Nov-22	Year 3 1-Dec-22 30-Nov-23	Year 4 1-Dec-23 30-Nov-24	Year 5 1-Dec-24 30-Nov-25	Year 6 1-Dec-25 30-Nov-26	Year 7 1-Dec-26 30-Nov-27	Year 8 1-Dec-27 30-Nov-28	Year 9 1-Dec-28 30-Nov-29	Year 10 1-Dec-29 30-Nov-30
Office Market Rent Growth - Gross	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Car Parking Market Rent Growth - Gross	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Retail Market Rent Growth - Gross	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Property Specific Assumptions

Financial Assumptions

- We understand no tenants within the building are subject to any further rent relief related to the COVID-19 pandemic. Should this not be the case we reserve the right to review our valuation.
 - Our valuation excludes rental payments deferred prior to the valuation date.
-

Market Assumptions

- The current COVID-19 situation is causing significant economic and social uncertainty both globally and locally. We expect COVID-19 to impact negatively on commercial real estate in the short term however in the lack of market sales and leasing evidence, assumptions have been made and given the situation is fluid we recommend regular valuations are undertaken as the situation evolves.
-

Physical Property Assumptions

- **Due to access restrictions relating to the ongoing COVID-19 pandemic the Valuer has been unable to internally inspect the property. Accordingly, this valuation has been undertaken on a restricted assessment basis. In assessing the market value of the property, the Valuer has relied upon an inspection carried out by a local valuer. Despite not being able to internally inspect the property, the Valuer has undertaken all due diligence, research and analysis that would ordinarily form part of a full valuation. The Reliant Party agrees to accept the Restricted Assessment having regard to the commercial risk inherent in relying upon a report which does not have the benefit of a comprehensive inspection. This valuation is based on the critical assumption that the internal accommodation is of a quality and standard commensurate with that indicated by the photographs and information provided by the local valuer. Should subsequent advice or details be ascertained to be at significant variance to the details stated within this report and relied upon, then the Valuer reserves the right to review the level of value assessed.**
-

The above property specific assumptions are provided in addition to the [Critical Assumptions and Qualifications](#) and [Definitions and Disclaimers](#) detailed within this report.

Market

Investment

- The property should achieve a reasonable level of interest if offered to the market, however we highlight the most recent sale which we consider comparable occurred in September 2019.
- The likely buyer profile includes private investors, syndicates and small property funds.
- The estimated selling period is six to nine months plus an appropriate due diligence period in the current investment environment. The main factors delaying sale processes at present are economic uncertainty and an inability to inspect properties due to travel restrictions, limiting the ability to undertake adequate due diligence.
- The current and evolving COVID-19 is resulting in continued economic uncertainty both globally and locally, and as a result there is an increased indecision in investment decisions and therefore leading to a short term reduction in investor appetite. Prior to COVID-19 the Hobart CBD experienced significant investor appetite due to its strong economic fundamentals and attractive rental growth potential, and we expect this to be the case in the medium to long term.
- Investment activity is expected to be minimal over the next 6 to 9 months given the increased uncertainty resulting from the COVID-19 pandemic, and therefore in this valuation we have made assumptions based on available evidence as well as reflecting the changing investor appetite, and we note given the fluid nature of COVID-19 and its impacts on the broader economy, these assumptions are likely to change frequently in the near term and we recommend regular updates to the valuation.
- Australian and global markets are currently experiencing the early effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian markets is yet to be determined. We recommend that this issue be closely monitored and that if the local economy deteriorates significantly, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

Tenant

- The next lease expiry due to occur is RGIT. Should they not renew their lease, significant works may be required to re-lease their space given its condition.
- We understand the retail tenancy, currently in holdover, is under renewal negotiations for a further term.
- The assessed market rent for the retail space is slightly lower than the passing rent prior to lease expiry.

Asset

- Constructed in 1974, the building provides a reasonable standard of refurbished modern office accommodation.
- The side core layout provides a for a functional floor plate, maximising views to the south.
- We understand there are minimal capital expenditure requirements in the near term but have made a general allowance of \$15 per square metre as well as tenancy specific allowances at lease expiry.
- The floors benefit from reasonable natural light provisions and views over St Davids Park and surrounding areas.
- Car parking is provided at a ratio of 0.92 spaces per 100 square metres which is an adequate provision for this market, particularly considering many Hobart office buildings rely on external car parking.

Cash Flow Profile

- The retail vacancy accounts for approximately 1.4% of the building's lettable area. A further 39.2% of lettable area is subject to the RGIT lease which matures in February 2022.
- One incentive remains partially outstanding, being a rent free period for WOTSO WorkSpace with 7.0 months remaining. The total outstanding amount is \$127,517, reflecting a present value of \$125,175.
- Annual increases for leases within the building range from CPI to 3.00%. We have assessed gross office market growth of 2.75% per annum.
- Passing rents for office range from \$200 to \$273 per square metre gross, compared with our assessed market rent of \$260 per square metre gross. This represents a variance of 11.9% to the average office passing rent.
- Outgoings of \$83 per square metre are considered reasonable for a CBD office building but represent a high proportion of the gross rent. The majority is attributable to Municipal Rates which are currently \$26 per square metre.
- A fair level of cash flow volatility is expected to follow lease expiries, exacerbated by the small number of tenants in the building. This may be mitigated by early renewals or lease extensions.
- The lease expiry profile is reasonable with a WALE by income of 2.44 years.

Asset Management

- The property is internally managed by BlackWall.
- The property has limited management requirements with only two tenants however due to the size of the asset, professional asset management is recommended.

Potential Future Value Considerations

- The lease for the retail tenancy has recently expired and it is currently in holdover. Renewing this lease will improve the WALE and reduce income risk.
 - The upcoming RGIT lease expiry in February 2022 presents an opportunity to extend or refurbish and re-lease the tenancies at a higher rental rate.
-



SWOT Analysis



Strengths

- Refurbished office building with basement parking located within the Hobart CBD.
- 98.6% leased with the only vacancy relating to car spaces and the retail tenancy which is currently in holdover.
- Good views are afforded to the upper levels including to St Davids Park.
- Secondary access to the carpark via a right of carriageway easement over the adjoining property on the corner of Harrington Street.



Weaknesses

- Secondary CBD location considered inferior to more central areas including Collins Street.
- Monthly retail tenancy which has been treated as vacant for this valuation.



Opportunities

- Renew the retail lease at a similar or higher rent, improving the WALE.
- Extend the lease to RGIT beyond the current expiry date of February 2022 and/or carry out a refurbishment of these tenancies.



Threats

- Leasing competition from superior quality buildings in more central areas.
- Should tenants fail to renew their leases, extended downtime and other allowances may apply.

Valuation Report

217-221 Flinders Street, Adelaide, SA

Date of Valuation: 30 November 2020



Executive Summary



Instructions

Prepared for	BlackWall Limited. Jessie Glew.
Reliant Party	RSM Corporate Australia Pty Ltd.
Purposes	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM.
Interest Valued	Fee simple subject to subject to the existing lease.



Property Details

Address	217-221 Flinders Street, Adelaide, SA.
Registered Proprietor	Flinders Street Pty Ltd.
Site Area	1,761 square metres.
Planning	Capital City zone – policy area 13.
Description	The property consists of two adjoining, older style three level B-grade office buildings with 217 Flinders Street being a refurbished former early 1900's church and generally presenting in fair to good condition with 221 Flinders Street being of 1970's construction presenting generally to a modest standard.
Net Lettable Area (NLA)	2,938.
Vacancy	46.8% (1,375 square metres).
Lease Expiry	1.84 years – area weighted. 1.74 years – income weighted.



Valuation

Valuation Approaches	Capitalisation of Net Income and Direct Comparison.
Date of Inspection	23 October 2020.
Date of Valuation	30 November 2020.
Market Value	\$6,800,000 exclusive of GST.



Prepared By

Valuer	Simon Hickin B App Sc (Val) FAPI FFINSIA Certified Practising Valuer/Director Primary Signatory

This valuation report is prepared subject to the [Critical Assumptions and Qualifications](#) and [Definitions and Disclaimers](#) detailed within this report.

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Key Valuation Outputs

Valuation Details

Date of Valuation	30 November 2020
Date of Cash Flow Model	1 December 2020
Purpose of Valuation	-
Interest Valued	100% Freehold

Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	241,620	82	381,820	130
Passing Income (fully leased)	599,520	204	739,720	252
Market Income	599,520	204	739,720	252
Outgoings \$ pa.	(140,200)	(48)	(140,200)	(48)
Vacancy Factor	-	-	-	-
Over/Under Rated	0.0%		0.0%	
Office Passing Income	283,382	98	355,820	123
Office Market Income	575,667	199	713,720	247
Capital Expenditure	\$	\$/m ²	% of Value	
Capex (10 yrs incl. terminal value allowances, PV)	568,788	194	8.4%	

Capitalisation Approach

Expiry Allowances for Tenancies expiring before	30-Nov-21	12 months capturing 47% of NLA	
Market Capitalisation rate	7.75%	7.50%	7.25%
Market Capitalisation Value	6,568,542	6,824,122	7,097,465
Rounded Market Capitalisation Value	6,600,000	6,800,000	7,100,000

Direct Comparison Approach

		Low	Md	High
Net Lettable Area	m ²		2,938	
Value of Net Lettable Area	\$/m ²	2,150	2,300	2,450
Direct Comparison - Net Lettable Area	\$	6,316,700	6,757,400	7,198,100

Area & Occupancy Details

		NLA	Car Bays
Total		2,938.00	-
Occupied	53.2%	1,563.00	-
Vacant	46.8%	1,375.00	-
Weighted Average Lease Expiry By Area			1.84 years
Weighted Average Lease Expiry By Gross Income			1.75 years

Valuation Reconciliation

Market Capitalisation Approach	6,800,000
Direct Comparison Approach	6,800,000
Adopted Market Value	6,800,000
Initial Passing Yield	3.55%
Initial Passing Yield (After Abatements)	3.55%
Initial Passing Yield (Fully Leased)	8.82%
Equivalent Initial Yield	7.52%
Reversionary Yield	8.82%
Equivalent Market Yield	7.52%
Capital Value \$/m² - NLA	2,314

Property Specific Assumptions

Verifiable Assumptions

- We understand the major tenant, WOTSO Adelaide Pty Ltd is a related entity of WOTSO Limited, a company that was demerged from ASX-listed BlackWall Limited in January 2020 and is currently an unlisted public company.
- On 24 July 2020 BlackWall Property Trust announced an intention to acquire the WOTSO Workspace business and for BWR to be restructured to form a stapled security structure. As at the date of valuation, it is our understanding that the Lessee entity is an independent business (from BlackWall Property Trust) and for the purpose of the valuation we have assumed the leases are at “arms-length”. If this is not the case our valuation may be affected and should be returned to us for review.
- The copy of the lease to WOTSO Adelaide Pty Ltd provided to us, is a draft version and is not executed. At the date of inspection, WOTSO were in occupation of 217 Flinders Street. For the purpose of this valuation, we have assumed that the lease has been documented in registerable form. If this is not the case our valuation may be affected and should be returned to us for review.
- We have been advised that Spring Holdings Pty Ltd have recently extended their lease for a further three years and that it is currently being documented. We have assumed that the lease extension has been documented in registerable form. If this is not the case our valuation may be affected and should be returned to us for review.

The above property specific assumptions are provided in addition to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.



Risk Assessment

Market	
Investment	- Investment demand has moderated since March 2020 at which time the Covid-19 pandemic began to disrupt the Australian economy and property markets. Transaction volumes have reduced significantly with few offerings and prospective purchasers exercising heightened levels of caution. If offered to the market, we believe the property would meet with moderate to good demand. - The expected selling period is four to six months under current market conditions. - The likely buyer profile would include private investors and smaller investment syndicates.
Tenant	- The property is 53.2% leased to three tenants with a short-term lease expiry. - There are no leases expiring in the 48 month period from the date of valuation. - Leasing demand in Adelaide generally improved over 2019, although demand has weakened since March 2020 when Covid-19 began to materially impact the Australian economy and real estate markets. Leasing agents are now indicating the leasing market remains relatively active for enquiry under 1,000 square metres. - The passing rent is on average at market levels. - Leasing demand in this location is largely driven by smaller corporates and service type occupiers. - We have adopted gross market rents for the office space ranging between \$230 to \$300/m², based on assumed gross incentives of 25%.
Asset	- The properties provides modest to medium standard office accommodation with average natural light provisions. - Ability to sell the two adjoining properties separately. - The building does not have a NABERS rating. - The vacant accommodation in 221 Flinders presents to a modest standard and we have provided for a refurbishment allowance of \$350 per square metre of NLA.
Cash Flow Profile	- The tenancy profile is regarded as medium to good calibre. - The lease expiry is short term at 2.06 years (income weighted). - The adopted building outgoings represent \$51/m² which is considered reasonable for an office building of this age, size and nature. - We are advised there are no outstanding lease incentives.
Asset Management	The property presents well and appears well managed.

Valuation Report

50 Industrial Avenue, Toowoomba, Qld

Date of Valuation: 6 November 2020



50 Industrial Avenue, Toowoomba, Qld

Executive Summary



Instructions

Prepared for	Glyn Yates. RSM Corporate Australia Pty Ltd (RSM).
Reliant Party	RSM Corporate Australia Pty Ltd (RSM).
Purpose	To inform an Independent Experts Report (IER) in relation to a series of transactions including the acquisition of WOTSO by BlackWall Property Trust (BWR), being prepared by RSM. m3property have only been involved in the preparation of the valuations of the properties within BWR and have had no other involvement in the IER. We expressly disclaim and take no responsibility for statements made in or omissions from any part of the IER other than that described above.
Interest Valued	Fee simple subject to the existing lease.



Property Details

Address	50 Industrial Avenue, Toowoomba, Qld.
Registered Proprietor	Trust Company Limited.
Site Area	10,440 square metres.
Planning	Identified by the Toowoomba Regional Council as being within a 'Medium Impact Industry' area under Toowoomba Regional Planning Scheme v23.
Description	The property is located south western side of Industrial Avenue, approximately 7.4 kilometres east of the connection with the Warrego Highway, within the established Industrial precinct of Wilsonton. It is approximately 135 kilometres west of the Brisbane CBD and 5.6 kilometres west of the Toowoomba city centre. Improvements comprise a circa 2007 constructed industrial facility. There is a single level air-conditioned office and amenities component to the north-eastern corner providing 235 square metres and a 1,859 square metre air-conditioned warehouse component that is divided into three areas having in internal clear height of mainly 4.9 metres to 5.2 metres (with a minor part being 7.5 metres high). The warehouse is accessed via three roller shutter doors (3.6 metres wide and 4.5 metres high). Adjoining the warehouse is a large covered loading canopy of 585 square metres (with a clear height of 4.5 metres rising to 5.4 metres). Internal access roads and adjoining hardstand/circulation areas are concrete paved. There is cyclone wire perimeter fencing, water tank to the rear elevation and on-site car parking for approximately 15 cars.
Gross Lettable Area (GLA)	2,094 square metres (the GLA of the building is 2,094 square metres and there is an additional canopy of 585 square metres).
Building to Site Area Ratio	26%.
Vacancy	The building is leased on a short-term basis to the AEC Commission.
Remaining Lease Term	0.17 years by income.



Valuation

Valuation Approaches	Capitalisation of Net Income and Direct Comparison.
Date of Inspection	6 November 2020.
Date of Valuation	6 November 2020.
Market Value	\$3,800,000 exclusive of GST.



Valuation Comments

Major Issues

- COVID-19 has caused an unprecedented interruption in economic activity, and agents are reporting mixed sale and leasing strength. However, at the date of this valuation, the transactional sales evidence indicates that the market has not changed in a material way for good quality industrial assets. However, market conditions are still unfolding as transactions come to light during this pandemic period and our adopted valuation has some market uncertainty, particularly with the short-term outlook period.
- The Code mandates leasing principles that are to apply on a case by case basis. The leasing principles operate as a guide to the negotiations landlords and tenants are encouraged to have to reach agreement on measures and arrangements that suit the particular case. We have been advised by Blackwall Property Trust that no existing tenants have requested rental relief and our valuation has been made on this basis.



Prepared By

Valuer

Daniel McGrath AAPI
 Certified Practising Valuer
 Registration No. 5031MR
 Director
 Primary Valuer

Australian and global economies and financial markets are currently experiencing the effects of the spread of COVID-19 (Coronavirus). The spread of the virus and associated impacts are expected to restrain growth and adversely impact economies. The disease outbreak is still unfolding and the impact on Australian property markets is yet to be determined. We recommend that this issue be closely monitored and that as economic conditions change, a review of this valuation should be undertaken at intervals that may be relevant to your specific circumstances and/or requirements.

This valuation report is prepared subject to the Critical Assumptions and Qualifications and Definitions and Disclaimers detailed within this report.

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Valuation Summary

Valuation Details				
Date of Valuation	6 November 2020			
Date of Cash Flow Model	6 November 2020			
Purpose of Valuation	-			
Interest Valued	100% Freehold			
Income Assessment	Net	\$/m ²	Gross	\$/m ²
Passing Income	116,364	43	187,764	70
Passing Income (fully leased)	161,205	60	232,605	87
Market Income	249,120	93	320,520	120
Outgoings \$ pa.	(71,400)	(27)	(71,400)	(27)
Vacancy Factor	-	-	-	-
Over/Under Rated	(35.3%)		(27.4%)	
Capitalisation Approach				
Expiry Allowances for Tenancies expiring before	5-Nov-22	24 months	capturing 100% of GLA	
Market Capitalisation rate	7.50%	7.25%	7.00%	
Market Capitalisation Value	3,690,283	3,804,752	3,927,402	
Rounded Market Capitalisation Value	3,700,000	3,800,000	3,900,000	
Direct Comparison Approach				
Gross Lettable Area	m ²	Low	Mid	High
Value of Gross Lettable Area	\$/m ²	1,000	1,100	1,200
Direct Comparison - Gross Lettable Area	\$	2,679,000	2,946,900	3,214,800
Surplus Land Area	m ²	Low	Mid	High
Value of Gross Lettable Area	\$/m ²	135	150	165
Direct Comparison - Gross Lettable Area	\$	745,875	828,750	911,625

Market

Investment

- The impact of the COVID-19 pandemic on property markets has evolved since the onset in circa mid-February 2020, however there is still a lack of clarity and a high degree of uncertainty as to the market sentiment outlook. It is evident that the impact is property and sector dependent. There has been a high volume and scale of investment sales transactions in the industrial sector in the last three to four months that has come to light.
- Overall investment demand for industrial property pre-COVID-19 was strong due to the weight of money and low interest rate regime prevailing. Looking past the acute phase of the virus, the fundamentals for investment in industrial property, remain sound. The 'lower for longer' forecast for the official cash rate is likely to encourage investment into real estate going forward (post the COVID-19 pandemic period), however, this will only occur when confidence and certainty returns to the market.
- Should the property be offered for sale in the current market conditions, we consider that the most likely purchaser would be a local business, possibly in a food handling or air-conditioned climate controlled related activity or potentially an investor looking to lease and hold the property as an investment.
- If the property was offered to the market, we would expect an estimated selling period of up to six months if offered for sale as part of an expressions of interest or similar marketing campaign. We do however emphasise that the current uncertainty (as a result of COVID-19) may extend this timeframe, depending on ongoing market conditions.
- The key characteristics that would receive due consideration from a potential purchaser would include:
 - **Positive:** The subject property is considered to be a quality industrial facility (in the context of the local market of Toowoomba). It provides a good standard of office space with reasonable quality air-conditioned warehouse and large adjoining loading canopy area. Adjoining the main building to the western side of the site is an additional area of 5,525 square metres of surplus land/hardstand area.
 - **Negative:** Major negative considerations include a possible environmental and remediation exposure to the former and/or current storing petroleum products or oil. The facility is also of a specialist design and layout which may not appeal to the wider industrial market. The facility is currently occupied on a short-term basis with holding income till 20 January 2021 and the short-term nature of this income may deter some potential investors, leaving the most likely buyer to be an owner occupier.

Tenant

- The occupied on a short-term basis with holding income till 20 January 2021.
- Letting up allowances over the forecast period include 9-month marketing/letting up period 12.5% tenant incentive on a notional five-year lease and 15% agents letting fee.

Asset

- The title confers an estate in fee simple.
- The property is within an established mixed business/ industrial precinct, close to arterial roads (Warrego Highway).
- The site provides a level operating platform with good access and wide internal hardstand/circulation areas.
- The improvements provide modern industrial accommodation with a moderate internal clearance height to the warehouse of 4.9 to 5.2 metres clear height, three container height roller doors accessing the warehouse and good quality office accommodation over a single level.
- The existing improvements appear to generally comply with planning controls.
- The highest and best use is considered to be the current ongoing industrial use/s.
- The internal clearance varies throughout the various compartmentalised warehouse (areas one, two and three) with areas one and two being air-conditioned.
- There is 5,525 square metres of surplus land/hardstand to the western section of the site.

Environmental	• The Toowoomba Regional Council does not identify the property as being susceptible to flooding. As such, the flooding risk of the property is considered to be low. • The site IS listed on the EMR register but NOT listed on the CLR register. • The previous use of the site is media related and manufacturing expanded polystyrene packaging for produce, seafood, medical, food and transport industries, which we consider to be a low to medium risk for matters of environmental concern. • Surrounding uses are light and general industrial and commercial. Industrial uses by their nature have some grounds for environmental concern, however on our inspection we did not notice any obvious matters of significant concern. • The API Environmental Checklist has been completed with the above noted.
Cash Flow Profile	• Current market rental value as the original base building industrial office/warehouse unit of 2,094 square metres is \$219,870 per annum net (\$105 per square metre), with the large canopy loading area of 585 square metres at \$29,250 per annum net (\$50 per square metre). Total rental value for the improvements is therefore \$249,120 per annum net. • Current outgoings are \$71,400 per annum (\$26.65 per square metre). • There are no outstanding tenant incentives. • Income growth (when leased on a longer term basis) is considered to be generally in-line with the wider industrial market for the local Toowoomba region.
Asset Management	• A property of this nature is capable of owner management, however professional management is recommended.

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Annexure C – Scheme Implementation Deed

Deed of Amendment and Restatement

in respect of the Scheme Implementation Deed

WOTSO Limited

BlackWall Fund Services Limited

Planloc Limited

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

T +61 2 9231 4996
F +61 2 9163 3000

Deed of Amendment and Restatement

in respect of the Scheme Implementation Deed

Parties

1. **WOTSO Limited ACN 636 701 267** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**WOTSO**)
2. **BlackWall Fund Services Limited ACN 079 608 825** as responsible entity of the **BlackWall Property Trust ARSN 109 684 773** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**BWR RE**)
3. **Planloc Pty Ltd ACN 062 367 560** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**Planloc**)

Background

- A. WOTSO, BWR RE and Planloc are parties to the Scheme Implementation Deed.
- B. The parties have agreed to amend and restate the terms of the Scheme Implementation Deed on the terms and conditions of this deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

Amended and Restated SID means the Scheme Implementation Deed as amended and restated pursuant to this deed, in the form set out in Annexure A to this deed; and

Scheme Implementation Deed means the Scheme Implementation Deed entered into between WOTSO, BWR RE and Planloc dated 17 November 2020.

1.2 Interpretation

Clause 1.2 of the Amended and Restated SID applies *mutatis mutandis* to this deed as if expressly set out in this deed.

2. Amendment and Restatement

The parties acknowledge and agree that with effect from the date of this deed, the Scheme Implementation Deed is amended and restated so that it is in the form of, and its terms are those set out in, the Amended and Restated SID.

3. Effect of amendments

3.1 Effect of the amendment and restatement of the Scheme Implementation Deed

The parties acknowledge and agree that it is their intention that:

- (a) the effect of this deed is merely to amend and restate the Scheme Implementation Deed; and
- (b) this deed does not, and is not intended to, rescind or terminate the Scheme Implementation Deed.

3.2 Ratification and confirmation

Other than as amended and restated by this deed, the Scheme Implementation Deed remains in full force and effect and the parties ratify and confirm the Scheme Implementation Deed as amended and restated by this deed.

3.3 Remaining terms unaffected

Except as specifically amended and restated by this deed, all terms and conditions of the Scheme Implementation Deed remain in full force and effect.

4. General

4.1 Costs

Each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed.

4.2 Governing law and jurisdiction

- (a) This deed is governed by and construed under New South Wales law.
- (b) Any legal action in relation to this deed against any party or its property may be brought in any court of competent jurisdiction of New South Wales.
- (c) By execution of this deed, each party irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

4.3 Amendments

Any amendment to this deed has no force or effect, unless effected by a deed executed by the parties.

4.4 Further assurances

Each party must execute any document and perform any action necessary to give full effect to this deed, whether before or after performance of this deed.

4.5 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this deed or any part of it.

4.6 Counterparts

This deed may be executed in any number of counterparts, all of which taken together are deemed to constitute the same document.

Signing page

Executed as a deed.

Dated 16 December 2020

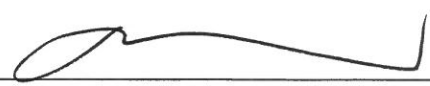
Executed by WOTSO Limited under section 127 of the *Corporations Act 2001* (Cth) by its duly authorised officers:



Signature of Director

J.R. GLEW

Name of Director
(Block Letters)



Signature of Director/Secretary

Jessica Glew

Name of Director/Secretary
(Block Letters)

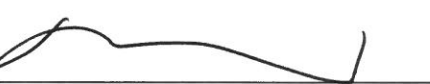
Executed by BlackWall Fund Services Limited as responsible entity of the BlackWall Property Trust under section 127 of the *Corporations Act 2001* (Cth) by its duly authorised officers:



Signature of Director

J.R. GLEW

Name of Director
(Block Letters)



Signature of Director/Secretary

Jessica Glew

Name of Director/Secretary
(Block Letters)

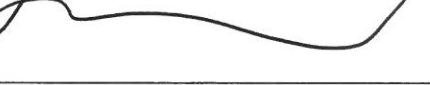
Executed by Planloc Limited under section 127 of the *Corporations Act 2001* (Cth) by its duly authorised officers:



Signature of Director

J.R. GLEW

Name of Director
(Block Letters)



Signature of Director/Secretary

Jessica Glew

Name of Director/Secretary
(Block Letters)

Annexure A – Amended and Restated SID

Scheme Implementation Deed

WOTSO Limited

BlackWall Fund Services Limited

Planloc Pty Ltd

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

T +61 2 9231 4996
F +61 2 9163 3000

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Scheme Implementation Deed

Parties

1. **WOTSO Limited ACN 636 701 267** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**WOTSO**)
2. **BlackWall Fund Services Limited ACN 079 608 825** as responsible entity of the **BlackWall Property Trust ARSN 109 684 773** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**BWR RE**)
3. **Planloc Pty Ltd ACN 062 367 560** of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**Planloc**)

Background

- A. WOTSO, BWR RE and Planloc have agreed that WOTSO will propose a members' scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which WOTSO Shares, BWR Units and Planloc Shares will be stapled and quoted on the ASX as a Stapled Security.
- B. The parties have agreed to implement the Scheme on the terms of this Deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Deed, unless the context requires otherwise:

Additional Scheme Securities means one BWR Unit and one Planloc Share;

Announcement means an announcement by WOTSO in the form agreed between the parties prior to signing this Deed;

ASIC means the Australian Securities and Investment Commission;

Associate has the meaning given to that term in section 12 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires;

ASX Listing Rules means the official listing rules of ASX, modified to the extent of any express written waiver of ASX;

BFSL means BlackWall Fund Services Limited ACN 079 608 825;

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

BWR means the BlackWall Property Trust ARSN 109 684 773;

BWR Board means the board of directors of BWR RE, and a reference to a BWR Board Member means any director of BWR RE comprising part of the BWR Board;

BWR Director means any director of BWR RE;

BWR Constitution means the constitution establishing BWR, as amended or replaced from time to time;

BWR Constitution Replacement Resolution means the proposed special resolution of BWR Unitholders for the purposes of section 601GC(1) of the Corporations Act to, subject to the Scheme becoming Effective, repeal the existing constitution of BWR and to replace it with the BWR Replacement Constitution;

BWR Group means BWR and each of its Related Bodies Corporate and a reference to a **BWR Group Member** or a **member of the BWR Group** is a reference to BWR or any of its Related Bodies Corporate;

BWR Indemnified Parties means BWR, its Related Bodies Corporate and their directors, officers and employees;

BWR Information means the information regarding BWR required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60;

BWR Meeting means the meeting of BWR Unitholders convened to consider and vote on the BWR Resolution and includes any meeting convened following adjournment or postponement of that meeting;

BWR Replacement Constitution means the proposed new constitution of BWR in the form as agreed between the parties;

BWR Representations and Warranties means the representations and warranties of BWR as set out in clause 11.4;

BWR Resolution means the BWR Constitution Replacement Resolution;

BWR Sale Nominee means Morgans Financial Limited AFSL 235410 being the person nominated by BWR RE to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible BWR Unitholders, on their behalf, under the terms of the Scheme;

BWR Prescribed Occurrence means any of the following events:

- (a) BWR converting all or any of the BWR Units into a larger or smaller number of BWR Units;
- (b) BWR:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (c) a member of the BWR Group issuing units or shares, or granting an option over its units or shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to another member of the BWR Group; or

- (ii) in accordance with the Capital Reorganisation;
- (d) a member of the BWR Group issuing or agreeing to issue securities convertible into BWR Units;
- (e) a member of the BWR Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the BWR Group's business or property;
- (f) a member of the BWR Group making any change to its constitution other than the change of BWR's existing constitution to the BWR Replacement Constitution;
- (g) a member of the BWR Group creating, or agreeing to create, any mortgage, charge, lien or other Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (h) an Insolvency Event occurring in relation to a member of the BWR Group; or
- (i) a member of the BWR Group resolves to be wound up;

but excludes any matter:

- (j) required to be done, or permitted under this Deed, the Scheme or transactions contemplated by them;
- (k) undertaken with the written consent of both Planloc and WOTSO; or
- (l) within the actual knowledge of both Planloc or their Representatives, and WOTSO or their Representatives, as at the date of this Deed, which for these purposes will be taken to include and be limited to the facts, matters and circumstances of which both Planloc or their Representatives, and WOTSO or their Representatives are actually aware as at the date of this Deed;

BWR Unit means a fully paid ordinary unit issued by BWR RE, having the rights specified in the BWR Constitution;

BWR Unitholder means each person who is registered in the BWR Unit Register as a holder of BWR Units;

BWR Unit Register means the register of members of BWR maintained by or on behalf of BWR in accordance with the Corporations Act;

BWR Unit Registry means Computershare Investor Services Pty Limited or any other registry provider appointed from time to time;

Capital Reorganisation means the process by which the capital in each of the parties are either transferred, consolidated, sub-divided or issued in order to result in the same number of WOTSO Shares, BWR Units and Planloc Shares upon the Implementation Date, which will be achieved by the following steps (each to occur prior to or on the Implementation Date):

- (a) Planloc completing the Planloc Share Split by the Record Date;
- (b) WOTSO completes the WOTSO Share Consolidation by the Record Date;
- (c) BWR RE transfers all BWR Units held by Ineligible BWR Unitholders on the Record Date to the BWR Sale Nominee;
- (d) WOTSO transfers all WOTSO Shares held by Ineligible Scheme Participant on the Record Date to the Scheme Sale Nominee;

- (e) Pelorus completes the transfer of all existing Planloc Shares on issue as at the Record Date (on a post-split basis) to:
 - (i) BWR RE as agent for each Eligible BWR Unitholder on the basis of one Planloc Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date; and
 - (ii) the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one Planloc Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date,

(Planloc Transfer Shares);
- (f) BWR RE will transfer the Planloc Transfer Shares it holds to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per Eligible BWR Unitholder so that for every one BWR Unit held by a Eligible BWR Unitholder on the Record Date, an existing Planloc Share will be transferred to them by BWR RE;
- (g) upon completion of the WOTSO Share Consolidation by the Record Date, WOTSO allots and issues a total of 142,150,000 new WOTSO Shares in the following manner:
 - (i) to BWR RE as agent on behalf of each Eligible BWR Unitholders on the basis of one WOTSO Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date, who will transfer the newly issued WOTSO Shares to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per BWR Unitholder so that for every one BWR Unit held by an Eligible BWR Unitholder on the Record Date a newly issued WOTSO Share will be transferred to them by BWR RE; and
 - (ii) to the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one WOTSO Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date;
- (h) Planloc will allot and issue:
 - (i) one Planloc Share to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) Planloc Shares to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one Planloc Share per each WOTSO Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis); and
- (i) BWR will allot and issue:
 - (i) one BWR Unit to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) BWR Units to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one BWR Unit per each WOTSO Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis).

Competing Transaction means any expression of interest, proposal, offer, agreement, transaction or arrangement (whether existing before, on or after the date of this Deed) by or with any person which, if entered into or completed substantially in accordance with its terms, would mean a person would:

- (a) directly or indirectly acquire or have a right to acquire an interest in or become the holder of 50% or more of the issued WOTSO Shares, or in any of the WOTSO Subsidiaries, including by way of takeover bid, scheme of arrangement, capital reduction, reconstruction, sale of shares or joint venture;
- (b) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a material part of the assets or business of WOTSO or its Subsidiaries;
- (c) acquire Control of WOTSO (or a material Subsidiary of the Company);
- (d) otherwise acquire or merge (including by a reverse takeover bid, joint venture or dual listed company structure) with WOTSO (or a material Subsidiary of WOTSO); or
- (e) enter into any agreement, arrangement or understanding that, if implemented, would prevent implementation of the Transaction;

For the purposes of the definition of "Competing Transaction", a Subsidiary or relevant business or assets will be material if the relevant Subsidiary or business or assets contributes more than 50% of the consolidated net profits or represents more than 50% of the total consolidated assets of the WOTSO Group;

Condition means each of the conditions precedent set out in clause 3.1;

Constitution Replacement Resolution means the proposed special resolution of WOTSO Shareholders to, subject to the Scheme becoming Effective, repeal the existing constitution of WOTSO and to replace it with the WOTSO Replacement Constitution;

Control has the meaning given to that term in section 50AA of the Corporations Act;

Controller means, in relation to a person:

- (a) a receiver, receiver and manager, administrator or liquidator (whether provisional or otherwise) of that person or that person's property); or
- (b) anyone else who (whether or not as agent for the person) is in possession, or has control, of that person's property to enforce an Encumbrance;

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

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

Court means the Supreme Court of New South Wales, Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed in writing by the parties;

Court Documents means the documents required for the purposes of a Court Hearing, including (as applicable) originating process, affidavits, submissions and draft minutes of Court orders;

Court Hearing means the First Court Hearing or the Second Court Hearing (as applicable), and **Court Hearings** means both of them;

Cut-Off Time means 8.00am on the Second Court Date;

Deed means this scheme implementation deed including the recitals, any schedules and any annexures;

Deed Poll means the Deed Poll to be executed by the Deed Poll Parties in favour of the Scheme Participants substantially in the form set out in Annexure B or such other form as may be agreed in writing between the parties;

Deed Poll Parties means BWR RE, Planloc and Pelorus;

Directors Appointment Resolutions means the ordinary resolutions of WOTSO Shareholders to, subject to the Scheme becoming Effective, appoint Richard Hill and Robin Tedder to the WOTSO Board;

Effective when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but in any event at no time before an office copy of the Scheme Order is lodged with ASIC;

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

Eligible BWR Unitholder means BWR Unitholders on the Record Date other than Ineligible BWR Unitholders;

Eligible Scheme Participant means Scheme Participants other than Ineligible Scheme Participants;

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist;

End Date means the date which is 6 months after the date of this Deed or another date as is agreed by the parties in writing;

Exclusivity Period means the period commencing on the date of this Deed and ending on the earliest of:

- (a) the End Date;
- (b) the Effective Date; and
- (c) the date this Deed is terminated in accordance with its terms;

Fairly Disclosed means, in relation to a matter, event or circumstance, disclosed to the relevant party or its Representatives to the extent, and in reasonably sufficient detail, so as to allow a reasonable and sophisticated person (or one of its Representatives) experienced in transactions similar to the Transaction to identify or otherwise determine the nature and scope of the relevant matter, event or circumstance;

First Court Date means the first day on which an application made to the Court for:

- (a) an order under section 411(1) of the Corporations Act convening the Scheme Meeting; and
- (b) the First Judicial Advice,

is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **First Court Hearing**;

First Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that:

- (a) BWR RE would be justified in convening the BWR Meeting for the purposes of considering the BWR Resolution; and
- (b) subject to BWR Unitholders passing the BWR Resolution, BWR RE would be justified in proceeding on the basis that repealing the BWR Constitution and replacing it with the BWR Replacement Constitution would be within the powers conferred by the BWR Constitution and section 601GC of the Corporations Act;

General Meeting means the meeting of WOTSO Shareholders convened to consider and vote on the Supporting Resolutions and includes any meeting convened following adjournment or postponement of that meeting;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Implementation Date means the date which is 5 Business Days after the Record Date or such other date after the Record Date agreed in writing between the parties;

Independent Expert means an independent expert in respect of the Scheme appointed by WOTSO;

Independent Expert's Report means the report from the Independent Expert for inclusion in the Scheme Booklet, including any update or supplementary report, stating whether or not in the Independent Expert's opinion the Scheme is in the best interests of WOTSO Shareholders;

Ineligible BWR Unitholders means a BWR Unitholder on the Record Date whose address in the BWR Unit Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand (and their respective external territories), unless BWR RE, in conjunction with WOTSO and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to transfer Planloc Shares and issue WOTSO Shares under the Transaction to a BWR Unitholder with a registered address in such jurisdiction;

Ineligible Scheme Participant means a Scheme Participant whose address in the WOTSO Share Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand and their respective external territories, unless WOTSO, in conjunction with BWR RE and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to issue BWR Units or Planloc Shares to a Scheme Participant with a registered address in such jurisdiction;

Insolvency Event means, in relation to a party, any one or more of the following events or circumstances:

- (a) being in liquidation or provisional liquidation or under administration;
- (b) having a Controller or analogous person appointed to it or any of its property;
- (c) being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (d) being unable to pay its debts or being otherwise insolvent;
- (e) becoming an insolvent under administration, as defined in section 9 of the Corporations Act;
- (f) entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;
- (g) any analogous event or circumstance under the laws of any jurisdiction; or

- (h) taking any step or being the subject of any action that is reasonably likely to result in any of the above occurring,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the other party (which approval is not to be unreasonably withheld or delayed);

Law means:

- (a) principles of law or equity established by decision of the courts;
- (b) statutes, regulations or by-laws of the Commonwealth, a State, a Territory or a Government Agency; and
- (c) requirements and approvals (including conditions) of the Commonwealth, a State, a Territory or a Government Agency that have the force of law;

Losses means all claims, demands, damages, losses, costs, expenses and liabilities;

Management Agreement means the agreement setting out the management services to be provided by BFSL to the Stapled Group, in such form as may be agreed between the parties;

Pelorus means Pelorus Private Equity Limited ACN 091 209 639;

Planloc means Planloc Pty Ltd ACN 062 367 560, which will be known as Planloc Limited on completion of its conversion to a public company;

Planloc Board means the board of directors of Planloc, and a reference to a Planloc Board Member means any director of Planloc comprising part of the Planloc Board;

Planloc Director means any director of Planloc;

Planloc Constitution means the constitution of Planloc;

Planloc Information means the information regarding Planloc required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60;

Planloc Indemnified Parties means Planloc, its Related Bodies Corporate and their directors, officers and employees;

Planloc Group means Planloc and each of its Related Bodies Corporate other than Pelorus, and a reference to a **Planloc Group Member** or a **member of the Planloc Group** is to Planloc or any of its Related Bodies Corporate other than Pelorus;

Planloc Prescribed Occurrence means any of the following events:

- (a) Planloc converting all or any of the Planloc Shares into a larger or smaller number of Planloc Shares other than by way of the Planloc Share Split;
- (b) Planloc resolving to reduce its share capital in any way;
- (c) Planloc:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;

- (d) a member of the Planloc Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to another member of the Planloc Group; or
 - (ii) in accordance with the Capital Reorganisation;
- (e) a member of the Planloc Group issuing or agreeing to issue securities convertible into Planloc Shares other than to another member of the Planloc Group;
- (f) a member of the Planloc Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Planloc Group's business or property;
- (g) a member of the Planloc Group making any change to its constitution other than the change of Planloc's existing constitution to a replacement constitution in the form substantially the same as the WOTSO Replacement Constitution;
- (h) a member of the Planloc Group creating, or agreeing to create, any mortgage, charge, lien or other Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (i) an Insolvency Event occurring in relation to a member of the Planloc Group; or
- (j) a member of the Planloc Group resolves to be wound up;

but excludes any matter:

- (k) required to be done, or permitted under this Deed, the Scheme or transactions contemplated by them;
- (l) undertaken with the written consent of both BWR and WOTSO; or
- (m) within the actual knowledge of both BWR or their Representatives, and WOTSO or their Representatives, as at the date of this Deed, which for these purposes will be taken to include and be limited to the facts, matters and circumstances of which both BWR or their Representatives, and WOTSO or their Representatives are actually aware as at the date of this Deed;

Planloc Representations and Warranties means the representations and warranties of Planloc as set out in clause 11.7;

Planloc Resolutions means the following resolutions:

- (a) the Planloc Share Split Resolution; and
- (b) the ordinary resolutions to appoint Richard Hill and Robin Tedder to the Planloc Board;

Planloc Share means a fully paid ordinary share in the capital of Planloc, having the rights specified in the Planloc Constitution;

Planloc Share Register means the register of members of Planloc maintained by or on behalf of Planloc in accordance with the Corporations Act;

Planloc Share Registry means Automic Pty Ltd;

Planloc Share Split means the subdivision of all Planloc Shares on issue in a ratio of 1:35,537,500 (with every one Planloc Share being split into 35,537,500 Planloc Shares) with such conversion taking effect immediately upon the Scheme becoming Effective;

Planloc Share Split Resolution means an ordinary resolution of Planloc Shareholders to effect the Planloc Share Split;

Planloc Shareholders means each person who is registered in the Planloc Share Register as a holder of Planloc Shares;

PPSA means the *Personal Property Securities Act 2009* (Cth);

PPS Register means the register established under section 147 of the PPSA;

Public Authority means any Government Agency and any market licensee of a financial market (including ASX) and any operator of an overseas financial market;

Recommendation has the meaning given to that term in clause 7.1;

Record Date means 5.00pm on the date that is 2 Business Days after the Effective Date, or such other time and date as may be agreed in writing between the parties or as may be required by ASX;

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

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act, as modified by any legislative instrument issued by ASIC;

Regulatory Approvals means the approvals set out in clause 3.1(a);

Representative means, in relation to:

- (a) WOTSO or its Related Bodies Corporate;
- (b) BWR or its Related Bodies Corporate; or
- (c) Planloc or its Related Bodies Corporate,

any partner, member, director, employee, officer, agent, contractor, professional adviser (including legal, financial or accounting advisers), potential debt and equity financing source, potential co-investor, banker, auditor or other consultant and representatives of any of the foregoing;

Scheme or **Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act between WOTSO and the Scheme Participants substantially in the form set out in Annexure A, subject to any alterations or conditions agreed or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by the parties;

Scheme Booklet means, in relation to the Scheme, the information booklet to be approved by the Court and dispatched to Scheme Participants which includes the Scheme, the Deed Poll, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert's Report, a notice of meeting and proxy form;

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

Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme;

Scheme Participant means each holder of a Scheme Share as at the Record Date;

Scheme Sale Nominee means Morgans Financial Limited AFSL 235410, being the person nominated by WOTSO to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible Scheme Participants, on their behalf, under the terms of the Scheme;

Scheme Shares means all the WOTSO Shares on issue as at the Record Date;

Second Court Date means the first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard;

Second Court Hearing means the hearing of the application made to the Court for the Scheme Order and for the granting of the Second Judicial Advice;

Second Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that, BWR Unitholders having approved the BWR Resolution by the requisite majority, BWR RE would be justified in implementing the BWR Resolution, giving effect to the provisions of the BWR Constitution (as repealed and replaced by the BWR Replacement Constitution) and in doing all things and taking all necessary steps to put the Transaction into effect;

Share Consolidation Resolution means the proposed ordinary resolution of WOTSO Shareholders to, subject to the Scheme becoming Effective, effect the WOTSO Share Consolidation;

Stapled Group means the group comprising of the parties, being entities party to the Stapling Deed;

Stapled Security means a WOTSO Share stapled to a BWR Unit stapled to a Planloc Share, listed for quotation and trading together as one security on ASX;

Stapling Deed means the deed setting out the stapling arrangements between the parties contemplated for the purposes of the Transaction, substantially in the form set out in Annexure C or such other form as may be agreed in writing between the parties;

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

Superior Proposal means a bona fide Competing Transaction which the WOTSO Board, acting in good faith, and after taking advice from WOTSO's legal and financial advisers, determines that:

- (a) would, if completed substantially in accordance with its terms, result in an acquisition of Control of WOTSO or all or substantially all of the assets of the WOTSO Group;
- (b) is reasonably likely to be completed in accordance with its terms; and
- (c) would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to WOTSO Shareholders than the Transaction, taking into account all the terms and conditions of the Competing Transaction;

Supporting Resolutions means the following resolutions:

- (a) the Constitution Replacement Resolution;
- (b) the Directors Appointment Resolutions; and
- (c) the Share Consolidation Resolution,

which are each inter-conditional on each other Supporting Resolution being approved by the requisite majority of votes at the General Meeting;

Takeovers Panel means the takeovers panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth);

Timetable means the indicative timetable in relation to the Scheme set out in Schedule 1 or such other indicative timetable as agreed in writing between the parties or as may be required by ASX;

Third Party means a person other than BWR RE, Planloc or their respective Associates;

Transaction means:

- (a) the stapling of each WOTSO Share, BWR Unit and Planloc Share on issue on the Implementation Date through the implementation of the Scheme in accordance with the terms of this Deed, and quotation of each Stapled Security on the ASX; and
- (b) all associated transactions and steps contemplated by the Deed;

Voting Intention has the meaning given to that term in clause 7.1(c);

Voting Power has the meaning given to that term in section 610 of the Corporations Act;

WOTSO Board means the board of directors of WOTSO, and a reference to a **WOTSO Board Member** means any director of WOTSO comprising part of the WOTSO Board;

WOTSO Director means any director of WOTSO;

WOTSO Group means WOTSO and each of its Related Bodies Corporate and a reference to a **WOTSO Group Member** or a **member of the WOTSO Group** is to WOTSO or any of its Related Bodies Corporate;

WOTSO Indemnified Parties means WOTSO, its Related Bodies Corporate and their directors, officers and employees;

WOTSO Information means all information contained in the Scheme Booklet other than the BWR Information, Planloc Information, the Independent Expert's Report and any information in respect of which a statement that a Third Party assumes responsibility for that information is included in the Scheme Booklet;

WOTSO Prescribed Occurrence means any of the following events:

- (a) WOTSO converting all or any of the WOTSO Shares into a larger or smaller number of WOTSO Shares other than by way of the WOTSO Share Consolidation;
- (b) WOTSO resolving to reduce its share capital in any way;
- (c) WOTSO:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) a member of the WOTSO Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to another member of the WOTSO Group; or
 - (ii) in accordance with the Capital Reorganisation;

- (e) a member of the WOTSO Group issuing or agreeing to issue securities convertible into WOTSO Shares other than to another member of the WOTSO Group;
- (f) a member of the WOTSO Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the WOTSO Group's business or property;
- (g) a member of the WOTSO Group making any change to its constitution other than the change of WOTSO's existing constitution to the WOTSO Replacement Constitution;
- (h) a member of the WOTSO Group creating, or agreeing to create, any mortgage, charge, lien or other Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (i) an Insolvency Event occurring in relation to a member of the WOTSO Group; or
- (j) a member of the WOTSO Group resolves to be wound up;

but excludes any matter:

- (k) required to be done, or permitted under this Deed, the Scheme or transactions contemplated by them;
- (l) undertaken with the written consent of both BWR and Planloc; or
- (m) within the actual knowledge of both BWR or their Representatives, and Planloc or their Representatives, as at the date of this Deed, which for these purposes will be taken to include and be limited to the facts, matters and circumstances of which both BWR or their Representatives, and Planloc or their Representatives are actually aware as at the date of this Deed;

WOTSO Replacement Constitution means the proposed new constitution of WOTSO in a form consistent with WOTSO implementing the Transaction, in substantially the form set out in Annexure D;

WOTSO Representations and Warranties means the representations and warranties of WOTSO as set out in clause 11.1;

WOTSO Share means a fully paid ordinary share in the capital of WOTSO;

WOTSO Shareholders means each person who is registered in the WOTSO Share Register as a holder of WOTSO Shares;

WOTSO Share Consolidation means the consolidation of all WOTSO Shares on issue in a ratio of 1:0.255233429 with (every four WOTSO Shares being consolidated to approximately one WOTSO Share) such conversion taking effect immediately upon the Scheme becoming Effective and in any event before the Record Date;

WOTSO Share Register means the register of members of WOTSO maintained by or on behalf of WOTSO in accordance with the Corporations Act; and

WOTSO Share Registry means Automic Pty Ltd.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- (a) clause and subclause headings are for reference purposes only;

- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) a reference to a person includes any other entity recognised by law and vice versa;
- (e) a reference to any time is a reference to Sydney, Australia time;
- (f) a reference to all or any part of a statute, rule, regulation or ordinance (including an ASX Listing Rule or operating rule of a financial market or a clearing and settlement facility) (**statute**) includes that statute as amended, consolidated, re-enacted or replaced from time to time and a regulation or statutory instrument issued under it;
- (g) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (h) a reference to a clause described, prefaced or qualified by the name, heading or caption of a clause, subclause, paragraph, schedule, item, annexure, exhibit or attachment in this Deed means a cross reference to that clause, subclause, paragraph, schedule, item, annexure, exhibit or attachment;
- (i) any reference to a party to this Deed includes its successors and permitted assigns;
- (j) any reference to any agreement or document includes that agreement or document as amended at any time;
- (k) if something is to be or may be done on a day that is not a Business Day, then it must be done on the next Business Day;
- (l) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (m) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed;
- (n) the expression **at any time** includes reference to past, present and future time and performing any action from time to time; and
- (o) money amounts are stated in Australian currency unless otherwise specified.

2. Agreement to propose Scheme

- (a) WOTSO agrees to propose the Scheme to WOTSO Shareholders on and subject to the terms of this Deed.
- (b) BWR RE agrees to assist WOTSO to propose the Scheme, on and subject to the terms of this Deed.
- (c) Planloc agrees to assist WOTSO to propose the Scheme, on and subject to the terms of this Deed.

3. Conditions

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties to complete the implementation of the Scheme (including the obligations of BWR RE and Planloc under clause 4.2) will not become binding, unless and until each of the following Conditions is satisfied or waived to the extent and in the manner set out in this clause 3:

Condition Precedent		Party entitled to benefit	Party responsible
(a)	(Regulatory Approvals) before the 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals as are necessary or which the parties agree are necessary or desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00am on the Second Court Date;	Cannot be waived	All
(b)	(Admission of stapled group) the stapled group comprising WOTSO, BWR and Planloc must be approved for admission to the official list of ASX (subject only to customary listing conditions);	Cannot be waived	All
(c)	(Quotation of Stapled Securities) ASX has indicated in writing that it will grant permission for the quotation of the Stapled Securities (subject only to customary pre-quotation listing conditions);	Cannot be waived	All
(d)	(Independent Expert) the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of WOTSO Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date;	WOTSO	All
(e)	(Shareholder approval for Scheme) WOTSO Shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act;	Cannot be waived	WOTSO

Condition Precedent		Party entitled to benefit	Party responsible
(f)	(Shareholder approval for Supporting Resolutions) WOTSO Shareholders approve each of the Supporting Resolutions by the requisite majorities in accordance with the Corporations Act;	Cannot be waived	WOTSO
(g)	(Unitholder approval for BWR Resolution) BWR Unitholders approve the BWR Resolution by the requisite majority in accordance with the Corporations Act;	Cannot be waived	BWR RE
(h)	(Shareholder approval for Planloc Resolutions) Planloc Shareholders approve each of the Planloc Resolutions by the requisite majorities in accordance with the Corporations Act;	Cannot be waived	Planloc
(i)	(Court approval) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, and grants the Second Judicial Advice;	Cannot be waived	WOTSO and BWR RE
(j)	(Stapling Deed) the Stapling Deed has been duly executed to take effect on the Implementation Date;	Cannot be waived	All
(k)	(Management Agreement) the Management Agreement has been duly executed to take effect on the Implementation Date;	All	All
(l)	(No regulatory intervention) no Court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8.00am on the Second Court Date;	All	All
(m)	(No WOTSO Prescribed Occurrence) no WOTSO Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date;	BWR RE and Planloc	WOTSO
(n)	(No BWR Prescribed Occurrence) no BWR Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date;	WOTSO and Planloc	BWR RE

Condition Precedent		Party entitled to benefit	Party responsible
(o)	(No Planloc Prescribed Occurrence) no Planloc Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date;	WOTSO and BWR RE	Planloc
(p)	(WOTSO Representations and Warranties) the WOTSO Representations and Warranties are true and correct in all material respects at all times between the date of this Deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date;	BWR RE and Planloc	WOTSO
(q)	(BWR Representations and Warranties) the BWR Representations and Warranties are true and correct in all material respects at all times between the date of this Deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date;	WOTSO and Planloc	BWR
(r)	(Planloc Representations and Warranties) the Planloc Representations and Warranties are true and correct in all material respects at all times between the date of this Deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date; and	WOTSO and BWR RE	Planloc
(s)	(No change of WOTSO Board recommendation) between the date of this deed and the date of the Scheme Meeting, none of the Directors of WOTSO changing, qualifying or withdrawing their unanimous recommendation to WOTSO Shareholders to vote in favour of the Scheme, which recommendation may be expressed to be given subject to the Independent Expert opining that the Scheme is in the best interest of WOTSO Shareholders.	All	WOTSO

3.2 Duties relating to Conditions

Each of the parties agree to use reasonable endeavours to procure that:

- (a) each of the Conditions for which it is the party responsible (as noted in clause 3.1):
 - (i) is satisfied as soon as practicable after the date of this Deed; and

- (ii) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (b) where a party is responsible for a Condition being satisfied, there is no occurrence that would prevent a Condition from being satisfied.

3.3 Regulatory matters

Without limiting clause 3.2:

- (a) **(Regulatory Approvals process)** each party must take all steps it is responsible for as part of any Regulatory Approval process, including responding to requests for information at the earliest practicable time;
- (b) **(representation)** each party has the right to be represented and make submissions at any meeting with any Public Authority relating to a Regulatory Approval; and
- (c) **(consultation)** each party must consult with the other parties in advance in relation to all communications (whether written or oral, and whether direct or via a Representative) with any Public Authority relating to any Regulatory Approval and:
 - (i) provide the other parties with drafts of any material written communications to be sent to a Public Authority and make any amendments as the other parties reasonably require; and
 - (ii) provide copies of any material written communications sent to or received from a Public Authority to the other parties promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so.

For the avoidance of doubt, no party is required to disclose commercially sensitive information in relation to the application for a Regulatory Approval to the other parties and the party applying for a Regulatory Approval may withhold or redact information or documents from the other parties if and to the extent that they are either confidential to a third party or commercially sensitive and confidential to the applicant.

3.4 Conditional approvals

Any approvals required under the Conditions must be obtained either on an unconditional basis or subject to conditions that are acceptable to the parties who is entitled to the benefit of the relevant Condition (acting reasonably).

3.5 Waiver of Conditions Precedent

- (a) A Condition may only be waived in writing by the party or parties entitled to the benefit of that Condition as noted in clause 3.1 and will be effective only to the extent specifically set out in that waiver.
- (b) A party entitled to waive the breach or non-fulfilment of a Condition under this clause 3.5 may do so in its absolute discretion.
- (c) If a party waives the breach or non-fulfilment of a Condition in accordance with this clause 3.5, then:
 - (i) subject to clause 3.5(c)(ii), that waiver precludes that party from suing the other parties for any breach of this Deed arising as a result of the breach or non-fulfilment of that Condition or arising from the same event which gave rise to the breach or non-fulfilment of that Condition; but

- (ii) if the waiver of the Condition is itself conditional and the other parties:
 - (A) accept the condition, the terms of that condition apply notwithstanding any inconsistency with clause 3.5(c)(i); or
 - (B) do not accept the condition, the Condition has not been waived.
- (d) A waiver of a breach or non-fulfilment in respect of a Condition does not constitute:
 - (i) a waiver of a breach or non-fulfilment of any other Condition arising from the same event; or
 - (ii) a waiver of a breach or non-fulfilment of that Condition resulting from any other event.

3.6 Notices

Each party must:

- (a) keep the other parties promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other parties in writing if it becomes aware that any Condition has been satisfied and provide reasonable evidence of the same; and
- (c) promptly notify the other parties in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.2(b)).

3.7 Deferral of Second Court Date

- (a) If a Condition (other than the Condition in clause 3.1(e)) is not satisfied by the time and date specified for that Condition (and has not been waived in accordance with this Deed), then unless there is no reasonable prospect that the Condition will be satisfied before the End Date, WOTSO and BWR must each make applications to defer the Second Court Date until a time (being no later than the Business Day before the End Date) reasonably required to enable the relevant Condition to be satisfied.
- (b) If the Condition in clause 3.1(e) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then any party may by written notice to the other parties within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable.

3.8 Failure of Condition

If:

- (a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with this Deed by the time or date specified in this Deed for the satisfaction of the Condition;
- (b) there is an act, failure to act or occurrence which will prevent a Condition from being satisfied by the time or date specified in this Deed for the satisfaction of the Condition (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this Deed); or

- (c) the Scheme has not become Effective by the End Date,
- the parties must consult in good faith with a view to determining whether:
- (d) the Scheme may proceed by way of alternative means or methods;
 - (e) to extend the relevant time for satisfaction of the Condition or to adjourn or change the date of an application to the Court; or
 - (f) to extend the End Date.

3.9 Failure to agree

If the parties are unable to reach agreement under clause 3.8 within 5 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date):

- (a) subject to clause 3.9(b), any party may terminate this Deed (and that termination will be in accordance with clause 14.1(a)(ii)); or
- (b) if a Condition may be waived and exists for the benefit of one party only, that party only may waive that Condition or terminate this Deed (and that termination will be in accordance with clause 14.1(a)(ii)),

in each case before 8.00am on the Second Court Date, and provided that, a party will not be entitled to terminate this Deed under this clause if the relevant Condition has not been satisfied or agreement cannot be reached as a result of a breach of this Deed by that party or a deliberate act or omission of that party.

4. Scheme

4.1 Proposal of Scheme

- (a) WOTSO must propose a scheme of arrangement under which subject to the Scheme becoming Effective and in accordance with the Scheme:
 - (i) Eligible Scheme Participants will be issued with Additional Scheme Securities for each Scheme Share held by them at the Record Date which will be stapled to each of their WOTSO Shares; and
 - (ii) the Scheme Sale Nominee will be issued with Additional Scheme Securities for each Scheme Share held by the Ineligible Scheme Participants at the Record Date which will be stapled to each of the WOTSO Shares transferred to the Scheme Sale Nominee from the Ineligible Scheme Participants.
- (b) WOTSO agrees to propose and implement the Scheme on and subject to the terms and conditions of this deed, and substantially in accordance with the Timetable.

4.2 Additional Scheme Securities

Scheme Participants are entitled to receive the Additional Scheme Securities in respect of each Scheme Share held by a Scheme Participant at the Record Date subject to and in accordance with this Deed and the Scheme.

4.3 Issue of Additional Scheme Shares

- (a) On the Implementation Date but subject to the Scheme becoming Effective:

- (i) BWR RE must:
 - (A) issue and allot (or procure the issue and allotment of) the BWR Units to the Eligible Scheme Participants and the Scheme Sale Nominee in accordance with the Scheme on terms that each BWR Unit will rank equally in all respects with each other BWR Unit on issue at that time; and
 - (B) ensure that on issue each BWR Unit will be fully paid and free from any Encumbrance; and
- (ii) Planloc must:
 - (A) (following completion of the Planloc Share Split) issue and allot (or procure the issue and allotment of) the Planloc Shares to the Eligible Scheme Participants and the Scheme Sale Nominee in accordance with the Scheme on terms that each Planloc Share will rank equally in all respects with each other Planloc Share on issue at that time; and
 - (B) ensure that on issue each Planloc Share will be fully paid and free from any Encumbrance; and
- (b) To facilitate the issue of the Additional Scheme Securities to Eligible Scheme Participants, WOTSO must provide to each of BWR RE and Planloc, or procure the provision to those parties of, a complete copy of the WOTSO Share Register as at the Record Date (which must include the name, address and registered holding of each Eligible Scheme Participant as at the Record Date), within 2 Business Days after the Record Date. The details and information to be provided under this clause must be provided in such form as BWR RE and/or Planloc may reasonably require.
- (c) Any fractional entitlement of a Scheme Participant to a part of an Additional Scheme Security will be rounded down to the nearest whole number.

4.4 Deed Poll

- (a) BWR RE covenants in favour of WOTSO (in its own right and separately as trustee for each of the Scheme Participants) to execute and deliver the Deed Poll by no later than the First Court Date, and, if the Scheme becomes Effective, fully comply with the Deed Poll.
- (b) Planloc covenants in favour of WOTSO (in its own right and separately as trustee for each of the Scheme Participants) to execute and deliver and to procure that Pelorus executes and delivers, the Deed Poll by no later than the First Court Date, and, if the Scheme becomes Effective, fully comply, and procure that Pelorus fully complies, with the Deed Poll.

4.5 No amendment

WOTSO must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consents of BWR RE and Planloc (such consent not to be unreasonably withheld or delayed).

5. Steps for Implementation

5.1 General obligations

The parties must each:

- (a) use all reasonable endeavours and commit reasonably necessary resources (including management and corporate relations resources and the resources of external advisers); and
- (b) procure that its officers and advisers work in good faith and in a timely and cooperative fashion with the other party (including by attending meetings and by providing information),

to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable.

5.2 WOTSO's obligations

WOTSO must take all steps reasonably necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement the Scheme as soon as reasonably practicable after the date of this Deed and substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(Scheme Booklet)**: prepare the Scheme Booklet in accordance with clause 5.4;
- (b) **(Independent Expert)**: promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) **(approval of draft for ASIC)**: as soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the WOTSO Board, or of a committee of the WOTSO Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review for the purposes of section 411(2) of the Corporations Act;
- (d) **(liaison with ASIC)**: as soon as reasonably practicable after the date of this Deed:
 - (i) provide an advanced draft of the Scheme Booklet, in a form approved in accordance with clause 5.2(c), 5.3(h) or 5.4(f) to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet and keep BWR RE and Planloc reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours, in consultation with BWR RE and Planloc, to resolve any such matters;
- (e) **(consult with BWR RE and Planloc)**: consult with BWR RE and Planloc as to the content and presentation of the Scheme Booklet, including:
 - (i) providing BWR RE and Planloc with drafts of the Scheme Booklet for the purpose of enabling BWR RE and Planloc to review and comment on those draft documents;
 - (ii) taking all comments made by BWR RE and Planloc into account in good faith when producing a revised draft of the Scheme Booklet; and

- (iii) providing to BWR RE and Planloc a revised draft of the Scheme Booklet within a reasonable time before the draft of the Scheme Booklet which is provided to ASIC for review pursuant to section 411(2) of the Corporations Act is finalised;
- (f) **(ASIC review)**: keep BWR RE and Planloc reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours to take into consideration BWR RE's and Planloc's views in resolving any material issues raised by ASIC;
- (g) **(approval of Scheme Booklet)**: as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the WOTSO Board, or of a committee of the WOTSO Board appointed for the purpose, is held to consider approving the Scheme Booklet for despatch to WOTSO Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;
- (h) **(section 411(17)(b) statements)**: apply to ASIC for the production of statements in writing under section 411(17)(b) of the Corporations Act stating that ASIC does not intend to appear before the Court at the First Court Hearing and that ASIC has no objection to the Scheme;
- (i) **(Court Documents)**:
 - (i) consult with BWR RE and Planloc in relation to the content of the Court Documents required for the Court Hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme and consider in good faith, for the purpose of amending drafts of those Court Documents, reasonable comments from BWR and Planloc; and
 - (ii) provide any assistance or information reasonably requested by BWR or its Representatives in connection with the preparation of the Court Documents required for the Court Hearings held for the purpose of the First Judicial Advice and the Second Judicial Advice, including reviewing the drafts of such Court Documents prepared by BWR and providing reasonable comments in a timely manner on those drafts;
- (j) **(First Court Hearing)**: lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 5.2(g) and 5.3(j) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing WOTSO to convene the Scheme Meeting;
- (k) **(registration of explanatory statement)**: request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with Section 412(6) of the Corporations Act;
- (l) **(convening of Scheme Meeting)**: take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to the WOTSO Shareholders and convening and holding the Scheme Meeting;
- (m) **(General Meeting)** take all reasonable steps necessary to convene and hold the General Meeting to be held on the same day as the Scheme Meeting and promptly after the Scheme Meeting concludes;
- (n) **(Court approval application if parties agree that Conditions are capable of being satisfied)**: if the BWR Resolution submitted to the BWR Meeting is passed by the requisite majority, the Supporting Resolutions submitted to the General

Meeting are passed by the requisite majorities, and the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act and, if necessary, the parties agree on the Business Date immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions (other than the Condition in paragraph (i) in clause 3.1) will be satisfied or waived prior to the proposed Second Court Date, apply to the Court for orders approving the Scheme;

- (o) **(Conditions certificate)** at the Second Court Hearing, provide to the Court (through its counsel):
 - (i) a certificate signed by one of the WOTSO Directors and made in accordance with a resolution of the WOTSO Board or of a committee of the WOTSO Board appointed for the purpose confirming (in respect of matters within WOTOS's knowledge) whether or not the Conditions for which it is responsible, as noted in clause 3.1 (other than clause 3.1(i)), have been satisfied or waived in accordance with clause 3.5, a draft of which must be provided to BWR RE and Planloc by 5.00pm on the Business Day prior to the Second Court Date; and
 - (ii) any certificates provided to it by BWR RE under clause 5.3(l) and Planloc under clause 5.4(h);
- (p) **(Stapling Deed)**: by no later than the Scheme Meeting execute and deliver to each of Planloc and BWR RE the Stapling Deed;
- (q) **(Management Agreement)**: by no later than the Scheme Meeting execute and deliver to BFSL the Management Agreement;
- (r) **(Lodge WOTSO Replacement Constitution)** lodge with ASIC the WOTSO Replacement Constitution under section 136(5) of the Corporations Act so that the WOTSO Replacement Constitution has effect by no later than the Implementation Date;
- (s) **(Share Consolidation)**: undertake the WOTSO Share Consolidation by the Record Date;
- (t) **(implementation of Scheme)**: if the Scheme is approved by the Court:
 - (i) lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act no later than 1 Business Day after the date on which it receives such office copy;
 - (ii) determine entitlements to the Additional Scheme Securities as at the Record Date in accordance with the Scheme; and
 - (iii) do all other things contemplated by or necessary to give effect to the Scheme and the Scheme Order;
- (u) **(Issue of WOTSO Shares)**: if the Scheme becomes Effective, upon completion of the WOTSO Share Consolidation by the Record Date, issue and allot (or procure the issue and allotment of) WOTSO Shares to:
 - (i) BWR RE as agent on behalf of each Eligible BWR Unitholder on the basis of one WOTSO Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date; and
 - (ii) the Scheme Sale Nominee on the basis of one WOTSO Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date;

on the Implementation Date in accordance the terms of the Scheme, on terms that each WOTSO Share will rank equally in all respects with each other WOTSO Share on issue at that time, and WOTSO must ensure that each WOTSO Share will be fully paid and free from any Encumbrance;

- (v) **(regulatory notifications)**: in relation to the Regulatory Approvals, lodge with any Public Authority within the relevant time periods all documentation and filings required by law to be so lodged by WOTSO in relation to the Transaction; and
- (w) **(compliance with laws)**: do everything reasonably within its power to ensure that all transactions contemplated by this Deed are effected in accordance with all applicable laws and regulations.

5.3 BWR RE's obligations

BWR RE must take all steps reasonably necessary to assist WOTSO to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(BWR Information)**: provide to WOTSO, in a form appropriate for inclusion in the Scheme Booklet, all information regarding BWR, the BWR Units component of the Additional Scheme Securities, the BWR Constitution, and BWR RE's intentions with respect to BWR (as part of the Stapled Group) if the Scheme is approved and implemented that is required by all applicable Law, the ASX Listing Rules and ASIC Regulatory Guide 60 for inclusion in the Scheme Booklet, which information must (without limiting the above):
 - (i) contain all information necessary to enable WOTSO to ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the Corporations Regulations and ASIC Regulatory Guide 60;
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Scheme Booklet; and
 - (iii) be updated by all such further or new material information which may arise after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) **(BWR Meeting)**: take all reasonable steps necessary to convene and hold the BWR Meeting to be held on the same day as the Scheme Meeting and General Meeting, and promptly after the General Meeting concludes;
- (c) **(Lodge BWR Replacement Constitution)**: lodge with ASIC the BWR Replacement Constitution under section 601GC of the Corporations Act so that the BWR Replacement Constitution has effect by no later than the Implementation Date;
- (d) **(Regulatory notification)**: in relation to the Regulatory Approvals, lodge with any Public Authority within the relevant time periods all documentation and filings required by Law to be so lodged by BWR RE in relation to the Transaction;
- (e) **(Independent Expert)**: promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (f) **(review of Scheme Booklet)**: as soon as reasonably practicable after delivery, review the drafts of the Scheme Booklet prepared by WOTSO and provide comments on those drafts in good faith;

- (g) **(Court Documents):**
- (i) consult with WOTSO and Planloc in relation to the content of the Court Documents required for the Court Hearings held for the purpose of the First Judicial Advice and the Second Judicial Advice and consider in good faith, for the purpose of amending drafts of those Court Documents, reasonable comments from WOTSO and Planloc; and
 - (ii) provide any assistance or information reasonably requested by WOTSO or its Representatives in connection with the preparation of the Court Documents required for the Court Hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme, including reviewing the drafts of such Court Documents prepared by WOTSO and providing reasonable comments in a timely manner on those drafts;
- (h) **(First Court Hearing):** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 5.2(g) and 5.3(j) have been received, an application is heard by the Court for the First Judicial Advice to convene the BWR Meeting;
- (i) **(approval of draft for ASIC):** as soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the appropriate representatives of BWR is held to consider approving those sections of that draft that relate to BWR as being in a form appropriate for provision to ASIC for review;
- (j) **(approval of Scheme Booklet):** as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the appropriate representatives of BWR is held to consider approving those sections of the Scheme Booklet that relate to BWR as being in a form appropriate for despatch to WOTSO Shareholders, subject to Court approval;
- (k) **(Court approval application if parties agree that Conditions are capable of being satisfied):** if the BWR Resolution submitted to the BWR Meeting are passed by the requisite majorities, the Supporting Resolutions submitted to the General Meeting are passed by the requisite majorities, and the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act, and if necessary, the parties agree on the Business Date immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions (other than the Condition in clause 3.1(i)) will be satisfied or waived prior to the proposed Second Court Date, apply to the Court for the Second Judicial Advice;
- (l) **(Conditions certificate):** before 8.00am on the Second Court Date, provide to WOTSO for provision to the Court at the Second Court Hearing a certificate signed by one of its directors and made in accordance with a resolution of the BWR Board confirming (in respect of matters within BWR RE's knowledge) whether or not the Conditions for which BWR RE is responsible, as noted in clause 3.1 (other than clause 3.1(i)), have been satisfied or waived in accordance with clause 3.5, a draft of which must be provided to WOTSO by 5.00pm on the Business Day prior to the Second Court Date;
- (m) **(Deed Poll):** by no later than the Business Day prior to the First Court Hearing, execute and deliver to WOTSO the Deed Poll and procure that BFSL (in its own capacity) executes and delivers to WOTSO the Deed Poll;
- (n) **(Stapling Deed):** by no later than the Scheme Meeting execute and deliver to each of WOTSO and Planloc the Stapling Deed;

- (o) **(Management Agreement)**: by no later than the Scheme Meeting execute and deliver to BFSL the Management Agreement;
- (p) **(Issue of BWR Units)**: satisfy BWR RE's obligation to issue BWR Units to Eligible Scheme Participants and the Scheme Sale Nominee in accordance with clause 4.3(a)(i);
- (q) **(Representation)**: procure that, if requested by WOTSO, BWR is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
- (r) **(suspension of trading)**: apply to ASX to suspend trading in BWR Units with effect from the close of trading on the Effective Date; and
- (s) **(listing)**: take all reasonable steps to maintain BWR's listing on ASX, notwithstanding any suspension of the quotation of BWR Units, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC, and take any action as reasonably requested by WOTSO or Planloc to obtain the approval of ASX to the admission of the Stapled Group and quotation of the Stapled Securities following implementation of the Scheme; and
- (t) **(compliance with Laws)**: do everything reasonably within its power to ensure that all transactions contemplated by this Deed are effected in accordance with all applicable Laws.

5.4 Planloc's obligations

Planloc must take all steps reasonably necessary to assist WOTSO to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(Planloc Information)**: provide to WOTSO, in a form appropriate for inclusion in the Scheme Booklet, all information regarding Planloc, the Planloc Shares component of the Additional Scheme Securities, the Planloc Constitution, and Planloc's intentions with respect to Planloc (as part of the Stapled Group) if the Scheme is approved and implemented that is required by all applicable Law, the ASX Listing Rules and ASIC Regulatory Guide 60 for inclusion in the Scheme Booklet, which information must (without limiting the above):
 - (i) contain all information necessary to enable WOTSO to ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the Corporations Regulations and ASIC Regulatory Guide 60;
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Scheme Booklet; and
 - (iii) be updated by all such further or new material information which may arise after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) **(Regulatory notification)**: in relation to the Regulatory Approvals, lodge with any Public Authority within the relevant time periods all documentation and filings required by Law to be so lodged by Planloc in relation to the Transaction;
- (c) **(Independent Expert)**: promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;

- (d) **(review of Scheme Booklet)**: as soon as reasonably practicable after delivery, review the drafts of the Scheme Booklet prepared by WOTSO and provide comments on those drafts in good faith;
- (e) **(Court Documents)**: provide any assistance or information reasonably requested by WOTSO, BWR or their Representatives in connection with the preparation of the Court Documents, including reviewing the drafts of the Court Documents prepared by WOTSO or BWR and providing reasonable comments in a timely manner on those drafts;
- (f) **(approval of draft for ASIC)**: as soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the appropriate representatives of Planloc is held to consider approving those sections of that draft that relate to Planloc as being in a form appropriate for provision to ASIC for review;
- (g) **(approval of Scheme Booklet)**: as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the appropriate representatives of Planloc is held to consider approving those sections of the Scheme Booklet that relate to Planloc as being in a form appropriate for despatch to WOTSO Shareholders, subject to Court approval;
- (h) **(Conditions certificate)**: before 8.00am on the Second Court Date, provide to WOTSO for provision to the Court at the Second Court Hearing a certificate signed by one of its directors and made in accordance with a resolution of the Planloc Board confirming (in respect of matters within Planloc's knowledge) whether or not the Conditions for which Planloc is responsible, as noted in clause 3.1 (other than clause 3.1(i)), have been satisfied or waived in accordance with clause 3.5, a draft of which must be provided to WOTSO by 5.00pm on the Business Day prior to the Second Court Date;
- (i) **(Deed Poll)**: by no later than the Business Day prior to the First Court Hearing, execute and deliver to WOTSO the Deed Poll and procure that Pelorus executes and delivers to WOTSO the Deed Poll;
- (j) **(Stapling Deed)**: by no later than the Scheme Meeting execute and deliver to each of WOTSO and BWR RE the Stapling Deed;
- (k) **(Management Agreement)**: by no later than the Scheme Meeting execute and deliver to BFSL the Management Agreement;
- (l) **(Share subdivision)**: obtain the approval of its member/s to undertake the Planloc Share Split by no later than the Business Day prior to the Second Court Hearing and complete the Planloc Share Split by the Record Date;
- (m) **(Issue of Planloc Shares)**: if the Scheme becomes Effective, satisfy Planloc's obligation to issue Planloc Shares to Eligible Scheme Participants and the Scheme Sale Nominee in accordance with clause 4.3(a)(ii);
- (n) **(Representation)**: procure that, if requested by WOTSO, Planloc is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act; and
- (o) **(compliance with Laws)**: do everything reasonably within its power to ensure that all transactions contemplated by this Deed are effected in accordance with all applicable Laws.

5.5 Scheme Booklet

- (a) **(Preparation):** As soon as reasonably practicable after the date of this Deed and substantially in accordance with the Timetable, WOTSO must prepare the Scheme Booklet in compliance with:
 - (i) all applicable Laws, in particular the Corporations Act, the Corporations Regulations, ASIC Regulatory Guide 60 and the ASX Listing Rules; and
 - (ii) this clause 5.5;
- (b) **(Content):** The Scheme Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting, notice of General Meeting and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme together with a proxy form for the Scheme Meeting, General Meeting and for any ancillary meeting;
 - (iii) the WOTSO Information;
 - (iv) the BWR Information;
 - (v) the Planloc Information;
 - (vi) a copy of this Deed (without the schedules or annexures);
 - (vii) a copy or a sufficient summary of the Stapling Deed;
 - (viii) a copy or a sufficient summary of the Management Agreement;
 - (ix) a copy or a sufficient summary of the WOTSO Replacement Constitution;
 - (x) a copy or a sufficient summary of the BWR Replacement Constitution;
 - (xi) a copy of the executed Deed Poll; and
 - (xii) a copy of the Independent Expert's Report;
- (c) **(Drafts):** WOTSO must make available to each of BWR RE and Planloc drafts of the Scheme Booklet (excluding any draft of the Independent Expert's Report), consult with each of BWR RE and Planloc in relation to the content of those drafts (other than the BWR Information and Planloc Information), and consider in good faith, for the purposes of amending those drafts, comments from each of BWR RE and Planloc on those drafts. Each of BWR RE and Planloc acknowledges and agrees that WOTSO has ultimate discretion with respect to the preparation, form and content of the Scheme Booklet, other than the Independent Expert's Report and as expressly provided in this Deed with respect to the BWR Information and Planloc Information;
- (d) **(BWR Information):** WOTSO must seek approval from BWR RE for the form and context in which the BWR Information appears in the Scheme Booklet, which approval BWR RE must not unreasonably withhold or delayed, and WOTSO must not lodge the Scheme Booklet with ASIC until such approval is obtained from BWR RE;
- (e) **(Planloc Information):** WOTSO must seek approval from Planloc for the form and context in which the Planloc Information appears in the Scheme Booklet, which approval Planloc must not unreasonably withhold or delayed, and WOTSO must

not lodge the Scheme Booklet with ASIC until such approval is obtained from Planloc;

- (f) **(Not misleading or deceptive):**
- (i) WOTSO must take all reasonable steps to ensure that the Scheme Booklet (other than the BWR Information and Planloc Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to WOTSO Shareholders;
 - (ii) BWR RE must take all reasonable steps to ensure that the BWR Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Scheme Booklet is despatched to WOTSO Shareholders; and
 - (iii) Planloc must take all reasonable steps to ensure that the Planloc Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Scheme Booklet is despatched to WOTSO Shareholders;
- (g) **(New information):**
- (i) WOTSO must provide to BWR RE and Planloc all such further or new information of which WOTSO becomes aware that arises after the Scheme Booklet has been despatched to the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act, the Corporations Regulations, ASIC Regulatory Guide 60 and the ASX Listing Rules and is not misleading or deceptive in any material respect (whether by omission or otherwise);
 - (ii) BWR RE must provide to WOTSO all such further or new information of which BWR becomes aware that arises after the Scheme Booklet has been despatched to the date of the Scheme Meeting where this is or may be necessary to ensure that the BWR Information continues to comply with the Corporations Act, the Corporations Regulations, ASIC Regulatory Guide 60 and the ASX Listing Rules and is not misleading or deceptive in any material respect (whether by omission or otherwise); and
 - (iii) Planloc must provide to WOTSO all such further or new information of which Planloc becomes aware that arises after the Scheme Booklet has been despatched to the date of the Scheme Meeting where this is or may be necessary to ensure that the Planloc Information continues to comply with the Corporations Act, the Corporations Regulations, ASIC Regulatory Guide 60 and the ASX Listing Rules and is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (h) **(Verification):** Each party must undertake appropriate verification processes for the information supplied by that party which is included in the Scheme Booklet;
- (i) **(Responsibility statements):** The responsibility statement to appear in the Scheme Booklet, in a form to be agreed by the parties, will contain words to the effect that:
- (i) BWR RE is responsible for the BWR Information contained in the Scheme Booklet and, to the maximum extent permitted by law, WOTSO and Planloc will not be responsible for any BWR Information and will disclaim any liability for BWR Information appearing in the Scheme Booklet;
 - (ii) Planloc is responsible for the Planloc Information contained in the Scheme Booklet and, to the maximum extent permitted by law, WOTSO and BWR

RE will not be responsible for any Planloc Information and will disclaim any liability for Planloc Information appearing in the Scheme Booklet; and

- (iii) WOTSO is responsible for the WOTSO Information contained in the Scheme Booklet and, to the maximum extent permitted by law, BWR RE and Planloc will not be responsible for any WOTSO Information and will disclaim any liability for WOTSO Information appearing in the Scheme Booklet;
- (j) **(Dispute):** If the parties disagree on the form or content of the Scheme Booklet, they must consult in good faith to try and settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:
 - (i) if the disagreement relates to the form or content of the BWR Information contained in the Scheme Booklet, WOTSO will make any amendments as BWR, acting in good faith, reasonable requires;
 - (ii) if the disagreement relates to the form or content of the Planloc Information contained in the Scheme Booklet, WOTSO will make any amendments as Planloc, acting in good faith, reasonable requires; and
 - (iii) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the WOTSO Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet; and
- (k) **(Acknowledgement):** The parties each agree that the efficient preparation of the Scheme Booklet and the implementation of the Scheme are in the interests of WOTSO Shareholder, BWR and Planloc and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 5.5 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

5.6 No partnership or joint venture

Subject to this Deed, nothing in this clause 5 requires any party to act at the direction of any of the other parties. The business of each party will continue to operate independently from the other until the Implementation Date. The parties agree that nothing in this Deed constitutes the relationship of a partnership or a joint venture between the parties.

6. Court proceedings

6.1 Conduct

- (a) The parties are entitled to separate representation at all Court proceedings relating to the Scheme.
- (b) Each party must give all undertakings to the Court in all proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this Deed.
- (c) Nothing in this Deed gives any party any right or power to give undertakings to the Court for or on behalf of any of the other parties without that other party's prior written consent.

6.2 Appeal and other proceedings

- (a) If the Court refuses to make an order convening the Scheme Meeting or approving the Scheme, WOTSO will appeal the Court's decision, except to the extent that the parties agree otherwise or an independent senior counsel indicates that, in his or her view, an appeal would have no reasonable prospect of success, in which case any party may terminate this Deed.
- (b) If the Court refuses to grant either the First Judicial Advice or the Second Judicial Advice, BWR RE will appeal the Court's decision, except to the extent that the parties agree otherwise or an independent senior counsel indicates that, in his or her view, an appeal would have no reasonable prospect of success, in which case any party may terminate this Deed.
- (c) The parties must defend, or cause to be defended, any lawsuit or other legal proceeding brought against it challenging this Deed or the completion of the Scheme, unless WOTSO has, in good faith, determined that such action is not in the best interest of WOTSO Shareholders.
- (d) Any costs incurred as a result of the operation of this clause 6.2 will be borne equally by the parties.

7. WOTSO Board recommendation

7.1 WOTSO Board recommendation and voting intention

- (a) WOTSO must ensure that the Announcement and the Scheme Booklet state that each WOTSO Director recommends that WOTSO Shareholders vote in favour of the Scheme (**Recommendation**) which Recommendation must not be qualified in any way other than by words, and any customary qualifications and explanations, to the effect that the recommendation to vote in favour of the Scheme is made "in the absence of a Superior Proposal" and "subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interest of WOTSO Shareholders".
- (b) Both BWR RE and Planloc agree that each WOTSO Director, may, subject to the terms of this Deed, publicly (or otherwise) withdraw, change or in any qualify their Recommendation if:
 - (i) a Superior Proposal is made; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either in its initial report or any updates of its report) that the Scheme is not in the best interests of WOTSO Shareholders.
- (c) The parties agree that each WOTSO Director has indicated that they intend to cause any WOTSO Shares in which they have a Relevant Interest to be voted in favour of the Scheme (**Voting Intention**), subject to:
 - (i) there being no Superior Proposal; and
 - (ii) the Independent Expert concluding and continuing to conclude that the Scheme is in the best interest of WOTSO Shareholders,

and that the Scheme Booklet will state that Voting Intention to the extent to which it is current as at the date of the Scheme Booklet.

- (d) Both BWR RE and Planloc agree that each WOTSO Director may, subject to the terms of this Deed, publicly (or otherwise) withdraw, change or in any way qualify his or her Voting Intention if:
 - (i) a Superior Proposal is made; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either in its initial report or any updates of its report) that the Scheme is not in the best interest of WOTSO Shareholders.
- (e) WOTSO must use its reasonable endeavours to procure that each of the WOTSO Directors acts in accordance with his or her obligations under this clause 7.1.

7.2 Confirmation

WOTSO represents and warrants to both BWR RE and Planloc that each WOTSO Director has confirmed their agreement not to do anything inconsistent with their Recommendation and Voting Intention (including withdrawing, changing or in any way qualifying their Recommendation or Voting Intention) other than in the circumstances referred to in clause 7.1(b) or clause 7.1(d).

7.3 Withdrawal or change of recommendation

Without limiting clause 9, other than in the circumstances described in clause 7.1(b)(i) or clause 7.1(b)(ii), if WOTSO receives notice from a WOTSO Director that he or she proposes to withdraw, change or modify his or her Recommendation to vote in favour of the Scheme:

- (a) WOTSO must promptly notify BWR and Planloc in writing; and
- (b) the parties must consult in good faith for 2 Business Days after the date on which the notification in clause 7.3(a) is received by BWR RE and Planloc (the date being whichever party receives such notification last) (**Consultation Period**) to consider and to determine whether there are any steps that can be taken to avoid such withdrawal, change or modification (as applicable). The Recommendation cannot be withdrawn, changed or modified under clause 7.1(b) until the end of the Consultation Period.

8. Conduct before the Implementation Date

8.1 Conduct of WOTSO

Subject to clause 8.2, from the date of this Deed up to and including the Implementation Date, WOTSO must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:

- (a) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;
- (b) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
- (c) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;

- (d) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the WOTSO Group is a party, and with laws, authorisations and license applicable to each member of the WOTSO Group; and
- (e) not take, or fail to take, any action that constitutes a WOTSO Prescribed Occurrence or that could reasonably be expected to result in a WOTSO Prescribed Occurrence.

8.2 Permitted activities

- (a) The obligations of WOTSO under clause 8.1 do not apply in respect of any matter:
 - (i) required to be done or procured by WOTSO under this Deed or the terms of the Scheme or otherwise permitted by WOTSO under this Deed;
 - (ii) required by any Law or an order of any Court or Government Agency; or
 - (iii) agreed in writing by both BWR RE and Planloc (such agreement not to be unreasonably withheld or delayed).
- (b) For the avoidance of doubt, nothing in clause 8.1 restricts the ability of WOTSO to respond to a Competing Transaction to the extent permitted in accordance with clause 9.

8.3 Conduct of BWR RE

Subject to clause 8.4, from the date of this Deed up to and including the Implementation Date, BWR RE must conduct, and cause the BWR Group to conduct, its businesses in the ordinary and usual course of business and:

- (a) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;
- (b) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
- (c) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
- (d) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the BWR Group is a party, and with laws, authorisations and license applicable to each member of the BWR Group; and
- (e) not take, or fail to take, any action that constitutes a BWR Prescribed Occurrence or that could reasonably be expected to result in a BWR Prescribed Occurrence.

8.4 BWR permitted activities

The obligations of BWR RE under clause 8.3 do not apply in respect of any matter:

- (a) required to be done or procured by BWR, or otherwise permitted, under this Deed or the terms of the Scheme;
- (b) required by any Law or an order of any Court or Government Agency; or
- (c) agreed in writing by both WOTSO and Planloc (such agreement not to be unreasonably withheld or delayed).

8.5 Conduct of Planloc

Subject to clause 8.6, from the date of this Deed up to and including the Implementation Date, Planloc must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:

- (a) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;
- (b) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
- (c) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
- (d) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the Planloc Group is a party, and with laws, authorisations and license applicable to each member of the Planloc Group; and
- (e) not take, or fail to take, any action that constitutes a Planloc Prescribed Occurrence or that could reasonably be expected to result in a Planloc Prescribed Occurrence.

8.6 Planloc permitted activities

The obligations of WOTSO under clause 8.5 do not apply in respect of any matter:

- (a) required to be done or procured by Planloc, or otherwise permitted, under the Scheme Implementation Deed or the terms of the Scheme;
- (b) required by any Law or an order of any Court or Government Agency; or
- (c) agreed in writing by both BWR RE and WOTSO (such agreement not to be unreasonably withheld or delayed).

9. Exclusivity

9.1 Termination of existing discussions

WOTSO represents and warrants that, as at the time of execution of this Deed, it is not (including through its Representatives) in any negotiations or discussions, and it has ceased any existing negotiations or discussions, in respect of any Competing Transaction with any Third Party.

9.2 No shop

During the Exclusivity Period, WOTSO must not, and must procure that each of its Representatives do not, directly or indirectly solicit, invite, encourage or initiate any Competing Transaction or any enquiries, negotiations, discussions or proposals (or communicate to any person an intention to do any of those things) with any person in relation to, or that may reasonably be expected to encourage or lead to, a Competing Transaction.

9.3 No talk

Subject to clause 9.6, during the Exclusivity Period, WOTSO must not, and must procure that each of its Representatives do not, directly or indirectly:

- (a) facilitate, enter into, continue or otherwise participate (including by way of responding) in any negotiations or discussions with any person regarding a Competing Transaction or which may reasonably be expected to lead to, a Competing Transaction, even if not directly or indirectly solicited, invited, encouraged or initiated by WOTSO or its Representatives;
- (b) enter into any agreement, arrangement or understanding with any person regarding a Competing Transaction or which may reasonably be expected to lead to, a Competing Transaction, even if not directly or indirectly solicited, invited, encouraged or initiated by WOTSO or its Representatives;
- (c) communicate to any person an intention to do any of the things referred to in clause 9.3(a) or 9.3(b); or
- (d) approve or recommend a Competing Transaction.

9.4 No due diligence

Subject to clause 9.6, without limiting clause 9.3, during the Exclusivity Period, WOTSO must not, and must ensure that neither it, nor any of its Representatives directly or indirectly makes available, facilitates or permits any person to access non-public information, or to undertake due diligence investigations, in relation to the WOTSO Group or its business.

9.5 Notice of Competing Transaction

- (a) Subject to clause 9.5(b), if WOTSO or any of its Representatives:
 - (i) are approached by any person during the Exclusivity Period to discuss or engage in any activity in relation to a Competing Transaction; or
 - (ii) receives, during the Exclusivity Period, a request for information relating to the WOTSO Group, or its business or operations, in connection with formulation, development or finalisation of, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Transaction, or which WOTSO has reasonable grounds to suspect may relate to an actual, proposed or potential Competing Transaction,

then WOTSO must notify both BWR RE and Planloc in writing of that approach as soon as reasonably practicable but in any event no later than 1 Business Day after the date of the approach.
- (b) Clause 9.5(a) does not apply in respect of a Competing Transaction that:
 - (i) the WOTSO Board determines, acting in good faith, is not a bona fide proposal;
 - (ii) is immediately rejected by the WOTSO Board; and
 - (iii) WOTSO has no further correspondence with the proponent of such Competing Transaction after the rejection.
- (c) If WOTSO proposes or determines to take any action of a kind that would breach its obligations under clause 9.3 or 9.4 were it not for clause 9.6, then WOTSO must notify BWR RE and Planloc in writing no later than 1 Business Day after making that decision or determination.
- (d) Subject to clause 9.6, a notice given under clause 9.5(a) must be accompanied by all relevant details of the relevant approach, including the identity of the person that made the approach and the material terms and conditions of the Competing

Transaction (including proposed price or implied value, conditions, timing and details of any break fee) to the extent known to WOTSO.

9.6 Fiduciary exception

Clauses 9.3, 9.4 and 9.5(d) do not apply to the extent that they restrict WOTSO or the WOTSO Board from taking or refusing to take any action with respect to an actual, proposed or potential Competing Transaction (which was not solicited, invited, encouraged or initiated by the WOTSO in contravention of clause 9.2) provided that the WOTSO Board has determined, in good faith and acting reasonably that:

- (a) after receiving advice from its financial adviser, the relevant Competing Transaction is, or is reasonably likely to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, that compliance with clauses 9.3, 9.4 or 9.5(d) (as applicable) would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the WOTSO Directors.

9.7 Exception

Nothing in this clause 9 prevents WOTSO from:

- (a) taking any action in good faith to comply with its continuous disclosure obligations; or
- (b) continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to its business generally.

10. Modifications required to exclusivity

10.1 Modifications following regulatory intervention

If any of the following occurs:

- (a) a Government Agency finds that an exclusivity arrangement under clause 9 is unacceptable or unenforceable; or
- (b) as a result of an application to the Takeovers Panel, the Takeovers Panel indicates that, in the absence of a written undertaking under section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) to modify the circumstances in relation to an exclusivity arrangement under clause 9, it will make a declaration of unacceptable circumstances,

then, subject to clause 10.2:

- (c) the parties must amend clause 9 to the extent required to give effect to the requirements of the Government Agency or the Takeovers Panel (as the case may be) and (in circumstances referred to in clause 10.1(b)) must give the required undertaking(s); and
- (d) neither the occurrence of any of the events referred to in clause 10.1(a) or clause 10.1(b) nor the amendment of clause 9 will be taken to be a breach of, or permit any party to terminate, this Deed.

10.2 No requirement to act unless decision final

The parties are only required to take steps under 10.1(c) in relation to any requirement of a Government Agency or the Takeovers Panel if:

- (a) no appeal or review proceeding is available from the decision to impose that requirement or the period for lodging an appeal or commencing review proceedings has expired without an appeal having been lodged or review proceedings commenced; or
- (b) the parties agree in writing not to appeal or seek review of the decision to impose that requirement.

10.3 Appeals and review of regulatory decisions

Nothing in this Deed requires any party to appeal or seek review of any decision of a Government Agency or the Takeovers Panel referred to in clause 10.1(a) or clause 10.1(b). If any party wishes to appeal or seek review of any such decision, then the other parties must make submissions in the course of those proceedings supporting the review made by the first party.

10.4 Obligations of parties

No party must undertake, or be involved in undertaking or supporting, any action that would trigger the operation of clause 10.1.

11. Representations and warranties

11.1 WOTSO warranties

- (a) WOTSO represents and warrants to:
 - (i) BWR (on its own behalf and separately as trustee for each of the BWR Indemnified Parties); and
 - (ii) Planloc (on its own behalf and separately as trustee for each of the Planloc Indemnified Parties);each of the matters set out in clause 11.1(b) as at the date of this Deed and on each subsequent date until the Cut-Off Time (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) WOTSO represents and warrants that:
 - (i) **(status)**: it is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) **(authorisation)**: the execution and delivery of this Deed by WOTSO has been properly authorised by all necessary corporate action and WOTSO has full corporate power and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed;
 - (iii) **(validity of obligations)**: this Deed constitutes legal, valid and binding obligations on WOTSO which are enforceable against it in accordance with its terms;

- (iv) **(no contravention)**: the entry into, its compliance with its obligations and the exercise of its rights under, this Deed do not and will not conflict with:
 - (A) its constituent documents or cause a limitation on its powers or the powers of its directors to be exercised; or
 - (B) any applicable Law;
- (v) **(compliance with law)**: each member of the WOTSO Group has complied in all material respects with all Australian and foreign laws and regulations applicable to it and orders of Australian and foreign governmental agencies having jurisdiction over it and has all material licenses, permits and authorisations necessary for it to conduct its respective businesses as presently being conducted;
- (vi) **(provision of information to the Independent Expert)**: all information provided by or on behalf of WOTSO to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (vii) **(reliance)**: the WOTSO Information in the Scheme Booklet will be included in good faith on the understanding that BWR, Planloc and their respective directors will rely on that information for the purposes of considering and approving the WOTSO Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme;
- (viii) **(WOTSO Information)**: the WOTSO Information provided under this Deed and included in the Scheme Booklet as at the date of the Scheme Booklet will not contain any material statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, the ASX Listing Rules and all regulatory guidance and other requirements of ASIC;
- (ix) **(securities)**: as at the date of this Deed, the total issued capital of the WOTSO is 81,068,581 WOTSO Shares;
- (x) **(no Insolvency Event)**: no member of the WOTSO Group is subject to an Insolvency Event;
- (xi) **(material contracts)**: as at the date of this Deed, neither it nor any member of the WOTSO Group is in material default under any material document, agreement or instrument binding on it or its assets nor has anything occurred which is, or would with the giving of notice or lapse of time, constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation, under any such material document or agreement with such an effect; and
- (xii) **(regulatory approvals)**: so far as WOTSO is aware having made due enquiries, no Regulatory Approval is required to be obtained by WOTSO in order for it to execute, deliver and perform this Deed, other than those approvals set out in clause 3.1, and so far as WOTSO is aware having made due enquiries, as at the date of this Deed, no regulatory action of any nature has been taken that would prevent or restrict its ability to perform its obligations under this Deed.

11.2 Qualifications on WOTSO Representations and Warranties

The WOTSO Representatives and Warranties in clause 11.1 and the indemnity in clause 11.3 are subject to matters that:

- (a) are permitted or required under this Deed or the Scheme;
- (b) have been Fairly Disclosed in an announcement made by WOTSO on its website <https://www.wotsoworkspace.com.au/> or a document lodged with ASIC prior to entry into this Deed;
- (c) would have been Fairly Disclosed to a party had the party conducted searches 10 Business Days before the date of this Deed of:
 - (i) the public records maintained by:
 - (A) ASIC;
 - (B) the High Court of Australia, Federal Court of Australia and the Supreme Court of Victoria, New South Wales, South Australia, Western Australia and Queensland; or
 - (C) IP Australia; or
 - (ii) the PPS Register; or
- (d) as at the date of this Deed are within the actual knowledge of BWR, Planloc or their respective Representatives.

11.3 WOTSO's indemnity

Subject to clause 11.2, WOTSO agrees with:

- (a) BWR (on BWR's own behalf and separately as trustee for each of the BWR Indemnified Parties) to indemnify and keep indemnified the BWR Indemnified Parties from and against all Losses incurred directly or indirectly by the BWR Indemnified Parties; and
- (b) Planloc (on Planloc's own behalf and separately as trustee for each of the Planloc Indemnified Parties) to indemnify and keep indemnified the Planloc Indemnified Parties from and against all Losses incurred directly or indirectly by the Planloc Indemnified Parties

as a result of any breach of any of the representations and warranties in clause 11.1.

11.4 BWR warranties

- (a) BWR represents and warrants to:
 - (i) WOTSO (on WOTSO's own behalf and separately as trustee or nominee for each of the other WOTSO Indemnified Parties); and
 - (ii) Planloc (on Planloc's own behalf and separately as trustee or nominee for each of the other Planloc Indemnified Parties);

each of the matters set out in clause 11.4(b) as at the date of this Deed and on each subsequent day until the Cut-Off Time (except that where any statement is expressed to be made only at a particular time it is given only at that date).

- (b) BWR represents and warrants that:
- (i) **(status)**: BWR is duly established and validly subsisting;
 - (ii) **(responsible entity)**: BWR RE is the responsible entity of BWR, has been validly appointed and remains as responsible entity of BWR, and no action has been taken or proposed to be taken to remove it as responsible entity;
 - (iii) **(authorisation)**: BWR RE is empowered by the BWR Constitution to enter into and perform its obligations under this Deed and to carry out the Transaction, in its capacity as responsible entity of BWR. There is and will be no restriction on or condition of its doing so, prior to the earlier of the End Date and the date when this Deed is terminated;
 - (iv) **(approvals)**: all necessary resolutions have been duly passed and all consents, approvals and other procedural matters have been obtained or attended to as required or as may be required, including under the BWR Constitution, for BWR RE to enter into and perform its obligations under this Deed;
 - (v) **(validity of obligations)**: this Deed constitutes legal, valid and binding obligations on BWR RE which are enforceable against it in accordance with its terms;
 - (vi) **(no contravention)**: the execution and performance by BWR RE, its compliance with its obligations and the exercise of its rights under this Deed do not and will not conflict with:
 - (A) its constituent documents or cause a limitation on its powers or the powers of its directors to be exercised; or
 - (B) any applicable Law;
 - (vii) **(trustee's right of indemnity)**: BWR RE's right of indemnity out of, and lien over, the assets of BWR have not been limited in any way. BWR RE has no liability which may be set off against that right of indemnity;
 - (viii) **(new information)**: it will, as a continuing obligation, provide to WOTSO and Planloc all further or new information which arises after the Scheme Booklet has been dispatched to WOTSO Shareholders until the date of the Scheme Meeting which is necessary to ensure that the BWR Information is not misleading or deceptive in any material respect (including by way of omission);
 - (ix) **(compliance with law)**: each member of the BWR Group has complied in all material respects with all Australian and foreign laws and regulations applicable to it and orders of Australian and foreign governmental agencies having jurisdiction over it and has all material licenses, permits and authorisations necessary for it to conduct its respective businesses as presently being conducted;
 - (x) **(no dealing with WOTSO Shareholders)**: neither it nor any of its Associates has any agreement, arrangement or understanding with any WOTSO Shareholder under which that WOTSO Shareholder agrees to vote in favour of the Scheme or against a Competing Transaction;
 - (xi) **(provision of information to the Independent Expert)**: all information provided by or on behalf of the BWR Group to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent

Expert will rely on that information for the purpose of preparing the Independent Expert's Report;

- (xii) **(reliance)**: the BWR Information provided to WOTSO in accordance with clause 5.3(a) for inclusion in the Scheme Booklet will be provided in good faith on the understanding that each of the WOTSO Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (xiii) **(BWR Information)**: the BWR Information provided under this Deed and included in the Scheme Booklet as at the date of the Scheme Booklet will not contain any material statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, the ASX Listing Rules and all regulatory guidance and other requirements of ASIC;
- (xiv) **(reasonable basis)**: all factual information BWR or any Representative of BWR has provided to WOTSO prior to this Deed is, to the best of BWR's knowledge having made due enquiries, accurate in all material respects and not misleading in any material respect (whether by omission or otherwise) including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information;
- (xv) **(BWR issued capital)**: as at the date of this Deed, the total issued capital of BWR is 142,150,000 BWR Units;
- (xvi) **(Insolvency Event)**: no member of the BWR Group is subject to an Insolvency Event; and
- (xvii) **(regulatory approvals)**: so far as BWR is aware having made due enquires, no Regulatory Approval is required to be obtained by BWR in order for it to execute, deliver and perform this Deed, other than those approvals set out in clause 3.1, and so far as BWR is aware having made due enquiries, as at the date of this Deed, no regulatory action of any nature has been taken that would prevent or restrict its ability to perform its obligations under this Deed.

11.5 Qualifications on BWR Representations and Warranties

The BWR Representations and Warranties in clause 11.4 and the indemnity in clause 11.6 are subject to matters that:

- (a) are permitted or required under this Deed or the Scheme;
- (b) have been Fairly Disclosed in an announcement made by BWR on the ASX, its website at asx.com.au, or a document lodged with ASIC prior to entry into this Deed;
- (c) would have been Fairly Disclosed to a party had the party conducted searches 10 Business Days before the date of this Deed of:
 - (i) the public records maintained by:
 - (A) ASIC;

(B) the High Court of Australia, Federal Court of Australia and the Supreme Court of Victoria, New South Wales, South Australia, Western Australia and Queensland; or

(C) IP Australia; or

(ii) the PPS Register; or

as at the date of this Deed, are within the actual knowledge of WOTSO, Planloc or their respective Representatives.

11.6 BWR indemnity

Subject to clause 11.5, BWR agrees with:

- (a) WOTSO (on WOTSO's own behalf and separately as trustee for each of the WOTSO Indemnified Parties) to indemnify and keep indemnified the WOTSO Indemnified Parties from and against all Losses incurred directly or indirectly by the WOTSO Indemnified Parties; and
- (b) Planloc (on Planloc's own behalf and separately as trustee for each of the Planloc Indemnified Parties) to indemnify and keep indemnified the Planloc Indemnified Parties from and against all Losses incurred directly or indirectly by the Planloc Indemnified Parties,

as a result of any breach of any of the representations and warranties in clause 11.4.

11.7 Planloc warranties

(a) Planloc represents and warrants to:

- (i) WOTSO (on WOTSO's own behalf and separately as trustee or nominee for each of the other WOTSO Indemnified Parties); and
- (ii) BWR (on BWR's own behalf and separately as trustee or nominee for each of the other BWR Indemnified Parties);

each of the matters set out in clause 11.4(b) as at the date of this Deed and on each subsequent day until the Cut-Off Time (except that where any statement is expressed to be made only at a particular time it is given only at that date).

(b) Planloc represents and warrants that:

- (i) **(status)**: it is a validly existing corporation registered under the laws of its place of incorporation;
- (ii) **(authorisation)**: the execution and delivery of this Deed has been properly authorised by all necessary corporate action and Planloc has full corporate power and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed;
- (iii) **(validity of obligations)**: this Deed constitutes legal, valid and binding obligations on Planloc which are enforceable against it in accordance with its terms;
- (iv) **(no contravention)**: the entry into, its compliance with its obligations and the exercise of its rights under, this Deed do not and will not conflict with:

(A) its constituent documents or cause a limitation on its powers or the powers of its directors to be exercised; or

- (B) any applicable Law;
- (v) **(new information)**: it will, as a continuing obligation, provide to WOTSO and BWR all further or new information which arises after the Scheme Booklet has been dispatched to WOTSO Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Planloc Information is not misleading or deceptive in any material respect (including by way of omission);
- (vi) **(compliance with law)**: each member of the Planloc Group has complied in all material respects with all Australian and foreign laws and regulations applicable to it and orders of Australian and foreign governmental agencies having jurisdiction over it and has all material licenses, permits and authorisations necessary for it to conduct its respective businesses as presently being conducted;
- (vii) **(no dealing with WOTSO Shareholders)**: neither it nor any of its Associates has any agreement, arrangement or understanding with any WOTSO Shareholder under which that WOTSO Shareholder agrees to vote in favour of the Scheme or against a Competing Transaction;
- (viii) **(provision of information to the Independent Expert)**: all information provided by or on behalf of the Planloc Group to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (ix) **(reliance)**: the Planloc Information provided to WOTSO in accordance with clause 5.3(a) for inclusion in the Scheme Booklet will be provided in good faith on the understanding that each of the WOTSO Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (x) **(Planloc Information)**: the Planloc Information provided under this Deed and included in the Scheme Booklet as at the date of the Scheme Booklet will not contain any material statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, the ASX Listing Rules and all regulatory guidance and other requirements of ASIC;
- (xi) **(reasonable basis)**: all factual information Planloc or any Representative of Planloc has provided to WOTSO prior to this Deed is, to the best of Planloc's knowledge having made due enquiries, accurate in all material respects and not misleading in any material respect (whether by omission or otherwise) including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information;
- (xii) **(Planloc issued capital)**: as at the date of this Deed, the total issued capital of Planloc is 4 Planloc Shares;
- (xiii) **(Insolvency Event)**: no member of the Planloc Group is subject to an Insolvency Event; and
- (xiv) **(regulatory approvals)**: so far as Planloc is aware having made due enquires, no Regulatory Approval is required to be obtained by Planloc in

order for it to execute, deliver and perform this Deed, other than those approvals set out in clause 3.1, and so far as Planloc is aware having made due enquiries, as at the date of this Deed, no regulatory action of any nature has been taken that would prevent or restrict its ability to perform its obligations under this Deed.

11.8 Qualifications on Planloc Representations and Warranties

The Planloc Representations and Warranties in clause 11.7 and the indemnity in clause 11.9 are subject to matters that:

- (a) are permitted or required under this Deed or the Scheme;
- (b) have been Fairly Disclosed in a document lodged with ASIC prior to entry into this Deed;
- (c) would have been Fairly Disclosed to a party had the party conducted searches 10 Business Days before the date of this Deed of:
 - (i) the public records maintained by:
 - (A) ASIC;
 - (B) the High Court of Australia, Federal Court of Australia and the Supreme Court of Victoria, New South Wales, South Australia, Western Australia and Queensland; or
 - (C) IP Australia; or
 - (ii) the PPS Register; or

as at the date of this Deed, are within the actual knowledge of WOTSO, BWR or their respective Representatives.

11.9 Planloc indemnity

Subject to clause 11.8, Planloc agrees with:

- (a) WOTSO (on WOTSO's own behalf and separately as trustee for each of the WOTSO Indemnified Parties) to indemnify and keep indemnified the WOTSO Indemnified Parties from and against all Losses incurred directly or indirectly by the WOTSO Indemnified Parties; and
- (b) BWR (on BWR's own behalf and separately as trustee for each of the BWR Indemnified Parties) to indemnify and keep indemnified the BWR Indemnified Parties from and against all Losses incurred directly or indirectly by the BWR Indemnified Parties,

as a result of any breach of any of the representations and warranties in clause 11.7.

11.10 Notifications

Each party will promptly advise the other parties in writing if it becomes aware of any fact, matter or circumstances which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 11.

11.11 Survival of warranties

Each representation and warranty in clauses 11.1, 11.4 and 11.7:

- (a) is severable;
- (b) will survive the termination of this Deed; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this Deed.

11.12 Survival of indemnities

Each indemnity in this Deed (including those in clauses 11.3, 11.6 and 11.9) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Deed; and
- (d) survive the termination of this Deed.

12. Releases

12.1 Release of BWR Indemnified Parties

- (a) Subject to the Corporations Act, each of WOTSO and Planloc releases their rights, and agrees with BWR that they will not make a claim, against any BWR Indemnified Party (other than BWR and its Related Bodies Corporate) as at the date of this Deed and from time to time in connection with:
 - (i) any breach of any representations and warranties of BWR or any other member of the BWR Group in this Deed; or
 - (ii) any disclosure containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the BWR Indemnified Party has not acted in good faith or has engaged in wilful misconduct, gross negligence or fraud. Nothing in this clause 12.1 limits WOTSO or Planloc's rights to terminate this Deed under clause 14.1.
- (b) BWR receives and holds the benefit of this clause to the extent it relates to each BWR Indemnified Party on behalf of each of them.

12.2 Release of Planloc Indemnified Parties

- (a) Subject to the Corporations Act, each of WOTSO and BWR releases their rights, and agrees with Planloc that they will not make a claim, against any Planloc Indemnified Party (other than Planloc and its Related Bodies Corporate) as at the date of this Deed and from time to time in connection with:
 - (i) any breach of any representations and warranties of Planloc or any other member of the Planloc Group in this Deed; or
 - (ii) any disclosure containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Planloc Indemnified Party has not acted in good faith or has engaged in wilful misconduct, gross negligence or fraud. Nothing in this clause 12.2 limits WOTSO or BWR RE's rights to terminate this Deed under clause 14.1.

- (b) Planloc receives and holds the benefit of this clause to the extent it relates to each Planloc Indemnified Party on behalf of each of them.

12.3 Release of WOTSO Indemnified Parties

- (a) Subject to the Corporations Act, each of BWR and Planloc releases their rights, and agrees with WOTSO that they will not make a claim, against any WOTSO Indemnified Party (other than WOTSO and its Related Bodies Corporate) as at the date of this Deed and from time to time in connection with:

- (i) any breach of any representations and warranties of WOTSO or any other member of the WOTSO Group in this Deed; or
- (ii) any disclosure containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the WOTSO Indemnified Party has not acted in good faith or has engaged in wilful misconduct, gross negligence or fraud. Nothing in this clause 12.3 limits BWR RE or Planloc's rights to terminate this Deed under clause 14.1.

- (b) WOTSO receives and holds the benefit of this clause to the extent it relates to each WOTSO Indemnified Party on behalf of each of them.

13. Limitation of Trustee Liability

- (a) BWR RE enters into and performs this Deed and the transactions it contemplates only as responsible entity of BWR. This applies in respect of any past and future conduct (including omissions) relating to this Deed or those transactions.
- (b) Under and in connection with this Deed and those transactions and conduct:
 - (i) BWR RE's liability (including for negligence) is limited to the extent it can be satisfied out of the assets of BWR. BWR RE need not pay any such liability out of other assets;
 - (ii) another party may only do the following (but any resulting liability remains subject to this clause):
 - (A) prove and participate in, and otherwise benefit from, any form of insolvency administration of BWR RE but only with respect to BWR's assets;
 - (B) exercise rights and remedies with respect to the BWR's assets including set-off;
 - (C) exercise contractual rights; and
 - (D) bring any other proceedings against BWR RE, seeking relief or orders that are not inconsistent with the limitations in this clause,

and may not otherwise:

- (E) bring proceedings against BWR RE;
 - (F) take any steps to have BWR RE placed into any form of insolvency administration (but this does not prevent the appointment of a receiver, or a receiver and manager, in respect of BWR's assets); or
 - (G) seek by any means (including set-off) to have a liability of BWR RE to that party (including for negligence) satisfied out of any assets of BWR RE other than BWR's assets.
- (c) Clauses 13(a) and 13(b) apply despite any other provision in this Deed but do not apply with respect to any liability of BWR RE to another party (including for negligence):
- (i) to the extent that BWR RE has no right or power to have BWR's assets applied towards satisfaction of that liability, or its right or power to do so is subject to a deduction, reduction, limit or requirement to make good, in any case because BWR RE has acted beyond power or improperly in relation to BWR; or
 - (ii) under any provision which expressly binds BWR RE other than as trustee of BWR (whether or not it also binds it as trustee of BWR).
- (d) The limitation in clause 13(b)(i) is to be disregarded for the purposes (but only for the purposes) of the rights and remedies described in clause 13(b)(ii), and interpreting this Deed and any security for it, including determining the following:
- (i) whether amounts are to be regarded as payable (and for this purpose damages or other amounts will be regarded as payable if they would have been owed had a suit or action barred under clause 13(b)(ii) been brought);
 - (ii) the calculation of amounts owing; or
 - (iii) whether a breach or default has occurred,
- but any resulting liability will be subject to the limitations in this clause.

14. Termination

14.1 Termination

- (a) Each party may terminate this Deed by written notice to the other parties:
- (i) at any time prior to the Cut-Off Time if another party has materially breached this Deed (including a breach of a BWR Representation and Warranty, Planloc Representation and Warranty or a WOTSO Representation and Warranty) taken in the context of the Scheme as a whole, provided that the party wishing to terminate has, if practicable, given notice to the other parties setting out the relevant circumstances and the breach:
 - (A) is not capable of being remedied; or

- (B) is capable of being remedied, but has not been remedied to the satisfaction of the party wishing to terminate within 5 Business Days (or any shorter period ending the Cut-Off Time) after the time the notice is given;
 - (ii) in accordance with and pursuant to clause 3.9 or clause 6.2(a);
 - (iii) if the Scheme has not become Effective on or before the End Date; or
 - (iv) if agreed to in writing by the parties.
- (b) Either BWR RE or Planloc may terminate this Deed by written notice to each other and to WOTSO until the Cut-Off Time if any member of the WOTSO Board fails to make the Recommendation, withdraws their Recommendation, adversely changes or qualifies their Recommendation, or otherwise makes a public statement indicating that he or she no longer supports the Scheme (excluding a statement that no action should be taken by the WOTSO Shareholders pending the assessment of a Competing Transaction by the WOTSO Board).
- (c) WOTSO may terminate this Deed by written notice to the other parties until the Cut-Off Time if at any time before the Cut-Off Time, a majority of the WOTSO Board publicly recommends a Competing Transaction that is a Superior Proposal, and provided that the Competing Transaction was not solicited or facilitated by WOTSO or its Representatives in breach of WOTSO's obligations in clause 9.

14.2 Notice of termination

Where a party has a right to terminate this Deed, that right will be validly exercised if the party delivers a notice, in writing, to each of the other parties stating that it terminates this Deed and the provision under which it is terminating the Deed.

14.3 Consequences of termination

If this Deed is terminated by a party, or if this Deed otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this Deed, other than the obligations set out in this clause and in clauses 10 to 12 and clauses 15 to 19 (inclusive) will immediately cease to be of further force and effect without further liability of any party to the other parties, provided that nothing in this clause releases any party from liability for any pre-termination breach of this Deed.

14.4 Damages

In addition to the right of termination under clause 14.1, where there is no appropriate remedy for the breach in this Deed (other than termination), a non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this Deed.

15. Public announcements

15.1 Announcement of Transaction

Immediately after the execution of this Deed, WOTSO and BWR RE must each issue a public announcement of the Transaction in a form previously agreed between the parties.

15.2 Required disclosure

Where a party is required by Law or the ASX Listing Rules to make any announcement or to make any disclosure in connection with the Scheme, it must use all reasonable

endeavours, to the extent possible, to consult with the other parties prior to making the relevant disclosure.

15.3 Subsequent announcements

Subject to clauses 15.1 and 15.2, no party may make any public announcement or disclosure in connection with the Scheme (including disclosure to a Government Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable. Nothing in this clause requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable Law or the ASX Listing Rules.

16. Costs

16.1 Costs

Except as otherwise provided in this Deed, each party must pay its own costs and expenses (including taxes) in connection with the negotiation, preparation, execution, delivery and performance of this Deed.

17. Enforcement of rights conferred on non-parties

Solely to the extent that this Deed purports to grant a right or benefit to a person (**Relevant Person**) who is not a party to this Deed:

- (a) if that right or benefit is also granted to WOTSO, WOTSO executes this Deed as agent for the Relevant Person (as well as in WOTSO's own capacity) and, despite the fact that the Relevant Person is not a party to this Deed, WOTSO may enforce the obligations corresponding to the Relevant Person's right or benefit as agent for, and for the benefit of, the Relevant Person;
- (b) if that right or benefit is also granted to BWR RE, BWR RE executes this Deed as agent for the Relevant Person (as well as in BWR RE's own capacity) and, despite the fact that the Relevant Person is not a party to this Deed, BWR RE may enforce the obligation corresponding to the Relevant Person's right or benefit as agent for, and for the benefit of, the Relevant Person;
- (c) if that right or benefit is also granted to Planloc, Planloc executes this Deed as agent for the Relevant Person (as well as in Planloc's own capacity) and, despite the fact that the Relevant Person is not a party to this Deed, Planloc may enforce the obligation corresponding to the Relevant Person's right or benefit as agent for, and for the benefit of, the Relevant Person; and
- (d) for the purposes of enforcement, the obligation corresponding to the Relevant Person's right or benefit is taken to be owed to the Relevant Person.

18. Notices

- (a) Any notice or communication in respect of this Deed (**Notice**) may be served by delivery in person, by post or by email to the address or email address of a party specified in this Deed or most recently notified by a party to the sender.
- (b) Any Notice to a party must be in writing and signed by either:
 - (i) the sender or, if a corporate party, an authorised officer of the sender; or

- (ii) the party's solicitor.
- (c) A Notice:
 - (i) if delivered in person, will be deemed served upon delivery;
 - (ii) if posted, will be deemed served 2 Business Days after posting; and
 - (iii) if sent by email, will be deemed served that day unless the sender receives an automated message generated by the recipient's mail server (**Failure Message**) that the email has not been delivered within two hours. For the avoidance of doubt any response generated by or at the instigation of the recipient (including an 'out of office' message) will not be a Failure Message,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is deemed to have been served at 9.00am on the next Business Day.

- (d) The address for service for Notices for the parties are:

WOTSO

Attention: Jessie Glew
 Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
 Email: jglew@blackwall.com.au

BWR RE

Attention: Tim Brown
 Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
 Email: tbrown@blackwall.com.au

Planloc

Attention: Alex Whitelum
 Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
 Email: awhitelum@blackwall.com.au

18.2 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this Deed may be served by any method contemplated by this clause 18 or in accordance with any applicable law.

19. General provisions

19.1 Assignment

A party must not transfer any right or liability under this Deed without the prior consent of each other party, except where this Deed provides otherwise.

19.2 Governing law and jurisdiction

- (a) This Deed is governed by and construed under New South Wales law.
- (b) Any legal action in relation to this Deed against any party or its property may be brought in any court of competent jurisdiction of New South Wales.

- (c) By execution of this Deed, each party irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

19.3 Amendments

Any amendment to this Deed has no force or effect, unless effected by a deed executed by the parties.

19.4 Entire understanding

This Deed contains the entire understanding between the parties concerning the subject matter of the agreement and supersedes all prior communications between the parties.

19.5 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for the representations or inducements expressly set out in this Deed.
- (b) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for the representations or inducements expressly set out in this Deed.

19.6 Further assurances

Each party must execute any document and perform any action necessary to give full effect to this Deed, whether before or after performance of this Deed.

19.7 Continuing performance

- (a) The provisions of this Deed do not merge with any action performed or document executed by any party for the purposes of performing this Deed.
- (b) Any representation in this Deed survives the execution of any document for the purposes of, and continues after, performance of this Deed.
- (c) Any indemnity agreed by any party under this Deed:
 - (i) constitutes a liability of that party separate and independent from any other liability of that party under this Deed or any other agreement; and
 - (ii) survives and continues after performance of this Deed.

19.8 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Deed or any part of it.

19.9 Waivers

Any failure by a party to exercise any right under this Deed does not operate as a waiver. The single or partial exercise of any right by that party does not preclude any other or further exercise of that or any other right by that party.

19.10 Remedies

The rights of a party under this Deed are cumulative and not exclusive of any rights provided by law.

19.11 Severability

Any clause of this Deed which is invalid in any jurisdiction, is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining clauses of this Deed or the validity of that clause in any other jurisdiction.

19.12 Counterparts

This Deed may be executed in any number of counterparts, all of which taken together are deemed to constitute the same document.

Schedule 1 – Timetable

Event	Date
Lodge Scheme Booklet with ASIC	By no later than 27 November 2020
Application in respect of the Court hearing to be held on the First Court Date, filed with the Court, served on ASIC	Within 14 days of the lodgement of the Scheme Booklet with ASIC
First Court Date	By no later than 18 December 2020
Printing and despatch of Scheme Booklet	Between 21 and 23 December 2020
Scheme Meeting held	22 January 2021
General Meeting held	
BWR Meeting held	
Second Court Date	By 29 January 2021
Lodge Court order with ASIC (Effective Date)	1 February 2021
Record Date	3 February 2021
Implementation Date	10 February 2021

Signing page

Executed as a deed.

Dated 17 November 2020

Executed by **WOTSO Limited** ACN 636 701
267 under section 127 of the Corporations Act
by its duly authorised officers:



Signature of Director

Timothy Brown

Name of Director
(Block Letters)



Signature of Director/Secretary

ALEXANDER WHITELUM

Name of Director/Secretary
(Block Letters)

Executed by **BlackWall Fund Services Limited** ACN 079 608 825 as responsible
entity of the **BlackWall Property Trust** ARSN
109 684 773 under section 127 of the
Corporations Act by its duly authorised officers:



Signature of Director

J. R. GLEW

Name of Director
(Block Letters)

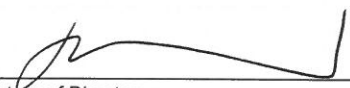


Signature of Director/Secretary

ALEXANDER WHITELUM

Name of Director/Secretary
(Block Letters)

Executed by **Planloc Pty Ltd** ACN 062 367
560 under section 127 of the Corporations Act
by its duly authorised officers:



Signature of Director

Jessica Glew

Name of Director
(Block Letters)



Signature of Director/Secretary

ALEXANDER WHITELUM

Name of Director/Secretary
(Block Letters)

Annexure A – Scheme of Arrangement

Not reproduced here – see Annexure D of this Scheme Booklet

Annexure B – Deed Poll

Not reproduced here – see Annexure E of this Scheme Booklet

Annexure C – Stapling Deed

Not reproduced here – see Annexure F of this Scheme Booklet

Annexure D – WOTSO Replacement Constitution

Not reproduced here – see Annexure I of this Scheme Booklet

Annexure D – Scheme of Arrangement

Scheme of Arrangement

WOTSO Limited

Scheme Participants

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

T +61 2 9231 4996
F +61 2 9163 3000

Ref JDR:WAZ: 22008201

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Scheme of Arrangement

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

Parties

1. **WOTSO Limited** ACN 636 701 267 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**WOTSO**)
2. Each holder of Scheme Shares as at the Record Date (**Scheme Participants**)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

Additional Scheme Securities means BWR Units and Planloc Shares;

ASIC means the Australian Securities and Investment Commission;

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires;

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

BFSL means BlackWall Fund Services Limited ACN 079 608 825;

BWR Constitution means the constitution of BWR, as in force from time to time;

BWR Constitution Replacement Resolution means the proposed special resolution of BWR Unitholders for the purposes of section 601GC(1) of the Corporations Act to, subject to the Scheme becoming Effective, repeal the existing BWR Constitution and to replace it with the BWR Replacement Constitution;

BWR Replacement Constitution means the proposed new constitution of BWR in the form as agreed between the parties;

BWR Sale Nominee means Morgans Financial Limited AFSL 235410 being the person nominated by BWR RE to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible BWR Unitholders, on their behalf, under the terms of the Scheme or any other person agreed between BWR RE and the Stapling Counterparties;

BWR means the BlackWall Property Trust ARSN 109 684 773;

BWR RE means BFSL in its capacity as responsible entity of BWR;

BWR Unit means a fully paid ordinary unit issued by BWR RE, having the rights specified in the BWR Constitution;

BWR Unitholder means each person who is registered in the BWR Unit Register as a holder of BWR Units;

BWR Unit Register means the register of members of BWR maintained by or on behalf of BWR in accordance with the Corporations Act;

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Ltd;

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

Court means the Supreme Court of New South Wales, Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed in writing by WOTSO and the Stapling Counterparties;

Cut-Off Time means 8.00am on the Second Court Date;

Deed Poll means the Deed Poll dated 16 December 2020 executed by the Deed Poll Parties under which the Deed Poll Parties covenant in favour of the Scheme Participants to perform the actions attributable to them respectively under this Scheme;

Deed Poll Parties means the Stapling Counterparties and Pelorus;

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but in any event at no time before an office copy of the Scheme Order is lodged with ASIC;

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

Eligible BWR Unitholder means BWR Unitholders on the Record Date other than Ineligible BWR Unitholders;

Eligible Scheme Participant means Scheme Participants other than Ineligible Scheme Participants;

End Date means the date which is 6 months after the date of the Scheme Implementation Deed or another date as is agreed by WOTSO and the Stapling Counterparties in writing;

Implementation Date means the date which is 5 Business Days after the Record Date or such other date after the Record Date agreed in writing between WOTSO and the Stapling Counterparties;

Ineligible BWR Unitholders means a BWR Unitholder on the Record Date whose address in the BWR Unit Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand (and their respective external territories), unless BWR RE, in conjunction with WOTSO and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to transfer Planloc Shares and issue WOTSO Shares under the Transaction to a BWR Unitholder with a registered address in such jurisdiction;

Ineligible Scheme Participant means a Scheme Participant whose address in the WOTSO Share Register is a place outside Australia, Hong Kong, United Kingdom or New Zealand and their respective external territories, unless WOTSO, in conjunction with BWR RE and Planloc reasonably believes that it is not prohibited and not unduly onerous or impractical to issue BWR Units or Planloc Shares to a Scheme Participant with a registered address in such jurisdiction;

Pelorus means Pelorus Private Equity Limited ACN 091 209 639;

Planloc means Planloc Pty Ltd ACN 062 367 560, which will be known as Planloc Limited on completion of its conversion to a public company;

Planloc Constitution means the constitution of Planloc;

Planloc Share means a fully paid ordinary share in the capital of Planloc, having the rights specified in the Planloc Constitution;

Planloc Share Split means the subdivision of all Planloc Shares on issue in a ratio of 1:35,537,500 (with every one Planloc Share being split into 35,537,500 Planloc Shares) with such conversion taking effect immediately upon the Scheme becoming Effective and in any event before the Record Date;

Record Date means 5.00pm on the date that is 2 Business Days after the Effective Date, or such other date and time as may be agreed in writing between WOTSO and the Stapling Counterparties or as may be required by ASX;

Registered Address means, in relation to a WOTSO Shareholder, the address shown in the WOTSO Share Register as at the Record Date;

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

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between WOTSO and the Scheme Participants, subject to any alterations or conditions agreed or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by WOTSO and the Stapling Counterparties;

Scheme Implementation Deed means the scheme implementation deed between WOTSO and the Stapling Counterparties dated 17 November 2020 pursuant to which WOTSO agreed to propose the Scheme to WOTSO Shareholders, and each of WOTSO and the Stapling Counterparties agreed to take certain steps to give effect to the Scheme;

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

Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme;

Scheme Participant means each holder of a Scheme Share as at the Record Date;

Scheme Sale Nominee Morgans Financial Limited AFSL 235410 being the person nominated by WOTSO to sell or facilitate the transfer of the Stapled Securities attributable to Ineligible Scheme Participants, on their behalf, under the terms of the Scheme or any other person agreed between WOTSO and the Stapling Counterparties;

Scheme Shares means all of the WOTSO Shares on issue as at the Record Date;

Second Court Date means the first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard;

Second Court Hearing means the hearing of the application made to the court for the Scheme Order and for the granting of the Second Judicial Advice;

Second Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that, BWR Unitholders having approved the BWR Constitution Replacement Resolution by the requisite majority, BWR RE would be justified in implementing the BWR Constitution Replacement Resolution, giving effect to the provisions of the BWR Constitution (as repealed and replaced by the BWR Replacement Constitution) and in doing all things and taking all necessary steps to put the transaction the subject of the Scheme into effect;

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd;

Stapling Deed means the deed entered into between WOTSO and the Stapling Counterparties dated 16 December 2020 implementing, together with the WOTSO Constitution, the BWR Constitution and the Planloc Constitution, the stapling arrangements between WOTSO and the Stapling Counterparties contemplated by this Scheme;

Stapled Security means a WOTSO Share stapled to a BWR Unit stapled to a Planloc Share, in accordance with the WOTSO Constitution, the BWR Constitution, the Planloc Constitution and the Stapling Deed. For the avoidance of doubt, each reference to a Stapled Security in this Scheme is taken to refer to one WOTSO Share and one BWR Unit and one Planloc Share in their legal capacity as separate securities but which are traded and quoted on ASX together following the implementation of this Scheme;

Stapling Counterparties means BWR RE and Planloc;

Transaction means;

- (a) the stapling of each WOTSO Share, BWR Unit and Planloc Share on issue on the Implementation Date through the implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed, and quotation of each Stapled Security on the ASX; and
- (b) all associated transactions and steps contemplated by the Scheme Implementation Deed;

WOTSO Constitution means the constitution of WOTSO;

WOTSO Share means a fully paid ordinary share in the capital of WOTSO;

WOTSO Shareholders means each person who is registered in the WOTSO Share Register as a holder of WOTSO Shares;

WOTSO Share Consolidation means the consolidation of all WOTSO Shares on issue in a ratio of 1:0.255233429 (with every four WOTSO Shares being consolidated to approximately one WOTSO Share) with such conversion taking effect immediately upon the Scheme becoming Effective and in any event before the Record Date;

WOTSO Share Register means the register of members of WOTSO maintained by or on behalf of WOTSO in accordance with the Corporations Act; and

WOTSO Share Registry means Automic Pty Ltd.

1.2 Interpretation

In this Scheme, unless the context requires otherwise:

- (a) clause and subclause headings are for reference purposes only;
- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) a reference to a person includes any other entity recognised by law and vice versa;
- (e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

- (f) any reference to a party to this document includes its successors and permitted assigns;
- (g) any reference to any agreement or document includes that agreement or document as amended at any time;
- (h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (i) the expression **at any time** includes reference to past, present and future time and performing any action from time to time;
- (j) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (k) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (l) a reference to a time of day is a reference to Sydney time;
- (m) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day; and
- (o) an agreement, representation or warranty by two or more persons binds them jointly and severally and is for the benefit of them jointly and severally.

2. Preliminary

2.1 WOTSO

- (a) WOTSO is a public company limited by shares, incorporated in Australia and registered in New South Wales.
- (b) As at the date of the Scheme Implementation Deed, WOTSO's issued capital is 81,068,581 WOTSO Shares.

2.2 Stapling Counterparties

- (a) BWR is:
 - (i) a managed investment scheme registered in Australia, with BWR RE acting as responsible entity;
 - (ii) BWR RE is a public company limited by shares, incorporated in Australia and registered in New South Wales and
 - (iii) admitted to the official list of the ASX and BWR Units are quoted for trading on the ASX,
- (b) As at the date of the Scheme Implementation Deed, Planloc is an Australian proprietary company limited by shares and registered in Victoria. On or before the Second Court Hearing, Planloc will have converted to become an Australian public company limited by shares.

2.3 General

- (a) WOTSO and the Stapling Counterparties have agreed by executing the Scheme Implementation Deed to implement this Scheme.
- (b) This Scheme attributes actions to the Stapling Counterparties but does not itself impose an obligation on them to perform those actions, as the Stapling Counterparties are not parties to this Scheme. The Stapling Counterparties (together with the other Deed Poll Parties) have executed the Deed Poll for the purposes of covenanting in favour of the Scheme Participants to perform (or procure the performance of) their respective obligations as contemplated by this Scheme, including to issue and allot (or procure the issue and allotment of) the Additional Scheme Securities to the Eligible Scheme Participants and the Scheme Sale Nominee.

2.4 Summary of the Scheme

If the Scheme becomes Effective:

- (a) Planloc will complete the Planloc Share Split by the Record Date;
- (b) WOTSO will complete the WOTSO Share Consolidation by the Record Date;
- (c) BWR RE will transfer all BWR Units held by Ineligible BWR Unitholders on the Record Date to the BWR Sale Nominee;
- (d) WOTSO will transfer all WOTSO Shares held by Ineligible Scheme Participants on the Record Date to the Scheme Sale Nominee;
- (e) Pelorus completes the transfer of all existing Planloc Shares on issue as at the Record Date (on a post-split basis) to:
 - (i) BWR RE as agent for each Eligible BWR Unitholder on the basis of one Planloc Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date; and
 - (ii) the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one Planloc Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date,

(Planloc Transfer Shares);
- (f) BWR RE will transfer the Planloc Transfer Shares it holds to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per Eligible BWR Unitholder so that for every one BWR Unit held by an Eligible BWR Unitholder on the Record Date, an existing Planloc Share will be transferred to them by BWR RE;
- (g) upon completion of the WOTSO Share Consolidation by the Record Date, WOTSO allots and issues a total of 142,150,000 new WOTSO Shares in the following manner:
 - (i) to BWR RE as agent on behalf of each Eligible BWR Unitholders on the basis of one WOTSO Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date, and who will transfer the newly issued WOTSO Shares to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per BWR Unitholder so that for every one BWR Unit held by an Eligible BWR Unitholder on the Record Date a newly issued WOTSO Share will be transferred to them by BWR RE; and

- (ii) to the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one WOTSO Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date;
- (h) Planloc will allot and issue:
 - (i) one Planloc Share to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) Planloc Shares to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one Planloc Share per each WOTSO Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis);
- (i) BWR will allot and issue:
 - (i) one BWR Unit to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) BWR Units to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one BWR Unit per each WOTSO Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis);
- (c) all the WOTSO Shares on issue immediately upon implementation of the Scheme, together with all rights and entitlements attaching to the WOTSO Shares, will be stapled to BWR Units and Planloc Shares and trade on the ASX as Stapled Securities; and
- (d) WOTSO and the Stapling Counterparties will be listed on the ASX as a stapled entity operating as "WOTSO Property" under their respective constitutions and the Stapling Deed,

in accordance with the terms of this Scheme and the Scheme Implementation Deed.

3. Conditions

3.1 Condition precedent

- (a) The Scheme is conditional on, and will not become Effective until, the satisfaction of each of the following conditions precedent:
 - (i) all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(i) of the Scheme Implementation Deed relating to Court approval of the Scheme and granting of the Second Judicial Advice) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the Cut Off Time;
 - (ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms as at the Cut Off Time;
 - (iii) the Court having:
 - (A) approved the Scheme pursuant to section 411(4)(b) of the Corporations Act; and

(B) granted the Second Judicial Advice,

without modification or with modifications which are acceptable to WOTSO and the Stapling Counterparties;

(iv) such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to WOTSO and the Stapling Counterparties being satisfied; and

(v) both:

(A) the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date; and

(B) the BWR Replacement Constitution taking effect pursuant to section 601GC(2) of the Corporations Act.

(b) The satisfaction of the conditions referred to in clause 3.1(a) of this Scheme is a condition precedent to the operation of clause 4.

3.2 Certificate

(a) WOTSO and the Stapling Counterparties must each provide to the Court, on the Second Court Date, a certificate, or such other evidence as the Court may request, confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clauses 3.1(a)(i) and 3.1(a)(ii) above have been satisfied or waived as at the Cut Off Time.

(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that the conditions precedent in clauses 3.1(a)(i) and 3.1(a)(ii) above were satisfied, waived or taken to be waived.

3.3 Effective Date

Subject to clause 3.4, this Scheme takes effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

3.4 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

(a) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or

(b) the Effective Date has not occurred on or before the End Date,

then the Scheme will lapse and each of WOTSO and the Stapling Counterparties are released from any further obligation to take steps to implement the Scheme.

4. Implementation

4.1 Lodgement of Court order

Following the approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, WOTSO will, as soon as possible and in any event by no later than

5.00pm on the first Business Day after the Court approves the Scheme, lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Issue of Additional Scheme Securities

Each Scheme Participant authorises and directs WOTSO to, and WOTSO must:

- (a) process the transfer of all Scheme Shares held by each Ineligible Scheme Participant on the Record Date to the Scheme Sale Nominee no later than on the Implementation Date in accordance with clause 4.5;
- (b) within 2 Business Days after the Record Date give the Stapling Counterparties the name and address of each Eligible Scheme Participant and the number of WOTSO Shares held by each Eligible Scheme Participant on the Record Date and such other information as the Stapling Counterparties may require to implement this Scheme;
- (c) on the Implementation Date apply on behalf of each Eligible Scheme Participant to:
 - (i) BWR RE for the issue to each Eligible Scheme Participant of one BWR Unit for each Scheme Share held by that Eligible Scheme Participant as at the Record Date; and
 - (ii) Planloc for the issue to each Eligible Scheme Participant of one Planloc Share for each Scheme Share held by that Eligible Scheme Participant as at the Record Date; and
- (d) on the Implementation Date apply on behalf of each Ineligible Scheme Participant to:
 - (i) BWR RE for the issue to the Scheme Sale Nominee of one BWR Unit for each Scheme Share held by that Ineligible Scheme Participant as at the Record Date; and
 - (ii) Planloc for the issue to the Scheme Sale Nominee of one Planloc Share for each Scheme Share held by that Ineligible Scheme Participant as at the Record Date.

4.3 Issue and stapling

- (a) The BWR Units issued to each Eligible Scheme Participant as a result of the application in clause 4.2(c)(i) will:
 - (i) be issued pursuant to the BWR Constitution; and
 - (ii) be stapled to:
 - (A) that Eligible Scheme Participant's WOTSO Shares; and
 - (B) the number of Planloc Shares issued to that Eligible Scheme Participant as a result of the application in clause 4.2(c)(ii),with effect from 5:00pm on the Implementation Date.
- (b) The BWR Units issued to the Scheme Sale Nominee as a result of the application in clause 4.2(d)(i) will:
 - (i) be issued pursuant to the BWR Constitution; and

- (ii) be stapled to:
 - (A) that all WOTSO Shares transferred to the Scheme Sale Nominee in accordance with clause 4.2(a); and
 - (B) the number of Planloc Shares issued to the Scheme Sale Nominee as a result of the application in clause 4.2(d)(ii)),

with effect from 5:00pm on the Implementation Date.

- (c) The Planloc Shares issued to each Eligible Scheme Participant as a result of the application in clause 4.2(c)(ii) will:

- (i) be issued pursuant to the Planloc Constitution; and
- (ii) be stapled to:
 - (A) that Eligible Scheme Participant's WOTSO Shares; and
 - (B) the number of BWR Units issued to that Eligible Scheme Participant as a result of the application in clause 4.2(c)(i),

with effect from 5:00pm on the Implementation Date.

- (d) The Planloc Shares issued to the Scheme Sale Nominee as a result of the application in clause 4.2(d)(ii) will:

- (i) be issued pursuant to the Planloc Constitution; and
- (ii) be stapled to:
 - (A) all WOTSO Shares transferred to the Scheme Sale Nominee in accordance with clause 4.2(a); and
 - (B) the number of BWR Units issued to the Scheme Sale Nominee as a result of the application in clause 4.2(d)(i),

with effect from 5:00pm on the Implementation Date.

- (e) With effect on and from 5:00pm on the Implementation Date, each Scheme Participant agrees to be bound by the BWR Constitution and the Planloc Constitution.
- (f) Additional Scheme Securities will be issued to Scheme Participants on the condition that none of WOTSO, BWR Unit or Planloc will issue certificates in respect of the Stapled Securities.

4.4 Restriction on transfer of WOTSO Shares

- (a) Each Scheme Participant agrees for the purpose of section 140(2)(c) of the Corporations Act that from 5.00pm (Sydney time) on the Implementation Date, WOTSO Shares may only be transferred if there is a simultaneous transfer of the same number of BWR Units and Planloc Shares to the same transferee.
- (b) Each Scheme Participant authorises WOTSO to agree in writing on behalf of the Scheme Participant to any modification or provision of the WOTSO Constitution imposing the restriction on the right to transfer WOTSO Shares provided in clause 4.4(a). The form of this agreement will be determined by WOTSO on or before the Implementation Date and it may take the form of one instrument executed by WOTSO on behalf of all Scheme Participants.

- (c) On the Implementation Date, WOTSO must execute the form of the instrument referred to in clause 4.4(b) on behalf of all Scheme Participants.

4.5 Ineligible Scheme Participants

- (a) On the Record Date:
 - (i) each Ineligible Scheme Participant authorises and directs WOTSO to, and WOTSO must by no later than the Implementation Date, transfer to the Scheme Sale Nominee the unencumbered beneficial and legal title in all WOTSO Shares registered in their name on the Record Date; and
 - (ii) the Scheme Sale Nominee will become registered as the legal and beneficial owner of the WOTSO Shares transferred to it under this clause 4.5 without the need for further acts by the relevant Ineligible Scheme Participants.
- (b) The transfer of WOTSO Shares contemplated by clause 4.5(a) will be effected by a proper instrument of transfer for the purpose of section 1071B of the Corporations Act, which may be a master transfer of those WOTSO Shares.
- (c) On the Implementation Date, each Ineligible Scheme Participant agrees and directs that Additional Scheme Securities will be issued as a result of the applications in clause 4.2(d) to the Scheme Sale Nominee rather than to the Ineligible Scheme Participant and further that the Scheme Sale Nominee will be registered as the holder of the resulting Stapled Securities subject to the operation of clause 4.5(d).
- (d) Within 30 days after the Implementation Date, WOTSO must procure that the Scheme Sale Nominee:
 - (i) disposes of the Stapled Securities held by the Scheme Sale Nominee in respect of Ineligible Scheme Participants; and
 - (ii) pays to each Ineligible Scheme Participant an amount equal to the number of Stapled Securities held by the Scheme Sale Nominee on behalf of that Ineligible Scheme Participant multiplied by the average selling price of all Stapled Securities sold by the Scheme Sale Nominee (for the avoidance of doubt there will be no deduction from such proceeds of the Scheme Sale Nominee's fees and expenses).

4.6 Issue of WOTSO Shares

- (a) On the Implementation Date, WOTSO must issue a total of 142,150,000 WOTSO Shares in the following manner:
 - (i) to BWR RE on the basis of one WOTSO Share for each BWR Unit held by Eligible BWR Unitholders on the Record Date, and who will hold the WOTSO Shares as agent for Eligible BWR Unitholders; and
 - (ii) to the BWR Sale Nominee on the basis of one WOTSO Share for each BWR Unit held by Ineligible BWR Unitholders on the Record Date.
- (b) Immediately upon completion of the issue of WOTSO Shares in clause 4.6(a)(i), BWR RE will transfer all the WOTSO Shares to each Eligible BWR Unitholder on the basis of one WOTSO Share per one BWR Unit held by the Eligible BWR Unitholder as at the Record Date.

- (c) BWR RE will provide to WOTSO the name and address of each Eligible BWR Unitholder and the number of WOTSO Shares transferred by BWR RE to each Eligible BWR Unitholder and such other information as WOTSO may require to effectively register the transfer.
- (d) Upon receipt of the information in 4.6(c), WOTSO must accept for registration of the transfers made to an Eligible BWR Unitholder by BWR RE.

5. Dealings in Scheme Shares

5.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the WOTSO 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 WOTSO Share Register as the holder of the relevant Scheme Shares at or before the Effective Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Effective Date at the place where the WOTSO Share Register is kept,

and WOTSO will not accept for registration, nor recognise for any purpose, 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, other than in each case a transfer in the circumstances set out in clause 4.6, as a component security of Stapled Securities or following unstapling in accordance with the WOTSO Constitution.

5.2 Register

- (a) **(Register of transfers):** WOTSO must register registrable transmission applications or transfers of the kind referred to in clause 5.1(b) on or before the Effective Date (provided that for the avoidance of doubt nothing in this clause 5.2 requires WOTSO to register a transfer that would result in a WOTSO Shareholder holding a parcel of WOTSO Shares that is less than a 'marketable parcel' (as that term is defined in the Settlement Rules).
- (b) **(No registration after Record Date):** WOTSO will not accept for registration or recognise for any purpose any transmission or transfer in respect of WOTSO Shares received after the Effective Date, other than a transfer in the circumstances set out in clause 4.6, as a component security of Stapled Securities or following unstapling in accordance with the WOTSO Constitution.
- (c) **(Maintenance of WOTSO Share Register):** For the purposes of determining entitlements to the Additional Scheme Securities, WOTSO must maintain the WOTSO Share Register in accordance with the provisions of this clause 5 until the Additional Scheme Securities have been issued to the Scheme Participants. The WOTSO Share Register in this form will solely determine entitlements to be issued the Additional Scheme Securities.
- (d) **(No disposal between Effective Date and the Implementation Date):** From the Effective Date until the Implementation Date, no Scheme Participant may dispose of or otherwise deal with WOTSO Shares (or purport to do so) in any way except as set out in this Scheme and any attempt to do so will have no effect and WOTSO will be entitled to disregard any such disposal or dealing.

- (e) **(Provision of Scheme Participant details):** As soon as practicable after the Effective Date and in any event within 2 Business Days after the Effective Date, WOTSO will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant as shown in the WOTSO Share Register are available to the Stapling Counterparties in the form the Stapling Counterparties reasonably require.

6. Quotation of Stapled Securities

WOTSO will apply for the official quotation of the Stapled Securities on ASX to commence on or as soon as practicable after the Implementation Date.

7. General Scheme provisions

7.1 Consent to amendments to this Scheme

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

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

7.2 Binding effect of Scheme

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

7.3 Scheme Participants' agreements and acknowledgements

Each Scheme Participant:

- (a) (to the extent that the Scheme Participant is an Ineligible Scheme Participant) agrees to:
 - (i) the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme; and
 - (ii) on the direction of the Scheme Sale Nominee, destroy any holding statements or share certificates relating to their Scheme Shares;
- (b) agrees to any variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) (to the extent they are an Eligible Scheme Participant) agrees and consents to become, on and from the Implementation Date:
 - (i) a shareholder of Planloc and to be bound by the Planloc Constitution; and
 - (ii) a unitholder of BWR and to be bound by the BWR Constitution; and

- (d) acknowledges and agrees that this Scheme binds WOTSO and all Scheme Participants (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting),

without the need for any further act by the Scheme Participant.

7.4 Warranties by Ineligible Scheme Participants

- (a) Each Ineligible Scheme Participant warrants to the Scheme Sale Nominee and is deemed to have authorised WOTSO as agent and attorney for the Ineligible Scheme Participant by virtue of this clause 7.4(a) to warrant to the Scheme Sale Nominee, that as at the Implementation Date:
 - (i) all of its Scheme Shares which are transferred to the Scheme Sale Nominee under this Scheme, including any rights and entitlements attaching to those Scheme Shares, will, at the time of transfer, be free from all mortgages, charges, liens, assignments, encumbrances, title retentions, preferential rights or trust arrangements, claims, covenants, profit a prendre, easements, pledges, or any other security interests or arrangements (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and any other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its Scheme Shares which are transferred to the Scheme Sale Nominee under this Scheme will, on the date on which they are transferred to the Scheme Sale Nominee, be fully paid;
 - (iii) it has full power and capacity to transfer its Scheme Shares to the Scheme Sale Nominee together with any rights attaching to those Scheme Shares; and
 - (iv) it has no existing right to be issued any WOTSO Shares, options exercisable into WOTSO Shares, convertible notes convertible into WOTSO Shares or any other securities issued by WOTSO.
- (b) WOTSO undertakes that it will provide the warranties in clause 7.4(a) to the Scheme Sale Nominee as agent and attorney of each Ineligible Scheme Participant.

7.5 Authority given to WOTSO

- (a) Scheme Participants will be deemed to have authorised WOTSO to do and execute all acts, matters, things and documents on the part of each Scheme Participant necessary for or incidental to the implementation of this Scheme.
- (b) Each Scheme Participant, without the need for any further act, irrevocably appoints WOTSO and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purposes of:
 - (i) enforcing the Deed Poll against the Deed Poll Parties, and WOTSO undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against the Deed Poll Parties on behalf of and as agent and attorney for each Scheme Participant; and
 - (ii) executing any document necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it,

and WOTSO accepts such appointment. WOTSO, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under

this clause 7.4 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8. General

8.1 Further assurances

- (a) WOTSO must do (on its own behalf and on behalf of each Scheme Participant) anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Participant consents to WOTSO doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (c) Each Scheme Participant acknowledges and agrees that this Scheme binds WOTSO and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of WOTSO.

8.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to WOTSO, 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 WOTSO's registered office or at the office of the WOTSO Share Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.3 Governing law and jurisdiction

- (a) This Scheme is governed by and construed under New South Wales law.
- (b) By execution of this Scheme, each party irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

8.4 Variations, alterations and conditions

WOTSO may, with the consent of the Stapling Counterparties, consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

8.5 No liability when acting in good faith

Neither WOTSO nor the Stapling Counterparties, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Annexure E – Deed Poll

Deed Poll

BlackWall Fund Services Limited

Planloc Limited

Pelorus Private Equity Limited

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

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Ref JDR:WAZ: 22008201

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Deed Poll

Parties

1. **BlackWall Fund Services Limited** ACN 079 608 825 as responsible entity of the **BlackWall Property Trust** ARSN 109 684 773 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**BWR RE**)
2. **Planloc Limited** ACN 062 367 560 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**Planloc**)
3. **Pelorus Private Equity Limited** ACN 091 209 639 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**Pelorus**)

In favour of each person registered as a holder of WOTSO Shares as at the Record Date (**Scheme Participants**)

Background

- A. WOTSO and the Stapling Counterparties entered into the Scheme Implementation Deed under which WOTSO agreed, subject to the satisfaction or waiver of certain conditions, to propose the Scheme to the Scheme Participants.
- B. The effect of the Scheme will be the stapling of each WOTSO Share on issue with each BWR Unit on issue and with each Planloc Share on issue, and quoted on the ASX as a single Stapled Security.
- C. The parties are making this Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform their respective obligations under the Scheme, including the issue and allotment of (or procuring the issue and allotment of) the Additional Scheme Securities to the Scheme Participants in accordance with the Scheme.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Deed Poll, unless the context requires otherwise:

BWR means BlackWall Property Trust;

BWR Group means BWR and each of its Related Bodies Corporate and a reference to a **BWR Group Member** or a **member of the BWR Group** is to BWR or any of its Related Bodies Corporate;

BWR Meeting means the meeting of BWR Unitholders convened to consider and vote on the BWR Constitution Replacement Resolution and includes any meeting convened following adjournment or postponement of that meeting;

BWR Prescribed Occurrence means any of the following events:

- (a) BWR converting all or any of the BWR Units into a larger or smaller number of BWR Units;
- (b) BWR:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (c) a member of the BWR Group issuing units or shares, or granting an option over its units or shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to another member of the BWR Group; or
 - (ii) in accordance with the Capital Reorganisation;
- (d) a member of the BWR Group issuing or agreeing to issue securities convertible into BWR Units;
- (e) a member of the BWR Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the BWR Group's business or property;
- (f) a member of the BWR Group making any change to its constitution other than the change of BWR's existing constitution to the BWR Replacement Constitution;
- (g) a member of the BWR Group creating, or agreeing to create, any mortgage, charge, lien or other Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (h) an Insolvency Event occurring in relation to a member of the BWR Group; or
- (i) a member of the BWR Group resolves to be wound up;

but excludes any matter:

- (j) required to be done, or permitted under the Scheme Implementation Deed, the Scheme or transactions contemplated by them;
- (k) undertaken with the written consent of both Planloc and WOTSO; or
- (l) within the actual knowledge of both Planloc or their Representatives, and WOTSO or their Representatives, as at the date of the Scheme Implementation Deed, which for these purposes will be taken to include and be limited to the facts, matters and circumstances of which both Planloc or their Representatives, and WOTSO or their Representatives are actually aware as at the date of the Scheme Implementation Deed;

Capital Reorganisation means the process by which the capital in each of the parties are either transferred, consolidated, sub-divided or issued in order to result in the same number of WOTSO Shares, BWR Units and Planloc Shares upon the Implementation Date, which will be achieved by the following steps (each to occur prior to or on the Implementation Date):

- (a) Planloc completing the Planloc Share Split by the Record Date;
- (b) WOTSO completes the WOTSO Share Consolidation by the Record Date;

- (c) BWR RE transfers all BWR Units held by Ineligible BWR Unitholders on the Record Date to the BWR Sale Nominee;
- (d) WOTSO transfers all WOTSO Shares held by Ineligible Scheme Participant on the Record Date to the Scheme Sale Nominee;
- (e) Pelorus completes the transfer of all existing Planloc Shares on issue as at the Record Date (on a post-split basis) to:
 - (i) BWR RE as agent for each Eligible BWR Unitholder on the basis of one Planloc Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date; and
 - (ii) the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one Planloc Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date,

(Planloc Transfer Shares);

- (f) BWR RE will transfer the Planloc Transfer Shares it holds to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per Eligible BWR Unitholder so that for every one BWR Unit held by a Eligible BWR Unitholder on the Record Date, an existing Planloc Share will be transferred to them by BWR RE;
- (g) upon completion of the WOTSO Share Consolidation by the Record Date, WOTSO allots and issues a total of 142,150,000 new WOTSO Shares in the following manner:
 - (i) to BWR RE as agent on behalf of each Eligible BWR Unitholders on the basis of one WOTSO Share per each BWR Unit held by the Eligible BWR Unitholder on the Record Date, who will transfer the newly issued WOTSO Shares to all existing Eligible BWR Unitholders as at the Record Date on a pro rata basis per BWR Unitholder so that for every one BWR Unit held by an Eligible BWR Unitholder on the Record Date a newly issued WOTSO Share will be transferred to them by BWR RE; and
 - (ii) to the BWR Sale Nominee (acting on behalf of Ineligible BWR Unitholders) on the basis of one WOTSO Share per each BWR Unit held by the Ineligible BWR Unitholders on the Record Date;
- (h) Planloc will allot and issue:
 - (i) one Planloc Share to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) Planloc Shares to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one Planloc Share per each WOTSO Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis); and
- (i) BWR will allot and issue:
 - (i) one BWR Unit to each Eligible Scheme Participant for every one WOTSO Share held by the Eligible Scheme Participant on the Record Date (on a post consolidation basis); and
 - (ii) BWR Units to the Scheme Sale Nominee (acting on behalf of Ineligible Scheme Participants) on the basis of one BWR Unit per each WOTSO

Share held by the Ineligible Scheme Participants on the Record Date (on a post consolidation basis).

Controller means, in relation to a person:

- (a) a receiver, receiver and manager, administrator or liquidator (whether provisional or otherwise) of that person or that person's property); or
- (b) anyone else who (whether or not as agent for the person) is in possession, or has control, of that person's property to enforce an Encumbrance;

Court means the Supreme Court of New South Wales, Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed in writing by the parties;

Deed Poll means this deed poll including any recitals, any schedules and any annexures;

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist;

First Court Date means the first day on which an application made to the Court for an:

- (a) order under section 411(1) of the Corporations Act convening the Scheme Meeting; and
- (b) the First Judicial Advice;

is heard (or if the application as adjourned or subject to appeal for any reason, the day on which the adjourned application is heard);

First Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that:

- (a) BWR RE would be justified in convening the BWR Meeting for the purposes of considering the BWR Constitution Replacement Resolution; and
- (b) subject to BWR Unitholders passing the BWR Constitution Replacement Resolution, BWR RE would be justified in proceeding on the basis that repealing the BWR Constitution and replacing it with the BWR Replacement Constitution would be within the powers conferred by the BWR Constitution and section 601GC of the Corporations Act;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Insolvency Event means, in relation to a party, any one or more of the following events or circumstances:

- (a) being in liquidation or provisional liquidation or under administration;
- (b) having a Controller or analogous person appointed to it or any of its property;
- (c) being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (d) being unable to pay its debts or being otherwise insolvent;

- (e) becoming an insolvent under administration, as defined in section 9 of the Corporations Act;
- (f) entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;
- (g) any analogous event or circumstance under the laws of any jurisdiction; or
- (h) taking any step or being the subject of any action that is reasonably likely to result in any of the above occurring,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the other party (which approval is not to be unreasonably withheld or delayed);

Law means:

- (a) principles of law or equity established by decision of the courts;
- (b) statutes, regulations or by-laws of the Commonwealth, a State, a Territory or a Government Agency; and
- (c) requirements and approvals (including conditions) of the Commonwealth, a State, a Territory or a Government Agency that have the force of law;

Planloc Board means the board of directors of Planloc, and a reference to a Planloc Board Member means any director of Planloc comprising part of the Planloc Board;

Planloc Group means Planloc and each of its Related Bodies Corporate other than Pelorus, and a reference to a **Planloc Group Member** or a **member of the Planloc Group** is to Planloc or any of its Related Bodies Corporate other than Pelorus;

Planloc Prescribed Occurrence means any of the following events:

- (a) Planloc converting all or any of the Planloc Shares into a larger or smaller number of Planloc Shares other than by way of the Planloc Share Split;
- (b) Planloc resolving to reduce its share capital in any way;
- (c) Planloc:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) a member of the Planloc Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to another member of the Planloc Group; or
 - (ii) in accordance with the Capital Reorganisation;
- (e) a member of the Planloc Group issuing or agreeing to issue securities convertible into Planloc Shares other than to another member of the Planloc Group;
- (f) a member of the Planloc Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Planloc Group's business or property;

- (g) a member of the Planloc Group making any change to its constitution other than the change of Planloc's existing constitution to a replacement constitution in the form substantially the same as the WOTSO Replacement Constitution;
- (h) a member of the Planloc Group creating, or agreeing to create, any mortgage, charge, lien or other Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (i) an Insolvency Event occurring in relation to a member of the Planloc Group; or
- (j) a member of the Planloc Group resolves to be wound up;

but excludes any matter:

- (k) required to be done, or permitted under the Scheme Implementation Deed, the Scheme or transactions contemplated by them;
- (l) undertaken with the written consent of both BWR and WOTSO; or
- (m) within the actual knowledge of both BWR or their Representatives, and WOTSO or their Representatives, as at the date of the Scheme Implementation Deed, which for these purposes will be taken to include and be limited to the facts, matters and circumstances of which both BWR or their Representatives, and WOTSO or their Representatives are actually aware as at the date of the Scheme Implementation Deed;

Planloc Resolutions means the following resolutions:

- (a) the Planloc Share Split Resolution; and
- (b) the ordinary resolutions to appoint Richard Hill and Robin Tedder to the Planloc Board;

Planloc Share Split means the subdivision of all Planloc Shares on issue in a ratio of 1:35,537,500 (with every one Planloc Share being split into 35,537,500 Planloc Shares) with such conversion taking effect immediately upon the Scheme becoming Effective;

Planloc Share Split Resolution means an ordinary resolution of Planloc Shareholders to effect the Planloc Share Split;

Planloc Share Register means the register of members of Planloc maintained by or on behalf of Planloc in accordance with the Corporations Act;

Planloc Shareholders means each person who is registered in the Planloc Share Register as a holder of Planloc Shares;

PPSA means the *Personal Property Securities Act 2009* (Cth);

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

Representative means, in relation to:

- (a) WOTSO or its Related Bodies Corporate;
- (b) BWR or its Related Bodies Corporate; or
- (c) Planloc or its Related Bodies Corporate,

any partner, member, director, employee, officer, agent, contractor, professional adviser (including legal, financial or accounting advisers), potential debt and equity financing source, potential co-investor, banker, auditor or other consultant and representatives of any of the foregoing;

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between WOTSO and the Scheme Participants substantially in the form set out in Annexure A of the Scheme Implementation Deed, subject to any alterations or conditions agreed or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by WOTSO and the Stapling Counterparties;

Scheme Implementation Deed means the scheme implementation deed dated 17 November 2020 between WOTSO, BWR RE and Planloc as amended and restated on 16 December 2020;

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

WOTSO means WOTSO Limited ACN 636 701 267;

WOTSO Replacement Constitution means the proposed new constitution of WOTSO in substantially the form set out in Annexure D of the Scheme Implementation Deed; and

Terms defined in the Scheme have the same meanings in this Deed Poll.

1.2 Interpretation

Clause 1.2 of the Scheme applies 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

The parties acknowledge and agree that:

- (a) this Deed Poll may be relied upon and enforced by any Scheme Participants in accordance with its terms even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints WOTSO 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 the parties.

2. Conditions precedent and termination

2.1 Conditions

The obligations of the parties under this Deed Poll are subject to the Scheme becoming Effective.

2.2 Termination

If:

- (a) the Scheme has not become Effective on or before the End Date or any later date as the Court, with the consent of WOTSO and the Stapling Counterparties, may order; or
- (b) the Scheme Implementation Deed is terminated in accordance with its terms,

then this Deed Poll and the obligations of the parties under this Deed Poll automatically terminate and the terms of this Deed Poll will be of no further force or effect unless the parties and WOTSO agree in writing.

2.3 Consequences of termination

If this Deed Poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) the parties are released from their obligations to further perform this Deed Poll; and
- (b) each Scheme Participant retains any rights, powers or remedies it has against the parties in respect of any breach of this Deed Poll by the parties which occurred before termination of this Deed Poll.

3. Pelorus Undertakings

3.1 Undertaking

Subject to clause 2, Pelorus undertakes in favour of each Scheme Participant to:

- (a) not dispose of or transfer any Planloc Shares other than the transfer of Planloc Shares to:
 - (i) BWR RE in accordance with clause 3.1(d)(i); and
 - (ii) the BWR Sale Nominee in accordance with clause 3.1(d)(ii);
- (b) approve, in its capacity as a Planloc Shareholder, each of the Planloc Resolutions;
- (c) other than in accordance with the Scheme, ensure Planloc does not issue any further Planloc Shares or securities convertible into Planloc Shares until Planloc Shares are stapled as part of the Stapled Securities;
- (d) subject to completion of the Planloc Share Split, transfer all Planloc Shares it holds on the Record Date (on a post-split basis) in the following manner:
 - (i) to BWR RE to be held by BWR RE as agent for each Eligible BWR Unitholder on the basis of one Planloc Share per every BWR Unit held by an Eligible BWR Unitholder on the Record Date; and
 - (ii) to the BWR Sale Nominee on the basis of one Planloc Share per every BWR Unit held by Ineligible BWR Unitholders on the Record Date,
- (e) procure the undertaking of all other actions attributed to Planloc under the Scheme, as if named as a party to the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

3.2 Status of Planloc Shares

Pelorus undertakes in favour of each Scheme Participant that the Planloc Shares which are transferred to BWR RE and the BWR Sale Nominee will be duly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interests or arrangements (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth) and will have the rights attaching to them as set out in the Planloc Constitution.

4. BWR RE Undertakings

4.1 Undertaking regarding Planloc Shares

Subject to clause 2, BWR RE undertakes in favour of each Scheme Participant to:

- (a) hold all Planloc Shares transferred to it by Pelorus in accordance with clause 3.1(d)(i) as agent for each Eligible BWR Unitholder;
- (b) consent on behalf of each Eligible BWR Unitholder (who will be transferred Planloc Shares) to become a shareholder of Planloc and to be bound by the Planloc Constitution;
- (c) immediately transfer all Planloc Shares it holds as a result of the transfer in clause 4.1(a) to each Eligible BWR Unitholder, on the basis of one Planloc Share per one BWR Unit held by the Eligible BWR Unitholder on the Record Date;
- (d) ensure the transfer of Planloc Shares contemplated by clause 4.1(c) will be effected by a proper instrument of transfer for the purpose of section 1071B of the Corporations Act, which may be a master transfer of those Planloc Shares; and
- (e) provide to Planloc the name and address of each Eligible BWR Unitholder and the number of Planloc Shares transferred by BWR RE to each Eligible BWR Unitholder and such other information as Planloc may require to effectively register the transfer.

4.2 Undertaking regarding WOTSO Shares

Subject to clause 2, BWR RE undertakes in favour of each Scheme Participant to:

- (a) hold all WOTSO Shares issued to it by WOTSO in accordance with the Scheme as agent for each Eligible BWR Unitholder;
- (b) consent on behalf of each Eligible BWR Unitholder (who will be transferred WOTSO Shares) to become a shareholder of WOTSO and to be bound by the WOTSO Constitution;
- (c) immediately transfer all WOTSO Shares issued to it in the circumstances set out in clause 4.2(a) to each Eligible BWR Unitholder, on the basis of one WOTSO Share per one BWR Unit held by the Eligible BWR Unitholder on the Record Date;
- (d) ensure the transfer of WOTSO Shares contemplated by clause 4.2(c) will be effected by a proper instrument of transfer for the purpose of section 1071B of the Corporations Act, which may be a master transfer of those WOTSO Shares; and
- (e) provide to WOTSO the name and address of each Eligible BWR Unitholder and the number of WOTSO Shares transferred by BWR RE to each Eligible BWR Unitholder and such other information as WOTSO may require to effectively register the transfer.

5. Issue of Additional Scheme Securities

5.1 Undertaking by BWR RE

Subject to clause 2, BWR RE undertakes in favour of each Scheme Participant to:

- (a) issue BWR Units to:

- (i) each Eligible Scheme Participant; and
- (ii) to the Scheme Sale Nominee on behalf of each Ineligible Scheme Participant,

in accordance with the terms of the Scheme; and

- (b) perform or procure the performance of all other actions attributed to them under the Scheme, as if named as a party to the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

5.2 Status of BWR Units

BWR RE undertake in favour of each Scheme Participant that the BWR Units which are issued to Eligible Scheme Participants and the Scheme Sale Nominee in accordance with the Scheme will be duly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interests or arrangements (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth) and will have the rights attaching to them as set out in the BWR Constitution.

5.3 Undertaking by Planloc

Subject to clause 2, Planloc undertakes in favour of each Scheme Participant to:

- (a) issue Planloc Shares to:
 - (i) each Eligible Scheme Participant; and
 - (ii) the Scheme Sale Nominee on behalf of each Ineligible Scheme Participant,
 in accordance with the terms of the Scheme; and
- (b) perform or procure the performance of all other actions attributed to them under the Scheme, as if named as a party to the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

5.4 Status of Planloc Shares

Planloc undertakes in favour of each Scheme Participant that the Planloc Shares which are issued to Eligible Scheme Participants and the Scheme Sale Nominee in accordance with the Scheme will be duly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interests or arrangements (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth) and will have the rights attaching to them as set out in the Planloc Constitution.

6. Ancillary undertakings

6.1 Ancillary Planloc undertakings

Planloc undertakes in favour of each Scheme Participant:

- (a) to accept for registration of the transfer made by Pelorus to BWR RE in accordance with clause 3.1(d); and
- (b) upon receipt of the information in clause 4.1(e), to accept for registration of the transfers made by BWR RE in accordance with clause 4.1.

7. Representations and warranties

7.1 Representations and warranties by BWR RE, Planloc and Pelorus

Each of BWR RE, Planloc and Pelorus individually represents and warrants in favour of each Scheme Participant 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 transaction contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise 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) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
- (e) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (f) this Deed Poll does not conflict with or result in the breach of, or any default under:
 - (i) any provision of its constituent documents; or
 - (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

7.2 Representations and warranties by BWR RE

BWR RE makes the following representations and warranties:

- (a) BWR is duly established and validly subsisting;
- (b) BWR RE is the responsible entity of BWR, has been validly appointed and remains as responsible entity of BWR, and no action has been taken or proposed to be taken to remove it as responsible entity;
- (c) BWR RE is empowered by the BWR Constitution to enter into and perform its obligations under this Deed Poll, in its capacity as responsible entity of BWR. There is and will be no restriction on or condition of its doing so, prior to the earlier of the End Date and the date when this Deed Poll is terminated;
- (d) all necessary resolutions have been duly passed and all consents, approvals and other procedural matters have been obtained or attended to as required or as may be required, including under the BWR Constitution, for BWR RE to enter into and perform this Deed Poll;
- (e) this Deed Poll is BWR RE's valid and binding obligation enforceable in accordance with its terms;

- (f) the execution and performance by BWR RE of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it; or
 - (ii) the BWR Constitution; and
- (g) BWR RE's right of indemnity out of, and lien over, the assets of BWR have not been limited in any way. BWR RE has no liability which may be set off against that right of indemnity.

8. Limitation of Trustee Liability

- (a) BWR RE enters into and performs this Deed Poll and the transactions it contemplates only as responsible entity of BWR. This applies in respect of any past and future conduct (including omissions) relating to this Deed Poll or those transactions.
- (b) Under and in connection with this Deed Poll and those transactions and conduct:
 - (i) BWR RE's liability (including for negligence) is limited to the extent it can be satisfied out of the assets of BWR. BWR RE need not pay any such liability out of other assets;
 - (ii) another party may only do the following (but any resulting liability remains subject to this clause):
 - (A) prove and participate in, and otherwise benefit from, any form of insolvency administration of BWR RE but only with respect to BWR's assets;
 - (B) exercise rights and remedies with respect to BWR's assets, including set-off;
 - (C) exercise contractual rights; and
 - (D) bring any other proceedings against BWR RE, seeking relief or orders that are not inconsistent with the limitations in this clause, and may not otherwise:
 - (E) bring proceedings against BWR RE;
 - (F) take any steps to have BWR RE placed into any form of insolvency administration (but this does not prevent the appointment of a receiver, or a receiver and manager, in respect of BWR's assets); or
 - (G) seek by any means (including set-off) to have a liability of BWR RE to that party (including for negligence) satisfied out of any assets of BWR RE other than BWR's assets.
- (c) Clauses 8(a) and 8(b) apply despite any other provision in this Deed Poll but do not apply with respect to any liability of BWR RE to another party (including for negligence):

- (i) to the extent that BWR RE has no right or power to have BWR's assets applied towards satisfaction of that liability, or its right or power to do so is subject to a deduction, reduction, limit or requirement to make good, in any case because BWR RE has acted beyond power or improperly in relation to BWR; or
 - (ii) under any provision which expressly binds BWR RE other than as trustee of BWR (whether or not it also binds it as trustee of BWR).
- (d) The limitation in clause 8(b)(i) is to be disregarded for the purposes (but only for the purposes) of the rights and remedies described in clause 8(b)(ii), and interpreting this Deed Poll and any security for it, including determining the following:
 - (i) whether amounts are to be regarded as payable (and for this purpose damages or other amounts will be regarded as a payable if they would have been owed had a suit or action barred under clause 8(b)(ii) been brought);
 - (ii) the calculation of amounts owing; or
 - (iii) whether a breach or default has occurred,
 but any resulting liability will be subject to the limitations in this clause.

9. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) the parties have fully performed their obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 2.2.

10. Notices

- (a) Any notice or communication in respect of this Deed Poll (**Notice**) may be served by delivery in person, by post or by email to the address or email address of a party specified in this Deed Poll or most recently notified by a party to the sender.
- (b) Any Notice to a party must be in writing and signed by either:
 - (i) the sender or, if a corporate party, an authorised officer of the sender; or
 - (ii) the party's solicitor.
- (c) A Notice:
 - (i) if delivered in person, will be deemed served upon delivery;
 - (ii) if posted, will be deemed served 2 Business Days after posting; and
 - (iii) if sent by email, will be deemed served that day unless the sender receives an automated message generated by the recipient's mail server (**Failure Message**) that the email has not been delivered within two hours. For the avoidance of doubt any response generated by or at the instigation of the

recipient (including an 'out of office' message) will not be a Failure Message,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is deemed to have been served at 9.00am on the next Business Day.

- (d) The address for service for Notices for the parties are:

BWR RE

Attention: Tim Brown
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: tbrown@blackwall.com.au

Planloc

Attention: Alex Whitelum
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: awhitelum@blackwall.com.au

Pelorus

Attention: Alex Whitelum
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: awhitelum@blackwall.com.au

in each case, with a copy to:

Gadens in accordance with the following:

Address: Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC 3000
Email: jol.rogers@gadens.com
For the attention of: Jol Rogers

11. General provisions

11.1 Variation

This Deed Poll cannot be varied, altered or amended unless:

- (a) if before the First Court Date, the variation, alteration or amendment is agreed to in writing by WOTSO and the Stapling Counterparties; and
- (b) if on or after the First Court Date, the variation, alteration or amendment is agreed to in writing by WOTSO and the Stapling Counterparties and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event the parties must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

11.2 Assignment

The rights and obligations of each Scheme Participant and the parties under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior written consent of the parties and WOTSO.

11.3 Further assurances

The parties must execute any document and perform any action necessary (on their own behalf and on behalf of each Scheme Participant) to give full effect to this Deed Poll and the transactions contemplated by it.

11.4 Governing law and jurisdiction

- (a) This Deed Poll is governed by and construed under the laws of New South Wales.
- (b) Any legal action in relation to this Deed Poll against a party or its property may be brought in any court of competent jurisdiction of New South Wales.
- (c) By execution of this Deed Poll, the parties irrevocably, generally and unconditionally submit to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

11.5 Waivers

- (a) A Scheme Participant waives a right under this Deed Poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) A failure, delay, relaxation or indulgence by a Scheme Participant in exercising any power or right conferred on that party by this Deed Poll does not operate as a waiver of the power or right.
- (c) A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this Deed Poll.
- (d) A waiver of a breach does not operate as a waiver of any other breach.

11.6 Remedies

The rights, powers and remedies of the parties and the Scheme Participants under this Deed Poll are cumulative and are in addition to, and do not exclude any other rights, powers and remedies provided by law.

11.7 Severability

Any clause of this Deed Poll which is invalid in any jurisdiction, is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining clauses of this Deed Poll or the validity of that clause in any other jurisdiction.

Signing page

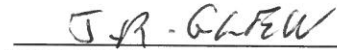
Executed as a deed poll.

Dated 16 December 2020

Executed by **BlackWall Fund Services Limited** ACN 079 608 825 as responsible entity of the **BlackWall Property Trust** ARSN 109 684 773 under section 127 of the Corporations Act by its duly authorised officers:



Signature of Director



Name of Director
(Block Letters)

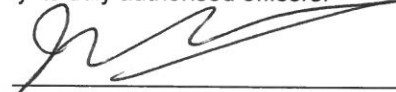


Signature of Director

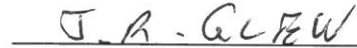


Name of Director
(Block Letters)

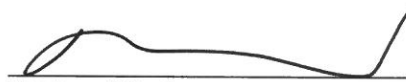
Executed by **Planloc Limited** ACN 062 367 560 under section 127 of the Corporations Act by its duly authorised officers:



Signature of Director



Name of Director
(Block Letters)

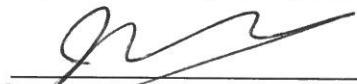


Signature of Director



Name of Director
(Block Letters)

Executed by **Pelorus Private Equity Limited** ACN 091 209 639 under section 127 of the Corporations Act by its duly authorised officers:



Signature of Director



Name of Director
(Block Letters)



Signature of Director



Name of Director
(Block Letters)

Annexure F – Stapling Deed

Stapling Deed

WOTSO Limited

BlackWall Fund Services Limited

Planloc Limited

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

T +61 2 9231 4996
F +61 2 9163 3000

Ref JDR:MCW 22008201

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Stapling Deed

Parties

1. **WOTSO Limited** ACN 636 701 267 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**WOTSO**)
2. **BlackWall Fund Services Limited** ACN 079 608 825 as responsible entity for **BlackWall Property Trust** ARSN 109 684 773 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**BWR RE**)
3. **Planloc Limited** ACN 062 367 560 of Level 1, 50 Yeo Street, Neutral Bay NSW 2089 (**Planloc**)

Background

- A. The Constituent Documents each provide for Stapling.
- B. This deed sets out the terms and conditions of the relationship between the Stapled Entities in respect of the Stapled Securities which as of the date of this Deed comprise WOTSO Shares, BWR Units and Planloc Shares.

Operative Provisions

1. Definitions and Interpretation

In this Deed, unless the context otherwise requires:

ASIC means the Australian Securities and Investments Commission or any replacement or successor authority;

ASX means Australian Stock Exchange Limited or the market operated by it as the context requires;

Attached Securities means any Securities which are from time to time Stapled together to form a Stapled Security but does not include any Unstapled Security;

BFSL means BlackWall Fund Services Limited ACN 079 608 825;

Business Day has the meaning given to that term in the Listing Rules;

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

Deed means this stapling deed including any recitals, schedules and annexures;

BWR Constitution means the constitution establishing BWR (as amended from time to time);

BWR means BlackWall Property Trust ARSN 109 684 773;

BWR Unit means an ordinary unit in BWR;

BWR Unitholder means a person registered as the holder of a BWR Unit including any persons jointly registered;

Constituent Documents means the constituent documents of each Stapled Entity, which as of the date of this Deed are the:

- (a) WOTSO Constitution;
- (b) Planloc Constitution; and
- (c) BWR Constitution;

Effective has the meaning given in the Implementation Deed;

Governmental Agency means any government or any governmental, semi- governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, but does not include any of the parties to this Deed;

Implementation Date has the meaning given in the Implementation Deed;

Implementation Deed means the scheme implementation deed dated 17 November 2020 between the Stapled Entities as amended and restated on 16 December 2020;

Issuer means the issuer of an Attached Security;

Listing Rules means the listing rules of ASX and any other rules of the ASX which are applicable while WOTSO, Planloc and BWR are admitted to the official list of ASX, each as amended or replaced from time to time except to the extent of any express written waiver by ASX;

Other Attached Security means in respect of any Attached Security of the other Attached Securities;

Other Issuer means in respect of an Issuer of any Attached Security each of the Issuers of the Other Attached Securities;

Planloc Constitution means the constitution for Planloc and includes any amendment or replacement of it;

Planloc Share means a fully paid ordinary share in the capital of Planloc;

Planloc Shareholder means a person registered as the holder of a Planloc Share including any persons jointly registered;

Responsible Entity means the responsible entity of a Trust that is party to this Deed, and includes BFSL as responsible entity of BWR;

Scheme has the meaning given in the Implementation Deed;

Security means any right or interest in a managed investment scheme, unit, share, note, debenture or any right or interest or option to acquire a share, note or debenture, and includes a unit or option;

Special Resolution has the same meaning as that phrase has in section 9 of the Corporations Act;

Stapled Entity means an Australian or overseas company, trust, corporation or managed investment scheme whose Securities are Attached Securities and who has executed the Stapling Deed or an Accession Deed which as of the date of this Deed is each of:

- (a) WOTSO;
- (b) Planloc; and
- (c) BWR RE;

Stapled Group means, collectively, each Stapled Entity and each of their respective Subsidiaries, and **Group Member** means any one or more of them;

Stapled Security means the stapled security created by the Stapling together of the Attached Securities. As of the date of this Deed a Stapled Security comprises one WOTSO Share, one Planloc Share and one BWR Unit;

Stapled Security Holder means a holder of Stapled Securities;

Stapling means the linking together of Securities so that an Attached Security may not be transferred or otherwise dealt with without the Other Attached Securities and which are quoted on ASX jointly as a Stapled Security or such other term as the ASX permits.
Stapled has a corresponding meaning;

Stapling Commencement Date means such date as determined by the Stapled Entities on which Stapling becomes effective;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act or a trust which is controlled by the first within the meaning of control under section 50AA of the Corporations Act;

Trust means a trust or managed investment scheme;

Unstapling means the process that results in one or more Attached Securities ceasing to be Stapled to the Other Attached Stapled Securities. "Unstapled" has a corresponding meaning;

Unstapling Event means one or more of the following events:

- (a) a special resolution of the members of each Stapled Entity is passed to Unstaple the Stapled Securities;
- (b) Stapling becomes unlawful or prohibited under the Listing Rules; or
- (c) a winding-up is commenced in respect of a Stapled Entity;

Unstapled Security means a Security which was an Attached Security and ceases to be Stapled to the Other Attached Securities;

WOTSO Constitution means the constitution for WOTSO and includes any amendment or replacement of it;

WOTSO Share means a fully paid ordinary share in the capital of WOTSO; and

WOTSO Shareholder means a person registered as the holder of a WOTSO Share including any persons jointly registered.

1.2 Corporations Act definitions

Unless otherwise specified in this Deed, terms defined in the Corporations Act are used in this Deed with the same defined meanings.

1.3 Interpretation

In this Deed, unless the context otherwise requires:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Deed;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- (e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate;
- (f) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.3 implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause or party is a reference to a clause of, a party to, this Deed;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of this Deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed or that provision;
- (k) a reference to a body, other than a party to this Deed (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) 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 function; and
- (l) a reference to a statute, ordinance, code or other law or rule includes regulations and other instruments under it and consolidation, amendments, re-enactments or replacement.

2. Co-operation and Consultation

2.1 Disclosure and information

- (a) **Disclosure to each other:** The Stapled Entities agree to make available to each other all information in their possession as may be necessary or desirable to fulfil

their respective obligations under this Deed or any other document, deed or arrangement relating to the Stapled Securities or the affairs of any Group Member.

- (b) **Accounts:** The primary form of financial reporting will be group accounts, prepared as an aggregation of the consolidated financial statements of the Stapled Group. The group accounts will, if applicable accounting standards permit, treat the entities as combined.
- (c) **Information to Stapled Security Holders:** The Stapled Entities must make available to each other all information and provide all assistance to enable the provision of all other reports, circulars or other information which are required to be provided or disclosed by law or the Listing Rules or which it is reasonably desirable to provide to the Stapled Security Holders.
- (d) **Confidentiality:** The Stapled Entities must keep confidential any information obtained concerning the affairs or assets of each other and not disclose it other than:
 - (i) with the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed);
 - (ii) if it is required to do so by law, by any regulatory or Governmental Agency or by the ASX;
 - (iii) if the information has come within the public domain, other than by a breach of this Deed; and
 - (iv) to the party's bankers or professional advisers.

2.2 Co-operation

To the extent permitted by law, the Stapled Entities must cooperate with each other in respect of all matters relating to the Stapled Securities and must do all things necessary to give effect to this Deed, including with a view to ensuring that the Stapled Entities:

- (a) **compliance with Listing Rules:** comply with their obligations under the Listing Rules;
- (b) **disclosures:** co-ordinate their disclosure to the ASX and Stapled Security Holders;
- (c) **accounting policies:** adopt consistent accounting policies;
- (d) **valuation policies:** adopt consistent valuation policies;
- (e) **proposed investments:** take a consistent approach on proposed investments, and keep each other properly informed of their investment policies and any changes to those policies;
- (f) **meetings:** hold Stapled Security Holders' meetings concurrently or, where necessary, consecutively;
- (g) **new issues, redemptions:** agree on the terms and timing of all new issues, bonus and rights issues, placements and redemptions and buy-backs;
- (h) **value:** consult before taking any action (or omitting any action) which may materially affect the value of the Stapled Securities;
- (i) **distribution:** co-ordinate the announcement and payment of dividends and distributions;

- (j) **reinvestments:** co-ordinate any dividend or distribution re-investment plan;
- (k) **auditor:** maintain the same auditor from time to time and agree on any change of auditor so that any change of auditor is implemented for each Stapled Entity at the same time; and
- (l) **boards of directors:** have, to the extent possible, boards of directors which are identical or substantially the same.

2.3 Restructuring

The Stapled Entities may agree with each other in relation to:

- (a) reorganising or restructuring of the capital of each Stapled Entity; or
- (b) changing the Stapling arrangements contemplated by this Deed in order to comply with any law, regulation or rule or to otherwise overcome the adverse effect of any law, regulation or rule; and
- (c) any changes to this Deed which are reasonably required by either party as a consequence of any of the above matters.

The Stapled Entities may, subject to the Listing Rules and the Corporations Act, cause the Stapling of any other entity's securities to the Attached Securities in accordance with the Constituent Documents.

3. Dealings in Stapled Securities

3.1 Securities to be Stapled

- (a) On and from the date that Stapling commences:
 - (i) each Attached Security must be Stapled to one another;
 - (ii) each Issuer:
 - (A) must not issue an Attached Security unless each Other Attached Security is issued at the same time and to the same person;
 - (B) must not issue any right or option to acquire any Attached Security unless there is an issue of a corresponding right or option to acquire the Other Attached Securities by the relevant Other Issuers; and
 - (C) may not without the prior written consent of the Other Issuers issue any other class of Security in the Issuer or any right or option to acquire any such Security.
- (b) Each Attached Security must be Stapled to one another immediately after the later of the date of issue of the last Attached Security.

3.2 Dealings in Securities

- (a) **No Unstapling:** On and from the date that Stapling commences, the Stapled Entities must not:
 - (i) do any act, matter or thing (including registering any transfer of any Attached Security); or

- (ii) refrain from doing any act, matter or thing,

if to do so or refrain from doing so (as the case may be) would result directly or indirectly in any Attached Security no longer being Stapled as a Stapled Security, other than in accordance with clause 8.

- (b) **Securities:** On and from the date that Stapling commences, each Issuer must not:

- (i) offer any Attached Security for subscription or sale unless an offer is made at the same time and to the same person for an identical number of Other Attached Securities for issue or sale;
- (ii) offer any Attached Security for subscription or sale unless the terms of that offer require each offeree to subscribe for or buy a number of Other Attached Securities each equal to the number of Attached Securities subscribed for or bought;
- (iii) issue or sell any Attached Security to any person unless an identical number of Other Attached Securities are also issued or sold to the same person at the same time;
- (iv) cancel, buy-back or redeem any Attached Security unless at the same time there is a corresponding cancellation, buy-back or redemption of Other Attached Securities to which they are Stapled; and
- (v) register any transfer of any Attached Security to any person unless an identical number of Other Attached Securities to which they are Stapled is also transferred to the same person at the same time.

- (c) **Compliance with law:** A party is not obliged to effect a buy- back, cancellation, redemption, transfer or issue or other corporate action in a manner inconsistent with any constitutional, contractual or fiduciary obligation or law by which it is bound, or if it does not have any necessary consent or approval.

- (d) **Forfeiture:** If an Attached Security is to be sold pursuant to forfeiture as a consequence of non-payment of a call, the Stapled Entities will, to the maximum extent permitted by law and the Listing Rules, ensure that the Other Attached Securities to which it is Stapled is also sold so that the Attached Security is sold as part of a Stapled Security.

3.3 Quotation as Stapled Securities

Unless and until Stapled Securities are Unstapled in accordance with this Deed, the parties must use reasonable endeavours to ensure that each Stapled Security which is listed for quotation on ASX continues to be so listed for quotation and quoted as a Stapled Security.

3.4 Joint certificates or joint holding statements

The Stapled Entities must procure that joint certificates or joint holding statements are issued to each holder of Stapled Securities.

3.5 Stapling and separate entities

Notwithstanding any other provision of this Deed:

- (a) each Stapled Entity will remain as separate legal entities and will be separately admitted to the official list of ASX notwithstanding that their securities are jointly quoted on ASX as Stapled Securities; and

- (b) BWR will at all times be maintained as an Australian unit trust registered as a "managed investment scheme" under the Corporations Act, with its main class of units quoted on ASX.

3.6 No joint venture or partnership

Nothing contained or implied in this Deed is to be construed as creating an association, joint venture or partnership among the parties for any purpose or authorising the sharing of the benefit of any assets (and any profits therefrom) of the Stapled Entities as a result of the Stapling.

4. Acquisitions, disposals and borrowings

- (a) **Major acquisition or disposal:** The Stapled Entities must:
 - (i) give 21 days written notice to each other, or such shorter period as agreed between the parties, of its intention to acquire or dispose of an asset of a Stapled Entity respectively the value of which is 5% or greater of the net tangible assets of the relevant Stapled Entity (as the case requires) at the time of giving the notice; and
 - (ii) not make an acquisition or disposal, or allow any of their respective Subsidiaries to acquire or dispose, of an asset as contemplated by clause 4(a)(i) without having first consulted with the other parties.
- (b) **Borrowings:** None of the Stapled Entities may borrow or raise money (or allow any of their respective Subsidiaries to borrow or raise money) except on the following terms:
 - (i) each Stapled Entity agrees to the borrowing or raising money;
 - (ii) unless otherwise agreed between the parties, if any loan or other financial accommodation is undertaken or any guarantee or security is given by any entity in the Stapled Group, then whichever entity receives the proceeds of the borrowing or other financial accommodation must:
 - (A) repay the loan or financial accommodation;
 - (B) pay all fees, interest, expenses and other amounts in respect of the loan or financial accommodation; and
 - (C) indemnify the other joint borrower, guarantor or provider of security in respect of any amount referred to in paragraphs (A) and (B) which are paid by it; or
 - (iii) the indemnity referred to in clause 4(b)(ii)(C) survives the termination of this Deed.

5. Financial benefits

5.1 Obligation to give financial benefits

The Stapled Entities covenant and agree with each other (each party being "the other" for the purposes of this clause 4, as the context requires) that, while Stapling applies and to the maximum extent permitted by law, if called upon by the other, it must on the terms and conditions proposed by the other, enter into or procure that any Subsidiary enter into any

agreement document or arrangement and do any other act, matter or thing at the request or direction of the other in respect of any of the following:

- (a) lending money or providing financial accommodation to the other or any of its Subsidiaries or any other person whether or not that person is a member of the Stapled Group;
- (b) guaranteeing any loan or other financing facility or financial accommodation of the other, any Subsidiary or any other person whether or not that person is a member of the Stapled Group, including providing any security or indemnity to any person providing the relevant loan facility or financial accommodation;
- (c) entering into any covenant, undertaking, restraint, or pledge at the request of the other including, without limitation, a negative pledge on the obtaining of financial accommodation or the provision of any guarantee or security in connection with any financial accommodation;
- (d) issuing redeemable preference shares or any other form of securities to, or at the direction of, the other;
- (e) entering into any joint borrowing or joint financial accommodation with the other, any Subsidiary or any other person whether or not that person is a member of the Stapled Group, and providing any guarantee, security, indemnities and undertakings in connection with the relevant joint borrowing or other joint financial accommodation; and
- (f) guaranteeing the obligations of or providing an indemnity or undertaking to a third party in respect of the obligations of the other or any of the other's Subsidiaries or any other person whether or not that person is a member of the Stapled Group.

6. Allocation of issue price

6.1 Stapled Entities to agree price

- (a) The Stapled Entities must agree from time to time what part of the amount payable for the issue, redemption or buy-back of a Stapled Security is to represent the issue, redemption or buy-back price of each Attached Security.
- (b) The allocation of this amount must be determined on the basis of fair value by agreement between the Stapled Entities prior to the issue, redemption or buy-back of the Stapled Security in accordance with the Constituent Documents.
- (c) Where an option to acquire a Stapled Security is issued after the Stapling Commencement Date, the allocation of the issue price of each Attached Security must be determined in accordance with the Constituent Documents.
- (d) The proportion determined under clause 6.1(a) must be consistent for each Attached Security issued, redeemed or bought-back to or from each Stapled Security Holder at the same time.

6.2 Accountant to resolve dispute

If the parties are unable to reach agreement under clause 6.1 within five Business Days after either of them notifies the other that an agreement must be reached, a suitably experienced independent accountant nominated by the Stapled Entities must be instructed within seven days to determine what part of the amount payable is to represent the price of each Attached Security based on fair market value as determined by the accountant having regard to the respective net tangible asset backing of each Attached Security immediately

prior to the issue, redemption or buy-back of the Stapled Security and any other factors which the accountant believes should be taken into account. The accountant's decision is, in the absence of manifest error, binding on the parties.

7. Registers

7.1 Register of Stapled Securities

- (a) The Stapled Entities must maintain, or procure the maintenance of a register of Stapled Securities. This includes, without limitation, appointment of a common registrar.
- (b) All details of Stapled Securities and dealings in those Stapled Securities must be entered in the register.
- (c) All details of the Attached Securities which comprise the Stapled Securities and dealings in those Attached Securities must be entered in the register.

7.2 Registers must be consistent

The Stapled Entities must ensure that the Stapled Entities' registers if kept separately, are entirely consistent with one another.

8. Unstapling

8.1 Procedure for Unstapling

From the Stapling Commencement Date all Attached Securities will remain Stapled to each other for so long as the Stapled Securities remain on issue, unless an Unstapling Event occurs or the Attached Securities can be otherwise Unstapled in accordance with each of the Constituent Documents. On and from the effective date of Unstapling under the previous sentence:

- (a) the Stapled Entities must procure that the Attached Securities are Unstapled; and
- (b) except in relation to the ongoing obligations under clauses 2.1(d) and 8.2 and the acknowledgment and covenants in clause 11, this Deed ceases to be of any force or effect.

8.2 Consequences of Unstapling

If, as a consequence of Unstapling, an Attached Security is no longer Stapled to the Other Attached Securities each Issuer must promptly:

- (a) repay any outstanding amount under any loan given to the Issuer by any of the Other Issuers prior to Unstapling, unless the applicable Other Issuer otherwise agrees;
- (b) pay any outstanding amounts which the relevant parties have agreed in accordance with clause 4(b)(ii) is the responsibility of an Other Issuer to repay unless such parties otherwise agree; and
- (c) obtain a release of each Other Issuer from any guarantee given by the Other Issuer to any person in respect of any liability of the Issuer.

9. Duties and obligations of the parties

9.1 Stapled Entities must comply

The Stapled Entities must at all times perform and comply with their duties and obligations under their applicable Constituent Document respectively and, subject to those duties and obligations, with their duties and obligations under any other deed or agreement to which either is a party.

9.2 Duties in relation to stapling

While Stapling applies, notwithstanding any other provision of this Deed, or any rule of law or equity to the contrary, in exercising any power or discretion, the Stapled Entities may, subject to the Corporations Act and any relief granted thereunder, have regard to the interests of the holders of Stapled Securities as a whole and not only to the interests of the Attached Security holders considered separately.

10. Retirement of Responsible Entity

If a Responsible Entity retires as responsible entity of a Trust:

- (a) the Responsible Entity must use its best endeavours to procure that any new responsible entity appointed under the Trust's Constituent Document executes a deed in a form acceptable to the other Stapled Entities undertaking to be bound by all of the obligations of the Responsible Entity under this Deed; and
- (b) upon the new responsible entity assuming the obligations of the Responsible Entity under this Deed, the previous responsible entity shall be discharged and released from its obligations under this Deed other than in relation to any negligence, default or breach of this Deed by it while it was still the responsible entity of the Trust.

11. Limitation of liability of the Responsible Entity

- (a) If a Responsible Entity enters into this Deed only in its capacity as responsible entity of the Trust.
- (b) The Responsible Entity is not liable in contract, tort or otherwise to the Trust's Unitholders for any loss suffered in any way relating to the Trust except to the extent that the Corporations Act imposes such liability.
- (c) A liability to any person arising under or in connection with this Deed, can be enforced against the Responsible Entity only to the extent to which the liability can be satisfied out of property of the Trust out of which the Responsible Entity is entitled to be and is actually indemnified for the liability.
- (d) This limitation of the Responsible Entity's liability applies despite any other provision of this Deed and extends to all liabilities and obligations of the Responsible Entity in its capacity as responsible entity of the Trust in any way connected with any representation, warranty, conduct, omission, deed or transaction related to this Deed.
- (e) Each Stapled Entity cannot sue the Responsible Entity in any capacity other than as responsible entity for the Trust, including seeking the appointment of a receiver, a liquidator, an administrator or similar person to the Responsible Entity or prove in any liquidation, administration or arrangement of or affecting the Responsible Entity (except in relation to property of the Trust).

- (f) The limitation of liability provisions shall not apply to any obligation or liability of the Responsible Entity to the extent that it is not satisfied because, under this Deed or any other document in connection with it, or by operation of law, there is a reduction in the extent of the Responsible Entity's indemnification out of the assets of the Trust, as a result of the Responsible Entity's fraud, negligence or breach of trust.
- (g) It is also acknowledged that a breach of an obligation imposed on, or a representation or warranty given by, the Responsible Entity under or in connection with this Deed or any other document in connection with it will not be considered a breach of trust by the Responsible Entity unless the Responsible Entity has acted with negligence, or without good faith, in relation to the breach.

12. Subordination

- (a) Nothing in this Deed shall be taken to amend or alter the Constituent Documents.
- (b) If there is any inconsistency between the obligations of a Stapled Entity under this Deed and the Stapled Entity's Constituent Document Constitution, the provisions of the Stapled Entity's Constituent Document applies to the extent of the inconsistency.

13. Dispute resolution

13.1 No proceedings

A party must not start court proceedings about a dispute arising out of this Deed unless it first complies with this part, except:

- (a) where a party seeks urgent injunctive relief; or
- (b) where the dispute relates to compliance with this clause.

13.2 Notice

A party claiming that a dispute has arisen must notify each other party giving details of the dispute.

13.3 Best efforts to resolve

Each party to the dispute must use its best endeavours to resolve the dispute within 10 Business Days of receiving notice of the dispute or a longer period agreed by the parties to the dispute.

13.4 Negotiate in good faith

If the parties do not resolve the dispute under clause 13.3, the chief executive officer (or equivalent) or other senior employee of each party must negotiate in good faith to resolve the dispute for a period of up to 10 Business Days after the end of the period referred to in clause 13.3.

14. Commencement of this Deed

Notwithstanding anything in this Deed to the contrary, no provision of this Deed is of any force or effect unless and until the Implementation Date provided the Scheme becomes Effective.

15. Notices

- (a) Any notice or communication in respect of this Deed (**Notice**) may be served by delivery in person, by post or by email to the address or email address of a party specified in this Deed or most recently notified by a party to the sender.
- (b) Any Notice to a party must be in writing and signed by either:
 - (i) the sender or, if a corporate party, an authorised officer of the sender; or
 - (ii) the party's solicitor.
- (c) A Notice:
 - (i) if delivered in person, will be deemed served upon delivery;
 - (ii) if posted, will be deemed served 2 Business Days after posting; and
 - (iii) if sent by email, will be deemed served that day unless the sender receives an automated message generated by the recipient's mail server (**Failure Message**) that the email has not been delivered within two hours. For the avoidance of doubt any response generated by or at the instigation of the recipient (including an 'out of office' message) will not be a Failure Message,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is deemed to have been served at 9.00am on the next Business Day.

- (d) The address for service for Notices for the parties are:

WOTSO

Attention: Jessie Glew
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: jglew@blackwall.com.au

BWR RE

Attention: Tim Brown
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: tbrown@blackwall.com.au

Planloc

Attention: Alex Whitelum
Address: Level 1, 50 Yeo Street, Neutral Bay NSW 2089
Email: awhitelum@blackwall.com.au

15.2 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this Deed may be served by any method contemplated by this clause 15 or in accordance with any applicable law.

16. General provisions

16.1 Assignment

A party must not transfer any right or liability under this Deed without the prior consent of each other party, except where this Deed provides otherwise.

16.2 Governing law and jurisdiction

- (a) This Deed is governed by and construed under New South Wales law.
- (b) Any legal action in relation to this Deed against any party or its property may be brought in any court of competent jurisdiction of New South Wales.
- (c) By execution of this Deed, each party irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this clause in relation to both itself and its property.

16.3 Amendments

Any amendment to this Deed has no force or effect, unless effected by a deed executed by the parties.

16.4 Entire understanding

This Deed contains the entire understanding between the parties concerning the subject matter of the agreement and supersedes all prior communications between the parties.

16.5 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for the representations or inducements expressly set out in this Deed.
- (b) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for the representations or inducements expressly set out in this Deed.

16.6 Further assurances

Each party must execute any document and perform any action necessary to give full effect to this Deed, whether before or after performance of this Deed.

16.7 Continuing performance

- (a) The provisions of this Deed do not merge with any action performed or document executed by any party for the purposes of performing this Deed.
- (b) Any representation in this Deed survives the execution of any document for the purposes of, and continues after, performance of this Deed.
- (c) Any indemnity agreed by any party under this Deed:

- (i) constitutes a liability of that party separate and independent from any other liability of that party under this Deed or any other agreement; and
- (ii) survives and continues after performance of this Deed.

16.8 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Deed or any part of it.

16.9 Waivers

Any failure by a party to exercise any right under this Deed does not operate as a waiver. The single or partial exercise of any right by that party does not preclude any other or further exercise of that or any other right by that party.

16.10 Remedies

The rights of a party under this Deed are cumulative and not exclusive of any rights provided by law.

16.11 Severability

Any clause of this Deed which is invalid in any jurisdiction, is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining clauses of this Deed or the validity of that clause in any other jurisdiction.

16.12 Counterparts

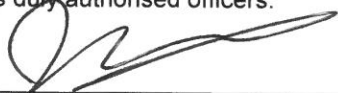
This Deed may be executed in any number of counterparts, all of which taken together are deemed to constitute the same document.

Signing page

Executed as a deed.

Dated 16 December 2020

Executed by **WOTSO Limited** ACN 636 701
267 under section 127 of the Corporations Act
by its duly authorised officers:



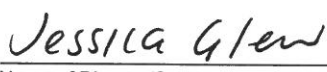
Signature of Director



Name of Director
(Block Letters)

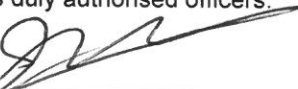


Signature of Director/Secretary



Name of Director/Secretary
(Block Letters)

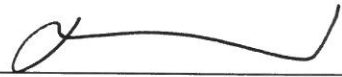
Executed by **Planloc Limited** ACN 062 367
560 under section 127 of the Corporations Act
by its duly authorised officers:



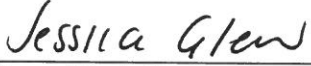
Signature of Director



Name of Director
(Block Letters)

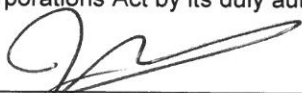


Signature of Director/Secretary

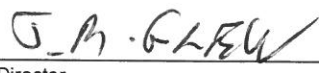


Name of Director/Secretary
(Block Letters)

Executed by **BlackWall Fund Services
Limited** ACN 079 608 825 as responsible
entity for **BlackWall Property Trust** ARSN
109 684 773 under section 127 of the
Corporations Act by its duly authorised officers:



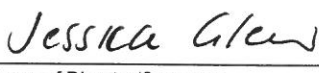
Signature of Director



Name of Director
(Block Letters)



Signature of Director/Secretary



Name of Director/Secretary
(Block Letters)

Annexure A – Template Accession Deed

Accession Deed

This **Accession Deed** is made in respect of the Stapling Deed dated [insert] 2020 as amended from time to time (**Stapling Deed**) by:

- A. **[insert name of New Stapled Entity]** (ACN [insert ACN]) (**New Stapled Entity**)
- B. in favour of the parties to the Stapling Deed from time to time (**Parties**)

Capitalised terms which are not defined in this Deed have the meaning given to them in the Stapling Deed.

The New Stapled Entity confirms that it has been given and read a copy of the Stapling Deed and covenants with the Parties to perform and be bound by all the terms of the Stapling Deed as if the New Stapled Entity was named in the Stapling Deed as a Stapled Entity. The New Stapled Entity agrees to all of the terms in the Stapling Deed which relate to or concern a Stapled Entity and Issuer.

The New Stapled Entity warrants and represents in respect of itself to each of the Parties that:

- (a) the execution and delivery of this Deed has been properly authorised (including in the case of a party who is a body corporate, by all necessary corporate action by it); and
- (b) it has full power (including, in the case of a party who is a body corporate, full corporate power) and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed.

This Deed is governed by the laws of New South Wales.

Executed as a deed poll.

[insert execution clauses of the New Member]

Annexure G – Notice of Scheme Meeting

NOTICE OF SCHEME MEETING

WOTSO Limited

ACN 636 701 267

Notice is hereby given that by an order of the Supreme Court of New South Wales made on 18 January 2020 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) a meeting of the holders of ordinary shares in WOTSO Limited ACN 636 701 267 (**WOTSO**) will be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on Friday 29 January 2021 at 10:00am (AEDT).

PURPOSE OF MEETING

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without any modifications, alterations or conditions agreed in writing between WOTSO, BWR and Planloc and approved by the Court or any modifications, alterations or conditions as are thought just by the Court to which WOTSO, BWR and Planloc agree in writing) to be made between WOTSO and WOTSO's ordinary shareholders, to effect the stapling of each fully paid ordinary share issued by WOTSO, with each fully paid ordinary share issued by Planloc, with each unit issued by BWR.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the *Corporations Act*) which, together with this Notice of Meeting, forms part of this Scheme Booklet.

BUSINESS OF THE MEETING

Resolution – Approval of the Scheme of Arrangement

To consider, and if thought fit, to pass the following Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth)

- (a) the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Meeting forms part) is agreed to (with or without any modifications, alterations or conditions agreed in writing between WOTSO, BWR and Planloc and approved by the Court or any modifications, alterations or conditions as thought just by the Court to which WOTSO, BWR and Planloc agree in writing); and*
- (b) the directors of WOTSO are authorised, subject to the terms of the Scheme Implementation Deed:*
 - (i) to agree to any modifications, alterations or conditions with Planloc or BWR;*
 - (ii) to agree to any modifications, alterations or conditions as are thought just by the Court; and*
 - (iii) subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications, alterations or conditions.”*

By order of the Board



Alex Whitelum
Company Secretary

18 December 2020

EXPLANATORY NOTES

This Notice of Meeting relates to the Scheme and should be read in conjunction with the balance of the Scheme Booklet. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme, including the information prescribed by the Corporations Act and the Corporations Regulations.

1. Terminology

Capitalised terms used in this Notice of Meeting but not defined in it have the same meaning as set out in the Glossary of Terms in Section 10 of the Scheme Booklet, unless the context requires otherwise.

2. Quorum

The constitution of WOTSO provides that the quorum for a meeting of WOTSO is two members (in person or by proxy, attorney or representative).

3. Chairman

The Court has directed that Seph Glew act as chairman of the Scheme Meeting or, failing him, Tim Brown.

4. Requisite Majorities

The Scheme can only proceed if, at the Scheme Meeting, the Scheme is approved by WOTSO Shareholders. For this to occur, the Scheme must be approved by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of WOTSO Shareholders present and voting (whether in person, by proxy, by attorney or by corporate representative) at the Scheme Meeting; and
- (b) at least 75% of the total number of WOTSO Shares voted at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative) .

5. 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 contained in this Notice of Meeting is passed at the Scheme Meeting by the Requisite Majorities and the conditions precedent in the Scheme of Arrangement are satisfied or waived (if applicable), WOTSO 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 Court Order must be lodged with ASIC.

6. Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, WOTSO Shares will be taken to be held by the persons who are registered as WOTSO Shareholders at 7:00pm (AEDT) on 27 January 2021. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

7. Voting at the meeting

You may vote in person at the Scheme Meeting or appoint a proxy, attorney or, in the case of a corporation that is a WOTSO Shareholder, a corporate representative to attend and vote for you.

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the WOTSO Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Voting will be conducted by poll.

(a) Jointly held WOTSO Shares

Where there are joint registered holders of any WOTSO Shares, any one of them may vote at the Scheme Meeting either in person, by proxy or attorney or, in the case of a corporate WOTSO Shareholder, by corporate representative in respect of those WOTSO Shares as if that person was solely entitled to those WOTSO Shares.

If more than one of the joint holders of any WOTSO Shares is present at the Scheme Meeting, only the joint holder present whose name stands first in the WOTSO Register in respect of the jointly held WOTSO Shares is entitled to vote in respect of those WOTSO Shares.

(b) Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on 29 January 2021 at 10:00am (AEDT).

A WOTSO Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the Scheme Meeting of their name and address.

(c) Voting by proxy

You can appoint a proxy to attend and vote on your behalf at the Scheme Meeting using the personalised Proxy Form that accompanies the Scheme Booklet. A proxy need not be a WOTSO Shareholder and may be an individual or a body corporate. If you are entitled to cast two or more votes you may appoint two proxies to attend and vote for you at the Scheme Meeting. If two proxies are appointed, each proxy may be appointed to exercise a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

If you do not instruct your proxy on how to vote, your proxy may vote as they see fit at the Scheme Meeting.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their identity at the point of entry to the Scheme Meeting.

If you wish to appoint a proxy in respect of the Scheme Meeting, you are requested to complete and sign the Proxy Form in accordance with the instructions set out in the Proxy Form. Proxy Forms may be lodged:

- (i) **electronically** by visiting <https://investor.automic.com.au/#/loginsah> and logging on using the holding details as shown on the Proxy Form

(Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form). Once logged in, select 'Voting' and follow the prompts to lodge your vote;

- (ii) by **mailing** the completed proxy form to the WOTSO Share Registry using the reply paid envelope;
- (iii) by **faxing** the completed proxy form to the WOTSO Share Registry on +61 2 8583 3040; or
- (iv) in **person** on Monday to Friday between 9:00am and 5:00pm (AEDT) by delivering the completed proxy form to the WOTSO Share Registry located at Level 5, 126 Phillip Street, Sydney NSW 2000.

Proxy Forms (together with the original or a certified copy of any authority under which it was executed) must be received by no later than 10:00am (AEDT) on 27 January 2021 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting).

Any faxed Proxy Form:

- (i) must be in legible writing; and
- (i) will be regarded as received by the addressee at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day.

Any revocations of proxies must be received prior to the commencement of the Scheme Meeting.

If a proxy appointment is signed by a WOTSO Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Scheme Meeting will act as proxy.

A WOTSO Shareholder who sends a Proxy Form as set out above will not be precluded from attending in person and voting at the Scheme Meeting at which the WOTSO Shareholder is entitled to attend and vote. In such case, the attendance and voting in person overrides the previously submitted Proxy Form.

If you require assistance with completing the Proxy Form, please call the WOTSO Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

(d) **Undirected proxies**

Proxy appointments in favour of the Chairman of the Scheme Meeting, the company secretary or any WOTSO Director which do not contain a direction will be voted in favour of the Scheme at the Scheme Meeting (in the absence of a Superior Proposal prior to the Scheme Meeting).

(e) **Voting by attorney**

If you wish to appoint an attorney to attend and vote at the Scheme Meeting the original or a certified copy of the power of attorney under which the attorney has been appointed must be received by the WOTSO Share Registry no later than 10:00am (AEDT) on 27 January 2021 (or if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting). An attorney will be admitted to the Scheme Meeting and given a voting card upon providing at the point of entry to the Scheme Meeting written evidence of their appointment and their identity.

A WOTSO Shareholder who sends a power of attorney will not be precluded from attending in person and voting at the Scheme Meeting at which the WOTSO Shareholder is entitled to attend and vote. In such case, the attendance and voting in person overrides the previously submitted power of attorney.

(f) **Voting by corporate representative**

To vote at the Scheme Meeting (other than by proxy or attorney) a corporation that is a WOTSO Shareholder must appoint an individual to act as its representative. A body corporate which is appointed as the proxy of a WOTSO Shareholder must also appoint an individual to act as its representative. The appointment must comply with section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing at the point of entry to the Scheme Meeting written evidence of their appointment including any authority under which it is signed and their identity.

Annexure H – Notice of General Meeting

NOTICE OF GENERAL MEETING

WOTSO Limited

ACN 636 701 267

Notice is hereby given that a general meeting (**General Meeting**) of the holders of ordinary shares in WOTSO Limited ACN 636 701 267 (**WOTSO**) will be held at WOTSO Pymont, Level 3, 55 Pymont Bridge Road, Pymont, NSW 2009 on 27 January 2021 at 10:30am (AEDT).

PURPOSE OF MEETING

The purpose of the General Meeting is to consider and, if thought fit pass the Supporting Resolutions outlined below.

To enable you to make an informed voting decision, further information about the Supporting Resolutions is set out in the accompanying explanatory statement which, together with this Notice of Meeting, forms part of this Scheme Booklet.

The Supporting Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of votes at the General Meeting. If any one of the Supporting Resolutions is not approved, none of the Supporting Resolutions will take effect.

BUSINESS OF THE MEETING

Resolution – Replacement of Constitution

To consider and, if thought fit, pass the following as a special resolution of WOTSO:

"That, subject to and conditional upon the Scheme becoming Effective, the document in the form tabled at the meeting, and for the purposes of identification signed by the Chairperson of the meeting, is adopted as the constitution of WOTSO in substitution for the present constitution of WOTSO (which is repealed)."

Resolution – Appointment of Directors

To consider and, if thought fit, pass the following as separate ordinary resolutions:

- (a) *That, subject to and conditional upon the Scheme becoming Effective, for the purposes of WOTSO's constitution and for all other purposes, Mr Richard Hill, is elected a non-executive director of WOTSO.*
- (b) *That, subject to and conditional upon the Scheme becoming Effective, for the purposes of WOTSO's constitution and for all other purposes, Mr Robin Tedder, is elected a non-executive director of WOTSO.*

Resolution – Share Consolidation

To consider and, if thought fit, pass the following as an ordinary resolution of WOTSO:

"That, subject to and conditional upon the Scheme becoming Effective, pursuant to Section 254H of the Corporations Act and for all other purposes, the issued capital of WOTSO be consolidated on the basis that every one WOTSO Share be consolidated into 0.255233429 WOTSO Shares, and where the number of WOTSO Shares held by a WOTSO Shareholder as a result of the consolidation includes a fraction of a share, WOTSO be authorised to round that fraction up to the nearest whole share."

By order of the Board



Alex Whitelum
Company Secretary

18 December 2020

EXPLANATORY NOTES

This Notice of Meeting relates to the Scheme and should be read in conjunction with the balance of the Scheme Booklet. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme, including the information prescribed by the Corporations Act and the Corporations Regulations.

1. Terminology

Capitalised terms used in this Notice of Meeting but not defined in it have the same meaning as set out in the Glossary of Terms in Section 10 of the Scheme Booklet, unless the context requires otherwise.

2. Scheme Booklet

The Scheme Booklet contains an explanation of the Supporting Resolutions and further information about the Stapling Proposal. The Scheme Booklet also sets out the main advantages, main disadvantages and potential risks of the Stapling Proposal as they relate to WOTSO Shareholders to enable you to make an informed decision as to how to vote on the resolutions.

3. Quorum

The constitution of WOTSO provides that the quorum for a meeting of WOTSO is two members (in person or by proxy, attorney or representative).

4. Chairman

The Court has directed that Seph Glew act as chairman of the General Meeting or, failing him, Tim Brown.

5. Entitlement to vote

For the purposes of the General Meeting, WOTSO Shares will be taken to be held by the persons who are registered as WOTSO Shareholders at 7:00pm (AEDT) on 27 January 2021. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the General Meeting.

6. Voting at the meeting

You may vote in person at the General Meeting or appoint a proxy, attorney or, in the case of a corporation that is a WOTSO Shareholder, a corporate representative to attend and vote for you.

All persons attending the General Meeting are asked to arrive at least 30 minutes prior to the time the General Meeting is to commence, so that either their shareholding may be checked against the WOTSO Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Voting will be conducted by poll.

(a) Jointly held WOTSO Shares

Where there are joint registered holders of any WOTSO Shares, any one of them may vote at the General Meeting either in person, by proxy or attorney or, in the case of a corporate WOTSO Shareholder, by corporate representative in respect of those WOTSO Shares as if that person was solely entitled to those WOTSO Shares.

If more than one of the joint holders of any WOTSO Shares is present at the General Meeting, only the joint holder present whose name stands first in the WOTSO Register in respect of the jointly held WOTSO Shares is entitled to vote in respect of those WOTSO Shares.

(b) **Voting in person**

To vote in person at the General Meeting, you must attend the General Meeting to be held WOTSO Pyrmont, Level 3, 55 Pyrmont Bridge Road, Pyrmont, NSW 2009 on 29 January 2021 at 10:30am (AEDT).

A WOTSO Shareholder who wishes to attend and vote at the General Meeting in person will be admitted to the General Meeting and given a voting card on disclosure at the point of entry to the General Meeting of their name and address.

(c) **Voting by proxy**

You can appoint a proxy to attend and vote on your behalf at the General Meeting using the personalised Proxy Form that accompanies the Scheme Booklet. A proxy need not be a WOTSO Shareholder and may be an individual or a body corporate. If you are entitled to cast two or more votes you may appoint two proxies to attend and vote for you at the General Meeting. If two proxies are appointed, each proxy may be appointed to exercise a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

If you do not instruct your proxy on how to vote, your proxy may vote as they see fit at the General Meeting.

A proxy will be admitted to the General Meeting and given a voting card upon providing written evidence of their identity at the point of entry to the General Meeting.

If you wish to appoint a proxy in respect of the General Meeting, you are requested to complete and sign the Proxy Form in accordance with the instructions set out in the Proxy Form. Proxy Forms may be lodged:

- (i) **electronically** by visiting <https://investor.automic.com.au/#/loginsah> and logging on using the holding details as shown on the Proxy Form (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form). Once logged in, select 'Voting' and follow the prompts to lodge your vote;
- (ii) by **mailing** the completed proxy form to the WOTSO Share Registry using the reply paid envelope;
- (iii) by **faxing** the completed proxy form to the WOTSO Share Registry on +61 2 8583 3040 ; or
- (iv) in **person** on Monday to Friday between 9:00am and 5:00pm (AEDT) by delivering the completed proxy form to the WOTSO Share Registry located at Level 5, 126 Philip Street Sydney NSW 2000.

Proxy Forms (together with the original or a certified copy of any authority under which it was executed) must be received by no later than 10:30am (AEDT) on 27 January 2021 (or, if the General Meeting is adjourned or postponed, no later than 48 hours before the resumption of the General Meeting in relation to the resumed part of the General Meeting).

Any faxed Proxy Form:

- (i) must be in legible writing; and
- (ii) will be regarded as received by the addressee at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day.

Any revocations of proxies must be received prior to the commencement of the General Meeting.

If a proxy appointment is signed by a WOTSO Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the General Meeting will act as proxy.

A WOTSO Shareholder who sends a Proxy Form as set out above will not be precluded from attending in person and voting at the General Meeting at which the WOTSO Shareholder is entitled to attend and vote. In such case, the attendance and voting in person overrides the previously submitted Proxy Form.

If you require assistance with completing the Proxy Form, please call the WOTSO Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

(d) **Undirected proxies**

Proxy appointments in favour of the Chairman of the General Meeting, the company secretary or any WOTSO Director which do not contain a direction will be voted in favour of the Supporting Resolutions at the General Meeting.

(e) **Voting by attorney**

If you wish to appoint an attorney to attend and vote at the General Meeting the original or a certified copy of the power of attorney under which the attorney has been appointed must be received by the WOTSO Share Registry no later than 10:30am (AEDT) on 27 January 2021 (or if the General Meeting is adjourned or postponed, no later than 48 hours before the resumption of the General Meeting in relation to the resumed part of the General Meeting). An attorney will be admitted to the General Meeting and given a voting card upon providing at the point of entry to the General Meeting written evidence of their appointment and their identity.

A WOTSO Shareholder who sends a power of attorney will not be precluded from attending in person and voting at the General Meeting at which the WOTSO Shareholder is entitled to attend and vote. In such case, the attendance and voting in person overrides the previously submitted power of attorney.

(f) **Voting by corporate representative**

To vote at the General Meeting (other than by proxy or attorney) a corporation that is a WOTSO Shareholder must appoint an individual to act as its representative. A body corporate which is appointed as the proxy of a WOTSO Shareholder must also

appoint an individual to act as its representative. The appointment must comply with section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the General Meeting and given a voting card upon providing at the point of entry to the General Meeting written evidence of their appointment including any authority under which it is signed and their identity.

Annexure I – Replacement WOTSO Constitution

Constitution

WOTSO Limited ACN 636 701 267

gadens

Level 20, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

T +61 2 9231 4996
F +61 2 9163 3000

Ref 22008201:JDR:MCW

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Constitution

WOTSO Limited ACN 636 701 267

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this Constitution unless the context requires otherwise:

Act means the *Corporations Act 2001* (Cth) and any regulations made under that statute;

ASX means ASX Limited ACN 008 624 691;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the operating rules of ASX Settlement from time to time;

Board means the Board of Directors of the Company from time to time;

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

Chairperson means the chairperson of Directors appointed under clause 15.4;

CHESS has the meaning given to that term in the ASX Settlement Operating Rules;

Company means WOTSO Limited ACN 636 701 267;

Constitution means this constitution as altered or added to from time to time;

CS Facility has the meaning given to the term "prescribed CS facility" in section 761A of the Act;

CS Facility Operator means the operator of a CS Facility;

Director means a person appointed or elected to the office of director of the Company under this Constitution and includes any alternate director duly acting as a director;

Dividend includes an interim dividend;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Hybrid Meeting has the meaning given to that term in clause 12.2(a)(i);

Law means:

- (a) principles of law or equity established by decisions of courts;

- (b) statutes, regulations or by-laws of the Commonwealth, a State, a Territory or a Government Agency; and
- (c) requirements and approvals (including conditions) of the Commonwealth, a State, a Territory or a Government Agency that have the force of law;

Listing Rules means the Listing Rules of ASX and any other rules and procedures of ASX that apply to the Company while it is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

Managing Director means a managing director appointed under clause 16;

Marketable Parcel has the meaning given in clause 10.1;

Member means a person who is entered in the Register as the holder of Shares in the capital of the Company;

Member Present means, in connection with a meeting, the Member being present in person or by proxy, by attorney and, where the Member is a body corporate, by representative, and includes being present at a different venue from the venue at which other Members are participating in the same meeting (including by participating via an electronic facility or facilities), providing the pre-requisites for a valid meeting at different venues are observed;

Official List means the official list of entities that ASX has admitted and not removed;

Officially Quoted means quoted on the Official List including, if quotation is suspended for a continuous period not exceeding 60 days, the period of suspension and Official Quotation has a corresponding meaning;

Person and words importing persons include partnerships, associations and bodies corporate, unincorporated bodies and all other entities or associations recognised by Law as well as individuals;

Prescribed Rate means the rate that is 2% per annum above the rate specified from time to time under section 2 of the *Penalty Interest Rates Act 1983* (Vic);

Register means the registers and subregisters (if any) of Members to be kept under the Act and the Listing Rules;

Registered Office means the registered office of the Company;

Restricted Securities has the same meaning given to it in the Listing Rules;

Secretary means a person appointed to the office of secretary of the Company from time to time; and

Share means a share in the capital of the Company.

1.2 Interpretation

In this Constitution, unless the context requires otherwise:

- (a) a reference to time is a reference to time in Sydney, Australia;
- (b) clause and subclause headings are for reference purposes only;

- (c) the singular includes the plural and vice versa;
- (d) words denoting any gender include all genders;
- (e) a reference to a person includes any other entity recognised by law and vice versa;
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (g) Dollar or \$ means the lawful currency of Australia at any time;
- (h) the word "month" means calendar month and the word "year" means 12 months;
- (i) the words "in writing" include any communication sent by letter, facsimile transmission or email or any other form of communication capable of being read by the recipient;
- (j) a reference to a thing includes a part of that thing;
- (k) the use of the word includes or including is not to be taken as limiting the meaning of the words preceding it;
- (l) the expression at any time includes reference to past, present and future time and performing any action from time to time;
- (m) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated;
- (n) any expression in this Constitution that is defined in the Listing Rules has the same meaning as in the Listing Rules; and
- (o) any expression in a provision of this Constitution that relates to a particular provision of the Act has the same meaning as in that provision of the Act.

1.3 Replaceable rules

The replaceable rules contained in the Act are displaced under section 135(2) of the Act and do not apply to the Company.

1.4 Compliance with the Act

This Constitution is subject to the Act and where there is any inconsistency between a clause of this Constitution and the Act which is not permissible under the Act, the Act prevails to the extent of the inconsistency.

1.5 Transitional

Everything done under this Constitution of the Company continues to have the same operation and effect after the adoption of any successor Constitution as if properly done under that Constitution.

1.6 Listing Rules and ASX Settlement Operating Rules only apply if Company is listed

In this Constitution, a reference to the Listing Rules or ASX Settlement Operating Rules:

- (a) only has effect if at the relevant time the Company is admitted to the Official List and is otherwise to be disregarded; and
- (b) is to be read taking into account any waivers or exemptions applicable to the Company.

1.7 Constitution subject to Listing Rules if the Company is listed

If the Company is admitted to the Official List, the following clauses apply:

- (a) despite anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act must not be done;
- (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

2. Capital

2.1 Power of Directors to issue Shares and other securities

- (a) The issue and the terms of issue of Shares, options over unissued Shares and other securities of the Company is under the control of the Directors.
- (b) Any Share, option or other security may be issued with such preferred, deferred or other special rights or restrictions, whether with regard to Dividends, voting, return of capital, payment of calls or otherwise, as the Directors decide.
- (c) Clause 2.1(a) has effect without prejudice to any special rights conferred on the holders of any issued Shares, options over unissued Shares or other securities.

2.2 Preference shares

- (a) The Company may issue preference shares, which may be issued:
 - (i) on terms that they are, at the option of either the Company or the holder or both, liable to be redeemed or converted into Shares; and
 - (ii) on such other terms as the Directors determine.
- (b) Preference shares will confer the right to receive a preferential Dividend, in priority to the payment of a Dividend on any other class of shares, at the rate and on the

basis determined by the Directors at the time of issue of the preference shares. The Directors may determine that the preferential Dividend will be cumulative.

- (c) In addition to the preferential Dividend, the Directors may determine at the time of issue of the preference shares that the preference shares may participate with the Shares in Dividends.
- (d) Preference shares will confer the right to payment in cash in priority to any other class of shares, on a winding up or on redemption (in the case of redeemable preference shares) of:
 - (i) the amount paid or agreed to be considered as paid on the preference shares; and
 - (ii) the amount equal to any Dividend accrued but unpaid on the preference shares.
- (e) The Directors may determine at the time of issue of any preference shares that they will confer the right to participate with Shares in the assets or profits of the Company, to the extent determined by the Directors.
- (f) Preference shares do not confer any further rights to participate in the assets or profits of the Company other than as set out in this clause 2.2.
- (g) Preference share holders have the same rights as Members to:
 - (i) receive notices of general meetings;
 - (ii) receive notices, reports and accounts; and
 - (iii) attend general meetings,
 but do not have the right to vote at general meetings except as set out in clause 2.2(h).
- (h) Preference share holders have the right to vote at general meetings:
 - (i) on a proposal:
 - (A) to wind up the Company;
 - (B) to reduce the share capital of the Company;
 - (C) that affects the rights attached to preference shares; or
 - (D) to dispose of all or substantially all of the Company's property, business and undertaking;
 - (ii) on a resolution to approve the terms of any buy-back agreement;
 - (iii) while a Dividend or part of a Dividend in respect of the preference shares is unpaid; or
 - (iv) any question considered at a meeting held during the winding up of the Company.

- (i) The holders of redeemable preference shares have the right to require the Company to redeem the preference shares in accordance with the terms of issue.
- (j) The Company may issue further preference shares ranking *pari passu* in all respects with (but not in priority to) other preference shares already issued and the rights of the issued preference shares are not to be taken to have been varied by the further issue of preference shares.

2.3 Classes of Shares

- (a) This clause applies when the share capital is divided into different classes of Shares.
- (b) The rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied:
 - (i) with the consent in writing of the holders of at least 75% of the issued Shares of that class; or
 - (ii) with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class.
- (c) The provisions of this Constitution relating to general meetings apply (with any necessary changes) to meetings of every separate class, except that any holder of Shares of the class present may demand a poll.
- (d) Unless otherwise provided by this Constitution, or by the terms of issue of any Shares, the issue of further Shares ranking equally with existing Shares is not a variation or abrogation of the rights attaching to those existing Shares.
- (e) The issue of any securities ranking in priority, or any conversion of existing securities to securities ranking in priority, to an existing class of preference Share is a variation or abrogation of the rights attaching to those preference Shares and requires approval under clause 2.3(b).

2.4 Brokerage

- (a) Subject to the Act and the Listing Rules, the Company may pay brokerage or commission to any person in consideration of the person:
 - (i) subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in the Company; or
 - (ii) procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any Shares in the Company.
- (b) Any brokerage or commission may be satisfied by:
 - (i) the payment of cash;
 - (ii) the allotment of Shares of the Company; or
 - (iii) a mixture of the above.

2.5 Non-recognition of equitable or other interests

Except as otherwise provided in this Constitution, the Company must treat the registered holder of any Share as the absolute owner of the Share and must not, except as ordered by a court or as required by statute, recognise (even when having notice) any equitable or other claim to or interest in the Share on the part of any other person.

3. Alteration of capital

3.1 Power to alter capital

- (a) The Company may, by resolution, make any reduction or alteration to the Company's share capital permitted by the Act.
- (b) Subject to the Act and the Listing Rules, a reduction of share capital may be effected in any lawful manner, including by cancellation of Shares, return of funds or distribution of assets in specie, as the Directors may approve.
- (c) The Directors may do anything required to give effect to a resolution altering the Company's share capital.
- (d) If a Member becomes entitled to a fraction of a Share, the Directors may determine how to deal with this, including, without limitation:
 - (i) authorising the sale of fractions of Shares and the distribution of net proceeds as they see fit, including authorising entry into any agreement with any person on behalf of the relevant Member; or
 - (ii) issuing fractional certificates for fractions of Shares.

3.2 Power to buy back Shares

The Company may, in accordance with the Act and the Listing Rules, buy back its own Shares on any terms and conditions determined by the Directors.

4. Certificates

4.1 Uncertificated holdings

To the extent that dealings in Shares or other securities take place in CHESS or any other CS Facility that provides for dealing in securities in uncertificated form, the Company is not required to issue certificates for those Shares or securities.

4.2 Certificates

- (a) If the Company is required by the Act, the Listing Rules or the ASX Settlement Operating Rules to issue certificates for Shares or other securities of the Company, the Directors must cause the Company to issue the certificates.
- (b) The Directors may cancel any certificates and replace lost, stolen or damaged certificates on such terms and in such a manner as they determine from time to time.

5. Transfer of Shares

5.1 Transfer of Shares

- (a) Shares may be transferred by:
 - (i) a transfer effected in accordance with the ASX Settlement Operating Rules (if applicable);
 - (ii) a written instrument of transfer in any form authorised by the Act; or
 - (iii) any other method of transfer permitted by the Act and the Listing Rules.
- (b) The Directors may do anything necessary or desirable to facilitate dealings in the Shares or other Company securities to be effected through CHESS or any other CS Facility. The Company must comply with the ASX Settlement Operating Rules or the operating rules of any other CS Facility, as applicable.
- (c) No fee may be charged by the Company on the transfer of any Shares, except to the extent that the fee is permitted by the Listing Rules.
- (d) A transferor of Shares remains the holder of the Shares until:
 - (i) the transfer has been effected in accordance with the ASX Settlement Operating Rules; or
 - (ii) the transferee's name is entered in the Register as the holder of the Shares.

5.2 Registration of written transfers

- (a) A written transfer referred to in clause 5.1(a)(ii) must be:
 - (i) duly executed and stamped (if required by Law); and
 - (ii) lodged for registration at the Registered Office or any other location approved by the Directors, together with:
 - (A) the certificate (if any) for the relevant Shares; and
 - (B) any other information that the Directors may require to establish the transferor's right to transfer the Shares.
- (b) Subject to any powers of the Company or the Directors to refuse registration (under clause 5.3 or otherwise), on compliance with clause 5.2(a), the Company must register the transferee as a Member.
- (c) The Directors may waive compliance with clause 5.2(a)(ii) on receipt of satisfactory evidence of loss or destruction of the certificate.

5.3 Refusing a transfer

Subject to the Act, the Listing Rules and the ASX Settlement Operating Rules, the Directors may in their absolute discretion ask ASX Settlement to apply a holding lock to prevent a transfer under the ASX Settlement Operating Rules, or refuse to register a paper-based transfer, of a Share where:

- (a) the Company has a lien on the Shares the subject of the transfer;
- (b) the Company is served with a court order that restricts the relevant Member's capacity to transfer the Shares;
- (c) registration of the transfer may breach an Australian Law and ASX has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a transfer;
- (d) this Constitution or the Listing Rules permits them to do so;
- (e) if the transfer is paper-based, a Law related to stamp duty prohibits the Company from registering it;
- (f) the transfer does not comply with the terms of any employee incentive scheme of the Company;
- (g) if the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a Marketable Parcel; or
- (h) the Member has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a paper-based transfer.

5.4 Notice of non-registration

If the Directors decline to register any transfer of Shares, the Company must, within 5 Business Days after the transfer is lodged with it, give to the person who lodged the transfer written notice of the decision to decline registration and the reason for it.

5.5 Suspension of transfers

Subject to the ASX Settlement Operating Rules, the Directors may suspend registration of transfers of Shares at any times and for any periods as they decide from time to time.

6. Transmission of Shares

6.1 Transmission of Shares on death

- (a) Where a Member dies:
 - (i) the surviving Member, where the deceased Member was a joint holder; and
 - (ii) the legal personal representatives of the deceased Member, where the Member was a sole holder,

are the only persons recognised by the Company as having any title to the Member's interest in the Shares.
- (b) The Directors may require evidence of a Member's death as they think fit.
- (c) This clause does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by the holder with another person or persons.

6.2 Transmission of Shares by operation of Law

- (a) Subject to any applicable Laws, if a person:
 - (i) becomes entitled to a Share in consequence of the death, incapacity or bankruptcy of a Member; and
 - (ii) provides the Directors with any information they reasonably require to establish their entitlement,
 the person may, by written notice, elect to:
 - (iii) be registered personally as holder of the Share; or
 - (iv) have another person registered as the transferee of the Share.
- (b) All the clauses of this Constitution relating to transfers and registrations are applicable to any transfer as if the death, incapacity or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

6.3 Dividends and other rights

Where a Member dies, becomes incapacitated or bankrupt, the Member's legal personal representative or the trustee of the Member's estate (as the case may be) is, on the production of all information as is properly required by the Directors, entitled to the same:

- (a) Dividends, entitlements and other advantages; and
 - (b) rights (whether in relation to meetings of the Company or to voting or otherwise),
- as the Member would have been entitled to if the Member had not died, become incapacitated or bankrupt.

7. Calls on Shares

7.1 Calls

- (a) Subject to the terms of issue of any Shares, the Directors may make calls on a Member in respect of money unpaid on the Member's Shares.
- (b) If the terms of issue of any Shares include a call program for the payment of money unpaid on the Shares, the relevant Members must pay all money payable in accordance with that call program.
- (c) The Directors may postpone the time for payment on a call or may revoke a call.
- (d) A call may be payable by instalments.
- (e) The Directors may differentiate between Members as to the amount of calls to be paid and the times of payment.
- (f) A call is made when the resolution of the Directors authorising the call is passed or otherwise as specified in the resolution.

- (g) The Company must send notices of a call to the relevant Members at least 30 Business Days before the due date for payment.
- (h) Members who receive a call must pay the called amount at the time or times and in the manner set out in the notice.
- (i) The non-receipt of a notice of a call, or the accidental omission to give notice of a call, does not invalidate the call.

7.2 Liability of joint holders for calls

The joint holders of a Share are jointly and severally liable to pay all calls in respect of the Share.

7.3 Interest on unpaid amounts

- (a) If an amount called or otherwise payable to the Company in respect of a Share is not paid before or on the day appointed for payment of the amount, the person from whom the amount is due must pay:
 - (i) interest on the amount from the day appointed for payment of the amount to the time of actual payment at a rate determined by the Directors but not exceeding the Prescribed Rate; and
 - (ii) any costs and expenses incurred by the Company by reason of the non-payment or late payment.
- (b) The Directors may waive payment of that interest wholly or in part.

7.4 Fixed sums taken to be called

- (a) Any sum that, under the terms of issue of a Share, becomes payable on issue or at or after a fixed or defined date is, for the purposes of this Constitution, taken to have been duly called and is payable on the date payable under the terms of issue.
- (b) If any other sum is not paid when due, all the provisions of this Constitution relating to payment of interest and expenses, forfeiture or otherwise apply as if that sum had become payable by virtue of a call duly made and notified.

7.5 Prepayments of calls

- (a) The Directors may accept from a Member the whole or a part of the amount unpaid on a Share even if that amount has not been called.
- (b) The Directors may authorise payment of interest on the whole or any part of an amount accepted under clause 7.5(a) until the amount becomes payable at a rate, not exceeding the Prescribed Rate, that is agreed between the Directors and the Member paying the sum.
- (c) The Directors may at any time repay the whole or any part of any amount paid in advance and any interest agreed ceases from the time of payment.

8. Lien on Shares

8.1 Company has lien

- (a) The Company has an exclusive first lien on every Share (and the proceeds of sale of every Share) for:
 - (i) any amount due and unpaid in respect of the Share that has been called or is payable at a fixed time;
 - (ii) any amounts which remain outstanding on loans made by the Company to acquire Shares under an employee incentive scheme;
 - (iii) all amounts that the Company has paid as required by Law in respect of the Share; and
 - (iv) reasonable expenses incurred because the amount has not been paid and reasonable interest on the amount from the date it was due for payment until the date of payment.
- (b) The Directors may at any time exempt a Share wholly or in part from this clause 8.1.
- (c) The Company's lien (if any) on a Share extends to all Dividends payable and entitlements in respect of the Share. The Company may retain those Dividends or entitlements and may apply them in or towards satisfaction of all amounts due to the Company in respect of that Share.
- (d) No person is entitled to exercise any rights or privileges as a Member until the Member has paid all amounts (including reasonable expenses and interest) for the time being payable in respect of every Share held by the Member.

8.2 Exercise of lien

- (a) Subject to clause 8.2(b), the Company may sell any Shares on which the Company has a lien, in the manner that the Directors think fit.
- (b) A Share on which the Company has a lien may not be sold unless:
 - (i) an amount in respect of which the lien exists is payable; and
 - (ii) at least 10 Business Days before the date of the sale, the Company has given to the Member or the person entitled to the Share by reason of the death, mental incapacity or bankruptcy of the Member, a notice in writing demanding payment of the amount.

8.3 Completion of sale

- (a) For the purpose of giving effect to a sale of Shares to enforce a lien, the Directors may authorise a person to do everything necessary to effect a transfer of the Shares in favour of the purchaser.
- (b) The Company must register the purchaser as the holder of the Shares comprised in any transfer, after which the validity of the sale may not be disputed by any person and the purchaser is not concerned with the application of the purchase money.

- (c) The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.
- (d) The purchaser is discharged from liability for any calls which were in default before the purchase of those Shares, unless otherwise expressly agreed.
- (e) The only remedy of any person aggrieved by any sale of a Share under this clause 8 is in damages and against the Company exclusively.

8.4 Application of proceeds of sale

The proceeds of a sale made to enforce a lien must be applied by the Company in the following order:

- (a) firstly, in payment of the costs of enforcement of the lien and of the sale;
- (b) secondly, in satisfaction of the amount in respect of which the lien exists as is then payable to the Company (including expenses and interest); and
- (c) thirdly, the residue (if any) to or at the direction of the person registered as the holder of the Shares immediately prior to the sale, on production of any evidence as to title required by the Directors.

9. Forfeiture and surrender of Shares

9.1 Liability to forfeiture

- (a) If a Member fails to pay a call or instalment of a call when due, the Directors may, at any time afterwards while any part of the call or instalment remains unpaid, serve a notice on the Member requiring payment of so much of the unpaid call or instalment, together with any accrued interest and all expenses incurred as a result of the non-payment.
- (b) The notice must:
 - (i) specify a day at least 10 Business Days after the date of the notice by which the payment is to be made and a place where the payment is to be made; and
 - (ii) state that the Shares in respect of which the call was made are liable to be forfeited if payment is not made by the time specified.

9.2 Surrender of Shares

Subject to the Act and the Listing Rules, the Directors may accept the:

- (a) surrender of any fully paid Share by way of compromise of any question as to the proper registration of the holder or in satisfaction of any payment due to the Company; and
- (b) gratuitous surrender of any fully paid Share.

Any Share so surrendered may be disposed of in the same manner as a forfeited Share.

9.3 Power to forfeit

- (a) Subject to the Act and the Listing Rules, if the requirements of a notice under clause 9.1 are not complied with, any Share in respect of which the notice has been given may, at any time afterwards but before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- (b) Such a forfeiture includes all Dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

9.4 Notice of forfeiture

- (a) Notice of the resolution approving the forfeiture must be given to the Member in whose name the Share was registered immediately before the forfeiture and an entry of the forfeiture and its date must be made promptly in the register.
- (b) The validity of any forfeiture is not affected in any way by any omission to give the notice or to make the entry in the register in accordance with clause 9.4(a).

9.5 Powers of Directors

- (a) A forfeited Share may be sold or otherwise disposed of as the Directors think fit.
- (b) A forfeiture of a Share may be cancelled on the terms that the Directors think fit at any time before a sale or disposition of the Share.
- (c) The proceeds of sale of a forfeited Share must be applied in the following order:
 - (i) firstly, in payment of all costs of or in relation to the sale;
 - (ii) secondly, in satisfaction of the amount in respect of the Shares as is then payable to the Company (including interest); and
 - (iii) thirdly, the residue (if any) to or at the direction of the person registered as the holder of the Shares immediately prior to the sale or to the person's estate, on production of any evidence as to title required by the Directors.

9.6 Consequences of forfeiture

A person whose Shares have been forfeited:

- (a) ceases to be a Member in respect of the forfeited Shares at the time of the Directors' resolution approving the forfeiture;
- (b) has no claims or demands against the Company in respect of those forfeited Shares;
- (c) has no other rights to the forfeited Shares except any rights expressly provided by the Act or this Constitution; and
- (d) remains liable to pay to the Company all amounts that, at the date of forfeiture, were payable by the person to the Company in respect of the Shares including, if the Directors think fit, reasonable expenses of the sale or disposal of the Shares and interest at the Prescribed Rate on the unpaid amounts from the date of forfeiture until the date of payment.

9.7 Evidentiary matters

Without prejudice to clause 9.4, a statement in writing by a Director or a Secretary of the Company to the effect that:

- (a) a Share in the Company has been duly forfeited on a date specified in the statement; or
- (b) a particular amount is payable by a Member or former Member to the Company at a particular date in respect of a call or instalment of a call (including interest),

is, in the absence of manifest error, conclusive evidence of the facts set out in the statement as against all persons claiming to be entitled to the Share and against the Member or former Member who remains liable to the Company under clause 9.6(d).

9.8 Transfers after forfeiture and sale

- (a) The Company may:
 - (i) receive the proceeds of sale or of disposition of a forfeited Share; and
 - (ii) transfer the Share to the transferee.
- (b) On registration of the transfer, the transferee is not bound to see to the application of any money paid as consideration.
- (c) The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

9.9 Fixed amounts taken to be calls

The provisions of this Constitution relating to forfeiture apply to non-payment of any sum that becomes payable for a Share at a defined time, as if that sum was payable as a call duly made.

10. Sale of small holdings of Shares

10.1 Definitions

In this clause:

Disposal Notice means a written notice given to the holder of a Small Holding under clause 10.2(b);

Issuer Sponsored Holding has the meaning given in the ASX Settlement Operating Rules;

Marketable Parcel has the meaning given in the Listing Rules; and

Small Holding means a parcel of Shares that is less than a Marketable Parcel.

10.2 Disposal Notice

- (a) This clause 10 sets out the procedures by which the Company may sell Shares which are a Small Holding.

- (b) If the Directors determine that a Member's holding of Shares is a Small Holding, they may send a Disposal Notice to that Member stating that the Company intends to sell the relevant Shares, unless within 6 weeks from the date the Disposal Notice is sent:
 - (i) the Member's holding of Shares increases to at least a Marketable Parcel;
 - (ii) the Member no longer holds the Shares; or
 - (iii) the Member gives written notice to the Company stating that it wishes to retain its holding.
- (c) If at 5.00 pm Sydney time on the last day of the 6 week period referred to in clause 10.2(b) the Member stills holds the Shares the subject of the Disposal Notice and:
 - (i) the Member's holding of Shares has not increased to at least a Marketable Parcel; and
 - (ii) the Member has not given a written notice to the Company under clause 10.2(b)(iii),

the Member is deemed to have irrevocably appointed the Company as its agent to sell the Shares as contemplated by clause 10.4 and to deal with the proceeds of sale in accordance with clause 10.5.
- (d) In addition to the powers of the Company and the Directors set out above, the Company may sell a Member's Shares that constitute a Small Holding if, any time after the adoption of this clause, the Shares are in a new holding created by the transfer of a parcel of Shares that was less than a Marketable Parcel:
 - (i) at the time a transfer under the ASX Settlement Operating Rules was initiated; or
 - (ii) in the case of a paper-based transfer document, at the time it was lodged with the Company.
- (e) Where clause 10.2(d) applies:
 - (i) the Company may give the Member notice in writing stating that the Company intends to sell or dispose of the Shares, and that the proceeds of the sale, less the costs of the sale, will be sent to the Member after the sale has been effected;
 - (ii) the Member is deemed to have irrevocably appointed the Company as its agent to sell the Shares as contemplated by clause 10.4 and to deal with the proceeds of sale in accordance with clause 10.5; and
 - (iii) the Directors may remove or change the Member's right to vote and to receive Dividends. Any Dividends that have been withheld must be sent to the Member after the sale of the Member's Shares.

10.3 Limits on Company's power to sell

- (a) The Company may only exercise its powers under clause 10.2 once in any 12 month period.

- (b) The Company's power to sell under clause 10.2 lapses following the announcement of a takeover bid for the Company. The procedure may be started again after the close of the offers made under the takeover.

10.4 Sale of Shares

- (a) The Company may sell the Shares which make up less than a Marketable Parcel as soon as practicable at a price which the Directors consider to be the best price reasonably obtainable for the Shares at the time they are sold.
- (b) For the purposes of effecting a sale, the Company may, in accordance with the ASX Settlement Operating Rules, move the Shares from a CHESS holding to an Issuer Sponsored Holding or into certificated form.

10.5 Proceeds of sale

- (a) For a sale arising from clause 10.2(c), the proceeds of the sale will not be sent to the former Member until the Company has received any certificate relating to the Shares (or is satisfied that the certificate has been lost or destroyed).
- (b) For a sale arising from clause 10.2(d), the proceeds of sale (less the costs of the sale) must be sent to the Member after the sale.
- (c) All money payable to a former Member under this clause which is unclaimed for 1 year after payment may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed or otherwise disposed of according to Law. No money payable under this clause by the Company to a former Member bears interest as against the Company.

10.6 Effect of sale

The exercise by the Company of its powers under this clause 10 extinguishes all interests in the Shares of the former Member, and all claims against the Company in respect of those Shares by that Member including all Dividends (whether final or interim) determined to be paid in respect of those Shares and not actually paid or accrued.

10.7 Further action

The Secretary may take any action on behalf of a Member to give effect to this clause as the Secretary considers necessary.

10.8 Registration of transfer

The Company may register a transfer of Shares whether or not any certificate for the Shares has been delivered to the Company.

10.9 Costs of sale

For a sale arising from clause 10.2(c), the Company bears the costs of sale of the Shares (but is not liable for tax on income or capital gains of the former Member).

10.10 Where Shares of 2 or more Members sold

If the Shares of 2 or more Members to whom this clause applies are sold to 1 purchaser, the transfer may be effected by 1 transfer.

10.11 Rights of purchaser

- (a) A certificate signed by the Secretary stating that Shares sold under this clause have been properly sold discharges the purchaser of those Shares from all liability in respect of the purchase of those Shares.
- (b) When a purchaser of Shares is registered as the holder of the Shares, the purchaser:
 - (i) is not bound to see to the regularity of the actions and proceedings of the Company under this clause or to the application of the proceeds of sale; and
 - (ii) has title to the Shares which is not affected by any irregularity or invalidity in the actions and proceedings of the Company.

10.12 Limit on Member's remedies

Any remedy of any Member to whom this clause applies in respect of the sale of the Member's Shares is limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

11. Proportional takeover approval provisions

11.1 Interpretation

In this clause 11:

- (a) **Associate** in relation to another person has the meaning given to that term in the Act for the purposes of subdivision C of Chapter 6.5 of the Act;
- (b) **Bidder** means a person making an offer for Shares under a Proportional Bid;
- (c) **Proportional Bid** means a proportional takeover bid as defined in section 9 of the Act; and
- (d) **Relevant Day**, in relation to a Proportional Bid, means the day that is 14 days before the last day of the bid period.

11.2 Transfers prohibited without approval

Where a Proportional Bid in respect of Shares included in a class of Shares in the Company has been made:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Bid is prohibited unless and until a resolution (**Approving Resolution**) to approve the Proportional Bid is passed, or is deemed to have been passed, in accordance with Subdivision C of Chapter 6.5 of the Act;
- (b) a Member (other than the Bidder or an Associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Bid was made, held Shares included in the bid class is entitled to vote on an Approving Resolution and, for the purposes of so voting, is entitled to 1 vote for each such Share;

- (c) neither the Bidder nor an Associate of the Bidder may vote on an Approving Resolution;
- (d) an Approving Resolution must be voted on at a meeting of the Members entitled to vote on the resolution which has been convened and conducted by the Company; and
- (e) an Approving Resolution is passed if more than 50% of the votes cast on the resolution by Members Present and entitled to vote on the resolution are in favour of the resolution.

11.3 Meetings

- (a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require, in relation to a meeting that is convened for the purposes of this clause 11.
- (b) The Directors of the Company must ensure that the Approving Resolution is voted on in accordance with this clause before the Relevant Day.
- (c) Where an Approving Resolution is voted on in accordance with this clause, then before the Relevant Day, the Company must:
 - (i) give to the Bidder; and
 - (ii) serve on ASX,
 a written notice stating that a resolution to approve the Proportional Bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

11.4 Deemed approval

Where, as at the end of the day before the Relevant Day in relation to a Proportional Bid, no Approving Resolution to approve the Proportional Bid has been voted on in accordance with this clause, an Approving Resolution to approve the Proportional Bid is, for the purposes of this clause, deemed to have been passed under this clause 11.

11.5 Proportional Bid rejected

Where an Approving Resolution is voted on and is rejected then:

- (a) despite section 652A of the Act, all offers under the Proportional Bid that have not, as at the end of the Relevant Day, resulted in binding contracts are deemed to be withdrawn at the end of the Relevant Day;
- (b) the Bidder must immediately, after the end of the Relevant Day, return to each Member any documents that were sent by the Member to the Bidder with the acceptance of the offer;
- (c) the Bidder may rescind and must, as soon as practicable after the end of the Relevant Day, rescind each contract resulting from the acceptance of an offer made under the Proportional Bid; and
- (d) a Member who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.

11.6 Duration of clause

This clause 11 ceases to have effect on the later to occur of:

- (a) the third anniversary of its adoption; or
- (b) the third anniversary of its most recent renewal effected under the Act.

12. General meetings

12.1 Power of Directors to convene

- (a) The Directors may convene a general meeting of Members whenever they think fit.
- (b) The Members may require the Directors to convene a general meeting as permitted by the Act.
- (c) Subject to the Act and without limiting clause 12.3(b) or 12.3(c), the Directors may cancel or postpone any general meeting or change its venue by giving appropriate notice to all persons to whom the notice of the original meeting was given, but may not cancel a general meeting which was called or requisitioned by persons other than the Directors without the prior written consent of the requisitioning persons.
- (d) In relation to general meetings of Members, a **meeting** includes:
 - (i) all adjournments of a meeting;
 - (ii) any meeting convened to be held by those entitled to be present, meeting simultaneously in different locations as determined by the Directors; and
 - (iii) a Hybrid Meeting.
- (e) The business of a general meeting held under clause 12.1(d)(ii) and 12.1(d)(iii) cannot be validly considered, and any resolutions at that meeting have no effect, unless:
 - (i) subject to clause 12.2, the Members Present at each place or via each electronic facility as a whole have a reasonable opportunity to hear and participate in the business of the general meeting as it is being conducted, both at the place at which the Chairperson of the general meeting is present and at each other place or by each electronic facility; and
 - (ii) satisfactory provision is made at each place or by each electronic facility for the recording of all votes cast,

and on satisfying these conditions, the general meeting is taken to be held where the Chairperson of the general meeting conducts the meeting and all proceedings conducted in that manner are as valid and effective as if conducted at a single gathering of a quorum of those entitled to be present.

12.2 Hybrid Meeting

- (a) Notwithstanding any other clause of this Constitution:

- (i) the Directors may determine in relation to any general meeting (including any general meeting that is being held at more than one physical place) to enable any person entitled to attend and participate to do so by simultaneous attendance and participation by means of an electronic facility or facilities (**Hybrid Meeting**);
- (ii) the members present in person, by proxy, or by means of an electronic facility or facilities at a general meeting that is a Hybrid Meeting will be counted in the quorum for, and entitled to participate, in that general meeting;
- (iii) a Hybrid Meeting will be duly constituted and its proceedings valid if the Chairperson of the meeting is satisfied that adequate facilities are available throughout the meeting to:
 - (A) ensure the Members Present are given a reasonable opportunity to participate in the business for which the meeting has been convened;
 - (B) enable the Chairperson to be aware of proceedings at the Hybrid Meeting; and
 - (C) enable the Members Present at the Hybrid Meeting to vote on a show of hands or on a poll;
- (iv) subject to the requirements of the Corporations Act, if a general meeting is a Hybrid Meeting or is otherwise held partly by means of an electronic facility or facilities, the Directors (and, at the general meeting, the Chairperson of that meeting) may make any arrangement and impose any requirement or restriction in connection with participation by such electronic facility or facilities, including any arrangement requirement or restriction that is:
 - (A) necessary to ensure the identification of those taking part and the security of the electronic facility; and
 - (B) proportionate to the achieve the objectives specified in clause 12.2(a)(iii); and
- (v) if during a meeting that is a Hybrid Meeting, any technical difficulty occurs whereby one or more of the objectives specified in clause 12.2(a)(iii) is not satisfied, the Chairperson may:
 - (A) adjourn the meeting until the technical difficulty is remedied or the Chairperson otherwise believes that the objectives specified in clause 12.2(a)(iii) are satisfied; or
 - (B) continue to hold the meeting in the place where the Chairperson is present (and any other place which is not affected by such technical difficulty) and transact business, and no Member Present, may object to the meeting being held or continuing;
- (vi) the inability of one or more Members to access, or to continue to access, the electronic facility or facilities for participation in a Hybrid Meeting does not affect the validity of the general meeting or the business conducted at the meeting provided that sufficient Members are able to participate in the meeting as are required to constitute quorum under clause 12.5.

- (b) For the avoidance of doubt, the Directors are under no obligation to offer to provide any electronic facilities for a general meeting.

12.3 Notice of general meetings

- (a) Each notice convening a general meeting must specify:
 - (i) the place, date and time of the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this);
 - (ii) if the meeting is a Hybrid Meeting, the details of such electronic facility or facilities, including related access, identification and security arrangements, or must state where those details will be made available by the Company prior to the meeting; and
 - (iii) the general nature of the business to be transacted at the meeting.
- (b) Subject to clause 12.3(e) if, after sending a notice of general meeting which was intended to be a Hybrid Meeting, but prior to the meeting, the Directors decide that it is impracticable or unreasonable to hold the meeting at the time specified in the notice or by the electronic facility specified in accordance with clause 12.3(a)(ii), the Directors may change:
 - (i) the meeting to remove the ability for the persons entitled to attend and participate in the meeting to do so by an electronic facility;
 - (ii) the electronic facility or facilities to be used for the general meeting; or
 - (iii) postpone the time at which the meeting is to be held.
- (c) If a decision is made by the Directors under clause 12.3(b), the Directors may then change again the electronic facility (or facilities) or postpone the time if they decide that it is reasonable to do so before that meeting is held.
- (d) In relation to any decision made in accordance with clauses 12.1(c), 12.2(a)(v), 12.3(b) or 12.3(c):
 - (i) no new notice of meeting is required to be sent, but the Directors must take reasonable steps to publicise a change to the date and time of the meeting or the means of attendance and participation (including any change to the place or electronic facility) for the meeting;
 - (ii) the Directors must take reasonable steps to ensure that notice of the change or removal of the electronic facility (or facilities) for participation in the meeting (if any) or the postponement (if any), must appear at the original place (or places) or on the original electronic facility (or facilities) of the meeting, in each case at the original time specified for the meeting; and
 - (iii) if the general meeting is postponed, the appointment of a proxy will be valid if it is received as required by this Constitution not less than 48 hours before the postponed time appointed for the holding the meeting, provided that the Directors may at their discretion determine that, in calculating the period of 48 hours, no account will be taken of any part of a day that is not a Business Day.

- (e) Clauses 12.3(b) and 12.3(c) do not apply to a meeting convened in accordance with a member's requisition under the Corporations Act or any other meeting that is not called by resolution of the Board.
- (f) Notice of a general meeting must be provided to Members at least 28 clear days before the meeting is to be held.
- (g) A notice convening an annual general meeting need not state the general nature of business of the kind referred to in clause 12.3(a) but, if the business includes the election of Directors, the names of the candidates for election must be stated.
- (h) The non-receipt of a notice convening a general meeting by, or the accidental omission to give notice to, any person entitled to receive notice does not invalidate the proceedings at or any resolution passed at the meeting.
- (i) Subject to the Act the Company may give notices to Members electronically by notifying the Member:
 - (i) that the notice is available; and
 - (ii) how the Member may use electronic means to access the notice,
 by any electronic means permitted by the Act and to an electronic address nominated by the relevant Member for the purpose of receiving notices.

12.4 Annual general meetings

Annual general meetings of the Company must be held in accordance with the Act and the Listing Rules. The business of an annual general meeting is to:

- (a) consider the annual report, Directors' report and the auditor's report;
- (b) elect Directors;
- (c) (where relevant) appoint the auditor;
- (d) fix the remuneration of the auditors; and
- (e) transact any other business that may be properly brought before the meeting.

12.5 Quorum

- (a) No business may be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
- (b) Except as otherwise provided in this Constitution, a quorum constitutes:
 - (i) 5 Members Present; or
 - (ii) where the total number of Members is less than 5, all those Members being the Members Present.

12.6 If a quorum not present

- (a) If a quorum is not present within 15 minutes after the time appointed for the general meeting:

- (i) where the meeting is convened on the requisition of Members, the meeting must be dissolved (subject to clause 12.8(a)); and
- (ii) in any other case:
 - (A) the meeting stands adjourned to a day and at a time and place (including by any electronic facilities) as the Directors decide or, if no decision is made by the Directors, to the same day in the next week at the same time and place; and
 - (B) if at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for the meeting, the meeting must be dissolved.
- (b) For the purpose of clause 12.6(a), a quorum will not be present in circumstances where the number of Members Present is less than the requirements specified in clause 12.5(b) as a result of an electronic facility provided by, or on behalf, of the Company being or becoming inadequate to enable the Members attending by way of the electronic facility to:
 - (i) participate in the business for which the meeting has been convened; and
 - (ii) vote on matters being considered at the general meeting.
- (c) For the avoidance of doubt, in no circumstances will the ability of one or more Members to access, or to continue to access, the electronic facility or facilities for participation in the meeting affect the validity of the meeting or any business conducted at any meeting, provided that sufficient Members are able to participate in the meeting as required by clause 12.5(b).

12.7 Chairing meetings

- (a) Subject to clause 12.7(b), the Chairperson must chair every general meeting.
- (b) If at a general meeting:
 - (i) there is no Chairperson; or
 - (ii) the Chairperson is not present within 15 minutes after the time appointed for the meeting or is unwilling to act as chair,

the Directors present must choose one of their number or, in the absence of all Directors or if none of the Directors present wish to act, the Members Present must elect one of their number to chair the meeting.
- (c) Where a person is appointed to chair a meeting under clause 12.7(b), in relation to that meeting, references to the Chairperson in this Constitution include a reference to that person.

12.8 Adjournments

- (a) The Chairperson of the general meeting may adjourn the meeting from time to time and from place to place and with such additional means of attendance and participation (including by electronic facilities) including where it appears to him or her that an electronic facility provided on behalf of the Company for the meeting has become inadequate to enable Members to attend or have a reasonable opportunity to participate in the meeting.

- (b) No business may be transacted at any continuation of an adjourned meeting other than the business left unfinished at the meeting which has been adjourned.
- (c) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.
- (d) Except as provided by clause 12.8(c), it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

12.9 Voting at general meetings

- (a) Subject to clause 12.9(b), any resolution to be considered at a general meeting will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands. Before a vote is taken, the Chairperson of the meeting must inform the meeting of how many proxy votes have been received and how the proxy votes are to be cast on that resolution.
- (b) A resolution put to the vote at a general meeting held partly by means of an electronic facility or facilities must be decided on a poll.
- (c) A declaration by the Chairperson of the general meeting that a resolution has on a show of hands been carried or lost and an entry to that effect in the minutes of the meeting is conclusive evidence of the fact without the need to show the number or proportion of the votes recorded in favour of or against the resolution.
- (d) A poll may be demanded:
 - (i) by the Chairperson of the general meeting;
 - (ii) by at least 5 Members Present and having the right to vote at the meeting; or
 - (iii) by a Member or Members Present with at least 5% of the votes that may be cast on the resolution on a poll.
- (e) The demand for a poll may be withdrawn.
- (f) A poll may not be demanded on the election of a person to chair a meeting or on a resolution for adjournment.

12.10 Procedure for polls

- (a) A poll, when demanded, is to be taken in the manner and at the time the Chairperson of the general meeting directs.
- (b) The result of the poll is a resolution of the general meeting at which the poll was demanded.
- (c) The demand for a poll does not prevent a general meeting from proceeding with any other business.

12.11 Chairperson has no casting vote

Subject to the Act and the Listing Rules, in the case of an equality of votes on a show of hands or on a poll the Chairperson of the general meeting does not have casting vote on the resolution and the matter is decided in the negative.

12.12 Representation and voting of Members

Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of Shares:

- (a) at general meetings of Members or classes of Members each Member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the Member is a body corporate) by representative;
- (b) on a show of hands:
 - (i) every Member Present having the right to vote at the meeting has 1 vote;
 - (ii) every person present who represents more than one Member, either personally, by proxy, attorney or as representative, has 1 vote; and
- (c) on a poll, every Member Present has:
 - (i) 1 vote for each fully paid Share; and
 - (ii) in the case of partly paid Shares, that proportion of a vote as is equal to the proportion which the amount paid up on that Member's Share bears to the total issue price for the Share, excluding calls paid in advance of the due date for payment.

12.13 Joint holders

Where more than 1 joint holder votes, the vote of the holder whose name appears first in the Register must be accepted to the exclusion of the others whether the vote is given personally, by attorney or proxy.

12.14 Members of unsound mind and minors

- (a) If a Member is:
 - (i) of unsound mind;
 - (ii) a person whose person or estate is liable to be dealt with in any way under the Law relating to mental health; or
 - (iii) a minor,

the Member's committee or trustee or any other person who has proper management or guardianship of the Member's estate or affairs may, subject to clause 12.14(b), exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were the Member.
- (b) Any person with powers of management or guardianship cannot exercise any rights under clause 12.14(a) unless the person has provided the Directors with satisfactory evidence of the person's appointment and status.

12.15 Restriction on voting rights - unpaid amounts

A Member is not entitled to vote in respect of a security giving the holder the right to vote unless all calls and other sums presently payable by the Member in respect of that security have been paid.

12.16 Objections to qualification to vote

- (a) An objection to the qualification of a person to vote may be raised only at the meeting or adjourned meeting at which the vote objected to is tendered.
- (b) Any objection must be referred to the Chairperson of the meeting, whose decision is final.
- (c) A vote allowed after an objection is valid for all purposes.

12.17 Direct voting

- (a) The Directors may determine that, at any general meeting or class meeting, a Member who is entitled to attend and vote on a resolution at that meeting is entitled to vote by direct vote in respect of that resolution. A direct vote includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors.
- (b) Where clause 12.17(a) applies, the notice of meeting must indicate that direct voting is available at the relevant meeting or on particular resolutions.
- (c) The Directors may prescribe regulations, rules and procedures in relation to direct voting, including (without limitation):
 - (i) specifying the form, method and timing of casting a direct vote at a meeting for the vote to be valid; and
 - (ii) the circumstances in which a direct vote may be withdrawn by the Member or deemed withdrawn.

12.18 Number of proxies

- (a) A Member who is entitled to attend and cast a vote at a general meeting of the Members may appoint a person as the Member's proxy to attend and vote for the Member at the meeting.
- (b) An appointment of a proxy may specify the proportion or number of votes that the proxy may exercise.
- (c) If a Member is entitled to cast 2 or more votes at a meeting, the Member may appoint 2 proxies. If the Member appoints 2 proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise half of the Member's votes.

12.19 Form of proxy

- (a) An instrument appointing a proxy is valid if it is in the form specified by the Directors from time to time and is:
 - (i) signed by or on behalf of the Member of the Company making the appointment; and
 - (ii) contains the following information:
 - (A) the Member's name and address;
 - (B) the Company's name;

- (C) the proxy's name or the name of the office held by the proxy; and
 - (D) the meetings at which the appointment may be used.
- (b) The proxy form must provide for the Member to vote for or against each resolution and may provide for abstention to be indicated.
 - (c) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution. Where it does so, the proxy is not entitled to vote on the resolution except as specified in the instrument. A proxy may vote as the proxy thinks fit on any motion or resolution in respect of which no manner of voting is indicated.
 - (d) An instrument appointing a proxy confers authority to demand or join in demanding a poll.
 - (e) Despite clause 12.13, where an instrument of proxy is signed by all of the joint holders of any Shares, the votes of the proxy so appointed must be accepted in respect of those Shares to the exclusion of any votes tendered by a proxy for any one of those joint holders.

12.20 Where proxy is incomplete

- (a) No instrument appointing a proxy is treated as invalid merely because:
 - (i) it does not contain the address of the appointor or proxy;
 - (ii) it is not dated; or
 - (iii) in relation to any or all resolutions, it does not contain an indication of the manner in which the proxy is to vote.
- (b) Where the instrument does not specify the name of a proxy, the instrument is treated as given in favour of the Chairperson of the meeting.

12.21 Lodgement of proxies

- (a) An instrument appointing a proxy is not treated as valid unless:
 - (i) the instrument; and
 - (ii) the power of attorney or other authority (if any) under which the instrument is signed; or
 - (iii) a copy of that power or authority certified in a manner acceptable to the Directors,

are lodged not less than 48 hours (or any shorter period as the Directors may permit, subject to the Act) before the time for holding the meeting at the place specified for that purpose in the notice of the meeting or, if none, at the Registered Office.
- (b) An instrument appointing a representative to act for a Member at all meetings of the Company or at all meetings for a specified period is not treated as valid unless:
 - (i) the instrument of appointment or a certified copy of it, duly signed by hand or electronically authenticated in accordance with clause 12.21(c)(ii); and

- (ii) any evidence as to the validity and non-revocation of that authority as may be required by the Directors,

are lodged not less than 48 hours before the time for holding the meeting at the place or electronic address specified for that purpose in the notice of the meeting or, if none, at the Registered Office.

- (c) For the purposes of this clause 12:

- (i) a legible facsimile or other electronic transmission of any document which appears on its face to be an authentic copy of that proxy is received at a place specified in the notice is duly lodged at that place at the time when the facsimile or other electronic transmission is received; and
- (ii) subject to the Act, instead of signing or executing an instrument of appointment, a Member may electronically authenticate the appointment of a proxy or a corporate representative, provided that:
 - (A) the Member is identified by personal details as required by the Company;
 - (B) the Member's approval of the information communicated to the Company is accompanied by a personal identification number or any other number provided by the Company; and
 - (C) the Member complies with any other requirements of the Company.

12.22 Validity of proxies

- (a) A vote exercised in accordance with the terms of an instrument of proxy, a power of attorney or other relevant instrument of appointment is valid despite:
 - (i) the previous death or mental incapacity of the principal;
 - (ii) the revocation of the relevant instrument (or of the authority under which the instrument was executed) or the power of attorney; or
 - (iii) the transfer of the Share in respect of which the instrument or power of attorney is given,

if no notice in writing of the death, mental incapacity, revocation or transfer has been received by the Company at its Registered Office before the commencement of the meeting at which the instrument or power of attorney is used.
- (b) A proxy is not revoked by the principal attending and taking part in the meeting, unless the principal actually votes on the resolution for which the proxy is proposed to be used.

12.23 Right of officers and advisers to attend general meeting

- (a) A Director who is not a Member is entitled to be present and to speak at any general meeting.
- (b) A Secretary who is not a Member is entitled to be present and, at the request of the Chairperson of the meeting, to speak at any general meeting.

- (c) Any other person (whether a Member or not) required by the Directors to attend any general meeting is entitled to be present and, at the request of the Chairperson of the meeting, to speak at that general meeting.

12.24 Use of technology

The Company may hold a general meeting at 2 or more venues using any technology that gives Members a reasonable opportunity to participate.

12.25 Minutes

- (a) The Company must keep minute books in which it records within 30 days:
 - (i) proceedings and resolutions of meetings of the Members;
 - (ii) proceedings and resolutions of Directors' meetings and resolutions passed by Directors without a meeting; and
 - (iii) resolutions passed by Members without a meeting.
- (b) The Company must ensure that minutes are signed within a reasonable time after the date of the meeting or of the resolution being passed by:
 - (i) the Chairperson of the meeting; or
 - (ii) the Chairperson of the next meeting; or
 - (iii) in the case of a resolution without a meeting, a Director.

13. Appointment, removal and remuneration of Directors

13.1 Appointment and removal

- (a) There must be at least 3 Directors, or such greater number of Directors not exceeding 10 as the Directors think fit, in office at all times.
- (b) Subject to the Act, the Company may at any time by resolution passed in general meeting:
 - (i) appoint any person to be a Director; or
 - (ii) remove any Director from office.
- (c) Subject to the Act, the Directors may at any time appoint any person to be a Director.
- (d) A person appointed under clause 13.1(c) holds office until the end of the next annual general meeting following their appointment and is eligible for election at that meeting. This clause 13.1(d) does not apply to any Managing Director appointed under clause 13.1(c).

13.2 No Share qualification

Directors are not required to hold Shares.

13.3 Retirement at each annual general meeting

- (a) Subject to clause 16.1 and only when the Company is admitted to the Official List, no Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the Director's election, whichever is the longer, without submitting himself or herself for re-election.
- (b) There must be an election of Directors at each annual general meeting. The Director or Directors to retire at each annual general meeting are any one or more of the following, as applicable:
 - (i) any Director required to retire under clause 13.3(a) and standing for re-election;
 - (ii) any Director required to submit for election under clause 13.1(d);
 - (iii) a person standing for election as a new Director; or
 - (iv) if no person is standing for election or re-election under clauses 13.3(b)(i) to 13.3(b)(iii); then the Director who has been in office the longest since last being elected. Between Directors who were elected on the same day, the Director to retire will be decided by lot, unless the relevant Directors agree otherwise.
- (c) Clauses 13.3(a) and 13.3(b) do not apply to the Managing Director.
- (d) A retiring Director is eligible for re-election without needing to give any prior notice of an intention to submit for re-election and holds office as a Director until the end of the meeting at which the Director retires.
- (e) No person other than a retiring Director or a Director vacating office under clause 13.1(d) is eligible to be elected a Director at any general meeting unless a written notice of the person's nomination for election is given to the Company at least 35 Business Days (or in the case of a meeting that Members have requested the Directors to call, 30 Business Days) before the meeting.

13.4 Remuneration

- (a) Subject to clause 13.4(b) and the Listing Rules, the Directors are entitled to be paid for their services as Directors such annual fees as the Directors determine, provided the annual fees do not exceed in aggregate the maximum sum that is from time to time approved by the Members in a general meeting in accordance with the Listing Rules.
- (b) Clause 13.4(a) does not apply to the remuneration of the Managing Director and any other executive Directors. Remuneration payable by the Company and any entity under its control to the Managing Director and any other executive Directors must not be a commission on, or percentage of, profits or operating revenue.
- (c) The fees fixed under clause 13.4(a):
 - (i) are divided among the Directors in the proportions and on the basis as they may agree or, if they cannot agree, equally among them; and
 - (ii) are exclusive of any benefits which the Company may provide to Directors in satisfaction of legislative schemes including, without limitation, benefits

provided under superannuation guarantee or similar schemes or any other benefit permitted by the Act or this Constitution.

- (d) Any Director may elect to have his or her remuneration paid in cash or in any other form agreed by the Director and the Company, such as superannuation contribution, motor vehicle payments, or any other form, subject always to being within the remuneration practices of the Company and compliant with the Listing Rules.
- (e) The Directors are entitled to be paid or reimbursed (in accordance with the Company's policies applicable to the reimbursement of management expenses) for all travelling and other expenses properly incurred by them in attending and returning from any meeting of the Directors, meeting of any committee of the Directors, general meeting of the Company or otherwise in connection with the business of the Company.
- (f) If, with the approval of the Directors, any Director performs extra services or makes any special exertions for the benefit of the Company, the Directors may approve the payment to that Director of special and additional remuneration as the Directors think fit, having regard to the value to the Company of the extra services or special exertions. Any remuneration paid under this clause 13.4(f) may be in addition to the fees paid in accordance with clause 13.4(a).
- (g) A Director may be engaged by the Company in any other capacity (other than as auditor) and may be appointed on such terms as to remuneration, tenure of office and otherwise as may be agreed by the Directors.
- (h) Fees payable by the Company and any entity under its control to non-executive Directors are to be by fixed sum, and not by commission on, or percentage of, profits or operating revenue.

13.5 Vacation of office

- (a) In addition to the circumstances in which the office of a Director becomes vacant:
 - (i) under the Act;
 - (ii) because of a resolution under clause 13.1(b)(ii); or
 - (iii) under clause 13.3,
 the office of a Director becomes vacant if the Director:
 - (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Law relating to mental health;
 - (v) resigns by notice in writing to the Company;
 - (vi) dies;
 - (vii) is absent (and not represented by an alternate Director) from meetings of the Directors for a continuous period of 6 months without special leave of absence from the Directors and the Board resolves that his or her office be vacated; or

- (viii) is an employee of the Company or a related body corporate of the Company (including a Managing Director) and ceases to be an employee of the Company or a related body corporate of the Company.
- (b) A Director whose office becomes vacant under clause 13.5(a)(viii) is eligible for reappointment or re-election as a Director of the Company.

13.6 Retiring allowance for Directors

- (a) Subject to the Act and the Listing Rules, the Company may:
 - (i) make any payment or give any benefit to any Director or any other person in connection with the Director's retirement, resignation from or loss of office or death while in office;
 - (ii) make contracts or arrangements with a Director or a person about to become a Director of the Company under which the Director or any person nominated by the Director is paid or provided with a lump sum payment, pension, retiring allowance or other benefit on or after the Director or person about to become a Director ceases to hold office for any reason;
 - (iii) make any payment under any contract or arrangement referred to in clause 13.6(a)(ii); and
 - (iv) establish any fund or scheme to provide lump sum payments, pensions, retiring allowances or other benefits for:
 - (A) Directors ceasing to hold office; or
 - (B) any person including a person nominated by the Director, in the event of the Director's death while in office,

and from time to time pay to the fund or scheme any sum as the Company considers necessary to provide those benefits.
- (b) The Company may impose any conditions and restrictions under any contract, arrangement, fund or scheme referred to in clause 13.6(a) as it thinks proper.
- (c) The Company may authorise any subsidiary to make a similar contract or arrangement with the subsidiary's directors and make payments under it or establish and maintain any fund or schemes, whether or not all or any of the directors of the subsidiary are also Directors of the Company.

14. Powers and duties of Directors

14.1 Powers of Directors

- (a) Subject to the Act and this Constitution, the Directors are responsible for managing the business of the Company and may exercise all powers of the Company which are not required to be exercised by the Company in a general meeting by the Act or this Constitution.
- (b) Without limiting the generality of clause 14.1(a), the Directors may exercise all the powers of the Company to:

- (i) borrow or raise money;
- (ii) grant security over any property or business of the Company or all or any of its uncalled capital;
- (iii) pay interest on any debt due by the Company; and
- (iv) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

14.2 Appointment of attorneys and representatives

- (a) The Directors may, by power of attorney or by general or specific appointment, appoint such person or persons to be an attorney or representative of the Company for the purposes, with the powers, authorities and discretions vested in or exercisable by the Directors for any period and subject to any conditions as they think fit.
- (b) Any appointment under clause 14.2(a) may be made on terms for the protection and convenience of persons dealing with any such attorney or representative as the Directors think fit and may also authorise an attorney or representative to delegate all or any of the powers, authorities and discretions vested in the attorney or representative.

14.3 Negotiable instruments and electronic payments

- (a) All negotiable instruments of the Company are to be executed by the persons and in the manner determined by the Directors from time to time.
- (b) All electronic payments by the Company are to be made or authorised in the manner determined by the Directors from time to time.

15. Proceedings of Directors

15.1 Proceedings

- (a) The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) A Director may at any time, and the Secretary must on the request of a Director, convene a meeting of the Directors.
- (c) Reasonable notice of the place, date and hour of every meeting of the Directors must be given to every Director. Where any Director is for the time being outside Australia, notice need only be given to that Director if contact details have been given, but notice must always be given to any alternate Director in Australia whose appointment by that Director is for the time being in force.

15.2 Meetings by telecommunications

The Directors may hold a valid meeting using any medium by which each of the Directors can simultaneously hear all the other participants (including telephone and video conferencing), and in that case:

- (a) the participating Directors are taken to be present at the meeting for the purposes of this Constitution concerning meetings of Directors;

- (b) the meeting is taken to be held where the Chairperson of the meeting is; and
- (c) all proceedings of the Directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present in person.

15.3 Quorum at meetings

At a meeting of Directors, the number of Directors whose presence is necessary to constitute a quorum is the number determined by the Directors and, if not so determined, is 3 Directors entitled to vote.

15.4 Chairperson of Directors

- (a) The Directors may elect one of their number as their Chairperson and may decide the period during which the Chairperson is to hold that office.
- (b) Where a meeting of Directors is held and:
 - (i) a Chairperson has not been elected as provided by clause 15.4(a); or
 - (ii) the Chairperson is not present within 15 minutes of the time appointed for the holding of the meeting or is unwilling to act as chair,

the Directors present must elect one of their number to chair the meeting.
- (c) Where a person is appointed to chair a meeting under clause 15.4(b), in relation to that meeting, references to the Chairperson in this Constitution include a reference to that person.

15.5 Proceedings at meetings

- (a) Subject to this Constitution, questions arising at a meeting of Directors are decided by a majority of votes of Directors present in person or by their alternate director (if any) and voting and for all purposes any such decision is taken to be a decision of the Directors.
- (b) In the case of an equality of votes, the Chairperson of the meeting does not have a casting vote on that resolution and the matter is decided in the negative.

15.6 Disclosure of interests

- (a) A Director is not disqualified by the Director's office from contracting with the Company in any capacity.
- (b) A contract or arrangement made by the Company with a Director or in which a Director is in any way directly or indirectly interested may not be avoided merely because the Director is a party to or interested in it.
- (c) A Director is liable to account to the Company for any profits derived in respect of a matter in which the Director has a material interest, merely because of the Director's office or the fiduciary relationship it entails, unless the Director:
 - (i) declares the Director's interest in the matter as soon as practicable after the relevant facts come to the Director's knowledge; and
 - (ii) does not breach this Constitution or the Act in relation to the matter.

- (d) A general notice stating:
 - (i) that the Director is an officer or member of a specified body corporate or firm; and
 - (ii) the nature and extent of the Director's interest in that body corporate or firm in a matter involving the Company and that body corporate or firm,

is sufficient declaration of the Director's interest, provided the extent of that interest is at the time of first consideration of the matter by the Directors no greater than was stated in the notice.
- (e) Except as permitted by the Act and the Listing Rules, a Director must not:
 - (i) participate in and vote at; or
 - (ii) be present while the matter is being considered,

at a meeting of the Directors at which there is considered any matter in which the Director has a direct or indirect material interest or any lesser interest.
- (f) Subject to compliance with this clause 15.6 and the Act, a Director who is interested in any contract or arrangement is not prevented from signing, affixing or witnessing the affixing of a seal to the document evidencing the contract or arrangement by virtue of that interest.

15.7 Alternate Directors and attendance by proxy

- (a) A Director may:
 - (i) with the approval of a majority of the other Directors, appoint a person (whether a Member of the Company or not); or
 - (ii) without the need for the approval of the other Directors, appoint another Director,

to be an alternate Director in the Director's place during any period that the Director thinks fit.
- (b) An alternate Director is entitled to notice of meetings of the Directors and, if the appointor is not present at such a meeting, is entitled to attend, participate and vote in the Director's stead.
- (c) An alternate Director may exercise all the powers and perform all the duties of the appointor, except the power to appoint an alternate Director. The exercise of any power by the alternate Director is as officer of the Company and not as agent of the appointor and the alternate Director is responsible to the Company for his or her own acts and omissions.
- (d) Where the alternate is another Director, that Director is entitled to cast a deliberative vote on the Director's own account and on account of each person by whom the Director has been appointed as an alternate Director.
- (e) The appointment of an alternate Director:
 - (i) may be terminated or suspended at any time by the appointor even if the period of the appointment of the alternate Director has not expired; and

- (ii) terminates automatically if the appointor vacates office as a Director.
- (f) An appointment or the termination or suspension of an appointment of an alternate Director is effected by delivery of a written notice signed by the appointor to the Company. Delivery may be by post, fax or electronic message.
- (g) Except for reimbursement of expenses in accordance with clause 13.4(e), an alternate Director is not entitled to receive additional remuneration for acting as alternate Director, except to the extent that the Directors otherwise determine. Any additional remuneration that is paid to an alternate Director must be deducted from the remuneration of the appointor.
- (h) An alternate Director is not taken into account in determining the number of Directors or rotation of Directors.
- (i) A Director may attend and vote by proxy at any meeting of the Directors provided that such proxy is a Director of the Company and has been appointed in writing signed by the appointing Director. Such appointment may be general or for any particular meeting or meetings.

15.8 Vacancies

If the number of Directors is reduced below the minimum set by the Act:

- (a) for so long as their number is sufficient to constitute a quorum, the remaining Directors may act; and
- (b) if the number of remaining Directors is not sufficient to constitute a quorum, the remaining Director or Directors may act only for the purpose of increasing the number of Directors to the minimum number required under this Constitution to constitute a quorum or for calling a general meeting, but for no other purpose.

15.9 Committees

- (a) The Directors may delegate any of their powers to a committee or committees consisting of any number of them and such other persons as the Directors from time to time think fit.
- (b) A committee to which any powers have been delegated must exercise the delegated powers in accordance with any directions of the Directors. A power so exercised is taken to be exercised by the Directors.
- (c) Clauses 15.1, 15.2, 15.4 and 15.5 apply to any committee as if each reference in those clauses to the Directors was a reference to the members of the committee and each reference to a meeting of Directors were to a meeting of the committee.
- (d) Subject to clause 15.10(c), minutes of all the proceedings and decisions of every committee must be made, entered and signed in the same manner in all respects as minutes of proceedings of the Directors are required by the Act to be made, entered and signed.

15.10 Written resolutions

- (a) If a document:
 - (i) states that the signatories to it are in favour of a resolution;

- (ii) sufficiently identifies the terms of the resolution; and
- (iii) is signed by all the Directors entitled to vote on that resolution,

a resolution in those terms is taken to be passed at a meeting of the Directors held at the time when the document was signed by the last Director to do so.

- (b) For the purposes of clause 15.10(a):
 - (i) two or more separate documents containing statements in identical terms each being signed by one or more Directors together are taken to constitute one document containing a statement in those terms signed by those Directors on the respective days on which they signed the separate documents;
 - (ii) a reference to all the Directors does not include a reference to an alternate Director whose appointor has signed the document, but an alternate Director may sign the document in the place of the appointor; and
 - (iii) a signed document may be transmitted to the Company by facsimile or electronic message which is expressed to be sent by or on behalf of a Director or alternate Director. The document is taken to be signed by that Director or alternate Director at the time of receipt of the facsimile or electronic message by the Company in legible form.
- (c) Where a committee consists of one Director only, a document signed by that Director and recording a decision of the committee is valid and effective as if it were a decision made at a meeting of that committee and that document constitutes a minute of that decision.

15.11 Minutes

Minutes of Directors' meetings and resolutions passed by Directors without a meeting must be kept in accordance with clause 12.25.

15.12 Defects in appointments

- (a) All acts done by any meeting of the Directors, committee of Directors, or person acting as a Director are as valid as if each person was duly appointed and qualified to be a Director or a member of the committee.
- (b) Clause 15.12(a) applies even if it is afterwards discovered that there was some defect in the appointment of a person to be a Director or a member of a committee or to act as a Director or that a person so appointed was disqualified.

16. Managing Director

16.1 Power to appoint Managing Director

- (a) The Directors may appoint a Director to the office of Managing Director for the period and on the terms they think fit, including the grant of power for the Managing Director to delegate all or part of his or her authorities to another Director during any temporary absence. Subject to the terms of any agreement entered into in a particular case, the Directors may at any time revoke any appointment of a Managing Director.

- (b) The Managing Director's appointment automatically terminates if the Managing Director ceases for any reason to be a Director.
- (c) Subject to clause 16.1(a), clause 13.3 does not apply to a Managing Director.

16.2 Delegation of powers to Managing Director

- (a) The Directors may, on the terms and conditions and with any restrictions as they think fit, confer on the Managing Director any of the powers exercisable by them.
- (b) Any powers so conferred may be concurrent with the powers of the Directors.
- (c) The Directors may at any time withdraw or vary any of powers conferred on the Managing Director under clause 16.2(a).

17. Secretaries and other officers

17.1 Secretaries

- (a) There must be at least 1 Secretary in office at all times. A Secretary of the Company holds office on the terms and conditions, as to remuneration and otherwise, as the Directors decide.
- (b) The Directors may at any time terminate the appointment of a Secretary.

17.2 Other officers

- (a) The Directors may from time to time:
 - (i) create any other position or positions in the Company with the powers and responsibilities as the Directors may from time to time confer; and
 - (ii) appoint any person, whether or not a Director, to any position or positions created under clause 17.2(a)(i).
- (b) The Directors at any time may terminate the appointment of a person holding a position created under clause 17.2(a)(i) and may abolish the position.

18. Execution of documents

- (a) The Company may execute documents in any way permitted by Law.
- (b) If the Company has a seal, it may execute documents by affixing the seal to the document where the affixing of the seal is witnessed by:
 - (i) 2 Directors of the Company; or
 - (ii) at least 1 Director and a Secretary or a person authorised by the Directors to witness the affixing of the seal.
- (c) The Company may have a common seal, a duplicate common seal and one or more other seals for specific purposes, each appropriately identified on its face.

- (d) A seal may be used only by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the seal.

19. Financial Reports and audit

19.1 Company must keep records

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions, financial position and performance; and
 - (b) would enable true and fair financial statements to be prepared and audited,
- and must allow a Director and auditor to inspect those records at all reasonable times.

19.2 Financial reporting

The Board must cause the Company to prepare a financial report and a directors' report that comply with Part 2M.3 of the Act and must report to members in accordance with section 314 of the Act no later than the deadline set by section 315 of the Act.

19.3 Audit

The Board must cause the Company's financial report for each financial year to be audited and obtain an auditor's report.

20. Inspection of records

20.1 Inspection of records

- (a) The Directors may, subject to the Act, decide whether and to what extent, at which time and places and under what conditions, the accounting and other books and records of the Company will be open to inspection by Members.
- (b) A Member other than a Director has no right to inspect any document of the Company except as provided by Law or as authorised by the Directors.

21. Dividends, reserves and distributions

21.1 Power to pay Dividends

- (a) Subject to the Act and to any special rights or restrictions attached to any Shares, the Directors may resolve to:
 - (i) pay any Dividend they think appropriate; and
 - (ii) fix the time for payment.
- (b) The Company must not pay interest on unpaid Dividends.

21.2 Crediting of Dividends

- (a) Subject to any special rights or restrictions attached to any Shares and clause 8.1(c), every Dividend:
 - (i) must be paid equally on all fully paid Shares (which were fully paid for the entire period to which the Dividend relates); and
 - (ii) for all partly paid Shares and Shares which were not fully paid for the entire period to which the Dividend relates, must be apportionable and paid proportionately to the amounts paid for the Shares during any part or parts of the period in respect of which the Dividend is paid.
- (b) Unless the Directors decide otherwise, an amount paid on a Share in advance of a call is not taken for the purposes of clause 21.2(a) to be paid on the Shares.
- (c) Subject to any special rights or restrictions attached to any Shares, the Directors may from time to time resolve that Dividends are to be paid out of a particular source or particular sources, and where the Directors so resolve, they may, in their absolute discretion:
 - (i) allow any Member to elect from which specified sources that particular Member's Dividend may be paid by the Company; and
 - (ii) where such elections are permitted and a Member fails to make such an election, the Directors may, in their absolute discretion, identify the particular source from which Dividends are payable.

21.3 Reserves

- (a) The Directors at their discretion may, at any time, set aside out of the profits of the Company as reserves any sums as they think proper, which sums may be applied for any proper purpose.
- (b) The reserves may either be employed in the business of the Company or be placed in any investments as the Directors decide.
- (c) The Directors may, without placing them to any reserve, carry forward any profits which they may think prudent not to distribute by way of Dividend.

21.4 Deduction of unpaid amounts

The Directors may deduct from any Dividend payable to a Member all sums of money presently payable by the Member to the Company on account of calls or otherwise in relation to Shares in the Company.

21.5 Distribution in kind

- (a) The Directors may by resolution, direct payment of any Dividend wholly or partly by the distribution of specific assets, including, without limitation, paid up Shares in the Company or other securities or debentures of the Company or any other body corporate.
- (b) Where a difficulty arises in regard to a distribution under clause 21.5(a) the Directors may:

- (i) settle the matter as they think fit and fix the value for distribution of the specific assets or any part of those assets;
- (ii) decide that cash payments are to be made to any Member or Members on the basis of the value so fixed in order to adjust the rights of all parties; or
- (iii) vest any specific assets in trustees.

21.6 Payment of distributions

- (a) Any Dividend, interest or other money payable in cash in respect of Shares may be paid, at the Directors discretion and at the sole risk of the intended recipient:
 - (i) by cheque sent through the post directed to:
 - (A) the address of the Member as shown in the Register or, in the case of joint holders, to the address shown in the Register as the address of the joint holder first named in that Register; or
 - (B) to any other address as the Member or joint holders in writing directs or direct; or
 - (ii) by electronic funds transfer to an account with a bank or other financial institution nominated in writing by the Member and acceptable to the Company; or
 - (iii) by any other means determined by the Directors.
- (b) The Directors may decide to use different payment methods for different Members.
- (c) Subject to the Act, all unclaimed Dividends may be invested or otherwise used by the Directors for the benefit of the Company until claimed, or may be disposed of according to Law.

22. Capitalisation of profits

22.1 Capitalisation

The Directors may resolve:

- (a) to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account, profit and loss account or otherwise available for distribution to Members; and
- (b) that the sum be applied, in any of the ways mentioned in clause 22.2, for the benefit of Members in full satisfaction of their interest in the capitalised sum, in the proportions to which those Members would have been entitled in a distribution of that sum by way of Dividend or, if there is no such proportional entitlement, as the Directors determine.

22.2 Manner in which sums applied

The ways in which a sum may be applied for the benefit of Members under clause 22.1(b) are:

- (a) in paying up any amounts unpaid on the Shares held by the Members;
- (b) in paying up in full unissued Shares or debentures or debenture stock to be issued to Members as fully paid;
- (c) partly as mentioned in clause 22.2(a) and partly as mentioned in clause 22.2(b);
- (d) in accordance with any bonus share plan adopted by the Company; or
- (e) any other application permitted by the Act.

22.3 Participation by holders of partly paid shares

Where the conditions of issue of a partly paid share so provide, the holder may participate in any application of a sum under clause 22.2 to a greater extent than would have been the case had those funds been distributed by Dividend, but not to any greater extent than permitted by the terms of issue.

22.4 Powers of Directors

The Directors must do all things necessary to give effect to a resolution referred to in clause 22.1 and, in particular, to the extent necessary to adjust the rights of the Members amongst themselves, may:

- (a) fix the value for distribution of the specific assets or any part of those assets;
- (b) make cash payments in cases where Shares or debentures or debenture stock become issuable in fractions, or determine that fractions may be disregarded;
- (c) vest any cash or specific assets in trustees on trust for the persons entitled as they think fit; or
- (d) authorise any person to make an agreement with the Company on behalf of all the Members entitled to any further Shares or debentures or debenture stock on the capitalisation providing for:
 - (i) the issue to them of any further Shares or debentures or debenture stock, credited as fully paid up; or
 - (ii) the payment by the Company on their behalf of all or any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under that authority is effective and binding on all the Members concerned.

23. Dividend reinvestment and Share plans

23.1 Directors may establish plans for Members

The Directors may establish one or more plans under which each participating Member may elect, as provided in the plan:

- (a) that Dividends to be paid in respect of some or all of the Shares from time to time held by the Member may be satisfied by the issue of fully paid ordinary Shares;

(b) that Dividends are not to be determined or paid in respect of some or all of the Shares from time to time held by the Member, but that the Member is to receive fully paid ordinary Shares or some other form of distribution as the Directors determine; or

(c) such other options as the Directors consider appropriate,

and the Directors may vary, suspend or terminate any such plan.

23.2 Implementing plans

Any such plan has effect in accordance with its terms and the Directors may do all things necessary and convenient for the purpose of implementing the plan, including, subject to applicable Law, making each allotment of Shares and each necessary appropriation, capitalisation, application, payment and distribution of funds.

23.3 Where not all Members or holders participate

For the purpose of giving effect to any such plan, the appropriations, capitalisations, applications, payments and distributions authorised by clause 23.2 may be made and the powers of the Directors under this clause 23 may be exercised (with such adjustments as may be required) even if only some of the Members or holders of Shares of any class participate.

23.4 Information and advice to Members

(a) In offering opportunities to Members to participate in any such plan, the Directors may give such information as in their opinion may be useful to assist Members in assessing the opportunity.

(b) The Directors, the Company and its officers are not responsible for, nor are they obliged to provide, any legal, taxation or financial advice in respect of the choices available to Members.

23.5 Limit on Directors' obligations

The Directors are under no obligation:

(a) to admit any Member as a participant in any such plan; nor

(b) to comply with any request made by a Member who is not admitted as a participant in any such plan.

23.6 Share incentive plans

(a) The Board may establish share incentive plans on the terms that they decide, under which securities of the Company or of a related body corporate are issued to, or held for the benefit of, any Directors (including non executive Directors) or senior executives of the Company, or any employees of the Company or of a related body corporate.

(b) Subject to the discretion of the Board, the rules of the share incentive plan and applicable Law, securities may be issued to or held for the benefit of a nominee with which a Director, senior executive or employee is associated.

(c) The Board may amend, suspend or terminate a share incentive plan at any time.

23.7 Duties and powers of Directors

In establishing and maintaining any plan, the Directors must act in accordance with the provisions of this Constitution and may exercise all or any of the powers conferred upon them by the terms of any such plan, by this Constitution or by the Act.

24. Notices

24.1 How notice to be given

- (a) A Member may, by written notice to the Secretary left at or sent to the Registered Office, require that all notices to be given by the Company or the Directors be served on the Member's representative at an address specified in the notice.
- (b) A notice may be given by the Company to any Member by:
 - (i) serving it on the Member personally;
 - (ii) properly addressing, prepaying and posting the notice to the Member or leaving it at the Member's address as shown in the Register or the address supplied by the Member to the Company for the giving of notices;
 - (iii) serving it in any manner contemplated in this clause 24.1 on a Member's representative as specified by the Member in a notice given under clause 24.1(a);
 - (iv) facsimile transmission to the facsimile number supplied by the Member to the Company for the giving of notices;
 - (v) sending it by email to an email address nominated by the Member;
 - (vi) sending it via any other electronic means permitted by the Act and nominated by the Member for the giving of notices, including providing an electronic link to the notice; or
 - (vii) giving it by any other means permitted or contemplated by this clause 24 or the Act.

24.2 When notice is given

A notice is deemed to be given by the Company and received by the Member:

- (a) if delivered in person, when delivered to the Member;
- (b) if posted, on the day after the date of posting to the Member, whether delivered or not;
- (c) if sent by facsimile transmission, on the day after the date of its transmission; or
- (d) if sent by email or other electronic means, on the day after the date of its transmission,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is deemed to have been received at 9.00 am (addressee's time) on the next Business Day.

24.3 Notice of general meeting

- (a) Notice of every general meeting must be given in the manner authorised by clause 24.1:
 - (i) subject to clause 25.1, to every Member and Director;
 - (ii) to every person entitled to a Share in consequence of the death, mental incapacity or bankruptcy of a Member who, but for the death or bankruptcy, would be entitled to receive notice of the meeting; and
 - (iii) to any auditor of the Company.
- (b) No other person is entitled to receive notice of general meeting.

24.4 No notice if no valid address

If:

- (a) any Member has not provided to the Registered Office an address for registration in the Register; or
- (b) the Company believes that a Member is not known at the address registered in the Register,

unless and until the Member provides a valid address to the Registered Office, all notices to be sent to that Member are taken to be given to the Member if the notice is displayed at the Company's Registered Office for 48 hours, and are taken to be served at the commencement of that period.

25. Joint holders

25.1 Notice to be given by joint holders

Joint holders of a Share must give to the Company notice of:

- (a) a single address for the purpose of all notices to be given by the Company under clause 24.1, and for the payment of Dividends and the making of distributions in accordance with this Constitution; and
- (b) a single account for the payment of money by electronic funds transfer in accordance with clause 21.6(a)(ii), if so desired, in respect of that Share.

25.2 Effect of giving notice

Where the Company receives notice under clause 25.1, the giving of notice, the payment of Dividends or the making of distributions, to the address or account so notified is deemed given, paid or made to all joint holders of the relevant Share.

25.3 Failure to give notice

Where joint holders of a Share fail to give notice to the Company in accordance with clause 25.1, the Company may give notice, pay Dividends and make distributions to the address of the joint holder whose name first appears in the Register.

25.4 Receipts

Any of the joint holders of a Share may give effective receipt for all Dividends and payments in respect of the Share.

26. Winding up

26.1 Where assets insufficient to repay paid up capital

If the Company is wound up and the assets available for distribution among the Members are insufficient to repay the whole of the paid up capital, the assets must be distributed so that, as nearly as may be, the losses are borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the Shares held by them respectively.

26.2 Where assets sufficient to repay paid up capital

If, in a winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess must be distributed among the Members in proportion to the capital at the commencement of the winding up paid up, or which ought to have been paid up, on the Shares held by them respectively.

26.3 Powers of liquidator

If the Company is wound up, the liquidator may:

- (a) with the sanction of a special resolution, divide among the Members in kind the whole or any part of the property of the Company;
- (b) for that purpose set a value as the liquidator considers fair on any property to be so divided; and
- (c) decide how the division is to be carried out as between the Members or different classes of Members.

26.4 Vesting of property in trustees

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any property in trustees on any trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any Shares or other securities in respect of which there is any liability.

27. Indemnity and insurance

27.1 Definition

In this clause **Officer** has the meaning given in section 9 of the Act.

27.2 Company may indemnify Officers

To the full extent permitted by Law and without limiting the powers of the Company, the Company may indemnify any person who is or has been an Officer of the Company, or of a related body corporate of the Company against all losses, liabilities, damages, costs,

charges and expenses of any kind incurred by the Officer as an officer of the Company or of a related body corporate.

27.3 Documentary indemnity and insurance policy

To the extent permitted by the Act and any applicable Law and without limiting the powers of the Company, the Directors may authorise the Company to, and the Company may, enter into any:

- (a) documentary indemnity in favour of; or
- (b) insurance policy for the benefit of,

a person who is, or has been, an Officer of the Company or of a related body corporate of the Company, which indemnity or insurance policy may be in such terms as the Directors approve and, in particular, may apply to acts or omissions prior to or after the time of entering into the indemnity or policy.

28. Restricted Securities

28.1 Compliance with Listing Rules

Members who hold Restricted Securities (if any) must not dispose of or agree or offer to dispose of, the Restricted Securities, during the escrow period applicable to the Restricted Securities, except as permitted by the Listing Rules or the ASX.

28.2 Disposals during escrow period

The Company must refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities, except as permitted by the Listing Rules or the ASX.

28.3 Restricted Securities to be kept on issuer sponsored subregister

If the Restricted Securities are in the same class as quoted securities, Members who hold Restricted Securities will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those Restricted Securities.

28.4 Participation in returns of capital

Members who hold Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to the Restricted Securities, except as permitted by the Listing Rules or the ASX.

28.5 Company's obligations in the event of breach

If a Member who holds Restricted Securities breaches a restriction agreement or a provision of this Constitution restricting a disposal of those Restricted Securities, the Member will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

29. Stapling

- (a) Capitalised terms used in this clause 29 but not defined in clause 1.1 have the meaning given to those terms in paragraph 1.1 of Schedule 1.
- (b) The Directors may, without reference to or approval from Members, determine to carry out and give effect to a Stapling Proposal, including:
 - (i) that the Stapling Provisions will take effect from the Stapling Commencement Time;
 - (ii) that a Security is a New Attached Security (subject to complying with paragraph 5 of Schedule 1);
 - (iii) to Unstaple one or more Attached Securities (subject to complying with paragraph 6 of Schedule 1); and
 - (iv) determining the Stapling Commencement Time.
- (c) On and from the Stapling Commencement Time:
 - (i) the Stapling Provisions apply and this Constitution is to be read subject to the Stapling Provisions; and
 - (ii) subject to clauses 1.4 and 1.7, the Stapling Provisions prevail over all other provisions of this Constitution including any that are expressed to prevail over others, except where this would result in a breach of the Act, the Listing Rules or any other law.
- (d) Unless the Directors agree otherwise, it is a term of issue of each share, option, debenture and other security issued by the Company that the share, option, debenture or other security may be subject to a Stapling Proposal. Each person, by subscribing for or taking a transfer of, or otherwise acquiring a share, option, debenture or other security issued by the Company, is taken to have consented to these Stapling Proposals.
- (e) If the Directors determine to carry out a Stapling Proposal, then the Directors have power to do all things which the Directors consider necessary, desirable or reasonably incidental to give effect to the Stapling Proposal (including, if applicable, anything the Directors have power to do under the Stapling Provisions).
- (f) To give effect to a Stapling Proposal, the Company and the Directors are each irrevocably appointed the agent and attorney of each Member to do all things which the Directors consider necessary, desirable or reasonably incidental to give effect to the Stapling Proposal.
- (g) To the maximum extent permitted by law, the Directors have no liability of any nature whatsoever to the Company or Members arising, directly or indirectly, from the Directors' doing or refraining from doing any act (including the execution of a document) pursuant to or in connection with the implementation of a Stapling Proposal.

Schedule 1 – Stapling provisions

On and from any Stapling Commencement Time, these Stapling Provisions:

- (a) apply to each Issuer in respect of its respective Stapled Entity and its Attached Securities;
- (b) apply to each Constituent Document and prevail over all other provisions of the Constituent Documents, except to the extent provided in the Constituent Documents or where this would result in a breach of the Act, the Listing Rules or other law; and
- (c) apply until they cease to apply in accordance with the Constituent Documents.

Unless the contrary intention appears, in this schedule a reference to a “paragraph” is a reference to a numbered provision of this schedule.

1. Definitions

- 1.1 Unless the contrary intention appears, in this schedule capitalised terms not defined in this paragraph 1.1 have the same meaning as in the Constitution, and:

Accession Deed means the deed of that name between each Issuer and any issuer of a New Attached Security by which that issuer of a New Attached Security accedes to the Stapling Deed.

ASIC means the Australian Securities and Investments Commission or any regulatory body which replaces it or performs its functions.

ASIC Relief means an exemption or declaration granted by ASIC which gives relief from certain requirements of the Act.

Attached Securities means any Securities an identical number of which are from time to time Stapled together to form a Stapled Security but does not include any Unstapled Security.

Constituent Documents means the constituent documents of a Stapled Entity and includes the Constitution.

Controlled Entity means any subsidiary or any trust or other entity, whether or not a legal entity, which is owned or controlled by an entity for accounting purposes.

Corporate Action means any issues, bonus and rights issues, placements and redemptions and buy-backs of a Stapled Security.

Group means the Stapled Entities and any Controlled Entity of a Stapled Entity.

Intra-Group Loan means a loan or financial assistance provided by a Stapled Entity to any entity in the Group including guaranteeing or indemnifying or granting security in favour of that entity.

Investor means a holder of a Stapled Security.

Issuer means:

- (a) in the context of the Constitution, means the Company; and
- (b) in the context of the Constituent Document of any Other Attached Security, means the issuer of the Attached Security.

New Attached Security means a Security that the Directors have determined be Stapled to shares, options, debentures or other securities issued by the Company and, if applicable, to the other Securities which are Stapled to such shares, options, debentures or other securities issued by the Company at that time.

Other Attached Security means:

- (a) in respect of a share, option, debenture or other security issued by the Company, an identical number of each Attached Security other than the share, option, debenture or other security issued by the Company; and
- (b) in respect of any New Attached Security, an identical number of each Attached Security other than a New Attached Security.

Other Issuer means:

- (a) in respect of the Company, each Issuer other than the Company; and
- (b) in respect of the issuer of any New Attached Security, each Issuer other than the issuer of the New Attached Security.

Register means the register of Investors kept or caused to be kept by the Stapled Entities under paragraph 4 of Schedule 1 and the Act.

Registered means recorded in the Register.

Registrar means the person appointed to maintain the Register.

Restapling means a determination by the Issuer of an Unstapled Security that Stapling should recommence in respect of that Unstapled Security.

Security means any right or interest in a managed investment scheme, unit, share, note, debenture or any right or interest or option to acquire a share, note or debenture, and includes any share, option, debenture or other security issued by the Company.

Small Holding has the meaning given to that term in clause 10 of the Constitution.

Stapled Entity means an Australian or overseas company, trust, corporation or managed investment scheme whose Securities are Attached Securities and who has executed the Stapling Deed or an Accession Deed.

Stapled Security means the Stapled security created by the Stapling together of the Attached Securities.

Stapling means the linking together of Securities so that one Attached Security may not be transferred or otherwise dealt with without the Other Attached Securities. "Stapled" has a corresponding meaning.

Stapling Commencement Time means the most recent time and date on which the Directors determine that the Stapling Provisions commence to apply.

Stapling Deed means a deed entered into between the Company and the Other Issuers setting out how they will co-operate in the conduct of the Stapled Entities as if they were one economic entity and the Stapled Securities were one security.

Stapling Proposal means a proposal to cause the:

- (a) Stapling of any other Securities to the shares, options, debentures or other securities issued by the Company;
- (b) Unstapling of one or more Attached Securities; or
- (c) Restapling of one or more Unstapled Securities.

Stapling Provisions means the provisions contained in clause 29 of the Constitution and in this Schedule 1.

Transaction Documents means all regulatory, structuring, operational, finance and ancillary documents required to effect and maintain the listing of the Stapled Entities and the Official Quotation of the Stapled Securities and to achieve the investment objectives of the Group, and any amending, supplemental and other document that the Issuer and the Other Issuers consider necessary or desirable in connection with those objectives.

Unstapled Security means a Security which was an Attached Security and ceases to be Stapled to a share, option, debenture or other security issued by the Company.

Unstapling means the process that results in one or more of the Attached Securities ceasing to be Stapled to a share, option, debenture or other security issued by the Company. Unstapled has a corresponding meaning.

Unstapling Event means one or more of the following events:

- (a) a special resolution of the members of each Stapled Entity is passed to Unstaple the Stapled Securities;
- (b) Stapling becomes unlawful or prohibited under the Listing Rules; or
- (c) a winding-up is commenced in respect of a Stapled Entity.

2. Stapling - general intention

2.1 The Attached Securities are intended to be Stapled to form a Stapled Security from the Stapling Commencement Time. Subject to paragraph 6 it is intended that:

- (a) the holders of one Attached Security will be identical to the holders of each Other Attached Security;
- (b) as far as the law permits, the Stapled Securities will be treated as one security;
- (c) the number of each Attached Security on issue at any time must equal the number of each Other Attached Security on issue;
- (d) no transfer of an Attached Security is to occur without each Other Attached Security being transferred at the same time from the same transferor to the same transferee; and

- (e) no Attached Security is to be issued unless each Other Attached Security is issued at the same time to the same person.
- 2.2 Without limiting the Constituent Documents, the Issuer is authorised to enter into the Transaction Documents and to perform its obligations under the Transaction Documents.
- 2.3 The rights and obligations attaching to each Attached Security are set out in the relevant Constituent Document.
- 2.4 Each Investor, by acquiring a Stapled Security will be taken to have consented to the Stapling of the Stapled Security and to each provision in the Constituent Documents.

3. Stapling

- 3.1 Subject to paragraph 6, on and from the Stapling Commencement Time, each Attached Security must be Stapled to each Other Attached Security to form a Stapled Security and the Issuer must not:
 - (a) offer an Attached Security for subscription or sale unless an offer is made at the same time and to the same person for each Other Attached Security for issue or sale;
 - (b) offer an Attached Security for subscription or sale unless the terms of that offer require each offeree to subscribe for or buy each Other Attached Security;
 - (c) accept an application for an Attached Security if the applicant does not at the same time apply for the Other Attached Securities or if the Other Attached Securities will not be issued to the applicant at the same time as the issue of the Attached Securities to the applicant;
 - (d) issue or sell an Attached Security to any person unless each Other Attached Security is also issued or sold to the same person at the same time;
 - (e) issue any rights or options to acquire an Attached Security unless corresponding rights or options to acquire each Other Attached Security are issued at the same time and to the same person;
 - (f) without the prior written consent of each Other Issuer, issue any Security or class of Security other than an Attached Security or any right or option to acquire any such Attached Security; and
 - (g) permit a reinvestment by Investors in an Attached Security unless at the same time the Investor acquires each Other Attached Security which when issued or acquired are Stapled to the Attached Security. The Issuer may make provisions governing the amount of the reinvested dividends/distributions to be used to subscribe for or acquire the Attached Security and the amount to be used to subscribe for or acquire the Other Attached Securities having regard to the application price of the Attached Securities.

Each Security issued by a Stapled Entity after the Stapling Commencement Time must be Stapled to each Other Attached Security immediately on the date of issue of the new Security.

- 3.2 **(No Unstapling)** On and from the Stapling Commencement Time, the Issuer must not:
- (a) do any act, matter or thing (including registering any transfer of any Attached Security); or
 - (b) refrain from doing any act, matter or thing,
- if it would result directly or indirectly in any Attached Security no longer being Stapled to form a Stapled Security, other than in accordance with paragraph 6.
- 3.3 **(Attached Securities)** Subject to paragraph 6, on and from the Stapling Commencement Time, the Issuer must not:
- (a) cancel, buy-back or redeem an Attached Security unless at the same time there is a corresponding cancellation, buy-back or redemption of each Other Attached Security;
 - (b) implement a Stapling Proposal involving an Attached Security unless at the same time there is a corresponding implementation of a Stapling Proposal involving each Other Attached Security; or
 - (c) register any transfer of an Attached Security to any person unless each Other Attached Security is also transferred to the same person at the same time in a single instrument of transfer of Stapled Securities.
- 3.4 **(Exercise options)** The Issuer must not permit an Investor to exercise any rights or options to acquire an Attached Security unless the Investor exercises the corresponding rights or options to acquire each Other Attached Security at the same time.
- 3.5 **(Request for holding lock)** The Issuer must not request any applicable CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of an Attached Security from being registered on the CS Facility's sub register or registered on an issuer-sponsored sub register, as the case may be, unless a corresponding request is made in respect of each Other Attached Security.
- 3.6 **(Small Holdings)** The Issuer must not dispose of a Small Holding of an Attached Security unless at the same time the Small Holding of each Other Attached Security is also disposed of in the same manner and to the same person. A Small Holding must be disposed of in accordance with the Listing Rules and the Constituent Documents.
- 3.7 **(Disposal)** The Issuer must not dispose of, or cause the disposal of, an Attached Security unless at the same time each Other Attached Security is also disposed of in the same manner and to the same person.
- 3.8 **(Compliance with law)** The Issuer is not obliged to effect a buy-back, cancellation, redemption, transfer, issue or other Corporate Action in a manner inconsistent with any constitutional, contractual or fiduciary obligation or law by which it is bound, or if it does not have any necessary consent or approval.
- 3.9 The Issuer must use every reasonable endeavour to procure that each Attached Security is dealt with under the Constituent Document of their respective Stapled Entity in a manner consistent with the provisions relating to Stapled Securities in the Constituent Documents of each other Stapled Entity.
- 3.10 Until all Attached Securities are Unstapled in accordance with provisions of this schedule, the Issuer must use reasonable endeavours to ensure that each Stapled Security which is Officially Quoted continues to be jointly Officially Quoted as a Stapled Security.

- 3.11 Subject to the Act, the Issuer may procure that joint certificates or joint holding statements are issued to evidence the holding of Stapled Securities comprising Attached Securities and Other Attached Securities.
- 3.12 Despite any other provision of this schedule, each Stapled Entity remains a separate legal entity, separately admitted to the official list of ASX (if applicable), although the Attached Securities may be jointly Officially Quoted as Stapled Securities.

4. Single Register

- 4.1 Subject to the Act, a single Register may be kept in which details of the holders of the Attached Securities and the Other Attached Securities are recorded.
- 4.2 Each Investor must provide the same personal information to each Issuer for the purposes of the Register.

5. Stapling of New Attached Securities

A determination under clause 29(b) that a Security is a New Attached Security may only be made if:

- (a) while the Stapled Securities are Officially Quoted, the New Attached Security is also Officially Quoted and the ASX has indicated in writing that it will grant permission for the New Attached Security to be Officially Quoted;
- (b) while the Stapled Securities are Officially Quoted, ASX has indicated in writing that it will approve the addition of the New Attached Security to the Stapled Securities;
- (c) each Other Issuer (including the issuer of the New Attached Security) has agreed
to the Stapling of the New Attached Security to the Stapled Security
- (d) the Constituent Documents of the Issuer of the New Attached Security will have provisions giving effect to the Stapling (including provisions in substantially the form of this schedule);
- (e) the issuer of the New Attached Security has agreed to enter into the Accession Deed;
- (f) where the New Attached Security is partly-paid, or approval from Investors is required to the transaction, any required approval of the members of each Stapled Entity has been obtained; and
- (g) the number of New Attached Securities to be allocated is identical to the number of Stapled Securities on issue.

6. Unstapling

- 6.1 Subject to this paragraph 6, from the Stapling Commencement Time each Attached Security will remain Stapled to each other Attached Security for so long as the Stapled Securities remain on issue.
- 6.2 A determination under clause 29(b) to Unstaple one or more Attached Securities from the Stapled Security may only be made:

- (a) while the Stapled Securities are Officially Quoted, if ASX has indicated in writing that it will grant permission for the Unstapling of the Attached Security or Attached Securities from the Share and the Share and any remaining Attached Securities will remain Officially Quoted as a Share or a Stapled Security;
 - (b) if each Other Issuer has agreed to the Unstapling; and
 - (c) if the Stapling Provisions will cease to apply in respect of each Attached Security which is to be Unstapled.
- 6.3 After the Unstapling, the references to the Unstapled Security will be removed from the Register.
- 6.4 Subject to paragraph 6.5(b), the Act, the Listing Rules and the relevant Constituent Document, the Issuer must determine that an Attached Security or the Attached Securities (as applicable) will be Unstapled on the occurrence of an Unstapling Event.
- 6.5 A determination under paragraph 6.4 may only be made if:
- (a) ASX has indicated in writing that it will grant permission for the Unstapling of the Attached Security; and
 - (b) each Other Issuer has agreed to the Unstapling of the Attached Security.
- 6.6 On and from any date determined under paragraph 6.4, the Issuer must procure that the Attached Security is Unstapled and that the Stapling Provisions cease to have effect in respect of that Attached Security.

7. Duties and obligations of Issuer

- 7.1 Despite any provision of the Constituent Documents, or any rule of law (but subject to the Corporations Act as modified by any applicable ASIC Relief) while Stapling applies, in exercising any power or discretion, the Issuer may have regard to the interests of Investors as a whole and not only to the interests of the holders of the relevant Attached Securities considered separately.
- 7.2 References in the Constituent Documents to the exercise of any powers or discretion includes the carrying out of the Issuer's functions and duties and identifying the Investor's rights and interests.

8. Meetings of Investors

- 8.1 While Stapling applies, meetings of holders of Attached Securities may be held in conjunction with meetings of holders of the Other Attached Securities. Subject to the Corporations Act, the Issuer may make such rules for the conduct of such meetings as the Issuer determines.
- 8.2 Subject to the Act, the form of proxy used to appoint a proxy to vote on behalf of an Investor in respect of an Attached Security may be the same form as they use to appoint a proxy in respect of the Other Attached Securities which they hold.
- 8.3 The auditor of each Stapled Entity and the representatives of each Issuer may attend and speak at any meeting of Investors, or invite any other person to attend and speak at the meeting.

9. General

- 9.1 A reference to a “Small Holding” in each Constituent Document is taken to be a reference a small holding of Stapled Securities.
- 9.2 Subject to the Act as modified by any applicable ASIC Relief, without limiting the Constituent Documents, the Company and each Other Issuer may enter into Intra-Group Loans.
- 9.3 On or before commencement of a winding up of a Stapled Entity, the Issuer must give each Other Stapled Entity written notice that the Stapled Entity is to be wound up.
- 9.4 To the extent permitted by law, the Company must cooperate with each Issuer in respect of all matters relating to the Stapled Securities and must do all things necessary to give effect to the Stapling Provisions, including:
- (a) **compliance with Listing Rules:** comply with its obligations under the Listing Rules;
 - (b) **disclosures:** co-ordinate the Group's disclosure to the ASX and Stapled Security holders;
 - (c) **accounting policies:** adopt consistent accounting policies;
 - (d) **valuation policies:** adopt consistent valuation policies;
 - (e) **proposed investments:** take a consistent approach on proposed investments, and keep each Issuer informed of its investment policies and any changes to those policies;
 - (f) **meetings:** hold Stapled Security holders' meetings concurrently or, where necessary, consecutively;
 - (g) **new issues, redemptions:** agree on the terms and timing of all new issues, bonus and rights issues, placements and redemptions and buy-backs;
 - (h) **value:** consult before taking any action (or omitting any action) which may materially affect the value of the Stapled Securities;
 - (i) **distribution:** co-ordinate the announcement and payment of dividends and distributions;
 - (j) **reinvestments:** co-ordinate any dividend or distribution re-investment plan;
 - (k) **auditor:** maintain the same auditor from time to time and agree on any change of auditor so that any change of auditor is implemented for the Trustee and each Issuer at the same time; and
 - (l) **boards of directors:** have, to the extent possible, boards of directors which are identical or substantially the same.

CORPORATE DIRECTORY

COMPANY

WOTSO Limited ACN 636 701 267
50 Yeo Street
Neutral Bay NSW 2089
Telephone: 1800 496 876
<https://www.wotsoworkspace.com.au/>

DIRECTORS

Seph Glew – Non-executive Chairman
Timothy Brown – Executive Director
Jessie Glew – Executive Director

COMPANY SECRETARY

Alex Whitelum

WOTSO SHARE REGISTRY

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000
AUSTRALIA
www.automicgroup.com.au

LEGAL ADVISER

Gadens
Level 20, MLC Centre
19 Martin Place,
Sydney, NSW, 2000

WOTSO Shareholder Information Line

1800 496 876 (within Australia)
+61 2 9033 8611 (outside Australia)
8:30am to 5:00pm (AEDT)
Monday to Friday



WOTSO

WOTSO LIMITED | ACN 636 701 267

Proxy Voting Form

If you are attending the **Scheme Meeting** in person, please bring this with you for Shareholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed letter. If you are in doubt about how to deal with this form, please contact your financial or other professional advisor.

Your proxy voting instruction must be received by **10.00am (AEDT) on Wednesday 27 January 2021, not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE 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 these 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 Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)



WOTSO

WOTSO LIMITED | ACN 636 701 267

Proxy Voting Form

If you are attending the **General Meeting** in person, please bring this with you for Shareholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed letter. If you are in doubt about how to deal with this form, please contact your financial or other professional advisor.

Your proxy voting instruction must be received by **10.30am (AEDT) on Wednesday 27 January 2021, not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE 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 these 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 Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

