

10 May 2022

ASX ANNOUNCEMENT

EXPLANATORY BOOKLET REGISTERED WITH ASIC

Link Administration Holdings Limited (**ASX: LNK**) (**Link Group**) refers to its announcement earlier today that the Supreme Court of New South Wales has made orders approving the convening of a meeting of Link Group shareholders (**Scheme Meeting**) to consider and vote on the proposed acquisition of Link Group by Dye & Durham Corporation by way of scheme of arrangement (**Scheme**) and approving the distribution of the explanatory statement in connection with the Scheme and proposed equal return of capital of Link Group (**BCM Capital Return**) (**Explanatory Booklet**).

Link Group confirms that the Explanatory Booklet has now been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Explanatory Booklet is attached to this announcement and will be made available online at <https://linkgroup.com/scheme-meeting>. A sample of the proxy form for the Scheme Meeting and Special General Meeting is also attached to this announcement.

The Explanatory Booklet contains a copy of the independent expert's report prepared by Deloitte Corporate Finance Pty Limited (**Independent Expert**). The Independent Expert has concluded the Scheme is fair and reasonable and in the best interest of Link Group shareholders, in the absence of a superior proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's report and the Explanatory Booklet.

The Explanatory Booklet (including the Independent Expert's report, Notice of Scheme Meeting and Notice of Special General Meeting) and proxy form will be dispatched to Link Group Shareholders shortly, in the manner described in the announcement made earlier today.

The Link Group Board continues to unanimously recommend that Link Group Shareholders vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interest of Link Group Shareholders. Subject to those same qualifications, each director intends to vote all their Link Shares in favour of the Scheme.

Link Group Shareholders should read the Explanatory Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme and BCM Capital Return.

For more information, please refer to the Explanatory Booklet. If you have any questions, please contact the Link Group Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday.

The release of this announcement was authorised by the Link Group Board.

For further information:

Investor Relations Contact – Tariq Chotani, Link Group +61 407 498 868

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About Link Group

Link Group connects millions of people with their assets, including equities, pension and superannuation, investments, property and other financial assets. Link Group partners with thousands of financial market participants to deliver services, solutions and technology platforms that enhance the user experience and make scaled administration simpler. They help manage regulatory complexity, improve data management and provide the tools to connect people with their assets, leveraging analysis, insight and technology.

For more information, please visit: www.linkgroup.com.

ENDS

For a scheme of arrangement between Link Administration Holdings Limited (**Link**) and its shareholders and equal capital return in relation to the proposed acquisition of Link by Link Acquisition Australia Pty Ltd (**D&D Acquirer**), a wholly owned subsidiary of Dye & Durham Corporation (**Dye & Durham**), a wholly owned subsidiary of Dye & Durham Limited (Ontario).

VOTE IN FAVOUR

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

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders, in the absence of a superior proposal.

This is an important document and requires your immediate attention.

You should read it entirely before deciding whether or not to vote in favour of the Transaction.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

Financial Advisers



Legal Adviser



HERBERT
SMITH
FREEHILLS

Important Notices

General

This Explanatory Booklet is important and requires your immediate attention. You should read this Explanatory Booklet in full before making any decision as to how to vote at the Scheme Meeting and Special General Meeting.

Nature of this Explanatory Booklet

This Explanatory Booklet includes:

- the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act; and
- a statement of all the information known to Link Group that is material to Link Group Shareholders in deciding how to vote on the Capital Return Resolution, as required by section 256C(4) of the Corporations Act.

This Explanatory Booklet does not constitute or contain an offer to Link Group Shareholders, or a solicitation of an offer from Link Group Shareholders, in any jurisdiction. This Explanatory Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, Link Group Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

ASIC and ASX

A copy of this Explanatory Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Explanatory Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Explanatory Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Explanatory Booklet has been provided to the ASX. Neither the ASX, nor any of its officers, takes any responsibility for the contents of this Explanatory Booklet.

Defined Terms

A number of defined terms are used in this Explanatory Booklet. Capitalised terms used in this Explanatory Booklet are defined in section 10 of this Explanatory Booklet. Some of the documents reproduced in the annexures to this Explanatory Booklet have their own defined terms, which are sometimes different to those set out in section 10.

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

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to 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 Link Group Shareholders should vote (on this matter Link Group Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notice of Meetings

The Notice of Scheme Meeting and Notice of Special General Meeting (**Notice of Meetings**) are set out in Annexure 4.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any Link Group Shareholder may appear at the Second Court Hearing, currently expected to be held at 9:15am (Sydney time) on 19 July 2022 at the Law Courts Building, 184 Phillip Street, Sydney New South Wales 2000, Australia. Any Link Group 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 Link Group a notice of appearance in the prescribed form together with any affidavit that the Link Group Shareholder proposes to rely on.

No investment advice

This Explanatory Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Link Group Shareholder or any other person. The information and recommendations contained in this Explanatory Booklet do not constitute, and should not be taken as, financial product advice. The Link Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Transaction. This Explanatory Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Transaction. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 7, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure 1. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

Forward looking statements

Some of the statements appearing in this Explanatory Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Explanatory Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Link or Dye & Durham are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Link or Dye & Durham and / or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Link, Dye & Durham, or their respective officers, directors, employees or advisers or any person named in this Explanatory Booklet or any person involved in the preparation of this Explanatory Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

Any forward looking statements in this Explanatory Booklet reflect views held only at the date of this Explanatory Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Link and Dye & Durham and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Explanatory Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

Link Group has prepared, and is responsible for, the Link Group Information. Neither Dye & Durham nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Dye & Durham has prepared, and is responsible for, the Dye & Durham Information. Neither Link nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Deloitte has prepared the Independent Expert's Report (as set out in Annexure 1) and takes responsibility for that report. None of Link or Dye & Durham or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Link Group, in relation to the information which it has provided to the Independent Expert.

No consenting party has withdrawn their consent to be named before the date of this Explanatory Booklet.

Foreign jurisdictions

The release, publication or distribution of this Explanatory 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 Explanatory 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 Explanatory Booklet has been prepared in accordance with the laws of Australia and the information contained in this Explanatory Booklet may not be the same as that which would have been disclosed if this Explanatory Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Link Group Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Financial amounts and effects of rounding

All financial amounts in this Explanatory Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in the Explanatory Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Explanatory Booklet is current as at the date of this Explanatory Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Explanatory Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Timetable and dates

All times and dates referred to in this Explanatory Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Explanatory Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

External websites

Unless expressly stated otherwise, the content of the websites of Link Group and Dye & Durham do not form part of this Explanatory Booklet and Link Group Shareholders should not rely on any such content.

Privacy

Link Group may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in Link and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Link to conduct the Scheme Meeting and implement the Scheme. Without this information, Link Group may be hindered in its ability to issue this Explanatory Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Link Group Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of Link, Government Agencies, and also where disclosure is otherwise required or allowed by law. Link Group Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the Link Group Share Registry in connection with Link Shares, please contact the Link Group Share Registry. Link Group Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how Link Group collects, uses and discloses personal information is contained in Link Group's Privacy Policy located at https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf

Date of Explanatory Booklet

This Explanatory Booklet is dated 10 May 2022.

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Letter from the Chairman of Link Group



Dear Link Group Shareholder,

On behalf of the Link Board, I am pleased to present you with this Explanatory Booklet, which contains information in relation to the proposed acquisition of Link Group by D&D Acquirer, a wholly owned subsidiary of Dye & Durham.

Background to the Transaction

On 22 December 2021, Link Group announced that it had entered into a Scheme Implementation Deed with Dye & Durham, under which Dye & Durham agreed that it or its nominee will acquire all the issued share capital of Link. The acquisition is to be conducted by scheme of arrangement (the **Scheme**) and is subject to several conditions including Link Group Shareholder, Court and regulatory approvals together with other customary conditions.

Under the Scheme Implementation Deed, Link Group and Dye & Durham have obligations to use best endeavours to sell Link Group's Banking and Credit Management (**BCM**) business for a period that continues through to 12 months after the implementation of the Scheme. If Link Group's BCM business is sold and proceeds are received by Link Group before or within 12 months after the Implementation Date (the **BCM Net Sale Proceeds**), an additional payment will be made to Link Group Shareholders in respect of those proceeds up to a maximum amount of \$0.13 cash per Link Share. Such payment is proposed to be made by share capital return if the proceeds are received by Link Group by two Business Days before the Implementation Date (**BCM Capital Return**), or otherwise as additional consideration under the Scheme payable by D&D Acquirer if received after that time and up to 12 months after the Implementation Date.¹

This Explanatory Booklet has been sent to you because you are being asked to vote on the Scheme and BCM Capital Return (together, the **Transaction**).

Details of the Transaction Consideration

Under the Scheme Implementation Deed, Dye & Durham agreed Link Group Shareholders could receive the following amounts (together, the **Transaction Consideration**):

- **Base Cash Consideration:** if the Scheme is approved and implemented, a total cash amount of \$5.50 cash per Link Share (comprising the Scheme Consideration of \$5.50 cash per Link Share (less any Special Dividend Link Group determines to pay) payable by D&D Acquirer under the Scheme, together with the amount of any Special Dividend payable by Link Group); and
- **Interim Dividend:** for Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022), the Interim Dividend comprising a fully franked dividend of \$0.03 cash per Link Share; and
- **BCM Net Sale Proceeds:** subject to the implementation of the Scheme, if Link Group's BCM business is sold, Link Group Shareholders will be entitled to any BCM Net Sale Proceeds received by Link Group, prior to, or up to 12 months after, the Implementation Date, up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date.² As at the date of this Explanatory Booklet there is no binding agreement for the sale of BCM and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds or at any particular price.³

The Base Cash Consideration of \$5.50 cash per Link Share plus the Interim Dividend of \$0.03 per Link Share represents:

- an equity value for Link Group of \$2.9 billion and an implied enterprise value of \$3.9 billion⁴;
- a premium of 27.7% to Link's closing share price of \$4.33 on 4 November 2021 (being the last trading day prior to the Carlyle Proposal)⁵; and
- a premium of 22.6% to the 3-month volume weighted average price (**VWAP**) to 4 November 2021 of \$4.51.

1. In the event that Link Group's BCM business is sold and BCM Net Sale Proceeds are received after the Implementation Date, Link Group Shareholders should note a performance risk arises with D&D Acquirer's obligation to pay those proceeds as additional consideration under the Scheme. Scheme Shareholders will have already transferred their Scheme Shares to D&D Acquirer on the Implementation Date, and will only have an unsecured claim against D&D Acquirer under the Deed Poll for those proceeds. See section 7.4(c) of this Explanatory Booklet for further information.

2. On 21 March 2022, Link Group announced that Link Group and Dye & Durham intend that the amount of any BCM Net Sale Proceeds to be returned or paid to Link Group Shareholders will be up to a maximum of \$0.13 cash per Link Share, and that if the BCM Net Sale Proceeds exceeds that amount per share, the excess will be retained by Link Group (which if the Scheme is implemented, will be owned by Dye & Durham).

3. As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

4. Based on 520,413,720 fully diluted Link Shares on issue, taking into account Link Shares and equity incentives on issue or proposed to be issued, net debt as at 31 December 2021 of \$1,005.2 million (inclusive of AASB 16 leases of \$349.2 million), and minority interests of \$0.7 million as at 31 December 2021.

5. The Carlyle Proposal is the conditional, non-binding indicative offer from Carlyle Asia Partners V, L.P. (**Carlyle**) announced to the ASX on 5 November 2021, which did not ultimately result in a binding offer.

Letter from the Chairman of Link Group

Dividends

Special Dividend

The Link Board currently intends to pay a fully franked special dividend of up to \$0.08 cash per Link Share (**Special Dividend**) prior to implementation of the Scheme, subject to the Scheme being approved by Link Group Shareholders and the Court. Link Group Shareholders who are entitled to the Special Dividend may be entitled to a franking credit of up to approximately \$0.034 per Link Share, depending on their personal tax circumstances.

If a Special Dividend is paid, the Base Cash Consideration of \$5.50 cash per Link Share will comprise two payments:

- the Scheme Consideration of \$5.50 less the Special Dividend (payable by D&D Acquirer); and
- the Special Dividend (payable by Link Group).

If a Special Dividend is paid, to receive the Base Cash Consideration of \$5.50 cash per Link Share, Link Group Shareholders will need to hold their Link Shares on the record dates for the Scheme and Special Dividend. Link Group Shareholders who hold their Link Shares only on the Scheme Record Date but not the Special Dividend Record Date will only receive the Scheme Consideration (being the \$5.50 cash per Link Share less the Special Dividend).

However, if a Special Dividend is not paid, the Base Cash Consideration of \$5.50 cash per Link Share will be paid entirely by D&D Acquirer. In such circumstances, Link Group Shareholders will need to hold their Link Shares on the Scheme Record Date to receive the \$5.50 cash per Link Share. Further information about the timing of the Special Dividend is set out in the 'Key Dates' section of this Explanatory Booklet.

Interim Dividend

In addition, the Interim Dividend of \$0.03 cash per Link Share was paid to Link Group Shareholders who were on the Link Group Share Register at the Interim Dividend Record Date (being 3 March 2022) on the Interim Dividend Payment Date (being 8 April 2022). Link Group Shareholders who were entitled to the Interim Dividend may be entitled to a franking credit of up to approximately \$0.013 per Link Share, depending on their personal tax circumstances.

The total fully franked dividends (including both the Special Dividend and Interim Dividend) are expected to be approximately \$0.11 per share, enabling eligible Link Group Shareholders to receive approximately \$0.047 per share in additional benefit from franking credits, for those Link Group Shareholders who are able to realise the full benefit of franking credits.

Whether a Link Group Shareholder will be able to realise the full benefit of franking credits attached to any dividend will depend on their tax status and specific circumstances. Link Group Shareholders should seek independent taxation advice in respect of this matter and refer to section 8 of this Explanatory Booklet.

Scheme of arrangement

The Scheme can only proceed if, among other conditions, the Requisite Majorities of Link Group Shareholders approve it. This requires more than 50% of shareholders present and voting and at least 75% of votes cast at the Scheme Meeting to be in favour of the Scheme. The Scheme also requires Court approval and is conditional on the BCM Capital Return being approved.

BCM Capital Return

For the BCM Capital Return to be approved by Link Group Shareholders, votes in favour of the Capital Return Resolution must be received from at least 50% of the total number of votes cast on the Capital Return Resolution by Link Group Shareholders present and voting at the Special General Meeting. The BCM Capital Return does not require Court approval. The BCM Capital Return is conditional on the implementation of the Scheme.

Link Directors' recommendation

Your Directors unanimously recommend that you **vote in favour** of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of shareholders. Subject to these qualifications, each Link Director intends to vote all their shares in favour of the Scheme.

In assessing the Transaction, the Link Board considered the reasons to vote in favour or to not vote in favour of the Transaction, other key considerations and undertook a detailed review of the potential alternatives available to Link Group, including continuing as a standalone business. Key reasons to vote in favour of the Transaction are set out in section 1.2. There are also reasons why you may choose to vote against the Transaction which are set out in section 1.3.

In relation to the recommendation of Mr Bhatia, Chief Executive Officer (**CEO**) and Managing Director of Link Group, Link Group Shareholders should also have regard to the fact that, if the Scheme is approved at the Scheme Meeting, immediately prior to the Scheme becoming Effective, Mr Bhatia will become entitled to early vesting of 952,017 unvested Performance Share Rights and 952,017 Link Shares will be issued to him in respect of those vested Performance Share Rights prior to the Scheme Record Date and the Special Dividend Record Date.⁶ Additionally, the 490,113 Restricted Shares held by Mr Bhatia will be released from restrictions and eligible to participate in the Scheme. Mr Bhatia will receive approximately \$7,931,715 in connection with the early vesting of his unvested Performance Share Rights and the early release of restrictions of his Restricted Shares.

Independent Expert's opinion

The Link Directors appointed Deloitte as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Link Group Shareholders, in the absence of a superior proposal.

A copy of the Independent Expert's Report is included in Annexure 1.

What should you do?

The Transaction can only be implemented if approved by Link Group Shareholders at the Scheme Meeting which is scheduled for 10:00am (Sydney time) on 13 July 2022 and the Special General Meeting which is scheduled for 10:15am (Sydney time) on 13 July 2022 or as soon after that time as the Scheme Meeting has concluded or been adjourned.⁷

Your vote is important and I encourage you to vote by attending the Scheme Meeting and Special General Meeting in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 or via the online platform accessible at <https://meetings.linkgroup.com/LNKSM22> or alternatively by completing the Proxy Form accompanying this Explanatory Booklet.

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

Further information

You should carefully read this Explanatory Booklet in its entirety before making any decision in relation to the Transaction. Section 1.3 of this Explanatory Booklet summarises the reasons identified by the Link Board as to why you may not want to vote in favour of the Scheme and section 7 outlines the risks in relation to an investment in Link Group as well as the Scheme.

If you have any questions, or if you would like to obtain a hard copy of this Explanatory Booklet, please contact the Link Group Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

On behalf of the Link Board, I would like to take this opportunity to thank you for your continued support of Link Group.

I look forward to your participation in the Scheme Meeting and Special General Meeting and encourage you vote in favour of Transaction.

Yours sincerely,



Michael Carapiet
Chairman
Link Administration Holdings Limited

⁶ Link Group Shareholders should note that Mr Bhatia will not be entitled to vote at the Scheme Meeting in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (as they will only be issued following the Scheme Meeting if the Scheme becomes Effective). However, Mr Bhatia will receive the Scheme Consideration, and may also be entitled to receive any Special Dividend, in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (provided they are held by him on the Scheme Record Date and Special Dividend Record Date respectively). Mr Bhatia will not be entitled to receive the Interim Dividend in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights as the Interim Dividend Record Date will have passed.

The Link Board (excluding Mr Bhatia) exercised its discretion to give effect to these arrangements in compliance with its obligations under the Implementation Deed and in accordance with the terms of the Link Omnibus Equity Plan. The Link Board (excluding Mr Bhatia) considers that, despite these arrangements (which will have no impact on the Transaction Consideration paid to Scheme Shareholders), it is appropriate for him to make a recommendation on the Transaction. Mr Bhatia also considers that it is appropriate that he make such recommendation.

⁷ Please note that the Scheme Meeting and Special General Meeting may be postponed or adjourned, including if satisfaction of a Regulatory Approval or other Condition Precedent is delayed. Any such postponement or adjournment will be announced by Link to the ASX.

Key Dates

Event	Time and Date
Interim Dividend Record Date	3 March 2022
Interim Dividend Payment Date	8 April 2022
First Court Date	10 May 2022
Date of this Explanatory Booklet	10 May 2022
Latest time and date for receipt of Proxy Forms or powers of attorney by the Link Group Share Registry for the Scheme Meeting and Special General Meeting	10:00am (Sydney time) on 11 July 2022
Time and date for determining eligibility to vote at the Scheme Meeting and Special General Meeting	7:00pm (Sydney time) on 11 July 2022
<p>Scheme Meeting and Special General Meeting</p> <p>The Scheme Meeting and Special General Meeting will be held as hybrid meetings, and Link Group Shareholders and their authorised proxies, attorneys and corporate representatives may attend, participate and vote at the Scheme Meeting and Special General Meeting in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 or via the online platform.</p> <p>Further details relating to the Scheme Meeting and Special General Meeting are set out in section 3.2 of this Explanatory Booklet and in the Notice of Meetings in Annexure 4.</p>	<p>Scheme Meeting</p> <p>10:00am (Sydney time) on 13 July 2022</p> <p>Special General Meeting</p> <p>10:15am (Sydney time) on 13 July 2022 or as soon after that time as the Scheme Meeting has concluded or been adjourned.</p>
<p>If the Scheme is approved by Link Group Shareholders</p>	
Court hearing to approve the Scheme (Second Court Date)	19 July 2022
<p>Effective Date</p> <p>Court order lodged with ASIC and announcement to ASX</p> <p>Last day of trading in Link Shares – Link Shares will be suspended from trading on ASX from close of trading</p>	20 July 2022
Special Dividend Record Date (if the Link Directors decide to pay a Special Dividend)	26 July 2022
Special Dividend Payment Date (if the Link Directors decide to pay a Special Dividend)	4 August 2022
<p>Scheme Record Date</p> <p>(for determining entitlements to Scheme Consideration)</p>	7:00pm (Sydney time) on 5 August 2022
<p>Implementation Date</p> <p>Provision of Scheme Consideration</p> <p>Provision of any BCM Net Sale Proceeds via BCM Capital Return if proceeds received by Link Group by 2 Business Days prior to the Implementation Date and BCM Capital Return is approved by Link Group Shareholders.</p>	12 August 2022
<p>End of Deferred Returns Period</p> <p>Final day for any BCM Net Sale Proceeds to be payable to Link Group Shareholders</p>	12 August 2023

All times and dates in the above timetable are references to the time and date in Sydney, Australia and all such times and dates are subject to change. In particular, the date of the Scheme Meeting and Special General Meeting may be postponed or adjourned, including if satisfaction of a Regulatory Approval or other Condition Precedent is delayed. Certain times and dates are conditional on the approval of the Scheme by Link Group Shareholders and by the Court. Any changes will be announced by Link Group to the ASX.

Section 1

Key considerations relevant to your vote

1. Key considerations relevant to your vote

The Transaction has a number of advantages and disadvantages that may affect Link Group Shareholders in different ways depending on their individual circumstances.

Section 1.2 sets out the key reasons why the Link Board unanimously recommends Link Group Shareholders vote in favour of the Transaction. There are also reasons why Link Group Shareholders may not support the Transaction and may consider voting against the Transaction, these reasons are set out in section 1.3.

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

While the Link Directors acknowledge the reasons to vote against the Transaction, they believe the advantages of the Transaction outweigh the disadvantages.

1.1 Summary of key reasons why you might vote for and against the Transaction

REASONS TO VOTE IN FAVOUR OF THE TRANSACTION

✓	The Link Directors unanimously recommend that you vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders	The Transaction provides certainty of value for your investment in Link Group and you will no longer be exposed to risks associated with Link Group's business	No Superior Proposal has emerged
	The Base Cash Consideration together with the Interim Dividend represents a significant premium to Link's last undisturbed share price ⁷	If a Special Dividend is paid, you may be entitled to the franking credits attached to the Special Dividend	Brokerage charges will not apply to the transfer of your Link Shares
	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders	The Link share price will continue to be subject to market volatility and may fall if the Transaction is not implemented and in the absence of a Superior Proposal	The Transaction structure enables Link Group Shareholders to benefit from any consideration received from any sale of Link Group's BCM business for up to 12 months post implementation of the Scheme

POTENTIAL REASONS TO VOTE AGAINST THE TRANSACTION

✗	You may disagree with the Link Directors' unanimous recommendation and the Independent Expert's conclusion	You may believe it is in your best interests to maintain your current investment and risk profile	The tax consequences of transferring your Link Shares pursuant to the Transaction may not be attractive to you
	You may prefer to participate in the future financial performance of the Link Group business	You may believe that there is potential for a Superior Proposal to emerge	

⁷ Being Link's closing share price on 4 November 2021 (the last day on which Link Shares traded before the Cartyle Proposal was announced).

1.2 Why you should vote in favour of the Transaction

- (a) **The Link Directors unanimously recommend that you vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders**

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

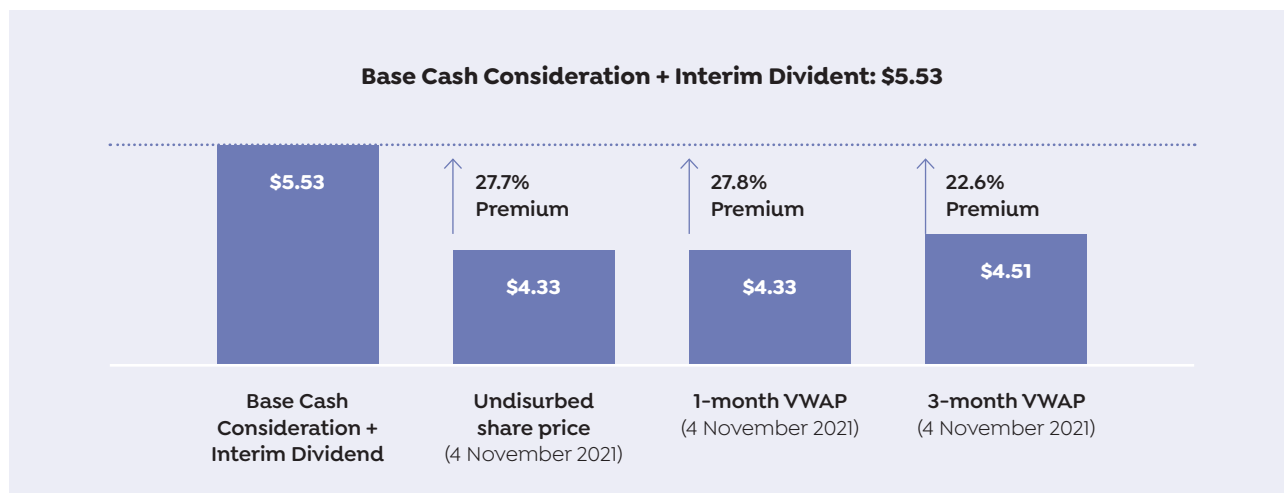
Subject to those same qualifications, each Link Director intends to vote all their Link Shares in favour of the Scheme.

The interests of the Link Directors in Link Shares, including the interests of Mr Bhatia, CEO and Managing Director of Link Group, are set out in section 9.1. Link Group Shareholders should have regard to these interests when considering how to vote on the Transaction, including Mr Bhatia's recommendation on the Transaction.⁸

- (b) **The Base Cash Consideration together with the Interim Dividend represents a significant premium to Link's last undisturbed share price⁹**

The Base Cash Consideration of \$5.50 under the Scheme (comprising the Scheme Consideration of \$5.50 cash per Link Share (less any Special Dividend Link Group determines to pay) payable by D&D Acquirer under the Scheme, together with the amount of any Special Dividend payable by Link Group) plus the Interim Dividend of \$0.03 per Link Share, amounting to \$5.53 cash per Link Share in total, represents a premium of:

- 27.7% to Link's closing share price on 4 November 2021 (being the last day on which Link Shares traded before the Carlyle Proposal was announced) of \$4.33;
- 27.8% to the 1-month VWAP of Link Shares to 4 November 2021 of \$4.33 and
- 22.6% to the 3-month VWAP of Link Shares to 4 November 2021 of \$4.51.



⁸ If the Scheme is approved at the Scheme Meeting, immediately prior to the Scheme becoming Effective, Mr Bhatia will become entitled to early vesting of 952,017 unvested Performance Share Rights and 952,017 Link Shares will be issued to him in respect of those vested Performance Share Rights, prior to the Scheme Record Date and the Special Dividend Record Date. Additionally, the 490,113 Restricted Shares held by Mr Bhatia will be released from restrictions and eligible to participate in the Scheme. Mr Bhatia will receive approximately \$7,931,715 in connection with the early vesting of his unvested Performance Share Rights and the early release of restrictions of his Restricted Shares. Link Group Shareholders should note that Mr Bhatia will not be entitled to vote at the Scheme Meeting in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (as they will only be issued following the Scheme Meeting if the Scheme becomes Effective). However, Mr Bhatia will receive the Scheme Consideration, and may also be entitled to receive any Special Dividend, in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (provided they are held by him on the Scheme Record Date and Special Dividend Record Date respectively). Mr Bhatia will not be entitled to receive the Interim Dividend in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights as the Interim Dividend Record Date will have passed.

The Link Board (excluding Mr Bhatia) exercised its discretion to give effect to these arrangements in compliance with its obligations under the Implementation Deed and in accordance with the terms of the Link Omnibus Equity Plan. The Link Board (excluding Mr Bhatia) considers that, despite these arrangements (which will have no impact on the Transaction Consideration paid to Scheme Shareholders), it is appropriate for Mr Bhatia to make a recommendation on the Transaction. Mr Bhatia also considers that it is appropriate that he make such recommendation.

⁹ Being Link's closing share price on 4 November 2021 (the last day on which Link Shares traded before the Carlyle Proposal was announced).

1. Key considerations relevant to your vote

continued

(c) The Independent Expert has concluded that the Scheme is fair and reasonable and, in the best interests of Link Group Shareholders

The Independent Expert has analysed Link Group's business and, in light of this analysis, the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Link Group Shareholders, in the absence of a superior proposal.

The Independent Expert has assessed the full underlying value of Link Group at between \$4.81 and \$5.97 per Link Share. The Base Cash Consideration of \$5.50 cash per Link Share, and the Base Cash Consideration plus the Interim Dividend of \$5.53 cash per Link Share, are within this range.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1. The Link Directors encourage you to read the Independent Expert's Report in its entirety.

(d) The Transaction provides certainty of value for your investment in Link Group and you will no longer be exposed to risks associated with Link Group's business

The consideration payable by D&D Acquirer under the Scheme is 100% cash consideration. This provides certainty of value for Link Group Shareholders and the opportunity to realise their investment in Link Group in full for the Transaction Consideration.

In contrast, if the Transaction does not proceed, the amount which Link Group Shareholders will be able to realise for their Link Shares will be uncertain and Link Group Shareholders will continue to be exposed to the risks associated in Link Group's business.

In particular, while Link Group has made progress in its 'Simplify, Deliver, Grow' strategy, it is important for shareholders to recognise that this strategy has certain risks associated with it. For example, Link Group's growth opportunities include delivering on the Global Transformation initiative, continued investment in technology and broadening of services provided to clients. These opportunities carry execution risk including:

- the potential risk for loss of market share to existing or new entrants to the various markets in which Link Group operates and risk of margin compression in Link Group's operations in comparative markets;
- that Link Group may not be successful in procuring the funding required to capitalise on its strategy-related initiatives;
- Link Group's ability to ensure the confidentiality, integrity and availability of information that it holds as it maintains existing operations and expands product and service offerings;
- Link Group's ability to keep pace with changes in technology which may impact Link Group's ability to maintain and grow existing market share and margins in the future; and
- Link Group's ability to comply with the laws, regulations and government policy in each of the jurisdictions in which Link Group and its clients operate, including responding to ongoing changes.

Further, Link Group considers COVID-19 to be a material risk factor that has the potential to alter (positively or negatively) many of the other risks that Link Group faces.

A more comprehensive explanation of the key risks can be found in section 7. The Transaction removes these risks and uncertainties for Link Group Shareholders and allows Link Group Shareholders to exit their investment in Link Group at a price that Link Directors support as a part of the Transaction that the Independent Expert has deemed fair and reasonable for Link Group Shareholders.

(e) If a Special Dividend is paid, you may be entitled to the franking credits attached to the Special Dividend

The Link Board currently intends to pay a fully franked Special Dividend of up to \$0.08 cash per Link Share, subject to the Scheme being approved by Link Group Shareholders and the Court. Link Group Shareholders who are entitled to the Special Dividend may be entitled to a franking credit of up to approximately \$0.034 per Link Share, depending on their personal tax circumstances.

The final decision on whether or not to pay a Special Dividend will be made by the Link Directors and depends upon a number of factors, including the availability of franking credits, the requirements of the Corporations Act and Link Group having received a draft Class Ruling, which provides confirmation from the ATO that franking credits attached to the Special Dividend will be available to Link Group Shareholders. The final decision of the Link Directors will be communicated to Link Group Shareholders by way of an ASX announcement before the Second Court Hearing.

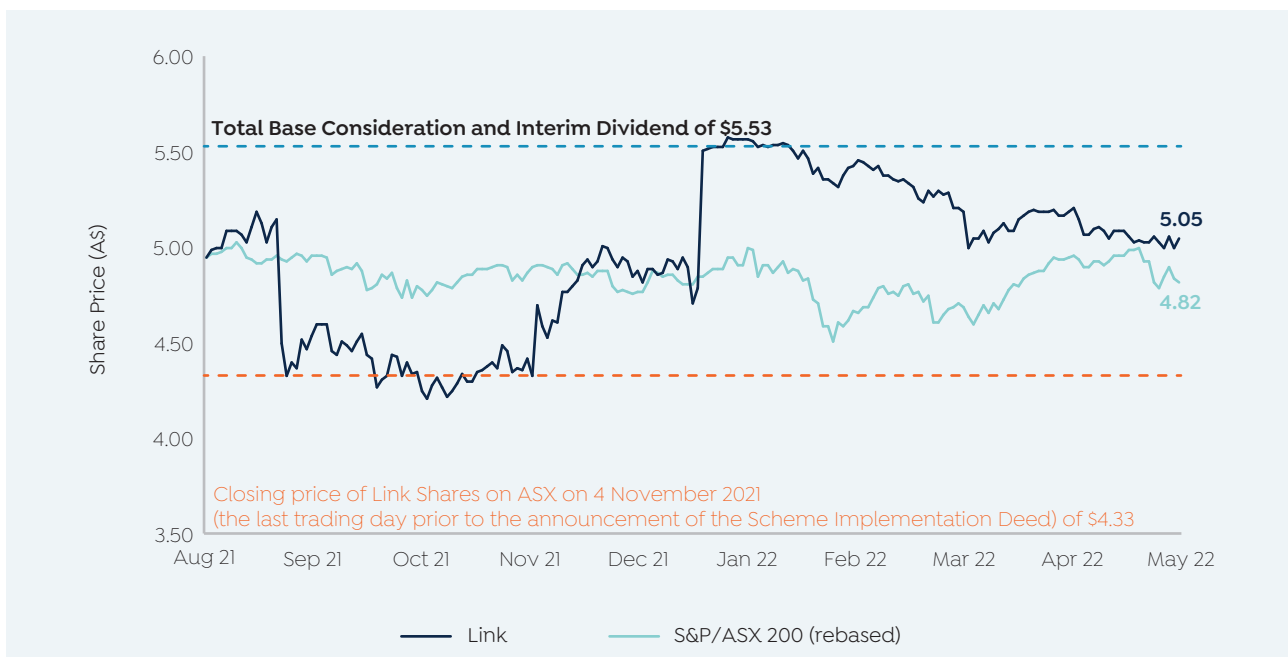
Separately, a fully franked Interim Dividend of \$0.03 cash per Link Share was paid to Link Group Shareholders who were on the Link Group Share Register at the Interim Dividend Record Date. Link Group Shareholders who are entitled to the Interim Dividend may be entitled to a franking credit of up to approximately \$0.013 per Link Share, depending on their personal tax circumstances.

If Link Group pays a Special Dividend of the maximum amount of \$0.08 per Link Share as well as the Interim Dividend of \$0.03 per Link Share, then, in addition to the Base Cash Consideration payable to Link Group Shareholders, those Link Group Shareholders who are entitled to the franking credits attached to the Interim Dividend and Special Dividend may be entitled to an Australian tax offset delivering additional value of up to approximately \$0.047 per Link Share.

In assessing the value to them of any Special Dividend and the Interim Dividend, Link Group Shareholders should seek independent professional taxation advice as to whether or not the receipt of any Special Dividend and the Interim Dividend and any entitlement to franking credits attached thereto is beneficial to them based on their own particular circumstances. Refer to section 8 for further details.

(f) The Link share price will continue to be subject to market volatility and may fall if the Transaction is not implemented and in the absence of a Superior Proposal

On the last undisturbed trading day prior to the announcement of the Carlyle Proposal, being 4 November 2021, Link's share price was \$4.33. Since then, it has increased by 16.6% to \$5.05 per Link Share on the Last Practicable Date. The Link Directors are unable to predict the price at which Link Shares will trade in the future but consider that, if the Transaction is not implemented and a Superior Proposal is not forthcoming, the price of Link Shares may fall.



Source: IRESS (as at 3 May 2022, being the Last Practicable Date). IRESS has not consented to the use of this information in this Explanatory Booklet.

1. Key considerations relevant to your vote

continued

(g) No Superior Proposal has emerged

Since the proposed Transaction was announced up until the date of this Explanatory Booklet, no Superior Proposal has emerged. The Link Board is not aware, as at the date of this Explanatory Booklet, of any Superior Proposal that is likely to emerge.

The Scheme Implementation Deed contains customary provisions that regulate the way in which Link Group can respond to Competing Proposals, details of which are summarised in section 9.4(f) of this Explanatory Booklet.

(h) Brokerage charges will not apply to the transfer of your Link Shares

You will not incur any brokerage charges on the transfer of your Link Shares to D&D Acquirer under the Scheme.

It is possible that such brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your Link Shares other than under the Scheme.

(i) The Transaction structure enables Link Group Shareholders to benefit from any consideration received from any sale of Link Group's BCM business for up to 12 months post implementation of the Scheme

If Link Group's BCM business is sold and BCM Net Sale Proceeds are received by Link Group prior to, or within 12 months of, the Implementation Date, Link Group Shareholders will be entitled to receive those proceeds, up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date.

The BCM Proceeds Payment will be made by way of BCM Capital Return if the BCM Net Sale Proceeds are received by Link Group by two Business Days before the Implementation Date (subject to the implementation of the Scheme and Link Group Shareholders approving the BCM Capital Return) or otherwise as additional consideration under the Scheme payable by D&D Acquirer if received after that time and up to 12 months after the Implementation Date.

As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

1.3 Why you may consider voting against the Transaction

(a) You may disagree with the Link Directors' unanimous recommendation and the Independent Expert's conclusion

Despite the unanimous recommendation of the Link Directors to vote in favour of the Transaction and the conclusion of the Independent Expert that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders, you may believe that the Transaction is not in your best interests.

(b) You may prefer to participate in the future financial performance of the Link Group business

If the Scheme is implemented, you will no longer be a Link Group Shareholder and will forgo any benefits that may result from being a Link Group Shareholder.

This will mean that you will not participate in the future performance of Link Group or retain any exposure to Link Group's business or assets or have the potential to share in the value that could be generated by Link Group in the future. However, there is no guarantee as to Link Group's future performance, as is the case with all investments. An overview of the Link Group business as well as historical financial information about Link Group and current trading commentary and outlook of Link Group are set out in section 5 of this Explanatory Booklet.

(c) You may believe it is in your best interests to maintain your current investment and risk profile

You may prefer to keep your Link Shares to preserve your investment in a listed company with the specific characteristics of Link Group.

In particular, you may consider that, despite the risk factors relevant to Link Group's potential future operations (including those set out in section 7), Link Group may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Link Group or may incur transaction costs in undertaking any new investment.

(d) You may believe that there is potential for a Superior Proposal to emerge

You may consider that a Superior Proposal could emerge in the future. The Link Directors are, as at the date of this Explanatory Booklet, not aware of, and have not received, any Superior Proposal.

(e) The tax consequences of transferring your Link Shares pursuant to the Transaction may not be attractive to you

The tax consequences of the Transaction will depend on your personal situation. You may consider that the tax consequences of transferring your Link Shares to D&D Acquirer pursuant to the Transaction are not attractive to you.

Link Group Shareholders should read the tax implications of the Transaction outlined in section 8. However, section 8 is general in nature, and Link Group Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Transaction.

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Section 2

Frequently Asked Questions

2. Frequently Asked Questions

This section 2 answers some frequently asked questions relating to the Transaction. It is not intended to address all relevant issues for Link Group Shareholders. This section 2 should be read together with all other parts of this Explanatory Booklet.

Question	Answer	More information
Overview of the Transaction		
Why have I received this Explanatory Booklet?	This Explanatory Booklet has been sent to you because you are a Link Group Shareholder and you are being asked to vote on the Transaction. This Explanatory Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting and the BCM Capital Return at the Special General Meeting.	Section 4
What is the Transaction?	<p>The Transaction involves, subject to Link Group Shareholder, Court and regulatory approvals and other customary conditions, D&D Acquirer acquiring 100% of the share capital of Link by way of a scheme of arrangement, as described in the following row (the Scheme).</p> <p>The Transaction also involves a proposed additional payment to Link Group Shareholders in respect of the BCM Net Sale Proceeds if Link Group's BCM business is sold and sale proceeds are received by Link Group before, or within 12 months of, the Implementation Date (the BCM Proceeds Payment).¹</p>	Section 4
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Link Group and the Scheme Shareholders.</p> <p>A "scheme of arrangement" is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or Control of a company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the Requisite Majorities.</p> <p>If the Scheme becomes Effective, D&D Acquirer will acquire all of the Scheme Shares for the Scheme Consideration. Link will be delisted from the ASX and become an indirect wholly owned subsidiary of Dye & Durham.</p>	Section 4
What is the BCM Proceeds Payment?	<p>The BCM Proceeds Payment is a proposed payment to Link Group Shareholders in the event that the BCM business is sold and BCM Net Sale Proceeds are received by Link Group prior to, or within 12 months of, the Implementation Date. The maximum amount of BCM Net Sale Proceeds Link Group Shareholders may receive is up to \$0.13 cash per Link Share held on the Scheme Record Date.</p> <p>The BCM Proceeds Payment will be made by way of BCM Capital Return if the BCM Net Sale Proceeds are received by Link Group by two Business Days before the Implementation Date (subject to the implementation of the Scheme and Link Group Shareholders approving the BCM Capital Return) or otherwise as additional consideration under the Scheme payable by D&D Acquirer if received after that time and up to 12 months after the Implementation Date.</p> <p>As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.</p>	Section 4.5

¹ As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

Question	Answer	More information
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Overview of the Transaction

Who is Dye & Durham?	<p>Dye & Durham is a leading provider of cloud-based software and technology solutions designed to improve efficiency and increase productivity for legal and business professionals. Dye & Durham provides critical information services and workflow, which clients use to manage their process, information and regulatory requirements.</p> <p>Dye & Durham has operations in Canada, the United Kingdom, Ireland and Australia, and has a strong blue-chip customer base that includes law firms, financial service institutions, and government organisations.</p>	Section 6
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Who is D&D Acquirer?	<p>D&D Acquirer is a special purpose company incorporated in Australia on 6 May 2022. It is an indirect wholly owned subsidiary of Dye & Durham and is ultimately owned by Dye & Durham Limited.</p> <p>Under the Scheme, D&D Acquirer will acquire and will hold (following implementation of the Scheme) all of the shares in Link.</p>	Section 6.2
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Recommendations and intentions

What do the Link Directors recommend?	<p>The Link Directors unanimously recommend that you vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.</p> <p>The reasons for this recommendation and other relevant considerations are set out in section 1.2.</p> <p>The interests of the Link Directors in Link Shares, including the interest of Mr Bhatia, CEO and Managing Director of Link Group, are set out in section 9.1. Link Group Shareholders should have regard to these interests when considering how to vote on the Transaction, including Mr Bhatia's recommendation on the Transaction.²</p> <p>The Link Directors encourage you to seek independent legal, financial, taxation or other appropriate professional advice.</p>	Letter from the Chairman of Link Group and section 1.2(a)
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What are the intentions of the Link Directors?	<p>Each Link Director intends to vote, or procure the voting of, any Link Shares held or controlled by him or her at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.</p>	Letter from the Chairman of Link Group and section 1.2(a)
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What is the conclusion of the Independent Expert?	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Link Group Shareholders, in the absence of a superior proposal. You should also read the Independent Expert's Report which is contained in Annexure 1.</p> <p>The Independent Expert has assessed the full underlying value of Link Group at between \$4.81 and \$5.97 per Link Share. The Base Cash Consideration of \$5.50 cash per Link Share, and the Base Cash Consideration plus the Interim Dividend of \$5.53 cash per Link Share, are each within this range.</p> <p>You should read the Independent Expert's Report carefully and in its entirety.</p>	Annexure 1
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² If the Scheme is approved at the Scheme Meeting, immediately prior to the Scheme becoming Effective, Mr Bhatia will become entitled to early vesting of 952,017 unvested Performance Share Rights and 952,017 Link Shares will be issued to him in respect of those vested Performance Share Rights, prior to the Scheme Record Date and the Special Dividend Record Date. Additionally, the 490,113 Restricted Shares held by Mr Bhatia will be released from restrictions and eligible to participate in the Scheme. Mr Bhatia will receive approximately \$7,931,715 in connection with the early vesting of his unvested Performance Share Rights and the early release of restrictions of his Restricted Shares. Link Group Shareholders should note that Mr Bhatia will not be entitled to vote at the Scheme Meeting in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (as they will only be issued following the Scheme Meeting if the Scheme becomes Effective). However, Mr Bhatia will receive the Scheme Consideration, and may also be entitled to receive any Special Dividend, in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (provided they are held by him on the Scheme Record Date and Special Dividend Record Date respectively). Mr Bhatia will not be entitled to receive the Interim Dividend in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights as the Interim Dividend Record Date will have passed. The Link Board (excluding Mr Bhatia) exercised its discretion to give effect to these arrangements in compliance with its obligations under the Implementation Deed and in accordance with the terms of the Link Omnibus Equity Plan. The Link Board (excluding Mr Bhatia) considers that, despite these arrangements (which will have no impact on the Transaction Consideration paid to Scheme Shareholders), it is appropriate for Mr Bhatia to make a recommendation on the Transaction. Mr Bhatia also considers that it is appropriate that he make such recommendation.

2. Frequently Asked Questions

continued

Question	Answer	More information
Overview of the Transaction Consideration		
What is the Transaction Consideration?	<p>Under the Scheme Implementation Deed, Dye & Durham agreed Link Group Shareholders could receive the following amounts:</p> <ul style="list-style-type: none">• Base Cash Consideration: if the Scheme is approved and implemented, a total cash amount of \$5.50 cash per Link Share (comprising the Scheme Consideration of \$5.50 cash per Link Share (less any Special Dividend Link Group determines to pay) payable by D&D Acquirer under the Scheme, together with the amount of any Special Dividend payable by Link Group);• Interim Dividend: for Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022), the Interim Dividend comprising a fully franked dividend of \$0.03 cash per Link Share; and• BCM Net Sale Proceeds: subject to the implementation of the Scheme, if Link Group's BCM business is sold, Link Group Shareholders will be entitled to any BCM Net Sale Proceeds received by Link Group, prior to, or up to 12 months after, the Implementation Date, up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date. There is no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds or at any particular price.³	Section 4
What is the Base Cash Consideration?	<p>If the Scheme is implemented, Link Group Shareholders will receive a total cash amount of \$5.50 in cash per Link Share, comprising:</p> <ul style="list-style-type: none">• (if a Special Dividend is paid):<ul style="list-style-type: none">– the Scheme Consideration of \$5.50 in cash per Link Share held by you on the Scheme Record Date less the cash amount of the Special Dividend (payable by D&D Acquirer); and– the amount of the Special Dividend in cash per Link Share held by you on the Special Dividend Record Date (payable by Link Group); or• (if a Special Dividend is not paid): an amount of \$5.50 in cash per Link Share held by you on the Scheme Record Date (payable by D&D Acquirer). <p>If a Special Dividend is paid, to receive the Base Cash Consideration of \$5.50 cash per Link Share, Link Group Shareholders will need to hold their Link Shares on the record dates for the Scheme and Special Dividend. Link Group Shareholders who hold their Link Shares only on the Scheme Record Date but not the Special Dividend Record Date will only receive the Scheme Consideration (being the \$5.50 cash per Link Share less the amount of any Special Dividend).</p> <p>The Base Cash Consideration Link Group Shareholders receive will, if the Scheme is implemented and they hold Link Shares on both the Scheme Record Date and the Special Dividend Record Date, be an amount of \$5.50 in cash per Link Share regardless of whether a Special Dividend is paid, or the amount of any Special Dividend. This is because the Scheme Consideration payable by D&D Acquirer per Link Share will, if the Scheme is implemented, be \$5.50 less the cash amount of any Special Dividend paid by Link Group before the Implementation Date.</p>	Section 4.2

³ As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

Question	Answer	More information
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Overview of the Transaction Consideration

<p>What are the BCM Net Sale Proceeds?</p>	<p>The BCM Net Sale Proceeds are net proceeds received by Link Group in respect of the sale of Link Group's BCM business, prior to, or up to 12 months after, the implementation of the Scheme.</p> <p>The BCM Net Sale Proceeds will be distributed to Link Group Shareholders by way of BCM Capital Return if received by Link Group by two Business Days before the Implementation Date (subject to the implementation of the Scheme and Link Group Shareholders approving the BCM Capital Return) or otherwise as additional consideration under the Scheme payable by D&D Acquirer if received up to 12 months after the Implementation Date. The maximum amount of BCM Net Sale Proceeds Link Group Shareholders may receive is up to \$0.13 cash per Link Share held on the Scheme Record Date.</p> <p>As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.</p>	<p>Section 4.5</p>
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<p>When and how will I receive my Transaction Consideration?</p>	<p>Base Cash Consideration</p> <p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"> • Scheme Shareholders will be sent the Scheme Consideration (being \$5.50 cash per Link Share less any Special Dividend) on the Implementation Date (currently expected to be 12 August 2022); and • if the Link Directors decide to pay the Special Dividend, Link Group Shareholders on the Link Group Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 4 August 2022). <p>Scheme Shareholders who have validly registered their bank account details with the Link Group Share Registry before the Scheme Record Date may have their Base Cash Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Base Cash Consideration sent by cheque to their address shown on the Link Group Share Register.</p> <p>Interim Dividend</p> <p>Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022), were sent the Interim Dividend on the Interim Dividend Payment Date (which was 8 April 2022).</p> <p>BCM Net Sale Proceeds</p> <p>Subject to the implementation of the Scheme:</p> <ul style="list-style-type: none"> • if any or all of the BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date, Link Group will implement the BCM Capital Return (in respect of the BCM Net Sale Proceeds received at the time) on or around the Implementation Date (currently expected to be 12 August 2022), subject to Link Group Shareholders approving the BCM Capital Return; and • if none or not all of the BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date, then Dye & Durham will use best endeavours to pursue the sale of BCM and any BCM Net Sale Proceeds received during the period on and from 2 Business days before the Implementation Date until the date that is 12 months after the Implementation Date (Deferred Returns Period) will be held for the benefit of the Scheme Shareholders and paid to Scheme Shareholders by D&D Acquirer as additional consideration under the Scheme in accordance with Link Group Shareholders' respective holding of Scheme Shares as at the Scheme Record Date. <p>The maximum amount of BCM Net Sale Proceeds Link Group Shareholders may receive is up to \$0.13 cash per Link Share held on the Scheme Record Date. There is no assurance that Link Group shareholders will receive any BCM Net Sale Proceeds or at any particular price.⁴</p>	<p>Section 4.6</p>
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⁴ As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

2. Frequently Asked Questions

continued

Question	Answer	More information
Overview of the Transaction Consideration		
Will I have to pay brokerage?	You will not have to pay brokerage on the transfer of your Link Shares to D&D Acquirer under the Scheme.	Section 1.2(g)
What are the taxation implications of the Transaction?	<p>The taxation implications of the Transaction will depend on your particular circumstances.</p> <p>Section 8 provides a general description of the Australian taxation consequences for Scheme Shareholders.</p> <p>You should seek independent professional taxation advice with respect to your particular circumstances.</p> <p>Link Group has applied to the ATO requesting a Class Ruling to confirm the key taxation implications of the Scheme, the BCM Capital Return and any Special Dividend.</p> <p>The Class Ruling has not been finalised as at the date of this Explanatory Booklet. Link Group expects that the ATO will provide a draft of the Class Ruling prior to the Scheme Meeting. Link Group will make an announcement to the ASX if it receives a draft of the Class Ruling before the Scheme Meeting.</p> <p>When the final Class Ruling is published by the ATO, it will be available on the ATO's website at www.ato.gov.au.</p>	Section 8
Interim Dividend and Special Dividend		
What is the Interim Dividend?	Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022) were paid the fully franked Interim Dividend of \$0.03 cash per Link Share on the Interim Dividend Payment Date (which was 8 April 2022).	Section 4.4
What is the Special Dividend?	<p>The Link Board currently intends to pay a fully franked Special Dividend of up to \$0.08 cash per Link Share prior to implementation of the Scheme, if the Scheme is approved by Link Group Shareholders and the Court.</p> <p>The Special Dividend, if determined and paid, will be deducted from the Scheme Consideration.</p> <p>The final decision on whether or not to pay a Special Dividend will be made by the Link Directors and will depend upon a number of factors, including the availability of franking credits, the requirements of the Corporations Act and Link Group having received a draft Class Ruling that provides confirmation from the ATO that franking credits attached to the Special Dividend will be available to Link Group Shareholders.</p> <p>The final decision of the Link Directors will be communicated to Link Group Shareholders by way of an ASX announcement before the Second Court Hearing.</p>	Letter from the Chairman of Link Group and section 4.3

Question	Answer	More information
Interim Dividend and Special Dividend		
Will any Interim or Special Dividend be franked?	<p>The Interim Dividend was declared by the Link Board on 24 February 2022 and is fully franked.</p> <p>The Link Directors currently intend that, if any Special Dividend is to be paid, it will be fully franked.</p> <p>The franking credits attached to:</p> <ul style="list-style-type: none"> the Special Dividend are potentially worth up to approximately \$0.034 cash per Link Share; and the Interim Dividend are potentially worth up to approximately \$0.013 cash per Link Share, <p>in each case, for those Link Group Shareholders who are able to realise the full benefit of franking credits.</p> <p>The total fully franked dividends (including both the Interim Dividend and Special Dividend) are expected to be approximately \$0.11 per share, enabling eligible Link Group Shareholders to receive approximately \$0.047 cash per share in additional benefit from franking credits for those Link Group Shareholders who are able to realise the full benefit of franking credits.</p> <p>In assessing the value to you of any Special Dividend or franking credits, you should seek independent professional taxation advice as to whether or not the receipt of any Special Dividend and any entitlement to franking credits attached thereto is beneficial to you based on your own particular circumstances. Please refer to section 8 of this Explanatory Booklet for further details.</p>	Sections 4.3, 4.4 and 8
Conditions to the Scheme		
Are there any conditions to the Scheme?	Yes. The conditions to the Scheme are set out in clause 3.1 of the Scheme Implementation Deed and summarised in 9.4(b) of this Explanatory Booklet. As at the date of this Explanatory Booklet, the Link Directors are not aware of any reason why any condition to the Scheme will not be satisfied.	Section 9.4(b)
What is required for the Scheme to become Effective?	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> the Scheme is approved by the Requisite Majorities of Link Group Shareholders at the Scheme Meeting to be held at 10:00am (Sydney time) on 13 July 2022; the Court approves the Scheme at the Second Court Hearing; and all of the regulatory and other Conditions Precedent to the Scheme are satisfied or waived (as applicable). 	N/A
Are there any regulatory approvals for the Scheme to become Effective?	<p>Yes.</p> <p>Prior to 5:00pm on the Business Day before the Second Court Date, Dye & Durham is required to have received all regulatory approvals from any applicable Government Agency in relation to the Scheme required or necessary to implement the Scheme and that have been identified by Dye & Durham and notified to Link Group on or before 31 January 2022.</p> <p>These include specific approvals from the Foreign Investment Review Board, UK Financial Conduct Authority, Central Bank of Ireland, Jersey Financial Services Commission, Guernsey Financial Services Commission, Isle of Man Financial Services Authority, Dutch Financial Market Authority, Securities and Exchange Board of India, Luxembourg Commission de Surveillance du Secteur Financier, Australian Competition & Consumer Commission, and the UK Competition and Markets Authority.</p>	Section 9.4(b)

2. Frequently Asked Questions

continued

Question	Answer	More information
Conditions to the Scheme		
When and where will the Scheme Meeting and Special General Meeting be held?	<p>The Scheme Meeting will be held at 10:00am (Sydney time) on 13 July 2022 in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 and via the online platform.</p> <p>The Special General Meeting will be held at 10:15am (Sydney time) on 13 July 2022 or as soon after that time as the Scheme Meeting has concluded or been adjourned in person at the same location and via the online platform.</p> <p>Link Group Shareholders and their authorised proxies, attorneys and corporate representatives may attend and participate in the Scheme Meeting and Special General Meeting in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 or online via the online platform at https://meetings.linkgroup.com/LNKSM22.</p> <p>Link Group Shareholders who participate in the Scheme Meeting and Special General Meeting via the online platform will be able to watch the Scheme Meeting and Special General Meeting, cast an online vote and ask questions online in real time.</p> <p>The Scheme Meeting and Special General Meeting may be postponed or adjourned, including if satisfaction of a Regulatory Approval or other Condition Precedent is delayed. Any such postponement or adjournment will be announced by Link to the ASX.</p>	Annexure 4
What will Link Group Shareholders be asked to vote on at the Scheme Meeting?	At the Scheme Meeting, Link Group Shareholders will be asked to vote on the 'Scheme Resolution', that is, whether to approve the Scheme.	Annexure 4
What will Link Group Shareholders be asked to vote on at the Special General Meeting?	At the Special General Meeting, Link Group Shareholders will be asked to vote on the 'Capital Return Resolution', that is, whether to approve the BCM Capital Return.	Annexure 4
What is the Link Group Shareholder approval threshold for the Scheme?	<p>In order to become Effective, the Scheme must be approved by the Requisite Majorities, being:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, a majority in number (more than 50%) of Link Group Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Link Group Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative). <p>Even if the Scheme is approved by the Requisite Majorities of Link Group Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court and the satisfaction or waiver (as applicable) of the other Conditions Precedent to the Scheme.</p>	Section 4.9
What is the Link Group Shareholder approval threshold for the BCM Capital Return?	For the BCM Capital Return to be approved by Link Group Shareholders, votes in favour of the Capital Return Resolution must be received from at least 50% of the total number of votes cast on the Capital Return Resolution by Link Group Shareholders present and voting at the Special General Meeting. The BCM Capital Return is not subject to the approval of the Court. The BCM Capital Return is conditional on the implementation of the Scheme.	N/A

Question	Answer	More information
Conditions to the Scheme		
Am I entitled to vote at the Scheme Meeting and Special General Meeting?	If you are registered as a Link Group Shareholder on the Link Group Share Register as at 7:00pm (Sydney time) on 11 July 2022, you will be entitled to attend and vote at the Scheme Meeting and Special General Meeting.	Annexure 4
How can I vote if I can't attend the Scheme Meeting and Special General Meeting?	If you would like to vote but cannot attend the Scheme Meeting and Special General Meeting in person or via the online platform, you can appoint a proxy or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.	Annexure 4
When will the results of the Scheme Meeting and Special General Meeting be known?	The results of the Scheme Meeting and Special General Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.	N/A
What happens to my Link Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 5 August 2022) will be transferred to D&D Acquirer and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.	Section 4.9(a)
Other questions		
What happens if a Competing Proposal is received?	<p>If a Competing Proposal is received, the Link Directors will carefully consider it. Link Group must notify Dye & Durham of that Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>On 21 March 2022, Link Group announced to the ASX that it had received a conditional, non-binding indicative proposal from FNZ Group to acquire its RSS business (RSS Non-Binding Indicative Proposal). Link Group, in conjunction with its advisers, has assessed the RSS Non-Binding Indicative Proposal and has determined it would not be expected to lead to a transaction as a whole that is more favourable to Link Group shareholders when compared to the Scheme with Dye & Durham.</p> <p>Link Group Shareholders should note that Link Group has agreed to certain exclusivity provisions in favour of Dye & Durham under the Scheme Implementation Deed.</p>	Sections 9.4(f)

2. Frequently Asked Questions

continued

Question	Answer	More information
Other questions		
Is there a break fee?	<p>Under the Scheme Implementation Deed, a break fee of \$28,620,000 (which is approximately 1% of the equity value of Link Group) is payable by Link Group to Dye & Durham if:</p> <ul style="list-style-type: none">• any member of the Link Board changes his or her recommendation in relation to the Scheme, except as a result of:<ul style="list-style-type: none">– the Independent Expert concluding that the Scheme is not in the best interests of Link Group Shareholders;– a court of competent jurisdiction, ASIC or the Takeovers Panel or Government Agency requiring a change to the recommendation; or– Link Group being entitled to terminate the Scheme Implementation Deed for material breach;• a Competing Proposal is announced prior to the Second Court Date and completes within 12 months; or• Dye & Durham terminates the Scheme Implementation Deed following a material breach by Link Group, including of Link's representations and warranties and the Transaction does not complete. <p>A failure of a Condition Precedent to be satisfied or waived (if capable of waiver), including the failure to pass the resolution approving the Scheme by the Requisite Majorities or the failure of the Court to approve the Scheme, will not trigger the payment of the break fee by Link Group.</p> <p>There is also a reverse break fee of \$28,620,000 payable by Dye & Durham to Link Group, which will be triggered if:</p> <ul style="list-style-type: none">• Link terminates the Scheme Implementation Deed following a material breach by Dye & Durham, including of Dye & Durham's representations and warranties and the Transaction does not complete; or• the Scheme becomes Effective but Dye & Durham does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll.	Section 9.4(g) and 9.4(h)
Can I sell my Link Shares now?	<p>You can sell your Link Shares on market at any time before the close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the Base Cash Consideration).</p> <p>Link Group intends to apply to the ASX for Link Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your Link Shares on market after this date.</p> <p>If you sell your Link Shares on market, you may pay brokerage on the sale, you will not receive the Base Cash Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.</p>	N/A
What if I have further questions about the Transaction?	<p>For further information, please contact the Link Group Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.</p> <p>If you are in doubt about anything in this Explanatory Booklet, please contact your financial, legal, taxation or other professional adviser immediately.</p>	N/A

3. What Should You do?

3.1 Read this Explanatory Booklet

You should carefully read this Explanatory Booklet in its entirety before deciding whether to vote in favour of the Transaction.

If you have any questions, please contact the Link Group Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

3.2 Vote on the Transaction

(a) Your vote is important

For the Transaction to proceed, it is necessary that sufficient Link Group Shareholders vote in favour of the Scheme and BCM Capital Return at the Scheme Meeting and Special General Meeting.

(b) Who is entitled to vote?

If you are registered on the Link Group Share Register at 7:00pm on 11 July 2022, you will be entitled to vote on the Transaction.

Information on entitlements to vote, including if you are a joint holder of Link Shares, are contained in the Notice of Meetings attached as Annexure 4.

(c) Details of Scheme Meeting and Special General Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 and through an online platform at <https://meetings.linkgroup.com/LNKSM22> at 10:00am on 13 July 2022.

The Special General Meeting to approve the BCM Capital Return will be held at 10:15am (Sydney time) on 13 July 2022 or as soon after that time as the Scheme Meeting has concluded or been adjourned at the same location and via the same online platform at <https://meetings.linkgroup.com/LNKSM22>.

Link Group Shareholders and their proxies, attorneys or corporate representatives will be able to participate in person and online from their computer or mobile devices via the online platform at: <https://meetings.linkgroup.com/LNKSM22>.

Further information about attending the Scheme Meeting and Special General Meeting can be found in the Notice of Meetings in Annexure 4.

(d) How to vote?

You may vote:

- **by attending the Meetings in person** at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 and voting during the Meetings;
- **by attending the Meetings via the online platform** and voting via the online platform at <https://meetings.linkgroup.com/LNKSM22>;
- **by proxy**, by completing and submitting a Proxy Form in accordance with the instructions set out on the form. To be valid, your Proxy Form must be received by the Link Group Share Registry by 10:00am on 11 July 2022;
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting and Special General Meeting on your behalf and providing a duly executed power of attorney to the Link Group Share Registry by 10:00am on 11 July 2022; or
- **by corporate representative**, in the case of a body corporate which is a Link Group Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting and Special General Meeting on behalf of that Link Group Shareholder and providing a duly executed certificate of appointment (in accordance with section 250D of the Corporations Act) prior to admission to the Scheme Meeting and Special General Meeting.

Further details on how to vote using each of these methods are contained in the Notice of Meetings attached as Annexure 4.

Section 4

Overview of the Transaction

4. Overview of the Transaction

4.1 Background to the Transaction

On 22 December 2021, Link Group announced that it had entered into a Scheme Implementation Deed with Dye & Durham, under which it is proposed that D&D Acquirer will acquire all of the issued share capital of Link pursuant to the Scheme, subject to several conditions including Link Group Shareholder, Court and regulatory approvals together with other customary conditions.

The Scheme Implementation Deed also proposes an additional payment to Link Group Shareholders in respect of the BCM Net Sale Proceeds if Link Group's BCM business is sold and sale proceeds are received by Link Group before, or within 12 months of, the Implementation Date.

A summary of the key terms of the Scheme Implementation Deed is set out in section 9.4 of this Explanatory Booklet. A copy of the full Scheme Implementation Deed can also be obtained from the ASX website (www.asx.com.au).

4.2 Overview of the Transaction Consideration

Under the Scheme Implementation Deed, Dye & Durham agreed Link Group Shareholders could receive the following amounts:

- **Base Cash Consideration:** a total cash amount of \$5.50 cash per Link Share, comprised of:
 - **(if a Special Dividend is paid):**
 - (i) the Scheme Consideration of \$5.50 in cash per Link Share held by Link Group Shareholders on the Scheme Record Date less the cash amount of the Special Dividend (payable by D&D Acquirer); and
 - (ii) the amount of the Special Dividend in cash per Link Share held by Link Group Shareholders on the Special Dividend Record Date (payable by Link Group); or
 - **(if a Special Dividend is not paid):** an amount of \$5.50 in cash per Link Share held by Link Group Shareholders on the Scheme Record Date (payable by D&D Acquirer).

If a Special Dividend is paid, to receive the Base Cash Consideration of \$5.50 cash per Link Share, Link Group Shareholders will need to hold their Link Shares on the record dates for the Scheme and Special Dividend. Link Group Shareholders who hold their Link Shares only on the Scheme Record Date but not the Special Dividend Record Date will only receive the Scheme Consideration (being the \$5.50 cash per Link Share less the amount of any Special Dividend).

The Base Cash Consideration Link Group Shareholders receive will, if the Scheme is implemented and they hold Link Shares on both the Scheme Record Date and the Special Dividend Record Date, be an amount of \$5.50 in cash per Link Share regardless of whether a Special Dividend is paid, or the amount of any Special Dividend. This is because the Scheme Consideration payable by D&D Acquirer per Link Share will, if the Scheme is implemented, be \$5.50 less the cash amount of any Special Dividend paid by Link Group before the Implementation Date;

- **Interim Dividend:** for Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022), the Interim Dividend comprising a fully franked dividend of \$0.03 cash per Link Share; and
- **BCM Net Sale Proceeds:** subject to the implementation of the Scheme, if Link Group's BCM business is sold, Link Group Shareholders will be entitled to any BCM Net Sale Proceeds received by Link Group, prior to, or up to 12 months after the Implementation Date, up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date (see further section 4.5 of this Explanatory Booklet). There is no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds or at any particular price.¹

¹ As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

4.3 Special Dividend

(a) Introduction

The Link Board currently intends to pay a fully franked Special Dividend of up to \$0.08 per Link Share prior to the Implementation Date, if the Scheme is approved by Link Group Shareholders and the Court. The final decision on whether or not to pay a Special Dividend will be made by the Link Directors and will depend upon a number of factors, including the availability of franking credits, the requirements of the Corporations Act and Link Group having received a draft Class Ruling, which provides confirmation from the ATO that franking credits attached to the Special Dividend will be available to Link Group Shareholders.

(b) Corporations Act requirements

Under section 254T of the Corporations Act, dividends may only be paid by a company if:

- the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

In addition, section 260A of the Corporations Act enables a company to financially assist a person to acquire shares in the company or a holding company only if certain conditions are satisfied. Financial assistance of this kind would be permitted if the giving of assistance does not materially prejudice:

- the interests of the company;
- the interests of its shareholders; or
- the company's ability to pay its creditors.

The Corporations Act specifically contemplates that financial assistance (of the kind that is regulated under section 260A of the Corporations Act) may take the form of paying a dividend which may be given before the acquisition of shares. Link Group only intends to pay a Special Dividend if they can do so in compliance with section 260A.

The Link Directors will determine (in their absolute discretion) whether or not to pay any Special Dividends after assessing the financial position of the Link Group and the expected impact on creditors. However, based on the information currently available, the Link Directors expect to be in a position to determine that paying a Special Dividend of up to \$0.08 per Link Share is in the best interests of Link Group and does not materially prejudice the interests of Link Group or Link Group Shareholders and does not materially prejudice Link Group's ability to pay its creditors.

(c) Announcement regarding any Special Dividend

The final decision of the Link Directors regarding the payment of any Special Dividend will be communicated to Link Group Shareholders by way of an ASX announcement before the Second Court Hearing.

(d) Impact of any Special Dividend

If the Link Directors decide to pay a Special Dividend and the Scheme is approved by Link Group Shareholders and the Court, the Scheme Consideration payable by D&D Acquirer per Link Share will be \$5.50 less the cash amount of the Special Dividend.

By way of example, if the Link Directors decide to pay a Special Dividend of \$0.08 per Link Share, LinkGroup Shareholders who are recorded on the Link Group Share Register as at both the Scheme Record Date and the Special Dividend Record Date will receive the Base Cash Consideration of \$5.50 per Link Share, comprising:

- an amount of \$5.42 in cash per Link Share held by them on the Scheme Record Date (payable by D&D Acquirer); and
- a fully franked Special Dividend of \$0.08 in cash per Link Share held by them on the Special Dividend Record Date (payable by Link Group).

4. Overview of the Transaction

continued

The Base Cash Consideration Link Group Shareholders receive will, if the Scheme is implemented and they hold Link Shares on both the Scheme Record Date and the Special Dividend Record Date, be an amount of \$5.50 in cash per Link Share regardless of whether a Special Dividend is paid, or the amount of any Special Dividend. This is because the Scheme Consideration payable by D&D Acquirer per Link Share will, if the Scheme is implemented, be \$5.50 less the cash amount of any Special Dividend paid by Link Group before the Implementation Date.

Accordingly, if the Link Directors decide not to pay any Special Dividend, Link Group Shareholders who are recorded in the Link Group Share Register as at the Scheme Record Date will be paid a cash payment of \$5.50 for each Link Share held on the Scheme Record Date (payable by D&D Acquirer).

Link Group Shareholders who are entitled to the Special Dividend may be entitled to a franking credit of up to approximately \$0.034 per Link Share, depending on the personal tax circumstances of the Link Group Shareholder.

4.4 Interim Dividend

The fully franked Interim Dividend of \$0.03 cash per Link Share declared by Link Group on 24 February 2022 paid to Link Group Shareholders who were on the Link Group Share Register at the Interim Dividend Record Date, is separate to and is in addition to the Base Cash Consideration. That is, the Base Cash Consideration will not be reduced by the Interim Dividend.

Link Group Shareholders who are entitled to the Interim Dividend may be entitled to a franking credit of up to approximately \$0.013 per Link Share, depending on the personal tax circumstances of the Link Group Shareholder.

For Link Group Shareholders who are able to realise the full benefit of franking credits, if Link Group pays a Special Dividend of the maximum amount of \$0.08 per Link Share as well as the Interim Dividend of \$0.03 per Link Share, there is a potential value in the franking credits associated with the Interim and Special Dividend of up to approximately \$0.047 cash per Link Share for Link Group Shareholders who hold Link Shares on the Special Dividend Record Date and the Interim Dividend Record Date.

Whether a Link Group Shareholder will be able to realise the full benefit of franking credits attached to any dividend will depend on their tax status and specific circumstances. Link Group Shareholders should seek independent taxation advice in respect of this matter and refer to section 8 of this Explanatory Booklet.

4.5 BCM Net Sale Proceeds and BCM Proceeds Payment

(a) Background on sale of BCM

On 12 November 2021, Link Group announced that it had received a non-binding indicative proposal from a syndicate led by Pepper European Servicing Limited (**PES**) to acquire its BCM business.

On 23 November 2021, Link Group announced that it had received a further conditional, non-binding indicative proposal for its BCM business from LCFH. Following due diligence, on 8 February 2022, Link Group announced that Link Group is working with LCFH in respect of its proposal on an exclusive basis and that PES and the syndicate have withdrawn their interest.

On 21 March 2022, Link Group announced that it had concluded discussions with LCFH on its proposal to acquire BCM and that the discussions have not resulted in a binding agreement with LCFH for the sale of BCM that is acceptable to LCFH, Link Group and Dye & Durham. Link Group also announced that Link Group and Dye & Durham intend that the maximum amount of BCM Net Sale Proceeds to be returned or paid to Link Group shareholders will be up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date, with any excess being retained by Link Group (which if the Scheme implements, will be owned by D&D Acquirer).

(b) Scheme Implementation Deed obligations

Under the Scheme Implementation Deed, Link Group and Dye & Durham have obligations to use best endeavours to sell Link Group's BCM business for a period that continues through to 12 months after the Implementation Date.

If Link Group's BCM business is sold and BCM Net Sale Proceeds are received by Link Group prior to, or within 12 months of the Implementation Date, then Link Group Shareholders will be entitled to receive those proceeds as an additional payment, up to a maximum of \$0.13 cash per Link Share held on the Scheme Record Date.

As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

(c) BCM Proceeds Payment

Subject to the implementation of the Scheme, it is intended that the BCM Proceeds Payment will be made by way of:

- **BCM Capital Return:** for any BCM Net Sale Proceeds received by Link Group by two Business Days before the Implementation Date, an equal reduction of the share capital of Link, as defined in section 256B(2) of the Corporations Act. An equal reduction applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold and the terms of the reduction are the same for each holder of ordinary shares; and/or
- **Additional Scheme Consideration:** for any BCM Net Sale Proceeds not received by Link Group by two Business Days before the Implementation Date but are received within 12 months after implementation of the Scheme, as additional consideration under the Scheme payable by D&D Acquirer to Scheme Shareholders in accordance with their respective holding of Scheme Shares as at the Scheme Record Date,

the aggregate amount of which is equal to the BCM Net Sale Proceeds (up to a maximum of approximately \$67.7 million, being a maximum of \$0.13 cash per Link Share held on the Scheme Record Date).

If the BCM Proceeds Payment is to be made by way of BCM Capital Return, Link Group Shareholders must approve the BCM Capital Return at the Special General Meeting and the Scheme must be implemented. That is, if the requisite majorities of Link Group Shareholders do not approve the Capital Return Resolution at the Special General Meeting, or if the Scheme is not approved at the Scheme Meeting or Second Court Hearing (or one of the Conditions Precedent to the Scheme is not satisfied or waived), the BCM Capital Return will not proceed.

The Base Cash Consideration will not be reduced by the amount of any BCM Net Sale Proceeds distributed to Link Group Shareholders.

D&D Acquirer will not be required to return the BCM Net Sale Proceeds to Link Group Shareholders after the conclusion of the Deferred Returns Period (being the date that is 12 months after the Implementation Date).

Link Group intends to seek a Class Ruling from the Commissioner of Taxation that no part of the BCM Net Sale Proceeds that is returned to Link Group Shareholders by way of a share capital return will be treated as a dividend or a deemed dividend for tax law purposes. If the Class Ruling is not obtained in form and substance satisfactory to Link Group on or before the Effective Date, then Link Group may, with the Dye & Durham's agreement, determine that all or part of the BCM Net Sale Proceeds received by Link Group by two Business Days before the Implementation Date will be distributed to Link Group Shareholders by way of dividend or equal return of capital or a combination of both on or before the Implementation Date.

4.6 Provision of Transaction Consideration

(a) Base Cash Consideration

If the Scheme becomes Effective:

- the Scheme Consideration (being \$5.50 cash per Link Share less any Special Dividend) will be sent to Scheme Shareholders on the Implementation Date (currently expected to be 12 August 2022); and

4. Overview of the Transaction

continued

- if the Link Directors decide to pay the Special Dividend, Link Group Shareholders on the Link Group Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 4 August 2022).

Scheme Shareholders who have validly registered their bank account details with the Link Group Share Registry before the Scheme Record Date may have their Base Cash Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Base Cash Consideration sent by cheque to their address shown on the Link Group Share Register.

It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold Link Shares at the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 5 August 2022) or such other time and date as Link Group and Dye & Durham agree in writing). If a Special Dividend is paid, to receive the Base Cash Consideration of \$5.50 cash per Link Share, Link Group Shareholders will need to hold their Link Shares on the record dates for the Scheme and Special Dividend.

(b) Interim Dividend

Link Group Shareholders on the Link Group Share Register at the Interim Dividend Record Date (which was 3 March 2022), were sent the Interim Dividend on the Interim Dividend Payment Date (which was 8 April 2022).

(c) BCM Net Sale Proceeds

Subject to the implementation of the Scheme:

- if any or all of the BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date, Link Group will implement the BCM Capital Return (in respect of the BCM Net Sale Proceeds received at the time) on or around the Implementation Date (currently expected to be 12 August 2022), subject to the BCM Capital Return being approved by Link Group Shareholders at the Special General Meeting; and
- if not all of the BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date, then Dye & Durham will use best endeavours to pursue the sale of BCM and any BCM Net Sale Proceeds received during the Deferred Returns Period (being the period on and from 2 Business Days before the Implementation Date until the date that is 12 months after the Implementation Date) will be held for the benefit of the Scheme Shareholders and will be paid to Scheme Shareholders by D&D Acquirer as additional consideration under the Scheme in accordance with their respective holding of Scheme Shares as at the Scheme Record Date.

For any BCM Net Sale Proceeds received after the Deferred Returns Period, D&D Acquirer will not be required to return those proceeds to Link Group Shareholders.

The maximum amount of BCM Net Sale Proceeds Link Group Shareholders may receive is up to \$0.13 cash per Link Share. There is no assurance that Link Group shareholders will receive any BCM Net Sale Proceeds or at any particular price.²

4.7 Conditions to the Scheme

The Scheme will not become Effective and you will not receive the Base Cash Consideration or the BCM Net Sale Proceeds unless all of the Conditions Precedent to the Scheme are satisfied or waived (if capable of waiver) in accordance with the Scheme Implementation Deed.

The Conditions Precedent to the Scheme are summarised in section 9.4(b) of this Explanatory Booklet and are set out in full in clause 3.1 of the Scheme Implementation Deed. These include approval by the Court, Link Group Shareholders, and Regulatory Approvals. The approval of the Capital Return Resolution is also a Condition Precedent to the Scheme.

² As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

As at the date of this Explanatory Booklet, none of the Link Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

As at the date of this Explanatory Booklet, except as disclosed in section 6.4 of this Explanatory Booklet, none of the Dye & Durham Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

Link Group notes the disclosure made by Dye & Durham in section 6.4 of the Explanatory Booklet concerning its view of the operation of the Link Material Adverse Change condition in relation to a Link Group contract which is up for renewal and currently subject to a request for proposal (**RFP**) process, which is ongoing. Link Group does not consider that this process will result in a Material Adverse Change, including because Link Group does not consider that this process will result in an EBITDA diminution that would constitute a Material Adverse Change.

4.8 Implications if the Scheme does not become Effective

If the Scheme is not implemented:

- Link Group Shareholders will continue to hold Link Shares and will be exposed to general risks as well as risks specific to Link Group, including those set out in section 7;
- Link Group Shareholders will not receive the Base Cash Consideration or the BCM Net Sale Proceeds.
- a break fee of \$28,620,000 (excluding GST) may be payable by Link Group to Dye & Durham under certain circumstances. Those circumstances do not include the failure by Link Group Shareholders to approve the Scheme at the Scheme Meeting. Further information on the break fee is set out in section 9.4(g). A reverse break fee of \$28,620,000 may also be payable by Dye & Durham to Link Group under certain circumstances as set out in section 9.4(h);
- Link Group will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to 22 December 2021, being the date of announcement of the Scheme to the ASX; and
- the price of a Link Share on the ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

4.9 Key steps in the Scheme

(a) Scheme Meeting and Scheme approval requirements

The Court has ordered Link Group to convene the Scheme Meeting at which Link Group Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Meetings in Annexure 4.

The Scheme will only become Effective and be implemented if:

- it is approved by the Requisite Majorities of Link Group Shareholders at the Scheme Meeting to be held on 13 July 2022;
- it is approved by the Court at the Second Court Hearing; and
- the other Conditions Precedent to the Scheme outlined in section 4.7 are satisfied or waived (as applicable) prior to implementation of the Scheme.

The Requisite Majorities of Link Group Shareholders to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of Link Group Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative) (noting that the Court has the power to waive this requirement); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Link Group Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative).

4. Overview of the Transaction

continued

The entitlement of Link Group Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Meetings in Annexure 4.

Voting is not compulsory. However, the Link Directors unanimously recommend that you vote in favour of the Transaction in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Link Group Shareholders and the Court. If this occurs, your Link Shares will be transferred to D&D Acquirer and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.

Please note that the Scheme Meeting may be postponed or adjourned, including if satisfaction of a Regulatory Approval or other Condition Precedent is delayed. Any such postponement or adjournment will be announced by Link to the ASX.

(b) Court approval of the Scheme

In the event that:

- the Scheme is approved by the Requisite Majorities of Link Group Shareholders at the Scheme Meeting; and
- all other Conditions Precedent to the Scheme (except Court approval of the Scheme) have been satisfied or waived (as applicable),

then Link Group will apply to the Court for orders approving the Scheme.

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

(c) Effective Date

If the Court approves the Scheme, the Scheme will become Effective on the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC (the **Effective Date**). Link Group will, on the day the Scheme becomes Effective, give notice of that event to the ASX.

Link Group intends to apply to the ASX for Link Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

(d) Interim Dividend Payment Date, Special Dividend Record Date, entitlement to any Special Dividend and Special Dividend Payment Date

Link Group Shareholders who were on the Link Group Share Register at the Interim Dividend Record Date were paid the Interim Dividend of \$0.03 cash per Link Share on the Interim Dividend Payment Date (which was 8 April 2022).

If the Link Directors decide to pay a Special Dividend, those Link Group Shareholders who are recorded on the Link Group Share Register on the Special Dividend Record Date (currently expected to be 7:00pm (Sydney time) on 26 July 2022) will be entitled to receive the Special Dividend in respect of the Link Shares they hold at that time and will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 4 August 2022).

(e) Scheme Record Date and entitlement to Scheme Consideration

Those Link Group Shareholders who are recorded on the Link Group Share Register on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 5 August 2022) or such other time and date as the parties agree in writing) will be entitled to receive the Scheme Consideration in respect of the Link Shares they hold at that time.

(1) Dealings on or prior to the Scheme Record Date

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

- in the case of dealings of the type to be effected using CHES, the transferee is registered on the Link Group Share Register as the holder of the relevant Link Shares before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the Link Group Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Link Group will not accept for registration or recognise any transfer or transmission applications in respect of Link Shares received after the Scheme Record Date.

(2) Dealings after the Scheme Record Date

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

After the Scheme Record Date:

- all statements of holding for Link Shares (other than statements of holding in favour of D&D Acquirer) will cease to have effect as documents relating to title in respect of such Link Shares; and
- each entry on the Link Group Share Register (other than entries on the Link Group Share Register in respect of D&D Acquirer) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Link Shares relating to that entry.

(f) Implementation Date

By no later than the Business Day before the Implementation Date (currently expected to be 12 August 2022), D&D Acquirer will deposit (or will procure the deposit) into a Link Group operated Australian dollar denominated trust account with an authorised deposit taking institution in Australia as trustee for the Scheme Shareholders, an amount equal to the difference between the aggregate cash amount of the Base Cash Consideration payable to all Scheme Shareholders and the aggregate amount of any Special Dividend to be provided to Scheme Shareholders.

Scheme Shareholders will be sent or issued (as relevant) the Scheme Consideration on the Implementation Date. Immediately after the Scheme Consideration is sent to Scheme Shareholders, the Scheme Shares will be transferred to D&D Acquirer.

(g) Deed Poll

As at the date of this Explanatory Booklet, a Deed Poll has been entered into by Dye & Durham and D&D Acquirer in favour of the Scheme Shareholders, to:

- provide the amount equal to the difference between the aggregate amount of the Base Cash Consideration payable to all Scheme Shareholders under the Scheme and the aggregate of any Special Dividend, subject to the Scheme becoming Effective; and
- undertake all other actions attributed to Dye & Durham under the Scheme.

A copy of the Deed Poll is contained in Annexure 3.

4. Overview of the Transaction

continued

4.10 Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to Link Group and Dye & Durham, and appointed and authorised Link Group as its attorney and agent to warrant to Dye & Durham, on the Implementation Date, that:

- all their Link Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Scheme Shares to D&D Acquirer together with any rights attaching to those shares.

4.11 Delisting of Link Group

Link Group will apply for the termination of the official quotation of Link Shares on the ASX and for Link Group to be removed from the official list of the ASX, each to occur on a date after the Implementation Date.

Section 5

Information about Link Group

5. Information about Link Group

5.1 Introduction

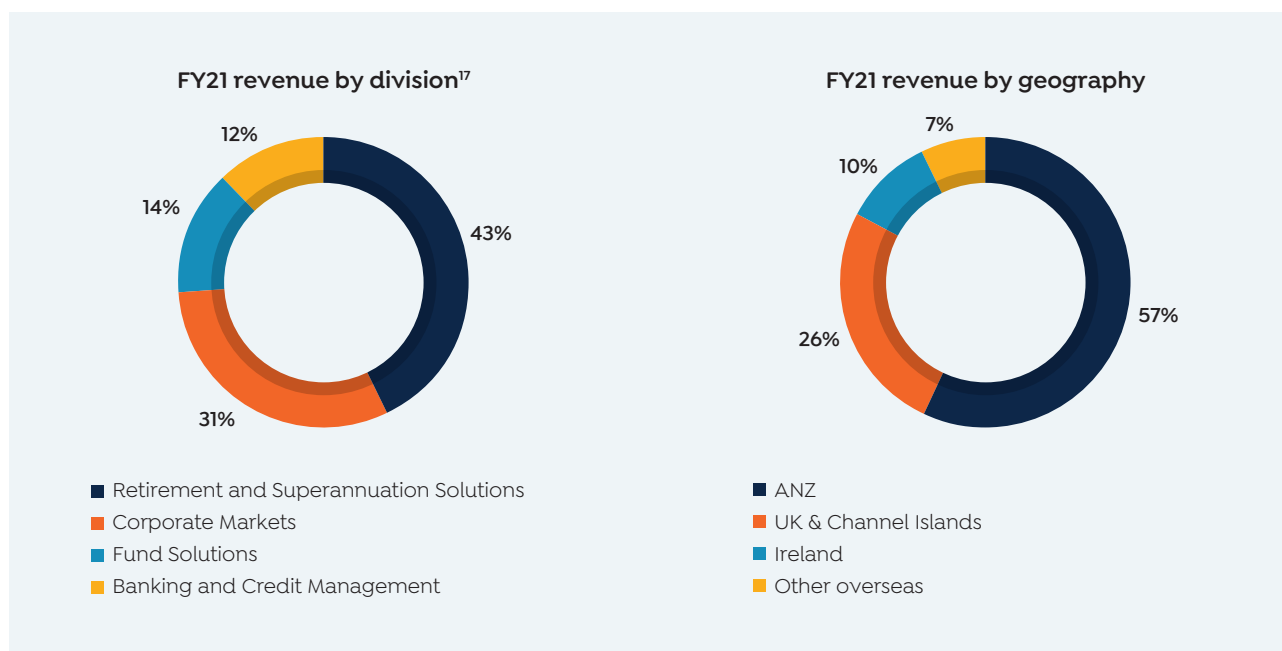
Link Group is a provider of scaled, technology-enabled administration solutions, operating across multiple asset classes from equities, pension and superannuation to investments, property and other financial assets.

Link Group's expertise in digital solutions and data analytics enables Link Group to connect people with their assets responsibly, securely and safely.

With over 7,000 global employees, Link Group services over 6,000 clients globally including some of the world's largest blue-chip corporations, pension funds, and financial institutions. Link Group works together with its clients to deliver scalable solutions and technology platforms that increase efficiencies, enhance the user experience, manage regulatory complexity and improve data management.

Link is also the largest shareholder in PEXA Group Limited (**PEXA**), holding a Relevant Interest of approximately 44.66% as at the Last Practicable Date. PEXA is an ASX listed company and the operator of Australia's leading digital property settlements platform.

In the financial year ended 30 June 2021, Link Group generated revenue of \$1.16 billion, Operating EBITDA \$257 million and Operating NPATA of \$113 million.¹ The following figures outline the split of revenue for the financial year ended 30 June 2021 by division and geography.



5.2 Business overview

As at the date of this Explanatory Booklet, Link Group operates through four divisions. Each of these divisions is described below, including the relative financial contribution of each for the financial year ended 30 June 2021.

¹ Operating EBITDA and Operating NPATA exclude significant items and acquired amortisation.

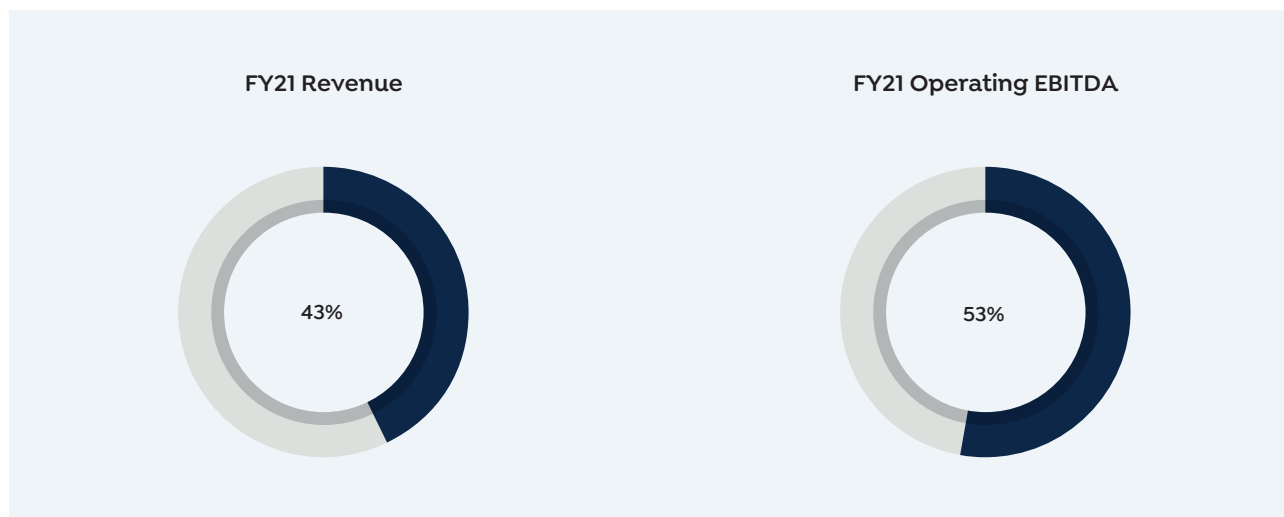
² Divisional revenue contribution percentage based on gross revenue prior to eliminations.

A description of Link Group's shareholding in PEXA is also provided below.

Link Group divisions

(a) Retirement & Superannuation Solutions

Relative financial contribution of Retirement & Superannuation Solutions to Link Group³

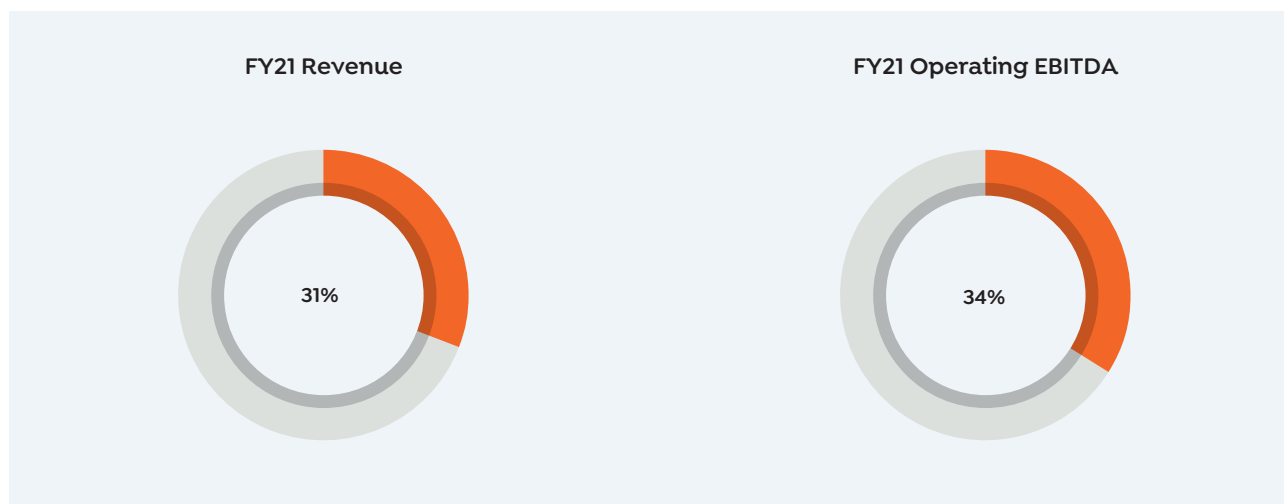


Link Group's Retirement & Superannuation Solutions business provides core member and employer administration services, combined with a full range of value-added services including an integrated clearing house, financial planning and advice, direct investment options and trustee services.

Link Group is the largest provider of services in Australia's superannuation administration industry, which services the fifth largest pension pool in the world based on funds under management and has the second highest ratio of pension assets to gross domestic product globally.⁴ Link Group's Retirement & Superannuation Solutions business also services the United Kingdom and New Zealand pensions markets.

(b) Corporate Markets

Relative financial contribution of Corporate Markets to Link Group⁵



Link Group's Corporate Markets business provides a comprehensive corporate market offering across global equity markets, connecting issuers with their stakeholders. Key services include shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, company secretarial support, as well as various specialist offerings such as insolvency solutions.

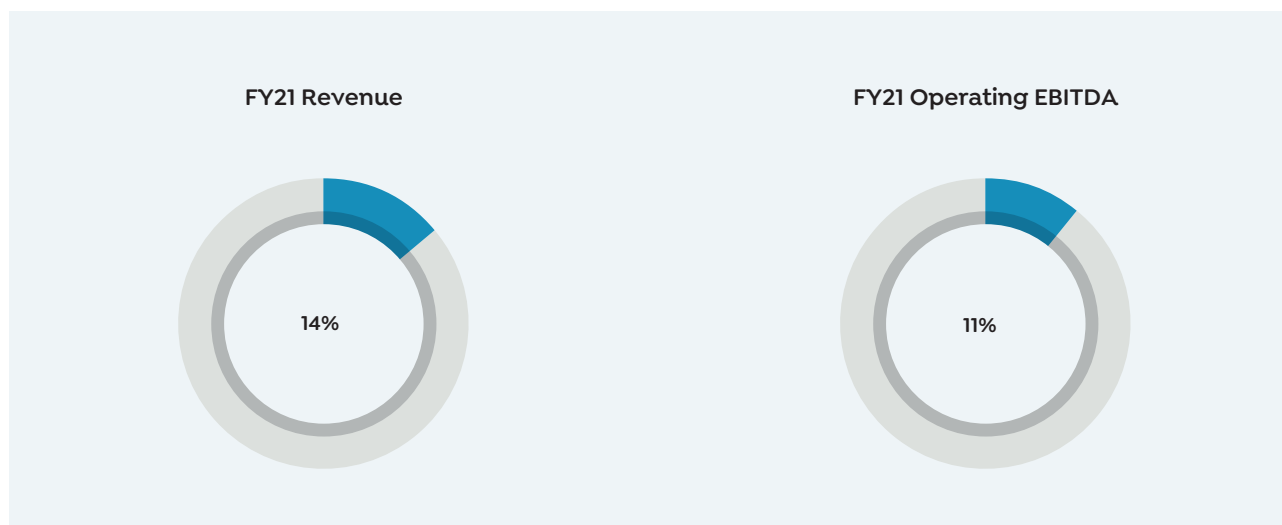
³ Divisional revenue contribution percentage based on gross revenue prior to eliminations. Divisional Operating EBITDA contribution percentage excludes Link Group costs.
⁴ Based on WillisTowers Watson Global Pension Assets Study 2022. WillisTowers Watson has not consented to the use of this information in this Explanatory Booklet.
⁵ Divisional revenue contribution percentage based on gross revenue prior to eliminations. Divisional Operating EBITDA contribution percentage excludes Link Group costs.

5. Information about Link Group

continued

(c) Fund Solutions

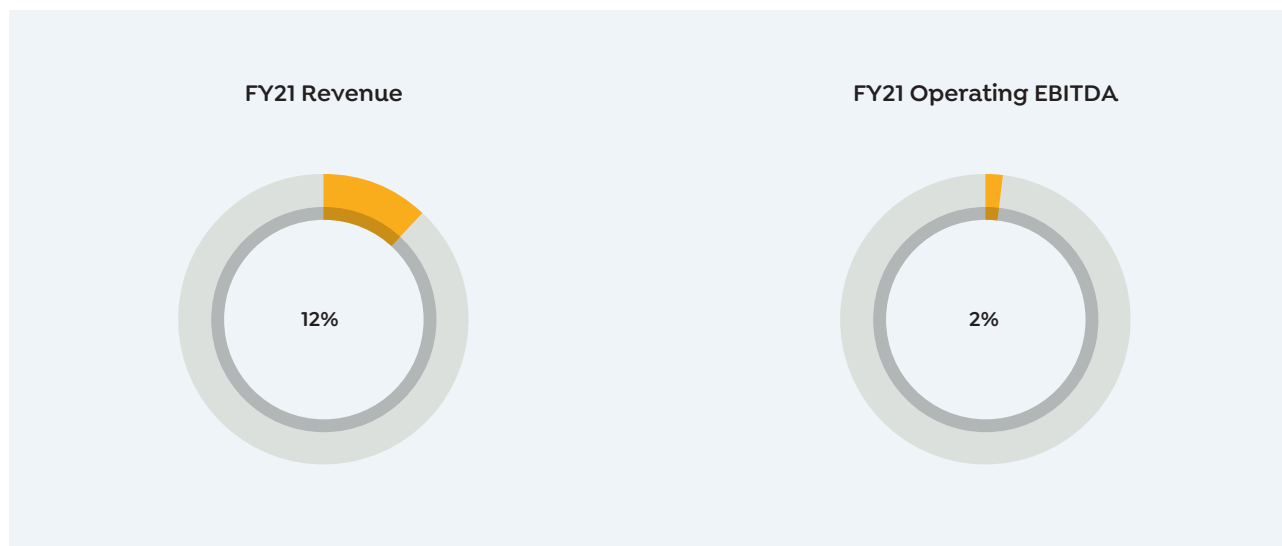
Relative financial contribution of Fund Solutions to Link Group⁶



Link Group's Fund Solutions business provides authorised fund manager/management company, third-party administration and transfer agency services to asset managers and a variety of investment funds. With a focus on strong governance, regulatory expertise and risk management, Link Group's business helps to manage regulatory compliance for asset managers and investment funds.

(d) Banking & Credit Management

Relative financial contribution of Banking & Credit Management to Link Group⁷



Link Group's BCM business is a leading European independent loan and asset management service provider supporting loans for commercial and investment purposes, and mortgages, across the loan lifecycle, from origination to redemption. Key services including loan origination and servicing, debt work-out, compliance and regulatory oversight services are provided to retail banks, investment banks, private equity funds and other investors.

Link Group is currently undertaking a process to sell BCM, although no binding agreement for the sale of BCM has been reached as at the date of this Explanatory Booklet. Please refer to section 4.5 of this Explanatory Booklet for further information.

⁶ Divisional revenue contribution percentage based on gross revenue prior to eliminations. Divisional Operating EBITDA contribution percentage excludes Link Group costs.

⁷ Divisional revenue contribution percentage based on gross revenue prior to eliminations. Divisional Operating EBITDA contribution percentage excludes Link Group costs.

Shareholding in PEXA

PEXA is the operator of Australia's leading digital property settlements platform. PEXA, through the PEXA Exchange, operates as an Electronic Lodgement Network Operator, facilitating the electronic lodgement and settlement of property transactions through an integrated digital platform connecting key property market stakeholders. In addition to operating the PEXA Exchange, PEXA is also pursuing three growth initiatives: PEXA International, PEXA Insights and PX Ventures.

As at the Last Practicable Date, since its inception, PEXA has processed over \$2 trillion in property settlement value and over 10 million transactions. As at the date of PEXA's 2021 Annual Report, nationally, over 80% of all real property settlement transactions and over 90% of refinancing transactions are completed on PEXA's platform. There are more than 9,300 practitioner firms and more than 160 financial institutions who are registered PEXA Exchange subscribers.

In the financial year ended 30 June 2018, Link Group increased its equity investment in PEXA by \$4.4 million, bringing the Link Group's total ownership of PEXA at the time to 19.8%. On 16 January 2019, a consortium comprising Link Group, Commonwealth Bank of Australia and Morgan Stanley Infrastructure Inc. acquired 100% of the issued capital in PEXA. The transaction increased Link Group's effective ownership of PEXA from 19.8% to 44.2%.

On 31 May 2021, Link Group announced that PEXA had signed an underwriting agreement for the purposes of a proposed IPO of PEXA for an implied enterprise value of \$3.3 billion.

PEXA was admitted to the official list of the ASX on 1 July 2021. As part of this process, Link Group was reallocated additional shares in PEXA. In FY21, PEXA's first financial year as a listed company, PEXA generated \$221 million in Revenue and \$110 million in PEXA Exchange EBITDA.

As at the Last Practicable Date, Link Group is the largest shareholder of PEXA, with a Relevant Interest of approximately 44.66%.

PEXA is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Further information about PEXA is available on ASX's website at www.asx.com.au.

5.3 Link Board and senior management

(a) Link Board

As at the date of this Explanatory Booklet, the Link Board comprises the following directors:

Name	Position
Michael Carapiet	Independent Chairman & Non-Executive Director
Vivek Bhatia	CEO & Managing Director
Glen Boreham, AM	Independent Non-Executive Director
Andrew Green, CBE	Independent Non-Executive Director
Peeyush Gupta, AM	Independent Non-Executive Director
Anne McDonald	Independent Non-Executive Director
Dr Sally Pitkin, AO	Independent Non-Executive Director
Fiona Trafford-Walker	Independent Non-Executive Director

5. Information about Link Group

continued

(b) Link Group senior management

As at the date of this Explanatory Booklet, Link Group's senior management comprises the following members:

Name	Position
Vivek Bhatia	CEO & Managing Director
Andrew MacLachlan	Chief Financial Officer
Michael Rosmarin	Chief People & Group Services Officer
Sarah Turner	General Counsel & Company Secretary
Wendy Phillis	Chief Risk Officer
Nicole Pelchen	Chief Technology Officer
Dee McGrath	Chief Executive Officer, Retirement & Superannuation Solutions
Paul Gardiner	Chief Executive Officer, Corporate Markets
Antoinette Dunne	Chief Executive Officer, Banking & Credit Management
Karl Midl	Chief Executive Officer, Fund Solutions

5.4 Historical financial information

(a) Basis of preparation

This section 5.4 sets out a summary of historical financial information in relation to Link Group for the purpose of this Explanatory Booklet. The financial information has been derived from Link Group's financial statements for the financial years ended 30 June 2020 and 30 June 2021 which were audited by KPMG and the financial half-year ended 31 December 2021 which was reviewed by KPMG.

The historical financial information of Link Group is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Link Group considers that for the purposes of this Explanatory Booklet the historical financial information presented in an abbreviated form is more meaningful to Link Group Shareholders.

Further detail on Link Group's financial performance can be found in:

- the financial statements for the financial year ended 30 June 2020 (included in the Annual Financial Report released to the ASX on 27 August 2020 and the Annual Report released to the ASX on 25 September 2020);
- the financial statements for the financial year ended 30 June 2021 (included in the Annual Financial Report released to the ASX on 26 August 2021 and the Annual Report released to the ASX on 24 September 2021); and
- the financial statements for the financial half year ended 31 December 2021 (included in the Half Year Results Report released to the ASX on 24 February 2022,

each of which can be found in the Link Group's website (www.linkgroup.com) or the ASX website (www.asx.com.au).

(b) Historical consolidated statement of profit and loss and other comprehensive income

	HALF YEAR ENDED	FULL YEAR ENDED	
	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Revenue – contracts with clients	593,700	1,160,340	1,230,401
Expenses:			
Employee expenses	(325,067)	(614,349)	(599,171)
Occupancy expenses	(10,858)	(20,118)	(28,432)
IT costs	(59,030)	(116,944)	(118,417)
Administrative and general expenses	(94,790)	(179,310)	(224,611)
Acquisition and capital management related expenses	(22,146)	(21,651)	(13,455)
	(511,891)	(952,372)	(984,086)
Depreciation expense	(22,933)	(53,740)	(55,397)
Intangibles amortisation expense	(44,945)	(102,687)	(110,133)
Contract fulfilment cost amortisation expenses	(3,474)	(7,193)	(6,738)
	(71,352)	(163,620)	(172,268)
Gain/(loss) on financial assets held at fair value through profit and loss	499	3,607	(23,179)
Share of profit/(loss) of equity-accounted investees, net of tax	4,133	1,942	(14)
Profit on disposal of subsidiaries	–	15,347	48
Impairment expense	(81,551)	(182,779)	(107,751)
Finance income	513	8,866	2,009
Finance costs	(16,322)	(32,840)	(35,190)
Net finance costs	(15,809)	(23,974)	(33,181)
Profit/(loss) before tax	(82,271)	(141,509)	(90,030)
Tax expense	532	(21,195)	(12,493)
Profit/(loss) for the period	(81,739)	(162,704)	(102,523)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit re-measurement	–	(111)	(12)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	6,429	(7,006)	(2,279)
Other comprehensive income, net of tax	6,429	(7,117)	(2,291)
Total comprehensive income for the period	(75,310)	(169,821)	(104,814)
Profit attributable to:			
Owners of the Company	(81,640)	(163,352)	(104,621)
Non-controlling interest	(99)	648	2,098
Profit/(loss) for the period	(81,739)	(162,704)	(102,523)

5. Information about Link Group

continued

	HALF YEAR ENDED	FULL YEAR ENDED	
	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Total comprehensive income attributable to:			
Owners of the Company	(75,211)	(170,493)	(106,704)
Non-controlling interest	(99)	672	1,890
Total comprehensive income for the period	(75,310)	(169,821)	(104,814)
		CENTS PER SHARE	CENTS PER SHARE
EARNINGS PER SHARE			
Basic earnings per share	(15.64)	(30.75)	(19.67)
Diluted earnings per share	(15.64)	(30.35)	(19.55)

(c) Historical consolidated statement of financial position

	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Current assets			
Cash and cash equivalents	246,127	395,024	264,092
Trade and other receivables	285,483	235,388	238,937
Derivative financial assets	–	273	363
Other assets	40,767	36,458	33,849
Current tax assets	9,823	7,290	18,459
Fund assets	333,435	864,901	616,982
Assets held for sale	–	–	5,931
Total current assets	915,635	1,539,334	1,178,613
Non-current assets			
Trade and other receivables	1,168	1,651	5,251
Investments	123,626	103,502	93,198
Derivative financial assets	–	–	330
Equity-accounted investments	539,380	535,247	705,259
Plant and equipment	327,367	215,711	250,429
Intangible assets	1,739,623	1,798,436	2,042,245
Deferred tax assets	66,753	65,275	56,472
Other assets	14,963	17,612	21,686
Total non-current assets	2,812,880	2,737,434	3,174,870
Total assets	3,728,515	4,276,768	4,353,483

	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Current liabilities			
Trade and other payables	379,136	340,595	275,154
Interest bearing loans and borrowings	38,080	30,952	35,945
Provisions	14,809	14,147	18,391
Employee benefits	49,081	49,910	38,650
Current tax liabilities	4,171	31,909	4,870
Fund liabilities	332,160	860,746	614,883
Liabilities held for sale	-	-	1,794
Total current liabilities	817,437	1,328,259	989,687
Non-current liabilities			
Trade and other payables	7,207	7,379	8,583
Interest-bearing loans and borrowings	1,208,591	1,036,961	1,226,952
Provisions	32,427	37,940	48,074
Employee benefits	5,914	5,892	5,450
Deferred tax liabilities	117,784	120,742	142,492
Total non-current liabilities	1,371,923	1,208,914	1,431,551
Total liabilities	2,189,360	2,537,173	2,421,238
Net assets	1,539,155	1,739,595	1,932,245
Equity			
Contributed equity	1,815,983	1,917,748	1,889,733
Reserves	(29,504)	(11,172)	16,669
Retained earnings	(248,059)	(167,815)	21,237
Total equity attributable to equity holders of the parent	1,538,420	1,738,761	1,927,639
Non-controlling interests	735	834	4,606
Total equity	1,539,155	1,739,595	1,932,245

(d) **Historical consolidated statement of cash flows**

	HALF YEAR ENDED	FULL YEAR ENDED	
	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations	628,496	1,290,851	1,369,711
Cash payments in the course of operations	(502,810)	(997,928)	(1,051,088)
	125,686	292,923	318,623

5. Information about Link Group

continued

	HALF YEAR ENDED	FULL YEAR ENDED	
	31 DEC 2021 \$'000	30 JUNE 2021 \$'000	30 JUNE 2020 \$'000
Cash payments for global transformation, acquisition/ divestment and other one-off costs	(33,958)	(36,334)	(51,718)
Interest received	660	2,693	1,700
Dividends received	171	458	386
Borrowing costs paid	(13,644)	(30,719)	(34,700)
Income taxes paid, net of refunds received	(35,679)	(14,100)	(44,683)
Net cash provided by operating activities	43,236	214,921	189,608
Cash flows from investing activities			
Payments for plant and equipment	(8,033)	(15,219)	(33,147)
Payments for software	(23,883)	(25,868)	(74,134)
Proceeds from disposal of subsidiaries, net of cash disposed	-	20,315	-
Proceeds from loan repayments	-	200,000	-
Acquisition of subsidiaries, net of cash acquired	(14,313)	(7,072)	(5,634)
Acquisition of equity accounted investments	(20,631)	-	-
Proceeds from/(payments for) derivatives	189	475	(633)
Payments for investments	(18,646)	(4,993)	(69,560)
Proceeds from investments	284	1,278	1,509
Sub-lease receipts	468	936	263
Payment of indemnified liabilities	-	-	(12,926)
Net cash provided by / (used in) investing activities	(84,565)	169,852	(194,262)
Cash flows from financing activities			
Proceeds from borrowings	226,408	11,960	308,557
Repayment of borrowings	(176,078)	(195,057)	(437,615)
Payment of borrowing transaction costs	(6,401)	-	(721)
Repayment of lease liabilities	(17,653)	(34,852)	(29,848)
Payment for buy-back of shares	(101,723)	-	(19,407)
Payment of costs related to the buy-back of shares	(42)	-	-
Payment for purchase of treasury shares	(3,133)	(432)	(396)
Dividends paid to owners of the Company	(29,492)	(32,695)	(101,243)
Dividends paid to non-controlling interest	-	(304)	(507)
Net cash (used in)/provided by financing activities	(108,114)	(251,380)	(281,180)
Net (decrease)/increase in cash and cash equivalents	(149,443)	133,393	(285,834)
Cash and cash equivalents at the beginning of the period	395,024	264,092	560,176
Effect of exchange rate fluctuations on cash held	546	(2,461)	(8,283)
Cash and cash equivalents reclassified as held for sale	-	-	(1,967)
Cash and cash equivalents at the end of the period	246,127	395,024	264,092

5.5 Material changes in financial position (since 31 December 2021)

To the knowledge of the Link Directors, there have been no material changes to the financial position of Link and the Link Group since 31 December 2021.

5.6 Current trading commentary and outlook

On 24 February 2022, Link Group released its interim financial results for the financial half-year ended 31 December 2021 (**1HFY22**) to the ASX.

For the six months ending 31 December 2021, Link Group's revenue was \$594 million (down from \$597 million in 1HFY21) and statutory NPAT loss was \$81.7 million (compared to a statutory NPAT profit of \$29.4 million for 1HFY21).

Primary drivers of the 1HFY22 performance included:

- member growth from Retirement & Superannuation Solutions clients offset by the impact of regulatory change and prior year client exits through industry consolidation;
- growth within Capital Markets in India and return of shareholder activity, offset by lower margin income and normalisation of AGM activity in Germany;
- Contribution to Fund Solutions from the Casa4Funds acquisition and positive market moves, offset by prior year client exits through industry consolidation;
- Non-performing loan run-off impacting BCM performance;
- annualised benefits of the Global Transformation Program more than offset by the normalisation of staff costs;
- non-cash impairment charges comprising of BCM goodwill and Link Group premises; and
- other significant items including Global Transformation Program costs and transaction costs.

In the 1HFY22 result, Link Group provided the following view on Link Group's projected outlook for FY22:

- FY22 Operating EBIT expected to be at least 5% higher relative to FY21;
- Global Transformation Program on track to achieve gross annualised savings of \$75 million by FY22;
- cash flow conversion⁸ of 100% during FY22;
- capital expenditure spend of 4 to 6% of Link Group revenue during FY22.

As at the date of this Explanatory Booklet, Link Group reaffirms this FY22 projected outlook.

5.7 Capital structure

As at Last Practicable Date, the capital structure of Link was:

Type of Security	Number on issue
Link Shares	512,987,481
Restricted Shares	1,489,492
Performance Share Rights	6,149,548
Share Rights	1,276,691

Additional details about Link Group's Employee Equity arrangements are set out in section 9.2.

⁸ Cash flow conversion refers to net operating cash flow divided by Operating EBITDA.

5. Information about Link Group

continued

5.8 Substantial holders in Link Shares

As extracted from filings released on the ASX on or before Last Practicable Date, the following persons were substantial holders of Link Shares:

Substantial Holder	Number of Link Shares	Voting Power in Link
Macquarie Group Limited and its controlled bodies corporate	30,909,611	6.03%
State Street Corporation and subsidiaries	26,640,744	5.19%
UBS Group AG and its related bodies corporate	33,371,883	6.51%
Yarra Capital Management Limited ⁹	36,389,911	6.79%
Yarra Funds Management Limited	40,914,900	7.65%

5.9 Link Share Price History

On 4 November 2021, being the last trading day prior to the announcement of the Carlyle Proposal on 5 November 2021, the closing price of Link Shares on the ASX was \$4.33.

During the three months ending on 4 November 2021:

- (a) the highest recorded daily closing price for Link Shares on the ASX was \$5.19 on 19 August 2021; and
- (b) the lowest recorded daily closing price for Link Shares on the ASX was \$4.21 on 6 October 2021.

Up to 4 November 2021, Link's share price average values (based on daily closing price) have been as follows for the past 1 year, 3 years and 5 years:

- (c) 1-year average: \$4.91;
- (d) 3-year average: \$5.34; and
- (e) 5-year average: \$6.30.

5.10 Publicly available information about Link Group

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

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

In addition, Link Group is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Link Group may be obtained from an ASIC office.

Link Group Shareholders may obtain a copy of Link Group's 2021 Annual Financial Report from ASX's website (www.asx.com.au), from Link Group's website (www.linkgroup.com) or by calling the Link Group Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

⁹ Includes Relevant Interest held through Yarra Funds Management Limited.

Section 6

Information about Dye & Durham

6. Information about Dye & Durham

This section 6 has been prepared by Dye & Durham. The information concerning Dye & Durham and the intentions, views and opinions contained in this section 6 are the responsibility of Dye & Durham. Link Group and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Overview of Dye & Durham

(a) Principal activities of Dye & Durham

Dye & Durham is a leading provider of cloud-based software and technology solutions designed to improve efficiency and increase productivity for legal and business professionals. Dye & Durham provides critical information services and workflow, which clients use to manage their process, information and regulatory requirements.

Dye & Durham has operations in Canada, the United Kingdom, Ireland and Australia, and serves a large customer base of over 50,000 legal firms, financial service institutions, and government organisations.

Over the last many years, Dye & Durham has broadened its customer base through accretive acquisitions and has built a software platform that customers use to process transactions.

Further information on Dye & Durham and its operations is available on its website at www.dyedurham.com.

(b) Dye & Durham Board

As at the date of this Explanatory Booklet, the Dye & Durham Board is comprised of the following directors:

Name	Position
Matthew Proud	Director and Chief Executive Officer
Charlie MacCready	Director and Chief Legal Officer

As at the date of this Explanatory Booklet, the board of directors of Dye & Durham Limited comprises the following directors:

Name	Position
Brian L. Derksen	Chair
Matthew Proud	Director and Chief Executive Officer
David MacDonald	Director
Mario Di Pietro	Director
Brad Wall	Director
Edward D. Prittie	Director
Ronnie Wahi	Director

(c) Ownership structure of Dye & Durham

D&D Acquirer is a wholly owned subsidiary of D&D HoldCo, which in turn is a wholly owned subsidiary of Dye & Durham, which in turn is a wholly owned subsidiary of Dye & Durham Limited (refer to the structure diagram set out below¹). Dye & Durham Limited is a company incorporated under the *Business Corporations Act* (Ontario) whose shares are listed and posted for trading on the Toronto Stock Exchange.



6.2 Overview of D&D Acquirer

D&D Acquirer is a special purpose company incorporated on 6 May 2022. As outlined above in section 6.1(c), D&D Acquirer is an indirect wholly owned subsidiary of Dye & Durham and is ultimately owned by Dye & Durham Limited. Under the Scheme, D&D Acquirer will acquire and will hold (following implementation of the Scheme) all of the shares in Link. As at the date of this Explanatory Booklet, the directors of D&D Acquirer are Matthew Proud and Peter Maloney.

D&D Acquirer is an unlisted Australian proprietary company that has not conducted business and does not own any assets or have any liabilities other than in connection with its incorporation, the entry into transaction documents in connection with the Scheme and the taking of such other actions as are necessary to facilitate the implementation of the Scheme (including actions in relation to the incurrence of costs, fees and expenses in connection with the Scheme).

6.3 Rationale for proposed acquisition of Link Group

Dye & Durham considers the Link Group to be an attractive investment opportunity. The Link Group fits within Dye & Durham's own investment objectives. The Transaction is consistent with Dye & Durham's strategy to grow its business as a leading global legal and technical services provider. With geographic overlap in the United Kingdom and Australia, the Transaction will both expand Dye & Durham's customer base and broaden the product offering for existing clients.

¹ Note that the structure diagram is a simplified structure diagram and does not depict the entire Dye & Durham Limited group.

6. Information about Dye & Durham

continued

6.4 Funding arrangements for the Scheme Consideration

(a) Scheme Consideration

If the Scheme becomes Effective, Dye & Durham intends to fund the Scheme Consideration payable to Scheme Shareholders under the Scheme via a combination of third party debt and equity funding.

Based on the number of Link Shares on issue as at the date of this Explanatory Booklet, the maximum amount that may be required to be paid by D&D Acquirer to fund the Scheme Consideration is approximately \$2.9 billion. The aggregate amount available under the equity and debt commitments (as described below) along with cash available on the balance sheet of each of Dye & Durham and Link Group exceeds such maximum amount and for the avoidance of doubt, is also sufficient to cover the refinancing of the existing debt facilities of Link Group and Dye & Durham.

The Scheme is not subject to any financing Condition Precedent.

(b) Debt Funding

Dye & Durham has entered into a debt commitment letter under which a group of financial institutions, with Goldman Sachs Bank USA, Ares Capital Management LLC, JPMorgan Chase Bank, N.A, JPMorgan Chase Bank, N.A., Toronto Branch, BMO Capital Markets Corp., Bank of Montreal and The Bank of Nova Scotia (collectively, the **Lead Arrangers**) acting as joint lead arrangers will provide a U.S. dollar denominated term loan equal to A\$3.533 billion in addition to a C\$150 million revolving credit facility (the **Facilities**) to Dye & Durham (**Debt Funding**).

The Facilities are available to Dye & Durham for the purposes of:

- partly funding the Scheme Consideration for the acquisition of the Scheme Shares;
- refinancing the existing debt facilities of Link Group and Dye & Durham;
- paying fees and expenses incurred in connection with the Transaction and the Facilities; and
- funding general corporate purposes.

The funding of the Facilities is subject to the satisfaction of certain conditions precedents, which are customary for facilities of this nature and include:

- subject to clause 3.2(g) of the Scheme Implementation Deed, no Link Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Dye & Durham between (and including) the date of the Scheme Implementation Date and 8:00am (Sydney time) on the Second Court Date;
- the execution and delivery of the Facilities documentation by Dye & Durham, Dye & Durham Limited and certain wholly-owned subsidiaries of Dye & Durham Limited;
- consummation of the acquisition of the Scheme Shares by D&D Acquirer under the Scheme in accordance with the terms of the Scheme Implementation Deed (and each related documentation);
- the Scheme not being implemented earlier than 28 February 2022;
- consummation of the refinancing of the existing debt facilities of Link;²
- consummation of the refinancing of the existing credit facilities of Dye & Durham;³
- consummation of the equity funding (as described below);
- certain representations and warranties provided by Link under the Scheme Implementation Deed and to be provided by Dye & Durham, Dye & Durham Limited and their subsidiaries under the definitive documentation in respect of the Debt Funding being true and correct;
- the Lead Arrangers having received, at least three business days prior to completion of the Transaction, all documentation and other information relating to Dye & Durham, Dye & Durham Limited and their subsidiaries required by regulatory authorities under applicable “know your

² Please refer to section 3.10.1 of the Independent Expert's report for further details about Link Group's refinancing of its existing debt facilities. As at 31 March 2022, Link Group's drawn debt from its senior debt facilities (excluding working capital facilities) is AUD\$887.7 million. As at 31 March 2022, Link Group has drawn down AUD\$1.7 million of its working capital facilities.

³ Dye & Durham's debt facilities totalled C\$1.52 billion as at 31 December 2021.

customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent requested in writing at least 10 days prior to completion of the Transaction; and

- other customary conditions in respect of matters such as payment of fees and expenses, delivery of certain financial information in relation to Dye & Durham Limited and Link Group, delivery of documentation required by certain regulatory authorities, delivery of customary legal opinions from counsel, a solvency certificate from the chief financial officer of Dye & Durham and other customary closing corporate documents, resolutions, certificates and borrowing notices.

As outlined above, Dye & Durham is the borrower under the Facilities. Dye & Durham’s debt is guaranteed by Dye & Durham Limited and a number of Dye & Durham’s subsidiaries. Dye & Durham does not believe that this is relevant to the obligations of Dye & Durham and D&D Acquirer under the Scheme as all the existing debt will be refinanced through the Debt Funding and Equity Funding.

(c) **Equity Funding**

Dye & Durham and Dye & Durham Limited have entered into a legally binding equity commitment letter with Ares (acting on behalf of one or more affiliated or managed funds, investment vehicles or accounts) (the **Commitment Parties**), pursuant to which the Commitment Parties have agreed to acquire up to C\$841 million of non-voting exchangeable preferred shares of Dye & Durham (**Exchangeable Shares**), at a price of C\$1,000 per Exchangeable Share, and up to C\$109 million of common shares of Dye & Durham Limited (**Common Shares**) at a price of C\$53.00 per Common Share, which represents a 32% premium to the closing price of the Common Shares on 20 December 2021 (EST) (**Equity Funding**).⁴ In certain circumstances, the subscription for the Common Shares could be reduced to nil, upon which the subscription in respect of Exchangeable Shares will automatically be increased to C\$950 million.

The Exchangeable Shares will accrue interest, compounded quarterly, at an annual rate of 6.5% for the first five years. The interest rate will increase by 1% annually following the fifth anniversary, to a maximum of 12.0%. The Exchangeable Shares will be, subject to certain conditions, exchangeable for Common Shares at the option of the holder at an initial exchange price of C\$60.00 per Common Share, which represents a 50% premium to the closing price of Dye & Durham Limited shares on 20 December 2021. Notwithstanding the foregoing, in the event the closing price of the Common Shares exceeds 145% of the exchange price for 20 trading days over any period of 30 consecutive trading days, the Exchangeable Shares will automatically exchange for Common Shares in accordance with the foregoing sentence.

The Equity Funding is to be provided to Dye & Durham for the purposes of partly funding the Scheme Consideration for the acquisition of the Scheme Shares and paying fees, costs and expenses incurred in connection with the Scheme and the associated Transaction.

In connection with the equity investment, Dye & Durham Limited will enter into an investor rights agreement with Ares providing for, among other things, customary participation rights, information rights, consent rights, board observer rights and certain standstill and transfer restrictions.

The Equity Funding is subject to the satisfaction of certain conditions precedent, which include:

- no Link Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Dye & Durham between (and including) the date of the Scheme Implementation Date and 8:00am on the Second Court Date;
- the terms of the Scheme Implementation Deed, Deed Poll and Scheme not having been amended without the prior written consent of Ares (where required);
- the representations and warranties provided by Link under the Scheme Implementation Deed which are material to the interests of Ares being true and correct, but only to the extent that no termination right or right not to consummate the transactions contemplated by the Scheme Implementation Deed is available as a result of any such representation or warranty not being true and correct;

⁴ 20 December 2021 is the reference date for the closing price of the Common Shares being one day prior to date the Equity Funding was entered into with Ares and the one day prior to Dye & Durham’s entry into the Scheme Implementation Deed.

6. Information about Dye & Durham

continued

- the preparation, execution and delivery of definitive documentation in relation to the Equity Funding;
- reasonably satisfactory evidence that all Regulatory Approvals and any other governmental authorisation required to implement the Scheme have been obtained;
- all other Conditions Precedent under the Scheme Implementation Deed have been satisfied or waived;
- the Commitment Parties having the right to be designated as a joint lead arranger or bookrunner with respect to no less than 25% of the aggregate commitments and compensatory economics under the Debt Funding; and
- the Commitment Parties having received executed copies of all definitive documentation in respect of the Common Shares and the Exchangeable Shares, as applicable, in form and substance reasonably satisfactory to the Commitment Parties.

The definition of a Link Material Adverse Change in the Scheme Implementation Deed includes events causing the diminution of EBITDA of business units within the Link Group. As at the Last Practicable Date, Dye & Durham is aware of one contract which is up for renewal which may affect EBITDA and Dye & Durham considers that this may potentially result in a Link Material Adverse Change.

The Conditions Precedent in clause 3.1(a) of the Scheme Implementation Deed include various regulatory approvals. Dye & Durham has been advised that some of the regulators referred to in clause 3.1(a) require shareholders who hold 10% or greater in Dye & Durham Limited to seek regulatory approval in addition to Dye & Durham itself. Dye & Durham with the assistance of external counsel in the relevant jurisdictions continued to try to understand and question these potential requirements given that Dye & Durham Limited is a publicly-listed entity. Based on Dye & Durham Limited's information as a public entity, there are at least two such shareholders who may own greater than 10% in Dye & Durham Limited. Dye & Durham's external counsel have been in discussions with those two shareholders in case these requirements are confirmed to try to facilitate any such required applications. As at the Last Practicable Date, Dye & Durham is not aware of the attitude of such shareholders to seeking regulatory approval. Their attitude could impact the timing of Dye & Durham obtaining the required regulatory approvals or whether such approvals are obtained, as they are outside Dye & Durham's control.

Except as stated above, as at the Last Practicable Date Dye & Durham is not aware of any reason why the conditions to the Debt Funding and Equity Funding will not be satisfied, by the times that are currently contemplated for approving and implementing the Scheme, so as to enable the funding of the Scheme Consideration.

Based on and subject to the above, Dye & Durham believes that it will be able to satisfy its obligations to provide the Scheme Consideration as and when due under the terms of the Scheme, and considers that it has reasonable grounds for that belief.

(d) Funding of BCM Net Sale Proceeds

As outlined in section 1.2 of this Explanatory Booklet, the BCM Proceeds Payment will be made by way of BCM Capital Return if the BCM Net Sale Proceeds are received by Link Group by two Business Days before the Implementation Date (subject to the implementation of the Scheme and Link Group Shareholders approving the BCM Capital Return) or otherwise as additional consideration under the Scheme payable by D&D Acquirer if received after that time and up to 12 months after the Implementation Date. To the extent that D&D Acquirer receives the BCM Net Sale Proceeds within 12 months after the Implementation Date, D&D Acquirer intends to fund such additional consideration using the BCM Net Sale Proceeds received from the sale.

As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

6.5 Intentions if the Scheme is implemented

This section 6.5(a) sets out the current intentions of Dye & Durham in relation to:

- the continuation of the operations and business of Link Group, including any redeployment of significant assets of Link Group;
- changes to the Link Board;
- the future employment of the present employees of Link Group; and
- the delisting of Link Group from the ASX,

assuming Dye & Durham acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this section 6 regarding Dye & Durham's intentions are based on information concerning the Link Group and the general business environment that are known to Dye & Durham at the time of the preparation of this Explanatory Booklet. Final decisions regarding these matters will be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this section 6 are statements of current intention only and may change as new information becomes available or circumstances change.

(a) Business continuity and operations

Post announcement of the Transaction, Dye & Durham has received unsolicited preliminary non-binding expressions of interest from a number of third parties interested in potentially acquiring the RSS business from Dye & Durham should the Scheme be implemented. Dye & Durham has held and continues to hold discussions with one such third party to further understand the details of their preliminary non-binding expressions of interest in order to determine whether entry into any such transaction would potentially be in its interests. Whilst Dye & Durham continues to evaluate this third party expression of interest, there is no certainty that any transaction will be entered into or, if so, the timing or final terms of any such transaction.

If the Scheme is implemented, Dye & Durham intends to undertake a detailed review of Link's assets and operations. Dye & Durham expects to continue the current strategic direction of Link Group, including actively pursuing growth opportunities available to Link Group. As announced by Dye & Durham on 21 December 2021, the Link Group's BCM business and Funds Solutions business are non-core to Dye & Durham and Dye & Durham expects to divest such businesses post-closing to the extent that it can find appropriate purchasers thereof on appropriate terms.

(b) Board of directors

If the Scheme is implemented, Dye & Durham will replace the Link Board and its subsidiaries with nominees of Dye & Durham (who are yet to be identified at the date of this Explanatory Booklet).

(c) Employees

Dye & Durham considers Link Group's employees to be critical to the future success of the business. Following implementation of the Scheme, Dye & Durham will review Link Group's business operations and organisational structure to ensure Link Group has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities.

(d) Delisting

If the Scheme is implemented, Dye & Durham will procure that Link apply to the ASX for Link to be removed from the official list of ASX after implementation of the Scheme.

6. Information about Dye & Durham

continued

6.6 Dye & Durham's interests in Link Shares

(a) Interests in Link Shares

As at Last Practicable Date, none of Dye & Durham or any of its Associates had any Relevant Interest or voting power in any Link Shares.

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

None of Dye & Durham or any of its Associates has provided, or agreed to provide, consideration for Link Shares under any purchase or agreement during the four months before the date of this Explanatory Booklet.

(c) No inducing benefits given during previous four months

During the period of four months before the date of this Explanatory Booklet, none of Dye & Durham or any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (1) vote in favour of the Scheme; or
- (2) dispose of Link Shares,

where the benefit was not offered to all Link Group Shareholders.

(d) Benefits to current Link officers

Other than as disclosed in this Explanatory Booklet, none of Dye & Durham or any of its Associates will be making any payment or giving any benefit to any current director, secretary or executive officer of Link or any of its related bodies corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

6.7 Publicly available information about Dye & Durham

Further information on Dye & Durham Limited, including Dye & Durham, and its operations is available on Dye & Durham Limited's System for Electronic Document Analysis and Retrieval (**SEDAR**) directory at www.sedar.com.

Financial information about Dye & Durham Limited on a consolidated basis can also be found on Dye & Durham Limited's SEDAR directory at www.sedar.com. In particular, a copy of Dye & Durham Limited's consolidated financial statements for its financial years ended 30 June 2021 and 2020, and condensed consolidated interim financial statements for the three and six month periods ended December 31, 2021 and 2020, are available on its SEDAR directory at www.sedar.com.

6.8 No other material information

Other than as disclosed in this section 6, there is no material information regarding Dye & Durham, or its intentions regarding Link Group, that is material to the making of a decision by a Link Group Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Dye & Durham as at the date of this Explanatory Booklet that has not been previously disclosed to Link Group Shareholders.

Section 7

Risks



7. Risks

7.1 Introduction

In considering the Transaction, Link Group Shareholders should be aware that there are a number of risk factors, both general and specifically relating to Link Group, which may affect the future operating and financial performance of Link Group and the price and/or value of Link Shares.

If the Scheme proceeds, Link Group Shareholders will receive the Base Cash Consideration, will cease to hold Link Shares and will also no longer be exposed to the risks set out in this section 7 (and other risks to which Link Group may be exposed).

If the Scheme does not proceed, Link Group Shareholders will continue to hold Link Shares and continue to be exposed to risks associated with investment in Link Group.

In deciding whether to vote in favour of the Scheme, Link Group Shareholders should read this Explanatory Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Link Group Shareholders. In addition, this section 7 is a summary only and does not purport to list every risk that may be associated with an investment in Link Group now or in the future. There also may be additional risks and uncertainties not currently known to Link Group which may have a material adverse effect on Link Group's operating and financial performance and the value of Link Shares.

Whilst the Link Directors unanimously recommend that Link Group Shareholders vote in favour of the Transaction in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders, Link Group Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Transaction.

7.2 General risks

Link Group is exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits, prospects and potential to make further distributions to Link Group Shareholders, and the price and/or value of Link Shares. General risks that may impact on Link Group or the market for Link Shares include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices and consumer demand;
- changes to government policy, legislation or regulation, including the imposition of any economic sanctions;
- the nature of competition in the markets and industries in which Link Group operates;
- inclusion or removal from major market indices;
- natural disasters or catastrophes and other general operational and business risks;
- acts of war and hostilities (including the Russia and Ukraine conflict which remains ongoing as at the date of this Explanatory Booklet), acts of terrorism, civil disturbance and other force majeure risks;
- variations in Link Group's operating results;
- recommendations by securities analysts;
- changes in investor sentiment and overall performance of the Australian and international stock markets;
- the operating and trading price performance of other comparable listed entities; and
- changes to accounting standards and reporting standards.

Some of these factors could affect Link's share price regardless of Link Group's underlying operating performance.

7.3 Risks relating to the business and operations of Link Group

Some of the more material specific business risks faced by Link Group are considered below in more detail.

(a) COVID-19 risk factor

The COVID-19 pandemic remained a source of great uncertainty in FY21 and continues to have profound global health, social and economic impacts. Link Group considers COVID-19 to be a material risk factor that has the potential to alter (positively or negatively) many of the other risks that Link Group faces.

(b) Information and cyber security risk

Link Group's core products and services inherently involve appropriate management of information. Link Group's ability to ensure the confidentiality, integrity and availability of information that it holds, may provide a competitive advantage or may be detrimental to Link Group, as it attempts to enable efficient and secure businesses. The COVID-19 pandemic continued to be a source of increased information and cyber security risks as the majority of our people were required to work remotely and perpetrators focused their efforts on an expanding range of diverse avenues in an attempt to access data.

Clients expect Link Group to securely store and make use of accurate information irrespective of whether Link Group people are working in Link Group's offices or remotely. Failure to meet these expectations may result in breach of confidence, contract or regulation, which may have a negative impact on Link Group's reputation, financial performance and ability to achieve Link Group's strategic objectives.

(c) Political and regulatory environment risk

Link Group's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which Link Group or its clients operate.

Political and/or regulatory change, and Link Group's ability to comply with regulations, could enable or inhibit our business objectives.

Changes could affect Link Group's ability to achieve business objectives and financial performance. For example, by:

- limiting or removing authority to operate;
- changing how a business operates; and/or
- altering resource requirements, operating efficiency and profitability.

Changes may also provide an opportunity for Link Group to generate additional revenue streams by supporting its clients in their regulatory compliance obligations including the following:

- in Australia, legislative changes permitting early withdrawal from super funds has had and will continue to have a material ongoing impact on the numbers of members administered by Link Group;
- in Australia, the Protecting Your Superannuation Legislation continues to have a material impact on operating volumes, the number of members administered by Link Group and operating margins in the Retirement and Superannuation Solutions division; and
- certain proposed regulatory changes in Australia and other jurisdictions in which Link Group operates provide opportunities to develop additional products and services for Link Group's clients.

7. Risks

continued

(d) Principal risk

Link Group's ability to comply with relevant obligations may result in regulatory and consumer exposures, contrary to its objectives to operate profitable, risk managed, compliant businesses.

Link Group primarily provides services to/for clients as an agent (where it is indirectly accountable), but also provides services to clients as principal (where it is directly liable). Link Group's Fund Solutions business acts as principal, primarily in Europe, and has direct regulatory obligations (as does parts of Link Group's Corporate Market's business). Material failure by Link Group to discharge Link Group's principal obligations may negatively affect financial performance (compensation, pecuniary penalties, lost earnings) and reputation. It may also give rise to regulatory penalties or removal of authority to operate the relevant business.

(e) Client base, retention and arrangements risk

Link Group may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired.

Some factors may include:

- scope and quality of service;
- increased competition;
- industry consolidation;
- business and regulatory environment;
- strength of relationships; and/or
- technological disruption and innovation.

(f) Operations in competitive markets

The key industries in which Link Group operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services.

There is potential risk for loss of market share to existing or new entrants to the various markets in which Link Group operates. Further, there is potential risk of margin compression in Link Group's operations in comparative markets. A failure by Link Group to effectively compete may adversely affect its operating performance and financial outcomes.

(g) Financial risks

There is the risk that Link Group may not be successful in procuring the funding required to capitalise on Link Group's strategy-related initiatives.

(h) Woodford Matters

On 17 June 2019, the FCA notified Link Fund Solutions Limited (**LFSL**) that it was commencing an investigation into LFSL in its role as authorised corporate director to the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (the **Fund**). The FCA investigation is ongoing and the outcome of the investigation is not known to Link Group as at the date of this Explanatory Booklet.

On 28 September 2021, a claim was issued in England against LFSL in relation to the Fund. The claim was issued on behalf of 100 investors in the Fund, but at the date of this Explanatory Booklet no proceedings have been served on LFSL. LFSL intends to defend itself against any proceedings, however as at the date of this Explanatory Booklet the outcome of any proceedings cannot be determined. LFSL has also received letters before action in relation to its role as authorised corporate director of the Fund from three law firms acting on behalf of various investors in the Fund. LFSL responded to each of the letters before action, rejecting the respective claims, in full.

LFSL has received complaints from investors in the Fund, a number of which have been referred to the Financial Ombudsman Service (the **FOS**). LFSL has not been notified of any determination by the FOS in respect of any of these complaints.

(i) Benefit realisation from acquisition, integration and transformation

The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected.

Some factors may include:

- appropriateness of each plan;
- accuracy of the calculation of expected benefits;
- quality and efficiency of execution;
- market conditions and client receptivity; and
- unexpected intervening events.

The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans.

7.4 Risks relating to the Scheme

(a) Risks relating to implementing the Scheme

The Scheme is subject to various Conditions Precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These Conditions Precedent are outlined in section 9.4(b) of this Explanatory Booklet and set out in full in clause 3.1 of the Scheme Implementation Deed. The failure of a Condition Precedent to be satisfied or waived (if capable of waiver) may also give rise to a right of either Link or Dye & Durham to terminate the Scheme Implementation Deed.

The Conditions Precedent include approval by the Court, Link Group Shareholders, and Regulatory Approvals. There is the risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that Link Group and/or Dye & Durham (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the Link Group Shareholder, Court approvals or Regulatory Approvals required for the Scheme to proceed may be delayed, including a risk that the Regulatory Approvals may not be satisfied or waived by the End Date.

(b) Implications for Link Group Shareholders if Dye & Durham is unable to secure the funding arrangements described in section 6.4

If the funds contemplated under Dye & Durham's Debt Funding and/or Equity Funding arrangements described in section 6.4 of this Explanatory Booklet are not forthcoming, Dye & Durham may not be able to fund the Scheme Consideration payable under the Scheme.

If Dye & Durham does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll, the Scheme will not be implemented and Link Group Shareholders will not transfer to D&D Acquirer their Link Shares (and will not receive the Base Cash Consideration or any BCM Net Sale Proceeds for their Link Shares). Link Group will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX.

As further described in section 9.4(h) of this Explanatory Booklet, if the Scheme becomes Effective but Dye & Durham does not pay the Scheme Consideration in accordance with its obligations under Scheme Implementation Deed and the Deed Poll, a reverse break fee of \$28,620,000 will be payable by Dye & Durham to Link Group.

7. Risks

continued

(c) Performance risk in relation to BCM Proceeds Payment

Following implementation of the Scheme, if Link Group's BCM business is sold and the BCM Net Sale Proceeds are received by Link Group within 12 months of the Implementation Date, D&D Acquirer will be obliged to pay those proceeds (up to a maximum of \$0.13 per Link Share) to Link Group Shareholders on the Link Group Share Register at the Scheme Record Date as additional consideration under the Scheme.

However, Link Group Shareholders should note the performance risk which may arise in relation to D&D Acquirer failing to pay the additional consideration, in breach of its obligations under the Scheme Implementation Deed and Deed Poll, in circumstances where Scheme Shareholders will have already transferred their Scheme Shares to D&D Acquirer on the Implementation Date and where there is no other security being provided by D&D Acquirer in relation to the payment of the additional consideration. In such circumstances, Scheme Shareholders will only have an unsecured claim against D&D Acquirer under the Deed Poll in relation to the payment of the additional consideration.

In this regard, Link Group Shareholders should also note that Independent Expert has assessed the full underlying value of Link Group at between \$4.81 and \$5.97 per Link Share, and the Base Cash Consideration of \$5.50 cash per Link Share (without any BCM Net Sale Proceeds) is within this range.

(d) Implications for Link Group and Link Group Shareholders if Scheme is not implemented

If the Scheme does not become Effective and is not implemented, Link Group Shareholders will not receive the Base Cash Consideration or any BCM Net Sale Proceeds and Link Group will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX.

Unless Link Group Shareholders choose to sell their Link Shares on the ASX, Link Group Shareholders will continue to hold Link Shares and be exposed to both the risks (including those set out in this section 7) and potential future benefits in retaining exposure to Link Group's business and assets.

The Link share price will also remain subject to market volatility and may fall in absence of a Superior Proposal.

(e) Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable. In addition, the value of the actual Interim Dividend and Special Dividend to each Link Group Shareholder may be affected by the tax consequences applying to individual shareholders, given the use of franking credits depends on their personal tax circumstances.

For further detail regarding general Australian tax consequences of the Scheme, refer to section 8 of this Explanatory Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your particular circumstances.

Section 8

Tax implications

8. Tax implications

8.1 Scope of tax comments

This is a general overview of the Australian income tax, GST and stamp duty implications for certain Australian resident Link Group Shareholders on:

- Implementation of the Scheme;
- payment of the Interim Dividend of \$0.03 per Link Share;
- payment of the Special Dividend of \$0.08 per Link Share, should Link Group decide to declare and pay the Special Dividend; and
- payment of the BCM Proceeds Payment of up to a maximum of \$0.13 per Link Share, if Link Group's BCM business is sold and proceeds are received by Link Group before or within 12 months after Implementation.

The categories of Link Group Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts (other than Attribution managed investment trusts (**AMITs**)) and complying superannuation funds that hold their Link Shares on capital account for income tax purposes.

The tax comments as outlined below are not applicable to all Link Group Shareholders and are not intended to cover Link Group Shareholders who:

- (1) are entitled to receive the Interim Dividend or Special Dividend but dispose of their Link Shares prior to the Scheme Record Date such that they are not entitled to receive the Scheme Consideration;
- (2) hold their Link Shares as a revenue asset (e.g. trading entities or entities who acquired their Link Shares for the purposes of resale at a profit) or as trading stock;
- (3) are partnerships or individuals who are partners of such partnerships;
- (4) are non-residents who hold their shares as an asset in a business that is carried on through a permanent establishment in Australia;
- (5) acquired their Link Shares pursuant to an employee share, option or rights plan;
- (6) are under a legal disability;
- (7) unless stated otherwise, are not Australian income tax residents or are temporary residents as determined under Australian income tax law;
- (8) are exempt from Australian income tax;
- (9) are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Link Shares; or
- (10) are subject to the Investment Manager Regime under Subdivision 842-1 of the *Income Tax Assessment Act 1997* (Cth) in respect of their Link Shares.

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

These comments should not be a substitute for advice from an appropriate professional adviser having regard to each Link Group Shareholder's individual circumstances. All Link Group Shareholders are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

Link Group is in the process of applying for a class ruling (**Class Ruling**) from the ATO regarding the income tax implications for Link Group Shareholders of receiving:

- the Special Dividend of \$0.08 per Link Share held on the Special Dividend Record Date, in the event that Link Group decides to pay the Special Dividend; and
- the BCM Proceeds Payment of up to a maximum of \$0.13 per Link Share if Link reaches an agreement to sell the BCM business and BCM Net Sale Proceeds are received by Link Group before, or within 12 months of, the Implementation Date.¹

¹ As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

The income tax comments provided below are consistent with the positions taken in the Class Ruling application lodged with the ATO.

The Class Ruling is not expected to be issued by the ATO until after the Implementation Date (which is expected to be 12 August 2022). However, Link expects to receive a draft of the Class Ruling prior to the Scheme Meeting on 13 July 2022 for Link Group Shareholder approval of the Scheme. Link Group Shareholders should refer to the Class Ruling once it is published on www.ato.gov.au. It is possible that the Commissioner may reach different conclusions to those described in this overview. Accordingly, it is important that this overview be read in conjunction with the Class Ruling to be issued by the ATO.

8.2 Australian income tax

These comments apply to Link Group Shareholders who are residents of Australia for income tax purposes.

(a) Australian income tax treatment of the Interim Dividend

Under the Scheme, the Link Board is entitled to decide to pay an Interim Dividend, provided:

- (1) the payment of the Interim Dividend complies with the Corporations Act;
- (2) the record date and payment date for the Interim Dividend is before the Scheme Record Date;
- (3) the Interim Dividend may be franked to the maximum extent possible, subject to the franking account of Link not being in deficit after payment of the Interim Dividend; and
- (4) the Interim Dividend is paid from accumulated profits, retained earnings or distributable reserves (or a combination of all or some of them) existing immediately prior to the declaration of the dividend.

The Scheme Consideration will not be reduced by the cash amount of the Interim Dividend. Link Group Shareholders on the Interim Dividend Record Date (which was 3 March 2022) will be entitled to the Interim Dividend. For those Link Group Shareholders who held Link Shares on the Interim Dividend Record Date, the Interim Dividend were paid on the Interim Dividend Payment Date (which was 8 April 2022).

The Interim Dividend will be assessable to Australian resident Link Group Shareholders in the year of income in which it is paid.

Franking credits attached to the Interim Dividend paid to Link Group Shareholders should be included in the assessable income of each Link Group Shareholder (i.e. Link Group Shareholders are assessed on the cash component of the Interim Dividend received, plus the amount of any franking credits attached to the Interim Dividend).

Certain Link Group Shareholders may be entitled to a tax offset in the calculation of their tax liability equal to the franking credit attached to the Interim Dividend.

Individuals and complying superannuation entities

Link Group Shareholders that are individuals or complying superannuation entities may be entitled to a refund of excess franking credits where the tax offset associated with franking credits attached to the Interim Dividend exceeds their tax liability for the relevant income year.

Corporate Investors

Link Group Shareholders that are companies will not be entitled to a refund of excess franking credits where the franking credits attached to the Interim Dividend exceeds their tax liability for the relevant income year. Instead, Link Group Shareholders that are companies will convert any excess franking offset to a tax loss and will be taken to have incurred this tax loss for the relevant income year in which the dividend is paid. Link Group Shareholders that are companies may be able to credit their franking account with the amount of any franking credit attached to the Interim Dividend.

8. Tax implications

continued

Trusts

Where Link Shares are held by an Australian resident trust (other than an AMIT) and Australian resident beneficiaries are presently entitled to the income of the trust including the Interim Dividend, the benefit of the franking credit attached to the Interim Dividend may also flow through to Australian resident beneficiaries. The income tax treatment of the Interim Dividend and attached franking credits in the hands of those beneficiaries will depend on the flow-through status of the trust and tax status of those beneficiaries. Beneficiaries of trusts that hold Link Shares should seek their own independent advice.

Shares held at risk

For Link Group Shareholders to be assessed on any franking credits attached to the Interim Dividend and to be eligible for the tax offset or tax loss associated with any franking credit attached to the Interim Dividend, those Link Group Shareholders must be considered to be 'qualified persons' for income tax purposes. For Link Group Shareholders to be considered to be 'qualified persons' in relation to the Interim Dividend, Link Group Shareholders must have held their Link Shares 'at risk' for a continuous period of at least 45 days (not including the date of acquisition or the date of disposal of the Link Shares) within the relevant 'qualification period'.

A Link Group Shareholder will not be considered to have held their Link Shares 'at risk' where that Link Group Shareholder holds 'positions' (such as options or other hedging instruments and arrangements) which materially diminish the risk of loss or opportunities for gains in respect of those Link Shares by more than 70%. Link Group Shareholders will no longer hold their Link Shares at risk from the Scheme Record Date (which is expected to be 5 August 2022).

In the context of the Scheme, Link Group Shareholders (who do not have other 'positions' or obligations to make related payments) should be considered to be qualified persons where they hold their Link Shares at risk for a continuous period of at least 45 days during the 'primary' qualification period, being the period starting the day after the Link Group Shareholder acquired their Link Shares and ending 45 days after the day the Link Shares become ex-dividend (i.e. 18 April 2022 based on the current timetable) (inclusive).

As the Scheme Record Date is expected to be after 18 April 2022, the Scheme should not impact the application of the 45 days holding period rule for Link Group Shareholders. Link Group Shareholders entitled to receive the Interim Dividend should seek their own independent advice to confirm that they have satisfied the 45 day holding period in order to access the tax offset for the franking credits attached to the Interim Dividend.

Where an individual Link Group Shareholder's entitlement to franking credits for the income year is below \$5,000, the Link Group Shareholder should not need to meet the holding period rule to be entitled to an offset of franking credits, and instead should only be required to have regard to the related payments rule. If the related payment rules apply, the holding period requirements must be met in order for an offset for franking credits. Special rules apply to trusts and beneficiaries.

Dividend washing rules can apply such that no tax offset is available (nor is an amount required to be included in assessable income) for a dividend received. Link Group Shareholders should consider the impact of these as well as other integrity measures which may apply to the claiming of tax offsets, having regard to their own facts and circumstances.

Exempting entity

On the basis that the Interim Dividend will be paid to the Link Group Shareholders before the Scheme Record Date, the exempting entity rules should not apply to deny the gross up to the Link Group Shareholder's assessable income by the amount of the franking credit attached to the Interim Dividend, nor to deny the franking credit tax offset to which the Link Group Shareholder is otherwise entitled to at the time when the Interim Dividend is paid.

(b) Australian income tax treatment of the Special Dividend

In addition, under the Scheme, the Link Board is entitled to decide to pay a Special Dividend, provided:

- (1) the payment of the Special Dividend complies with the Corporations Act;
- (2) the record date and payment date for the Special Dividend are before the Scheme Record Date;
- (3) the Special Dividend may be franked to the maximum extent possible, subject to the franking account of Link not being in deficit after payment of the Special Dividend; and
- (4) the Special Dividend is paid from accumulated profits, retained earnings or distributable reserves (or a combination of all or some of them) existing immediately prior to the declaration of the dividend.

The Scheme Consideration will be reduced by the cash amount of the Special Dividend. The Directors anticipate that they will decide whether to pay the Special Dividend on or around 20 July 2022. If the Special Dividend is subsequently declared by the Link Board, Link Group Shareholders on the Special Dividend Record Date (which is expected to be 26 July 2022) will be entitled to the Special Dividend. For those Link Group Shareholders who held Link Shares on the Special Dividend Record Date, the Special Dividend will be paid on the Special Dividend Payment Date (which is expected to be 4 August 2022).

Comments under section 8.2(a) made for the Interim Dividend equally apply to Link Group Shareholders on receiving the Special Dividend, except for the comments below regarding holding period of the Link Shares.

As discussed in section 8.2(a), for Link Group Shareholders to be assessed on any franking credits attached to the Special Dividend and to be eligible for the tax offset or tax loss associated with any franking credit attached to the Special Dividend, those Link Group Shareholders must have held their Link Shares 'at risk' for a continuous period of at least 45 days (not including the date of acquisition or the date of disposal of the Link Shares) within the relevant 'qualification period'. The 'qualification period' is modified by the related payment rules if applicable.

In the context of the Scheme, the reduction of the Scheme Consideration, calculated with reference to the amount of the Special Dividend, has the effect of passing the benefit of the Special Dividend from a Link Group Shareholder to D&D Acquirer. Accordingly, Link Group Shareholders are taken to have made a related payment in respect of the Special Dividend they receive, and the related payments rules apply. Under the related payments rule, Link Group Shareholders (who do not have other 'positions') should be considered to be qualified persons where they hold their Link Shares at risk for a continuous period of 45 days in the period commencing on the 45th day before, and ending on the 45th day after the day on which the Link Shares become ex-dividend (i.e. between 12 June 2022 to 10 September 2022).

Under a Scheme Record Date of 5 August 2022, it is expected that Link Group Shareholders that acquire their Link Shares on or 21 June 2022 would not be entitled to a tax offset for franking credits attached to the Special Dividend. Link Group Shareholders who acquired their shares prior to 21 June 2022 should seek their own independent advice to confirm that they have satisfied the 45 day holding period in order to access the tax offset for the franking credits attached to the Special Dividend.

With respect to the Special Dividend, the rules that allow an individual Link Group Shareholder to be entitled to franking credits where in the income year their entitlement is below \$5,000 do not apply, and they need to meet the holding period rule to be entitled to an offset or refund of franking credits.

Exempting entity

On the basis that the Special Dividend will be paid to the Link Group Shareholders before the Scheme Record Date, the exempting entity rules should not apply to deny the gross up to the Link Group Shareholder's assessable income by the amount of the franking credit attached to the Special Dividend, nor to deny the franking credit tax offset to which the Link Group Shareholder is otherwise entitled to at the time when the Special Dividend is paid.

8. Tax implications

continued

(c) Tax implications associated with the BCM Proceeds Payment

The BCM Proceeds Payment is a payment of up to \$0.13 cash per Link Share to Link Group Shareholders in the event that the BCM business is sold and BCM Net Sale Proceeds are received by Link Group before, or within 12 months of, the Implementation Date, to be effected by way of an equal reduction of the Link share capital (i.e. BCM Capital Return) if received by Link by two Business Days before the Implementation Date and the ATO issues a favourable Class Ruling, or otherwise as consideration under the Scheme if received up to 12 months after the Implementation Date.² As noted above, it is possible that the Commissioner may reach different conclusions to those described in this section and that some portion of the BCM Net Sales Proceeds may be distributed as a dividend. Accordingly, it is important that this section be read in conjunction with the Class Ruling to be issued by the ATO.

(i) BCM Capital Return treatment

In the event the BCM Proceeds Payment is distributed by way of a capital return, Link Group Shareholders will be required to determine whether a capital gain arises on the capital return and impact on the cost base of each of their Link Shares.

Where a Link Group Shareholder's cost base in each of their Link Shares is less than the BCM Proceeds Payment received for each Share, the Link Group Shareholder makes a capital gain calculated as the BCM Payment less the cost base of the Link Share. For each Link Share that a Link Group Shareholder makes a capital gain on, the cost base of the Link Share is reduced to nil.

Where the cost base in each Link Share exceeds the BCM Proceeds Payment, the cost base of that Link Share is reduced by the BCM Proceeds Payment.

As part of the Class Ruling process, Link Group will ask the ATO to confirm that no part of the BCM Capital Return is treated as a dividend and that the BCM Capital Return is not also treated as capital proceeds for the disposal of Link Shares. The comments below assume this Class Ruling is granted without amendment to the positions set out in the application.

(ii) Additional Scheme Consideration treatment

In the event the BCM Proceeds Payment is not distributed by way of a capital return, the BCM Proceeds Payment increases the capital proceeds received by a Link Group Shareholder on disposal of their Link Shares (refer to section 8.2(d)).

A Link Group Shareholder will be required to include in the capital proceeds on disposal of their Link Shares an amount equal to the market value of the right to receive the BCM Proceeds Payment **(BCM Right)**.

In the event of discharge of the BCM Right through the subsequent receipt of a BCM Proceeds Payment, any difference between the market value of the BCM Right and the BCM Proceeds Payment will give rise to a separate capital gain or loss for income tax purposes.

Where a capital gain arises on discharge of the BCM Right, there is no CGT discount available to the extent that discharge occurs within 12 months of the Effective Date. Where the discharge occurs after 12 months of the Effective Date, eligible Link Group Shareholders (refer section 8.2(e)) may be entitled to a CGT discount on any capital gain.

In the event the subsequent BCM Proceeds Payment is less than the market value of the BCM Right, a capital loss arises on the date of the payment. This capital loss may offset any capital gains from disposal of the Link Shares if the payment occurs with the same tax year as the disposal.

There is a risk that the capital gain on disposal of the Link Share is calculated using an amount that exceeds the actual cash proceeds. This will occur should the market value of the BCM Right included in capital proceeds on disposal of the Link Shares exceed the BCM Proceeds Payment.

The BCM Proceeds Payment should not be a dividend or ordinary income for a Link Group Shareholder.

² As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

(d) Tax implications associated with the disposal of Link Shares

Link Group Shareholders will dispose of their Link Shares to D&D Acquirer under the Scheme for CGT purposes on the Implementation Date.

Link Group Shareholders will be required to determine their capital gain or loss in respect of the disposal of their Link Shares. Link Group Shareholders should make a capital gain on disposal of their Link Shares if the capital proceeds from the disposal of their Link Shares exceed the cost base of their Link Shares. Conversely, Link Group Shareholders should make a capital loss on disposal of their Link Shares if the capital proceeds from the disposal of their Link Shares are less than the reduced cost base of their Link Shares.

A Link Group Shareholder's cost base in their Link Shares will generally comprise the original amount paid to acquire their Link Shares, plus certain non-deductible incidental costs incurred in relation to the acquisition or disposal of their Link Shares (such as brokerage). No brokerage is payable in relation to the transfer of the Link Shares to D&D Acquirer under the Scheme. Broadly, a Link Group Shareholder's reduced cost base in the Link Shares will exclude any non-deductible ownership costs related to the Link Shares. Where the BCM Proceeds Payment is paid as BCM Capital Return, a Link Group Shareholder's cost base or reduced cost base will be reduced by the BCM Proceeds Payment or reduced to nil due to the BCM Proceeds Payment being greater than the cost base of the Link Share as discussed above in 8.2(d).

For the calculation of any capital gain or loss, the capital proceeds received by a Link Group Shareholder will be the Scheme Consideration of \$5.50 in cash per Link Share, less the cash amount of any Special Dividend declared (assuming that the Class Ruling is granted without amendment to the positions set out in the application). In the event the BCM Proceeds Payment is to be payable by way of additional consideration under the Scheme (refer to section 8.2(c)(ii)), the capital proceeds should be increased by the market value of the BCM Right. The market value of the BCM Right will be advised to you by Link.

Any Interim Dividend received is not included in the capital proceeds on disposal of the Link Shares.

No CGT roll-over will be available to Link Group Shareholders in relation to the Scheme.

(e) CGT discount

If a Link Group Shareholder is an individual, complying superannuation entity or trustee, and acquired their Link Shares at least 12 months before the Implementation Date (the date that the relevant CGT event is taken to have occurred), the amount of the capital gain (after firstly being reduced for any current year capital losses and prior year capital losses) may be reduced by the relevant CGT discount.

- If a Link Group Shareholder who is an individual or a trustee applies the CGT discount, the capital gain (after firstly being reduced for current year capital losses and prior year capital losses) will be reduced by half.
- If a Link Group Shareholder is a complying superannuation entity, the capital gain (after firstly being reduced for current year capital losses and prior year capital losses) will be reduced by one third.

Link Group Shareholders who are companies are not entitled to the CGT discount.

(f) Illustrative examples on the income tax implications associated with the BCM Proceeds Payment

Where the distribution of the BCM Proceeds Payment is made by way of BCM Capital Return, the taxation implications of the BCM Capital Return and of the broader Scheme should all occur in the same income year.

Where the BCM Proceeds Payment is distributed by way of additional scheme consideration, the tax implications of the disposal of Link Shares and of a subsequent receipt of the BCM Proceeds Payment may occur in different income years. The timing of resulting tax payments may then depend on the type of taxpayer (e.g. individual, superannuation fund or company etc), relevant income year-end and any tax return lodgement arrangements (e.g. if you lodge your tax return via a tax agent).

8. Tax implications

continued

These examples illustrate the potential tax filing/payment obligations for an Australian resident individual Link Group Shareholder who holds their Link Shares on capital account. The examples do not address all of the potential situations or cover all investor types. The examples do not address the tax implications of the Interim Dividend or Special Dividend.

For the sole purpose of these examples, it is assumed:

- The Link Group Shareholder is an Australian tax resident individual with a 30 June tax year end, with a tax return lodgement due date of 31 October in the same year;
- The Link Group Shareholder's cost base is \$5.00 per Link Share;
- The Link Group Shareholder has held their Link Shares for more than 12 months as at the Implementation Date;
- BCM Proceeds Payment paid to Link Group Shareholders is \$0.10 per Link Share. However, Link Group Shareholders should be aware that there is no assurance that the BCM Proceeds Payment will be made, nor any assurance that any BCM Net Sale Proceeds will be received by Link Group Shareholders or that these proceeds will be \$0.10 per Link Share;³
- The Special Dividend of \$0.08 is paid to Link Group Shareholders; and
- The market value on the Implementation Date of the BCM Right of a Link Group Shareholder to receive the BCM Proceeds Payment is \$0.09. This value is used for the sole purpose of this illustrative calculation only. The market value of the BCM Right will be advised to you by Link Group.

Scenario 1 - BCM Proceeds Payment paid as consideration under the Scheme in a different income year to the Implementation Date

In addition to the above assumptions, assume that the Implementation Date is in August 2022 and the BCM Proceeds Payment is made on 1 July 2023:

Description	Amount	Tax return reporting
On Implementation Date		
Capital proceeds for capital gains tax purposes on disposal of the Link Shares (Capital Proceeds)	\$5.51 per Link Share (calculated as Base Cash Consideration of \$5.50, plus \$0.09 market value of the BCM Right less \$0.08 Special Dividend)	
Capital gain	\$0.51 per Link Share (calculated as \$5.51 Capital Proceeds less \$5.00 cost base per Link Share)	Include a discounted capital gain of \$0.255 (i.e. 50% of \$0.51) per Link Share in the 30 June 2023 income tax return. Any tax payment is usually due by 21 November 2023.
On BCM Proceeds Payment Date		
Capital gain on discharge of the BCM Right	\$0.01 per Link Share (calculated as \$0.10 Capital Proceeds equal to the BCM Proceeds Payment, less \$0.09 cost base of the BCM Right)	Include a capital gain of \$0.01 per Link Share in the 30 June 2024 income tax return. Any tax payment is usually due by 21 November 2024. No CGT discount is available on this capital gain (as the payment is received within 12 months of the Effective Date).

³ The maximum amount of BCM Net Sale Proceeds Link Group Shareholders may receive is up to \$0.13 cash per Link Share. As at the date of this Explanatory Booklet, there are no ongoing discussions in respect of the sale of BCM and there is no binding agreement for the sale of BCM. There is no assurance that Link Group or Dye & Durham will reach an agreement to sell BCM at all or at any particular price and so no assurance that Link Group Shareholders will receive any BCM Net Sale Proceeds.

Scenario 2 - BCM Proceeds Payment paid as consideration under the Scheme within the same income year as the Implementation Date

Assuming that the Implementation Date is in August 2022 and the BCM Proceed Payment is made between August 2022 and June 2023:

Description	Amount	Tax return reporting
On Implementation Date		
Capital proceeds for capital gains tax purposes on Disposal of the Link Shares	\$5.51 per Link Share (calculated as Base Cash Consideration of \$5.50, plus \$0.09 market value of the BCM Right less \$0.08 Special Dividend)	Include a capital gain of \$0.265 per Link Share in the 30 June 2023 income tax return (\$0.255 discounted capital gain realised on the Implementation Date plus \$0.01 realised on BCM Proceeds Payment Date). Any tax payment is usually due by 21 November 2023.
Capital gain	\$0.51 per Link Share (calculated as \$5.51 Capital Proceeds less \$5.00 cost base per Link Share)	
On BCM Proceeds Payment Date		
Capital gain on discharge of the BCM Right	\$0.01 per Link Share (calculated as \$0.10 Capital Proceeds equal to the BCM Proceeds Payment, less \$0.09 cost base of the BCM Right)	

Scenario 3 - BCM Proceeds Payment is not made

Assuming that the Implementation Date is in August 2022, however, a BCM Proceeds Payment is not made:

Description	Amount	Tax return reporting
On Implementation Date		
Capital proceeds for capital gains tax purposes on Disposal of the Link Shares	\$5.51 per Link Share (calculated as Base Cash Consideration of \$5.50, plus \$0.09 market value of the BCM Right less \$0.08 Special Dividend)	Include a discounted capital gain of \$0.255 (i.e. 50% of \$0.51) per Link Share in the 30 June 2023 income tax return. Any tax payment is usually due by 21 November 2023.
Capital gain	\$0.51 per Link Share (calculated as \$5.51 Capital Proceeds less \$5.00 cost base per Link Share)	
On expiration of the BCM Right (e.g. after 12 months from the Implementation Date)		
Capital loss	\$0.09 per Link Share (calculated as \$0.00 (nil) Capital Proceeds less \$0.09 cost base of the BCM Right)	Capital loss of \$0.09 per Link Share arises in the tax year ending 30 June 2024. This capital loss may be available to offset any capital gain derived in the 30 June 2024 tax year or later tax year. It will not be available to offset any capital gain made on disposal of Link Shares under the Scheme (in the 30 June 2023 tax year)

8. Tax implications

continued

8.3 Foreign resident capital gains withholding

The foreign resident capital gains withholding regime can impose an obligation on a purchaser of shares to withhold an amount equal to 12.5% of the purchase price of the shares and remit that amount to the ATO where an Australian tax resident does not make a declaration of their Australian tax residency.

D&D Acquirer is working to agree a process with the ATO to confirm no withholding is required for any Link Group Shareholder even where no declaration is provided.

8.4 Stamp duty

No stamp duty should be payable by Link Group Shareholders in relation to the transfer of their Link Shares to D&D Acquirer under the Scheme.

8.5 GST

No GST should be payable by Link Group Shareholders in relation to the disposal of their Link Shares to D&D Acquirer under the Scheme. The disposal of Link Shares will be either an input taxed financial supply, or an out-of-scope supply (depending on the circumstances of the Link Group Shareholder).

No GST should be payable in respect of any dividends paid to Link Group Shareholders.

Link Group Shareholders may be charged GST on costs from third party suppliers (such as advisor costs and third party brokerage) in connection with the Scheme. The entitlement of Link Group Shareholders to claim input tax credits in relation to these acquisitions (if any) may be restricted. Link Group Shareholders who are GST registered should seek their own professional tax advice in relation to the impact of GST in their individual circumstances and recovery of input tax credits on costs related to the Scheme.

9. Additional information

9.1 Interests of Link Directors in Link Shares and Link equity incentives

(a) Interests in Link Shares

As at Last Practicable Date, the Link Directors have the following Relevant Interests in Link Shares (including Link Restricted Shares):

Link Director	Number of Link Shares
Michael Carapiet	2,092,160 ¹
Glen Boreham, AM	124,214 ²
Andrew Green, CBE	26,030 ³
Peeyush Gupta, AM	48,160 ⁴
Anne McDonald	33,339 ⁵
Dr Sally Pitkin, AO	85,517 ⁶
Fiona Trafford-Walker	31,128 ⁷
Vivek Bhatia	490,113 (Link Restricted Shares) ⁸

Link Directors who hold Link Shares will be entitled to vote at the Scheme Meeting and Special General Meeting and, if the Transaction is implemented, will receive the Transaction Consideration for their Link Shares along with the other Scheme Shareholders.

Each Link Director intends to vote or procure the voting of their Link Shares in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.

No Link Director acquired or disposed of a Relevant Interest in any Link Shares during the four months before the date of this Explanatory Booklet, other than Mr Bhatia who, on 2 December 2021, acquired 210,656 Link Restricted Shares indirectly held through Link Administration Holdings Limited Employee Share Trust for the benefit of Mr Bhatia (comprising 105,328 Link Restricted Shares under a holding lock until 31 August 2022 and the balance of 105,328 Link Restricted Shares under a holding lock until 31 August 2023).

(b) Interests in Link equity incentives

As at the Last Practicable Date, none of the Link Directors have a Relevant Interest in any Link equity incentives, other than Mr Bhatia, Link Group's CEO and Managing Director.

As at the Last Practicable Date, Mr Bhatia holds 952,017 unvested Performance Share Rights, comprised of:

- 482,649 Performance Share Rights granted under the Omnibus Equity Plan (FY21 LTIP); and
- 469,368 Performance Share Rights granted under the Omnibus Equity Plan (FY22 LTIP).

No Link Director acquired or disposed of a Relevant Interest in any Link equity incentives during the four months before the date of this Explanatory Booklet, other than Mr Bhatia who, on 2 December 2021, acquired 469,368 Performance Share Rights granted under the Omnibus Equity Plan (FY22 LTIP).

1 Comprised of 764,664 Link Shares held indirectly through Gentilly Holdings 2 Pty Limited ATF Carapiet Family Trust, 1,277,496 Link Shares held indirectly through Gentilly Holdings Pty Ltd ATF Gentilly Superannuation Fund and 50,000 Link Shares held indirectly through Gentilly Investments Pty Ltd.

2 Indirectly held through Glen and Kim Boreham Company Pty Ltd ATF The Boreham Family Trust.

3 Indirectly held through Walpole St Andrews Nominees Limited, which holds the shares for and on behalf of Andrew Green's Self- Invested Personal Pension account.

4 Indirectly held through Anisam Pty Ltd as trustee for Gupta 2002 Trust.

5 Indirectly held through Watermark Retirement Pty Limited as trustee for the Fund Watermark Retirement Savings Fund.

6 Comprised of 21,408 Link Shares directly held by Dr Sally Pitkin, AO, and 64,110 Link Shares held indirectly through Pitkin Superannuation Fund.

7 Directly held by Fiona Trafford-Walker.

8 Comprised of:

- 279,457 Link Restricted Shares indirectly held through Link Administration Holdings Limited Employee Share Trust for the benefit of Mr Bhatia under a holding lock until 21 September 2022; and
- 210,656 Link Restricted Shares indirectly held through Link Administration Holdings Limited Employee Share Trust for the benefit of Mr Bhatia (comprising 105,328 Link Restricted Shares under a holding lock until 31 August 2022 and the balance of 105,328 Link Restricted Shares under a holding lock until 31 August 2023).

9.2 Link equity incentive arrangements

(a) Overview of arrangements

Link Group operates equity plans that are governed by the Omnibus Equity Plan rules. The Omnibus Equity Plan rules allow for Link Group employees to be granted Performance Share Rights, Restricted Shares and Share Rights (**Link Employee Equity**) which, subject to satisfaction of performance hurdles and/or service-based conditions, will, if vested, allow participants to receive fully ordinary paid shares in Link.

The equity plans governed by the Omnibus Equity Plan rules include Link Group's long-term and short-term incentive plans which entitle Link Group executives and senior leaders to receive Performance Share Rights, Restricted Shares and/or Share Rights.

As at the Last Practicable Date, Link had 8,915,731 Performance Share Rights, Share Rights and Restricted Shares on issue, comprising:

- 6,149,548 Performance Share Rights, which are subject to performance conditions;
- 1,276,691 Share Rights, which are subject to service-based conditions; and
- 1,489,492 Restricted Shares, which are subject to service-based conditions.

(b) Implications of the Scheme for participants in the Link Employee Equity arrangements

Under the Scheme Implementation Deed, Link must ensure all Link Employee Equity vests and has all restrictions removed prior to the Scheme Record Date.

In compliance with Link's obligations under the Scheme Implementation Deed and in accordance with the terms of the Omnibus Equity Plan, the Link Board (excluding Mr Bhatia) has exercised its discretion to resolve to, subject to the Scheme becoming Effective:

- approve the early vesting of the 6,149,548 Performance Share Rights and 1,276,691 Share Rights granted under the Omnibus Equity Plan rules. Accordingly, if the Scheme becomes Effective, it is proposed that all Performance Share Rights and Share Rights will vest and holders of Performance Share Rights and Share Rights will receive, for each Performance Share Right or Share Right, 1 Link Share (that is, a one for one basis); and
- release all 6,149,548 Performance Share Rights, 1,489,492 Restricted Shares and 1,276,691 Share Rights from restrictions, such that holders of all Link Employee Equity will be eligible to participate in the Transaction.

(c) Link Employee Equity held by Link Chief Executive Officer and Managing Director

Subject to the Scheme becoming Effective, Mr Bhatia will become entitled to early vesting of 952,017 unvested Performance Share Rights and 952,017 Link Shares will be issued to him in respect of those vested Performance Share Rights, prior to the Scheme Record Date and the Special Dividend Record Date. Additionally, the 490,113 Restricted Shares held by Mr Bhatia will be released from restrictions and eligible to participate in the Scheme. Mr Bhatia will receive approximately \$7,931,715 in connection with the early vesting of his unvested Performance Share Rights and the early release of restrictions of his Restricted Shares.⁹

Link Group Shareholders should note that Mr Bhatia will not be entitled to vote at the Scheme Meeting in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (as they will only be issued following the Scheme Meeting if the Scheme becomes Effective). However, Mr Bhatia will receive the Scheme Consideration, and may also be entitled to receive any Special Dividend, in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights (provided they are held by him on the Scheme Record Date and Special Dividend Record Date respectively). Mr Bhatia will not be entitled to receive the Interim Dividend in respect of the 952,017 Link Shares issued to him in respect of his vested Performance Share Rights as the Interim Dividend Record Date will have passed.

The Link Board (excluding Mr Bhatia) considers that, despite these arrangements (which will have no impact on the Transaction Consideration paid to Scheme Shareholders), it is appropriate for Mr Bhatia to make a recommendation on the Transaction, given his role in the operation and management of Link Group. Mr Bhatia also considers that it is appropriate that he make such recommendation.

⁹ Calculated on the basis that Mr Bhatia will receive the Base Cash Consideration of \$5.50 for each of the 952,017 Link Shares issued to him in respect of the early vesting of his Performance Share Rights and each of his 490,113 Restricted Shares which will be released from restrictions early, subject to the Scheme becomes Effective.

9. Additional information

continued

9.3 Other benefits and agreements

(a) Interests of Link Directors in Dye & Durham or D&D Acquirer securities

No Link Director has a Relevant Interest in any securities in Dye & Durham or D&D Acquirer.

No Link Director has acquired or disposed of a Relevant Interest in any securities in Dye & Durham or D&D Acquirer during the four months before the date of this Explanatory Booklet.

(b) Interests of Link Directors in contracts with Dye & Durham Group

No Link Director has any interest in any contract entered into by a Dye & Durham Group Member, or any related bodies corporate of a Dye & Durham Group Member.

(c) Benefits in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Link Group (or any of its related bodies corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Link Group (or any of its related bodies corporate) in connection with the Transaction.

(d) Deeds of indemnity, insurance and access

Link Group has entered into deeds of indemnity, insurance and access with the directors and various executive officers of the Link Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each Link Group Member to indemnify each of its directors and executive officers against any liability incurred by such persons in their capacity as a director or executive officer of the company to any person other than a Link Group Member.

Link Group also pays a premium in respect of a directors and officers insurance policy for the benefit of the directors and executive officers of Link Group. If the Scheme is Implemented, Link Group may enter into an arrangement to provide insurance coverage for all current Link Directors and officers for seven years from the Implementation Date. As at the Last Practicable Date, Link Group expects that the premium for entry into such run-off arrangement will be approximately \$18 million. The entry into such arrangements by Link is permitted by clause 7.3 of the Scheme Implementation Deed. In addition, under clause 7.3(a)(2) of the Scheme Implementation Deed, Dye & Durham must ensure that directors' and officers' run-off insurance cover for such directors and executive officers is maintained for a period of seven years from the retirement date of each director and executive officer.

(e) Benefits from Dye & Durham Group

No Link Director has agreed to receive, or is entitled to receive, any benefit from any Dye & Durham Group Member, or any related bodies corporate of a Dye & Durham Group Member, which is conditional on, or is related to, the Transaction.

(f) Agreements connected with or conditional on the Transaction

Other than as disclosed in section 9.2, there are no agreements or arrangements made between any Link Director and any other person in connection with, or conditional on, the outcome of the Transaction.

9.4 Scheme Implementation Deed

(a) Introduction

On 22 December 2021, Link and Dye & Durham entered into the Scheme Implementation Deed, which governs the conduct of the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was released to ASX on 22 December 2021, and can be obtained from www.asx.com.au.

(b) Conditions Precedent (Clause 3.1)

Implementation of the Scheme is subject to the following outstanding Conditions Precedent:

- (1) **Regulatory Approvals:** before 5:00pm on the Business Day before the Second Court Date, Dye & Durham has received all regulatory approvals from any applicable Government Agency in relation to the Scheme required or necessary to implement the Scheme and that have been identified Dye & Durham and notified to Link on or before 31 January 2022. These include specific approvals from FIRB, the UK Financial Conduct Authority, Central Bank of Ireland, Jersey Financial Services Commission, Guernsey Financial Services Commission, Isle of Man Financial Services Authority, Dutch Financial Market Authority, Securities and Exchange Board of India, Luxembourg Commission de Surveillance du Secteur Financier, Australian Competition & Consumer Commission, and the UK Competition and Markets Authority.
- (2) **Shareholder approval:** Link Group Shareholders approve the Scheme Resolution at the Scheme Meeting and the Capital Return Resolution at the Special General Meeting by the Requisite Majorities;
- (3) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders before the time when the Explanatory Booklet is registered by ASIC and does not formally change its conclusion or withdraw its Independent Expert's Report before 8:00am on the Second Court Date;
- (4) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (5) **Restraints:** no restraining order, injunction or other order that would prevent or delay the Scheme made by a court of competent jurisdiction or Government Agency is in effect at 8:00am on the Second Court Date;
- (6) **No Link Material Adverse Change:** no Link Material Adverse Change (as defined in the Glossary in section 10 of this Explanatory Booklet) occurs, or is discovered, announced, disclosed or otherwise becomes known to Dye & Durham between (and including) 22 December 2021 and 8:00am on the Second Court Date;
- (7) **No Link Prescribed Occurrence:** no Link Prescribed Occurrence (as defined in the Glossary in section 10 of this Explanatory Booklet)¹⁰ occurs between (and including) 22 December 2021 and 8:00am on the Second Court Date;
- (8) **Implementation Date:** Link and Dye & Durham are satisfied that the Implementation Date will be a date not earlier than 28 February 2022; and
- (9) **Woodford Matters:** There has been:
 - (A) no notice or draft notice imposing a fine issued by the FCA under sections 387, 388 or 390 of the *Financial Services and Markets Act 2000 (FSMA)*;
 - (B) no determination under section 3.6 of DISP, FCA Handbook, of a complaint to the Financial Ombudsman Service, in respect of the Woodford Matters between 22 December 2021 and 8:00am on the Second Court Date, the total cost or liabilities of which LSFL is unable to meet from its own resources.

The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed.

The Scheme will not proceed unless all of the Conditions Precedent to the Scheme are satisfied or waived (as applicable) in accordance with the Scheme Implementation Deed.

¹⁰ Link Prescribed Occurrences include the following occurrences in relation to Link: converting securities into a larger or smaller number, reducing share capital, entry into a buy-back agreement, issuing shares, issuing convertible securities, splitting/redeeming/reclassifying shares, changing the rights attached to shares, changes to the Link Group Constitution, disposing of a whole or substantial part of Link's business (other than the BCM sale process), granting certain encumbrances, an Insolvency Event occurring, a new incentive-based incentive plan or scheme, and Link Shares ceasing to be quoted or suspended from quotation.

9. Additional information

continued

(c) Link Board recommendation (Clause 5.10)

The Scheme Implementation Deed requires Link to use its reasonable endeavours to procure that each Link Director does not change or withdraw his or her recommendation or intention to vote in favour of the Scheme unless:

- the Independent Expert concludes that the Scheme is not fair, not reasonable or not in the best interests of Link Group Shareholders;
- Link Group receives a Competing Proposal that the Link Board has determined to be a Superior Proposal; and
- the change in recommendation occurs because of a requirement by a court of competent jurisdiction, ASIC or the Takeovers Panel that the relevant Link Director abstains from making a recommendation in favour of the Scheme.

(d) Conduct of business (Clause 5.4)

The Scheme Implementation Deed requires that Link carry on its business and operations in the ordinary course.

In addition, Link must also:

- comply in all material respects with all applicable authorisations, laws, regulations and material contracts;
- maintain and preserve its businesses and assets;
- keep available the services of its officers and employees;
- maintain each of its material authorisations, accreditations, licences and policies of insurance;
- not enter into any material new line of business or other activity or alter the scale of the business or other activity of the Link Group;
- ensure no 'Link Prescribed Occurrence' occurs;
- ensure no 'Link Regulated Event' occurs;
- ensure that there is no occurrence within a Link Group Member's reasonable Control that would constitute or be likely to constitute a Link Material Adverse Change;
- make reasonable efforts to maintain and preserve its relationships with Government Agencies and the top 10 customers of each Link business unit; and
- in respect of any Woodford Matters notify Dye & Durham in writing as soon reasonably practicable after Link becomes aware of any material development in relation to any Woodford Matters, and consult with Dye & Durham on a regular basis about the progress of any Woodford Matters.

However, Link will be able to take any actions:

- fairly disclosed in the Disclosure Materials or disclosed in public documents prior to the date of the Scheme Implementation Deed;
- agreed to in writing by Dye & Durham; or
- required to prudently respond to an emergency or disaster (including from the outbreak or escalation of the COVID-19 pandemic);
- required or permitted by law, the Scheme Implementation Deed or the Scheme.

(e) Representations and warranties (Clause 6)

The Scheme Implementation Deed contains customary representations and warranties given by each of Link and Dye & Durham to each other.

These representations and warranties are set out in Schedule 4 (in the case of Link) and Schedule 3 (in the case of Dye & Durham) of the Scheme Implementation Deed.

(f) Exclusivity (Clause 10.1)

The Scheme Implementation Deed contains the following customary exclusivity provisions:

- no shop;
- no talk (subject to a fiduciary out);
- no due diligence (subject to a fiduciary out);
- notification right for Dye & Durham if Link is approached with a Competing Proposal; and
- matching rights.

(g) Break fee (Clause 11)

The Scheme Implementation Deed contains a customary break fee of \$28,620,000 (which is approximately 1% of the equity value of Link Group)¹¹ which will be triggered if:

- any member of the Link Board changes his or her recommendation in relation to the Scheme, except as a result of:
 - the Independent Expert concluding that the Scheme is not fair, not reasonable or not in the best interests of Link Group Shareholders;
 - a court of competent jurisdiction, ASIC or the Takeovers Panel requiring a change to the recommendation; or
 - Link being entitled to terminate the Scheme Implementation Deed for material breach;
- a Competing Proposal is announced prior to the Second Court Date and completes within 12 months; or
- Dye & Durham terminates the Scheme Implementation Deed following a material breach by Link, including of Link's representations and warranties.

(h) Reverse break fee (Clause 12)

The Scheme Implementation Deed contains a reverse break fee of \$28,620,000 (which is approximately 1% of the equity value of Link Group)¹² which will be triggered if:

- Link terminates the Scheme Implementation Deed following a material breach by Dye & Durham, including of Dye & Durham's representations and warranties; or
- the Scheme becomes Effective but Dye & Durham does not pay the Scheme Consideration in accordance with its obligations under Scheme Implementation Deed and the Deed Poll.

(i) Termination (Clause 13)

Each of Link and Dye & Durham may terminate the Scheme Implementation Deed:

- for material breach of the Scheme Implementation Deed;
- for failure of a Condition Precedent to the Scheme (as outlined in section (b)) where such condition cannot be waived in accordance with the Scheme Implementation Deed;
- if Link Group Shareholders do not approve the Scheme at the Scheme Meeting by the Requisite Majorities; or
- if the Scheme is not Effective by 30 September 2022.

In addition, Dye & Durham may also terminate the Scheme Implementation Deed:

- if any member of the Link Board changes his or her recommendation in relation to the Scheme for any reason and whether or not permitted to do so under the Scheme Implementation Deed except as a result of a court of competent jurisdiction, ASIC or the Takeovers Panel requiring a change to the recommendation; or
- if Link enters into a definitive agreement in relation to the implementation of a Competing Proposal.

Further, Link may also terminate the Scheme Implementation Deed if a majority of the Link Board changes their recommendation in relation to the Scheme where expressly permitted by, and in accordance with the Scheme Implementation Deed.

¹¹ Based on the Base Cash Consideration per Link Share.

¹² Based on the Base Cash Consideration per Link Share.

9. Additional information

continued

9.5 Consents, disclosures and fees

(a) Consents

This Explanatory Booklet contains statements made by, or statements said to be based on statements made by:

- Dye & Durham and D&D Acquirer in respect of the Dye & Durham Information only;
- Deloitte as the Independent Expert; and
- PwC as the Tax Adviser to Link, in respect of section 8 of this Explanatory Booklet.

Each of those persons named above has consented to be named in the Explanatory Booklet and the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Explanatory Booklet.

Each of the following persons have given and have not, before the time of registration of this Explanatory Booklet with ASIC, withdrawn their consent to be named in this Explanatory Booklet in the form and context in which they are named:

- Macquarie Capital (Australia) Limited as financial adviser to Link;
- UBS Securities Australia Limited as financial adviser to Link;
- Herbert Smith Freehills as legal adviser to Link; and
- Link Market Services Limited as the Link Share Registry.

(b) Disclosures and responsibility

Each person named in section 9.5(a):

- has not authorised or caused the issue of this Explanatory Booklet;
- does not make, or purport to make, any statement in this Explanatory Booklet or any statement on which a statement in this Explanatory Booklet is based, other than:
 - Dye & Durham in respect of the Dye & Durham Information only;
 - PwC in respect of section 8 of this Explanatory Booklet only; and
 - Deloitte in relation to its Independent Expert's Report; and
- 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 Explanatory Booklet other than a reference to its name and the statement (if any) included in this Explanatory Booklet with the consent of that party as specified in this section 9.5(b).

9.6 ASIC relief

(a) Paragraph 8302(d) of Part 3 of Schedule 8

Paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations requires this Explanatory Booklet to set out particulars of any payment or benefit proposed to be made or given to any director, secretary or executive officer of Link or a Related Body Corporate (each a **Relevant Person**) as compensation for loss of office in Link or a Related Body Corporate or as conditions for or in connection with his or her retirement from office in Link or a Related Body Corporate.

ASIC has granted Link Group relief from this requirement on the basis that Link Group is not required to set out in this Explanatory Booklet the particulars of any payments or benefits which may be made or given to a Relevant Person in relation to their loss of office, or retirement from office, unless:

- the Relevant Person will lose office or retire from office as a consequence of, or in connection with, the Scheme; or
- the amount of any payment or benefit which may be made to the Relevant Person upon their loss of office or retirement from office may be materially affected by the Scheme.

(b) Paragraph 8302(h) of Part 3 of Schedule 8

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Explanatory Booklet to set out whether, within the knowledge of the Link Directors, the financial position of Link Group has materially changed since the date of the last balance sheet laid before Link Group Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 June 2021.

ASIC has granted Link Group relief from this requirement so that this Explanatory Booklet only need set out whether, within the knowledge of the Link Directors, the financial position of Link has materially changed since 31 December 2021 (being the last date of the period to which the financial statements for the financial half-year ended 31 December 2021 relate). Link Group will ensure that a copy of its financial report for the financial half-year ended 31 December 2021 is made available, free of charge, to any Link Group Shareholder who requests a copy before the Scheme is approved by order of the Court. Link Group Shareholders can also access a copy of Link Group's Half Year Results Report for the financial half-year ended 31 December 2021 from the ASX website on the ASX website (www.asx.com.au) or on Link Group's website (www.linkgroup.com).

9.7 No unacceptable circumstances

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

9.8 Transaction Costs

In aggregate, if the Scheme is implemented, Link Group expects that it will incur approximately \$22 million in external transaction costs which relate to the Scheme. This includes advisory fees (including for Link Group's financial, legal and tax advisers), the Independent Expert's fees, registry fees, printing and mailing costs and expenses associated with convening and holding the Scheme Meeting, but excludes the insurance premium Link Group expects to pay for entry into the directors' and officers' run-off insurance cover as set out in section 9.3(d) of this Explanatory Booklet. Of this, approximately \$7 million will be incurred regardless of whether or not the Scheme is implemented, excluding any break fee that may be payable to Dye & Durham.

9.9 No other material information

Except as disclosed elsewhere in this Explanatory Booklet, so far as the Link Directors are aware, there is no other information that is:

- material to the making of a decision by a Link Group Shareholder whether or not to vote in favour of the Scheme; and
- known to any Link Director at the date of lodging this Explanatory Booklet with ASIC for registration, which has not previously been disclosed to Link Group Shareholders.

9.10 Supplementary disclosure

Link Group will issue a supplementary document to this Explanatory Booklet if it becomes aware of any of the following between the date of this Explanatory Booklet and the Second Court Date:

- a material statement in this Explanatory Booklet is false or misleading in a material respect;
- a material omission from this Explanatory Booklet;
- a significant change affecting a matter included in this Explanatory Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Explanatory Booklet if it had arisen before the date of this Explanatory Booklet.

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

- making an announcement to the ASX;
 - placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
 - posting the supplementary document to Link Group Shareholders at their address shown on the Link Group Share Register; and/or
 - posting a statement on Link Group's website at www.linkgroup.com,
- as Link Group, in its absolute discretion, considers appropriate.

Section 10

Glossary

Glossary

continued

10.1 Definitions

In this Explanatory Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
1HFY21	the financial half-year ended 31 December 2021.
1HFY22	the financial half-year ended 31 December 2022.
Ares	Ares Management LLC.
ASIC	the Australian Securities and Investments Commission.
Associates	has the meaning set out in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ATO	the Australian Taxation Office.
Base Cash Consideration	a total cash amount of \$5.50 cash per Link Share (comprising the Scheme Consideration of \$5.50 cash per Link Share (less any Special Dividend Link determines to pay) payable by D&D Acquirer under the Scheme, together with the amount of any Special Dividend payable by Link Group.
BCM	the business of BCM Global, an independent mortgage, real estate and commercial loan servicer, carried out by: <ol style="list-style-type: none">(1) Link Asset Services (Holdings) Limited (Co No: 05505964 GB) and its subsidiaries (other than Jessop Fund Managers Limited);(2) BCMGlobal Netherlands B.V. (Co No: 32138332 NL);(3) Flexfront B.V. (Co No: 30197141 NL); and(4) BCMGlobal France SAS (RCS PARIS 878 799 857 FR).
BCM Capital Return	means an equal reduction of share capital by Link Group under section 256B of the Corporations Act, the amount of which is equal to the BCM Net Sale Proceeds received by Link Group by two Business Days prior to the Implementation Date, up to a maximum of \$0.13 cash per Scheme Share.
BCM Proceeds Payment	means a payment of up to \$0.13 cash per Scheme Share to Link Group Shareholders in the event that Link Group's BCM business is sold and BCM Net Sale Proceeds are received by Link Group before, or within 12 months of, the Implementation Date, to be effected by way of share capital return (or by way of dividend, or a combination of both, depending on whether the Class Ruling is obtained in form and substance satisfactory to Link Group on or before the Effective Date) if received by Link Group by two Business Days prior to the Implementation Date or otherwise as consideration under the Scheme if received up to 12 months after the Implementation Date.
BCM Net Sale Proceeds	any net proceeds received by Link Group in respect of the sale of the BCM business (less any Tax or Duty payable in respect of the sale), excluding any proceeds which are received as deferred consideration more than 12 months after completion of the sale of the BCM business, provided that if the proceeds are received by Link Group between the Implementation Date and the date that is 12 months after the Implementation Date, such proceeds will also be net of applicable Tax or Duty, banking charges or fees (including wire transfer fees or corresponding charges) or charges or fees of a similar nature which are incurred with respect to the distribution of such proceeds to Link Group Shareholders and net of any reasonable costs, fees or expenses payable by Dye & Durham to its legal or other professional advisers in connection with Dye & Durham's fulfilment of its obligations to pay such consideration.
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia or Toronto, Canada.
Capital Return Resolution	the resolution put to Link Group Shareholders at the Special General Meeting to approve the BCM Capital Return.

Term	Meaning
Carlyle	Carlyle Asia Partners V, L.P.
Carlyle Proposal	the conditional, non-binding offer for Link Group received from Carlyle Asia Partners V, L.P. announced to the ASX on 5 November 2021.
Class Ruling	has the meaning given to the term in section 8 of this Explanatory Booklet.
Commitment Parties	has the meaning given to the term in section 6.4(c) of this Explanatory Booklet.
Common Shares	has the meaning given to the term in section 6.4(c) of this Explanatory Booklet.
Competing Bidder	a person other than Dye & Durham and its related bodies corporate, any other Dye & Durham Group Member and their respective Associates.
Competing Proposal	<p>any proposal, offer, expression of interest, agreement, arrangement or transaction, which, if entered into or completed substantially in accordance with its terms, would result in a Competing Bidder (either alone or together with any Associate(s)):</p> <ol style="list-style-type: none"> (1) directly or indirectly acquiring or having the right to acquire: (a) a Relevant Interest in; (b) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or (c) control of, 20% or more of the Link Shares; (2) acquiring Control (as determined in accordance with section 50AA of the Corporations Act, but disregarding subsection 50AA(4)) of Link Group; (3) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material or substantial part of Link Group's business or assets or the business or assets of the Link Group; (4) otherwise directly or indirectly acquiring, being stapled to, or merging with Link; or (5) requiring Link to abandon, or otherwise fail to proceed with, the Scheme, <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.</p> <p>For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Condition Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Court	the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Dye & Durham and Link.
D&D Acquirer	Link Acquisition Australia Pty Ltd (ACN 659 235 631)
D&D HoldCo	Link Acquisitions Holdings Australia Pty Ltd (ACN 659 234 803)
Deed Poll	a deed poll in the form of Annexure 3 or such other form as agreed in writing between the parties under which Dye & Durham covenants in favour of the Scheme Shareholders to perform the obligations attributed to Dye & Durham under the Scheme.
Debt Funding	has the meaning given to the term in section 6.4(b) of this Explanatory Booklet.

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Term	Meaning
Deferred Returns Period	the period from the day that is two Business Days before the Implementation Date until the date that is 12 months after the Implementation Date.
Deloitte	Deloitte Corporate Finance Pty Limited (ACN 003 833 127).
Disclosure Materials	<ol style="list-style-type: none"> (1) the documents and information contained in the Data Room; (2) the virtual meetings between Link and Dye & Durham and their advisors in respect of Woodford Matters held on 1 December 2021, 9 December 2021, 18 December 2021 and 19 December 2021 (in each case in the United Kingdom); (3) written responses from Link and its Related Persons to requests for further information made by Dye & Durham Group and its Related Persons, the index of which has been electronically initialled by the parties' lawyers for the purposes of identification before the execution of the Scheme Implementation Deed; (4) the Disclosure Letter; and (5) any other information made available by Link or its Related Persons to Dye & Durham Group or its Related Persons prior to execution of the Scheme Implementation Deed which is agreed between the parties in writing on the date of the Scheme Implementation Deed.
Duty	any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
Dye & Durham	Dye & Durham Corporation (OCN 5042698 CA).
Dye & Durham Board	the board of directors of Dye & Durham.
Dye & Durham Director	a member of the Dye & Durham Board.
Dye & Durham Group	Dye & Durham and each of its related bodies corporate, and a reference to a Dye & Durham Group Member or a member of the Dye & Durham Group is to Dye & Durham or any of its related bodies corporate.
Dye & Durham Limited	a company incorporated under the <i>Business Corporations Act</i> (Ontario) whose shares are listed and posted for trading on the Toronto Stock Exchange.
Dye & Durham Information	<p>information regarding the Dye & Durham Group provided by Dye & Durham to Link Group in writing for inclusion in this Explanatory Booklet including:</p> <ol style="list-style-type: none"> (1) information about Dye & Durham and D&D Acquirer in section 2 (Frequently Asked Questions); (2) the entire content of section 6 (Information about Dye & Durham); and (3) any reference to the belief of the Dye & Durham directors in the Explanatory Booklet; (4) any other information required under the Corporations Act, <i>Corporations Regulations 2001</i> (Cth) or ASIC Regulatory Guide 60 to enable this Explanatory Booklet to be prepared that the parties agree is 'Dye & Durham Information' and that is identified in this Explanatory Booklet as such. <p>For the avoidance of doubt, the Dye & Durham Information excludes the Link Group Information and the Independent Expert's Report.</p>
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective, currently expected to be 20 July 2022.
Equity Funding	has the meaning given to the term in section 6.4(c) of this Explanatory Booklet.

Term	Meaning
Exchangeable Shares	has the meaning given to the term in section 6.4(c) of this Explanatory Booklet.
Explanatory Booklet	<p>this document being:</p> <ul style="list-style-type: none"> the explanatory statement in respect of the Scheme, which has been prepared by Link Group in accordance with section 412 of the Corporations Act; and a statement of all information known to Link Group that is material to Link Group Shareholders in deciding on how to vote on the Capital Return Resolution as required by section 256B(4) of the Corporations Act.
Facilities	has the meaning given to the term in section 6.4(c) of this Explanatory Booklet.
FCA	the Financial Conduct Authority.
FIRB	the Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the First Court Hearing.
FY21	the financial year ended 30 June 2021.
FY22	The financial year ended 30 June 2022.
FY21 LTIP	the long term incentive plan operated by Link Group in respect of the performance period between 1 July 2020 and 30 June 2023.
FY22 LTIP	the long term incentive plan operated by Link Group in respect of the performance period between 1 July 2021 and 30 June 2024.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	has the same meaning as in the GST Act.
HIN	Holder Identification Number.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing or is ordered by the Court or required by ASX.
Independent Expert	Deloitte Corporate Finance Pty Limited, the independent expert in respect of the Scheme appointed by Link to prepare the Independent Expert's Report.
Independent Expert's Report	the report to be issued by the Independent Expert in connection with the Scheme, as set out in Annexure 1, setting out the Independent Expert's opinion whether or not the Scheme is fair and reasonable and in the best interests of Link Group Shareholders and the reasons for holding that opinion.

Glossary

continued

Term	Meaning
Insolvency Event	in relation to an entity: (1) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days); (2) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; (3) the entity executing a deed of company arrangement; (4) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed; (5) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or (6) the entity being deregistered as a company or otherwise dissolved, or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.
Interim Dividend	a fully franked interim dividend of \$0.03 cash per Link Share declared on 24 February 2022, payable to Link Group Shareholders who were on the Link Group Share Register on the Interim Dividend Record Date (which was 3 March 2022), which was paid on the Interim Dividend Payment Date (which was 8 April 2022).
Interim Dividend Record Date	3 March 2022.
Interim Dividend Payment Date	8 April 2022.
Last Practicable Date	3 May 2022.
LCFH	LC Financial Holdings (company registration number 391305 IE).
LFSL	Link Fund Solutions Limited (company number 01146888 GB).
Link	Link Administration Holdings Limited (ACN 120 964 098).
Link Board	the board of directors of Link.
Link Director	any director of Link comprising part of the Link Board.
Link Employee Equity	Performance Share Rights, Share Rights and Restricted Shares as listed in section 5.7.
Link Group	Link and each of its Subsidiaries, and a reference to a Link Group Member is to Link or any of its Subsidiaries. For the avoidance of doubt, Link Group does not include PEXA or any of its Subsidiaries.
Link Group Information	the information contained in this Explanatory Booklet, other than: (1) the Dye & Durham Information; and (2) the Independent Expert's Report.
Link Group Share Register	the register of members of Link maintained in accordance with the Corporations Act.
Link Group Share Registry	Link Market Services Limited (ACN 083 214 537).
Link Group Shareholder	each person who is registered as the holder of a Link Share in the Link Group Share Register.

Term	Meaning
Link Material Adverse Change	<p>an event, change, condition, matter, circumstance or thing occurring or being reasonably likely to occur: (i) after the date of the Scheme Implementation Deed; or (ii) on or before the date of the Scheme Implementation Deed but which only becomes actually known to the Dye & Durham, or is only announced or publicly disclosed, after the date of the Scheme Implementation Deed which, whether individually or when aggregated with all events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have, the effect of:</p> <ol style="list-style-type: none"> (1) a diminution in the consolidated net assets of the Link Group, excluding PEXA and PEXA Group, but otherwise taken as a whole by at least \$120,000,000 against the consolidated net assets as set out in Link Group's 30 June 2021 balance sheet; (2) a diminution in the consolidated EBITDA (but not only on a one off basis) of the Link Group, excluding PEXA and PEXA Group, taken as whole by at least \$19,000,000 against Link Group's 30 June 2021 Operating EBITDA; (3) a diminution in the value of PEXA Group pro forma net assets (which is taken to be \$1.2248 billion, based on its pro forma net assets as at 30 June 2021) but otherwise taken as a whole by at least \$122,500,000 against PEXA's 30 June 2022 forecast as set out in the PEXA Prospectus; (4) a diminution in the consolidated PEXA Group EBITDA, (but not only on a one off basis), taken as whole by at least \$8,100,000 against PEXA's EBITDA forecast of \$107,600,000 for the financial year ending 30 June 2022 as set out in the Prospectus for PEXA dated 21 June 2021; (5) a diminution in the Operating EBITDA as defined in Link's FY21 Annual Report of the RSS business segment (but not only on a one off basis), taken as whole by at least \$14,200,000 against what it would reasonably be expected to have been but for that change, event, circumstance or matter; (6) a diminution in the Operating EBITDA as defined in Link's FY21 Annual Report of the Corporate Markets business segment (but not only on a one off basis), taken as whole by at least \$13,400,000 against what it would reasonably be expected to have been but for that change, event, circumstance or matter, other than those events, changes, conditions, matters, circumstances or things: (7) that were Fairly Disclosed in: <ul style="list-style-type: none"> – the Disclosure Materials (excluding the operation of termination, consent or similar rights in respect of Material Contracts, licences, authorisations or arrangements); – an announcement made by Link or a Link Group Member to the ASX within 2 years prior to the date of the Scheme Implementation Deed; or – the Public Register Information; (8) that are within the actual knowledge of the Dye & Durham prior to the date of the Scheme Implementation Deed (excluding the operation of termination, consent or similar rights in respect of Material Contracts, licences, authorisations or arrangements); (9) arising from changes in general economic or business conditions (including changes to interest rates, exchange rates, commodity prices or markets (including domestic or international financial markets)) in each case, other than such changes or conditions that have a disproportionate effect on the Link Group as compared to other participants in the industries in which the Link Group operates; (10) arising from the Coronavirus or COVID-19 pandemic (or any mutation, variation or derivative thereof) after the date of the Scheme Implementation Deed, including the outbreak, escalation or any impact of, or recovery from, the Coronavirus or COVID-19 pandemic (or any mutation, variation or derivative of), and including in connection with lockdowns, travel restrictions, quarantining, closures, social distancing and restrictions of and on activities, venues and gatherings, having regard to any applicable recommendations, guidance or directions of a Government Agency other than where such matters have a disproportionate effect on the Link Group, as compared to other participants in the industries in which the Link Group operates; (11) arising from any change in law, regulation, generally accepted accounting standards or generally accepted accounting principles or the interpretation of any such standards or principles, or policy of a Government Agency after the date of the Scheme Implementation Deed other than where such matters have a disproportionate effect on the Link Group; (12) required or expressly permitted to be done or procured by the Link Group under the Scheme Implementation Deed or the Scheme (excluding the operation of termination, consent or similar rights in respect of Material Contracts, licences, Authorisations or arrangements); (13) agreed to, or requested, by the Dye & Durham in writing; (14) arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like; or (15) arising from or as a result of any Woodford Matters.

Glossary

continued

Term	Meaning
Link Prescribed Occurrence	<p>other than:</p> <ol style="list-style-type: none">(1) which is required by any applicable law, regulation, generally accepted accounting standards or generally accepted accounting principles (in each case provided that any such change is not as a result of any election or similar action by a Link Group Member which is not required by the applicable standard or principle), contract (but only to the extent such contract was entered into, and a copy of which was Fairly Disclosed to Dye & Durham, before the date of the Scheme Implementation Deed or otherwise in accordance with the Scheme Implementation Deed) or by a Government Agency;(2) which is within the actual knowledge of Dye & Durham before the date of the Scheme Implementation Deed;(3) as required or expressly permitted to be done or procured by the Link Group in connection with the Scheme Implementation Deed or the Scheme;(4) arising from or as a result of any Woodford Matters; or(5) as agreed to, or requested, by Dye & Durham in writing, <p>the occurrence of any of the following:</p> <ol style="list-style-type: none">(6) Link converting all or any of its securities (including the Link Shares) into a larger or smaller number;(7) Link resolving to reduce its share capital in any way;(8) a Link Group Member:<ul style="list-style-type: none">– entering into a buy-back agreement; or– resolving to approve the terms of a buy-back agreement under the Corporations Act;(9) a Link Group Member issuing shares (including Link Shares), or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a right or an option, other than:<ul style="list-style-type: none">– to a wholly-owned Subsidiary of Link; or– in connection with any action which is undertaken or which otherwise occurs in accordance with clause 4.7 of the Scheme Implementation Deed;(10) a Link Group Member issuing or agreeing to issue securities convertible into shares (including any issue or agreement to issue performance rights or options or debt securities);(11) a Link Group Member:<ul style="list-style-type: none">– reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;– Link or another Link Group Member announcing, making, declaring, determining as payable, paying or distributing any distribution, dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie);(12) change the rights attaching to any class of securities in a Link Group Member;(13) a Link Group Member making any change to its constitution, other than where a Link Group Member that is not material in the context of the Link Group (taken as a whole) makes a change to its constitution that does not materially affect the Scheme or the Link Group (or its business);(14) a Link Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (whether by way of a single transaction or series of related transactions);(15) a Link Group Member creating or granting an Encumbrance, or agreeing to create or grant an Encumbrance, in respect of the whole, or a substantial or material part, of the business, assets or property of the Link Group, other than a lien securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the Link Group's business;(16) an Insolvency Event occurring in relation to a Link Group Member;(17) any Link Group Member ceasing, or threatening to cease, the whole or a material part of its business;(18) any Link Group Member creating any new security-based (or phantom security-based) incentive plan or scheme, modifies the Link Equity Incentive Plan (other than in connection with any action which is undertaken or which otherwise occurs in accordance with clause 4.7 of the Scheme Implementation Deed), or issues or makes any offers to participate in the Link Equity Incentive Plan;(19) Link Shares ceasing to be quoted, or are suspended from quotation, on ASX; or(20) any Link Group Member directly or indirectly authorising, committing or agreeing to take any of the actions referred to in paragraphs 6 to 19 above insofar as it applies to the Link Group Member the subject of the relevant actions referred to in paragraphs 6 to 19 above.

Term	Meaning
Link Share	a fully paid ordinary share in the capital of Link.
Listing Rules	the official listing rules of the ASX.
Macquarie	Macquarie Capital (Australia) Limited (ACN 123 199 548).
Meetings	the Scheme Meeting and Special General Meeting.
NPAT	net profit after tax.
Omnibus Equity Plan	Link Group's Omnibus Equity Plan, as governed by the Link Omnibus Equity Plan rules.
Operating EBITDA	operating earnings before interest, tax, depreciation and amortisation.
Operating NPATA	net profit after tax and after adding back tax affected significant items and acquired amortisation, where acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets, which were acquired as part of business combinations.
Performance Share Rights	rights received under the Omnibus Equity Plan, which, subject to satisfaction of performance hurdles and/or service-based conditions, will, if vested, allow participating Link Group executives and senior leaders to receive fully paid ordinary shares in Link.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
Proxy Form	the proxy form for the Scheme Meeting and Special General Meeting, which accompanies this Explanatory Booklet.
Public Register Information	has the meaning given to the term in the Scheme Implementation Deed.
Regulatory Approval	each approval or consent set out in clause 3.1(a) of the Scheme Implementation Deed.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Relevant Person	in respect of a party or each of their respective Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Bodies Corporate.
Requisite Majorities	in relation to the Scheme Resolution to be put to Link Group Shareholders at the Scheme Meeting, the resolution being passed by: <ol style="list-style-type: none"> (1) a majority in number (more than 50%) of Link Group Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative, except to the extent the Court orders otherwise under subsection 411(4)(a)(ii)(A) of the Corporations Act and, in that case, in accordance with that Court order; and (2) at least 75% of the votes cast on the resolution by Link Group Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.
Restricted Shares	the Link Shares which are subject to any restrictions (including vesting conditions, disposal restrictions, holding locks, forfeiting restrictions or service conditions).

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continued

Term	Meaning
Scheme	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Link and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Dye & Durham and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is attached as Annexure 2 (or such other form as agreed in writing by Dye & Durham and Link), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to in writing by Dye & Durham and Link.
Scheme Consideration	the consideration to be provided by D&D Acquirer to each Scheme Shareholder for the transfer to D&D Acquirer of each Scheme Share, being for each Link Share held by a Scheme Shareholder as at the Scheme Record Date an amount determined in accordance with clause 4.4 of the Scheme Implementation Deed.
Scheme Implementation Deed	the Scheme Implementation Deed dated 22 December 2021 between Link and Dye & Durham, a copy of which was released to the ASX on 22 December 2021.
Scheme Meeting	the meeting of Link Group Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme Resolution and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	the time and date for determining entitlements to receive the Scheme Consideration, being 7:00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Resolution	the resolution to approve the Scheme to be considered by Link Group Shareholders at the Scheme Meeting, as set out in the Notice of Meetings in Annexure 4.
Scheme Shareholder	a Link Shareholder as at the Scheme Record Date.
Scheme Shares	all Link Shares held by the Scheme Shareholders as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
SRN	Security Reference Number.
Share Rights	share rights issued under the Omnibus Equity Plan, which, subject to satisfaction of service-based conditions, will, if vested, allow participating Link Group employees to receive fully paid ordinary shares in Link.
Special Dividend	a special dividend of an amount up to \$0.08 per Link Share, to be declared and paid by Link Group to Link Group Shareholders on or before the Implementation Date, such amount to be deducted from the Scheme Consideration.
Special Dividend Payment Date	the date of payment of the Special Dividend (if any), as determined by the Link Directors in their sole discretion, currently expected to be 4 August 2022.
Special Dividend Record Date	the record date for the Special Dividend (if any), as determined by the Link Directors in their sole discretion, currently expected to be 7:00pm (Sydney time) on 26 July 2022.
Special General Meeting	a general meeting of Link Group Shareholders to be convened by Link Group and held immediately after the Scheme Meeting for the purpose of considering the Capital Return Resolution.

Term	Meaning
Subsidiary or Subsidiaries	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	<p>a bona fide, written Competing Proposal:</p> <p>(1) of the kind referred to in any of paragraphs 2, 3 or 4 of the definition of 'Competing Proposal'; and</p> <p>(2) not resulting from a breach by Link of any of its obligations under clause 10 of the Scheme Implementation Deed,</p> <p>that the Link Board, acting in the best interests of Link Group Shareholders and in good faith and in order to satisfy what the Link Board considers to be the Link Directors' statutory or fiduciary duties (after having obtained advice from Link's Financial Advisers and reputable external Australian legal advisers specialising in the area of corporate law) determines:</p> <p>(3) is reasonably capable of being valued and completed within a reasonable timeframe in accordance with its terms, taking into account all terms, conditions and other aspects of the Competing Proposal, including, but not limited to:</p> <p>(a) the identity, reputation and financial condition of the party making the Competing Proposal;</p> <p>(b) the ability of the party making the Competing Proposal to consummate the transactions contemplated by the Competing Proposal; and</p> <p>(c) all relevant legal, financial, regulatory and other matters; and</p> <p>(4) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction that is more favourable to Link Group Shareholders (as a whole) than the Scheme (and, if applicable, than the Scheme as amended or varied following application of the matching right set out in clause 10.4 of the Scheme Implementation Deed), taking into account all terms and conditions and other aspects of:</p> <p>(a) the Competing Proposal (including the value and type of consideration, funding, any timing considerations, any Conditions Precedent, the identity, reputation and financial condition of the proponent, the views of Link Group Shareholders in relation to the Competing Proposal compared to the Scheme, the ability of the proponent to complete the transactions contemplated by the Competing Proposal and the probability of the Competing Proposal being completed compared to the Scheme and relevant legal, financial, regulatory and other matters); and</p> <p>(b) the Scheme (including the matters described in paragraph (A) above in respect of the Scheme).</p>
Tax	any tax, levy, charge, impost, fee, deduction, goods and services tax (including GST), compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above, but excludes Duty.
Transaction	the acquisition of the Scheme Shares by D&D Acquirer through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed and the BCM Capital Return.
Transaction Consideration	has the meaning given in the Letter from the Chairman of Link Group.
UBS	UBS Securities Australia Limited (ACN 008 586 481).
UK	United Kingdom.
VWAP	volume weighted average price.

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Term	Meaning
Woodford Matters	any current or future claims, proceedings, disputes, complaints, investigations or reviews arising from, or directly or indirectly relating to Link Fund Solutions Limited's (LFSL) role as authorised corporate director of LF Investment Fund (previously known as the CF Woodford Investment Fund and the LF Woodford Investment Fund), which has one sub-fund, the LF Equity Income Fund (previously known as the CF Woodford Equity Income Fund and the LF Woodford Equity Income Fund) (WEIF), including but not limited to (i) any civil claims brought (or to be brought) against LFSL by, or on behalf of, current or former investors in WEIF; (ii) any complaints made (or to be made) against LFSL by, or on behalf of, current or former investors in WEIF and referred to the Financial Ombudsman Service; and (iii) the Financial Conduct Authority's investigation into LFSL's oversight over the activities of Woodford Investment Management Limited (previously known as Woodford Investment Management LLP) and the circumstances relating to the suspension of WEIF.

10.2 Interpretation

In this Explanatory Booklet, unless expressly stated or the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section or annexure is a reference to a section of and an annexure to this Explanatory Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Explanatory Booklet;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Annexure 1

Independent Expert's Report

Independent Expert's Report

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Link Administration Holdings Limited

Independent Expert's Report and Financial Services Guide

10 May 2022



Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) has been engaged by Link Administration Holdings Limited (Link Group) to prepare an independent expert's report (our Report) in connection with the Proposed Scheme arrangement with Dye & Durham Corporation (Dye & Durham) (Proposed Scheme). Link Group will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately AUD425,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the Proposed Merger.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

In the last 2 years Deloitte Corporate Finance has commenced work to evaluate other potential transactions being contemplated by Link Group. However, none of the advice in respect of these other transactions was finalised or provided to Link Group. In addition, entities associated with Deloitte Corporate Finance have provided services to Link Group. None of these services have been connected with the Proposed Scheme or any other transaction being considered by Link Group.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Independent Expert's Report

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The Directors
Link Administration Holdings Limited
Level 12
680 George Street
Sydney NSW 2000

10 May 2022

Dear Directors

Re: Independent expert's report

Introduction

On 22 December 2021, Link Group announced that it had entered into a Proposed Scheme arrangement with Dye & Durham Corporation (Dye & Durham) under which Dye & Durham will acquire all of the issued share capital of Link Group (Proposed Scheme). The consideration offered by Dye & Durham to holders of Link Group shares is AUD 5.53 cash per share, plus any net proceeds from the sale of the Banking and Credit Management (BCM) business.

An overview of the Proposed Scheme is provided in Section 1 of our detailed report, and full details are included in the Scheme Booklet issued by Link Group.

Purpose of the report

The Directors of Link Group have requested that Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance) provide an independent expert's report advising whether, in our opinion, the Proposed Scheme is fair and reasonable and accordingly in the best interests of Link Group shareholders.

This report is to be included in the Scheme Booklet to be sent to shareholders and has been prepared for the exclusive purpose of assisting Link Group shareholders not associated with Dye & Durham in their consideration of the Proposed Scheme. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the shareholders and Link Group, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

We have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report and ASIC Regulatory Guide 112 in respect of the independence of experts in preparing this Report.

To assess whether the Proposed Scheme is in the best interests of Link Group shareholders, we have adopted the test of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Further information on the basis of evaluation is set out in Section 1.4.

Summary and conclusion

In our opinion, the Proposed Scheme is fair and reasonable to, and therefore in the best interests of, Link Group shareholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Scheme is fair

According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Scheme is fair, the independent expert is required to compare the market value of a Link Group share on a control basis with the consideration being offered. The Proposed Scheme is fair if the value of the consideration is equal to or greater than the value of a Link Group share. Set out in the table below is that comparison:

Table 1: Comparison of our valuation of a Link Group share to the consideration

AUD	Section	Low	High
Estimated market value of one Link Group share	5.1	4.81	5.97
Consideration	1.1	5.53	5.66

Source: Deloitte Corporate Finance analysis

The consideration offered by Dye & Durham is within the range, but higher than the mid-point of the market value of one Link Group share being AUD 5.39, of our estimate of the market value of a Link Group share. Accordingly it is our opinion that the Proposed Scheme is fair.

Our valuation has not had explicit regard to any potential compensation payable by Link Group as a result of any successful class action relating to Woodford (refer Section 4.3.3). Given the significant uncertainty in the outcome of any compensation, we do not consider the liability associated with the class action can be reliably quantified and accordingly have not adjusted our valuation. However, attributing a value for such compensation would only result in the value of the shares decreasing and as such, the Proposed Scheme being assessed as more fair. Recent geo-political events have resulted in volatility in equity markets. At this early stage, the impacts of such events on Link Group's business are uncertain.

Valuation of Link Group

Our valuation of a Link Group share (which has been undertaken on a control basis) is summarised in the following table:

Table 2: Our valuation of a Link Group share

	Section	Unit	Low	High
RSS	5.3.1	AUD m	1,215	1,450
CM	5.3.1	AUD m	765	900
FS	5.3.1	AUD m	285	368
Corporate overheads	5.3.3	AUD m	(227)	(201)
Enterprise value (selected)		AUD m	2,039	2,516
BCM	5.5	AUD m	65	75
Link Group's interest in PEXA	5.6	AUD m	1,370	1,480
Add/(less): Other assets/(liabilities)	5.7.1	AUD m	124	124
Add/(less): Net cash/(debt) ¹	5.7.2	AUD m	(1,094)	(1,085)
Equity value		AUD m	2,503	3,110
Less: minority interests	5.7.3	AUD m	(1)	(1)
Equity value – Link Group interest		AUD m	2,502	3,109
Number of shares	4.5.6	m	520	520
Value per share		AUD	4.81	5.97

Notes:

1. Projected net debt at Implementation Date having regard to the operating performance of Link Group up to the Scheme Implementation Date and including cash and cash equivalents, borrowings, and lease and certain other liabilities.

Source: Deloitte Corporate Finance analysis

Independent Expert's Report

continued

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We estimated the market value of a Link Group share using the sum-of-the-parts approach. This approach values each business unit and corporate overheads separately. In valuing each business unit with the exception of the BCM business, we have used the market multiples method, which estimates the value of each business unit by multiplying our estimate of the maintainable earnings with an appropriate multiple. In respect of the BCM business, we had regard to various factors including the recent sales process which has provided insights into the value of this business. Further details on the recent sale process for this business unit are set out in section 4.5 of the Scheme Booklet.

For each business unit, we assessed the earnings before interest, taxes, depreciation and amortisation (EBITDA). This assessment had regard to our review of each business unit, along with their financial performance, FY22 budgets prepared by Link Group Management and approved by the Directors, and consensus estimates of earnings prepared by equity research analysts.

Our assessment of the earnings multiple was undertaken on a control basis and having regard to the following:

- earnings multiples of listed comparable companies and implied multiples from recent transactions involving companies comparable to each business unit
- in respect of the listed comparable companies, we were conscious of the fact that most of the comparable companies have diversified operations and therefore there were only a limited number of directly comparable companies for some of the business units
- each of Link Group's business units operates in very competitive markets and, as a reflection of the competition, has experienced a decrease in margins in recent times.

Link Group's interest in PEXA has been valued having regard to recent share trading and the rights attaching to Link Group's interest. We have also cross-checked our valuation of the interest by reference to the implied EBITDA multiples and how they compare to various comparable entities.

We have undertaken various cross-checks of our valuation. These cross-checks have been undertaken in respect of each business units and/or the group as a whole or the various inputs to our market multiples valuations. From the perspective of the valuation of the group, we have cross-checked the value by reference to the discounted cash flow approach, historical offers received for the group and the price to earnings multiples implied by our valuation range and how it compares to that of the S&P/ASX 200 Index.

The range of value of a Link Group share is wider than would typically be the case. We consider this reasonable recognising recent capital market volatility, including recent movements in the share price of PEXA and also the current outlook for the group as a result of factors such as the future impacts of superannuation reforms (including consolidation activity), and the possible impacts on the business as a result of any negative findings from the Woodford matter. We also consider that this wider range reflects our attempt to recognise within the upper end of the range the growth option available in Management's medium to long term aspirations for the group.

Further details of our valuation of Link Group are set out in Section 5.

Valuation of the consideration

Whilst the consideration is entirely cash in nature, there are a number of different components as set out in the table below:

Table 3: Break-down of the consideration

AUD	Low	High
Base consideration (excluding special dividend)	5.42	5.42
Interim dividend paid subsequent to date of announcement of the Proposed Scheme	0.03	0.03
Special dividend	0.08	0.08
Net consideration for the BCM business	-	0.13
Total consideration	5.53	5.66

Source: Deloitte Corporate Finance analysis

Link Group shareholders will receive base consideration of AUD 5.50 per share in cash under the Proposed Scheme, in addition to the AUD 0.03 per share interim dividend which was paid by Link Group on 8 April 2022 (franked at 100%). Link Group intends to pay a further special dividend of approximately AUD 0.08 per share, expected to be franked at 100%, and this special dividend will be deducted from the base consideration. Franking credits have not been taken into account in our valuation as the benefit of such credits will vary depending on the shareholder in question.

We have included the potential distribution that would be paid in the event of the sale of the BCM business within 12 months of the Implementation Date. Given that there is no current binding agreement to sell the BCM business, and the possibility that a sale may not be consummated within 12 months of the Implementation Date and consequently shareholders may not receive the distribution, we have adopted nil as the low point of the consideration offered. The upper end of the range reflects the maximum consideration shareholders can expect to receive as announced by Link Group on 21 March 2022 as this is within the range of proceeds per share implied by our valuation of BCM. This distribution could create a tax liability for shareholders but, again this will vary depending on the circumstances of each shareholder. Further details are set out in section 4.5 of the Scheme Booklet.

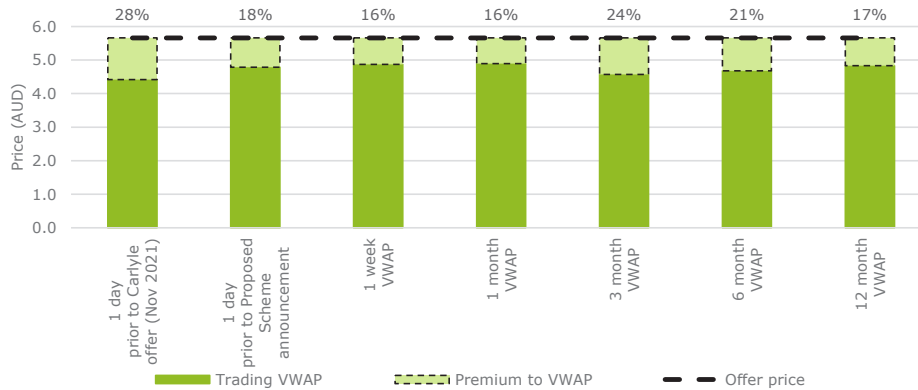
The Proposed Scheme is reasonable

In accordance with ASIC Regulatory Guide 111 an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Scheme is reasonable. We have also considered the following factors in assessing the reasonableness of the Proposed Scheme.

Shareholders are receiving a premium to the share price of Link Group prior to the announcement of the Proposed Scheme

The consideration represents a premium in the range of 16% to 24% of share price trading prior to the announcement of the Proposed Scheme.

Figure 1: Offer price premium to share trading



Note: Consideration includes all dividends anticipated to be paid between Proposed Scheme announcement date and Implementation Date
 Source: Capital IQ, Deloitte Corporate Finance analysis

Such a premium is reflective of a number of factors, in particular:

- a premium for the control of Link Group. Whilst Australian studies indicate takeover premiums typically range between 20% and 40% of the portfolio holding value, these figures are influenced by a number of factors of which control is just one
- challenges faced by Link Group including the Woodford investigation and class action, recent capital market volatility, execution risk associated with Link Group’s growth plans, and the COVID-19 pandemic
- possibly challenges faced by investors in the look through valuation of the interest Link Group has in PEXA Group Limited (PEXA) and the accounting consequences of recognizing PEXA as an associate during a period when it has been generating losses
- the potential to integrate Link Group into Dye and Durham’s operations and realise synergistic benefits.

There is certainty in the cash consideration

The Proposed Scheme represents an opportunity for shareholders to realise their investment in Link Group, for at least AUD 5.53 in cash and dividends¹.

¹ Consideration includes all dividends anticipated to be paid between Proposed Scheme announcement date and Implementation Date

Independent Expert's Report

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If the Proposed Scheme is unsuccessful, shareholders will continue to be exposed to the risks and rewards associated with a listed investment on the ASX. There remains uncertainty associated with the future impacts of the COVID-19 pandemic, Woodford investigation and class action, as well as execution risk with Link Group's growth plans, especially noting that the anticipated benefits are only expected to be realised over the medium term.

The Proposed Scheme eliminates these risks for shareholders by allowing them to exit their investment in Link Group at a premium to the levels achieved prior to the announcement date of the Proposed Scheme.

The likelihood of an alternative superior offer emerging is low

Prior to the bid from Dye & Durham, Link Group had received offers for parts, or all, of the Link Group business dating back to 2020. This included offers from various parties. The Directors have been transparent in the disclosure of such offers and as such it could be viewed that the market for Link Group (including controlling interests) is well informed.

On 21 March 2022, Link Group announced that it had received a conditional, non-binding indicative proposal from FNZ Group to acquire the RSS business for AUD 1.5bn on a cash free debt free basis subject to normal completion adjustments. The Directors of Link Group believe that this proposal would not be expected to result in an outcome that is more favourable to Link Group shareholders when compared to the Proposed Scheme. We also note that Dye & Durham has received unsolicited preliminary non-binding expressions of interest from a number of parties with respect to the RSS business. No further information other than that disclosed in Section 6.5 of the Scheme Booklet has been provided to us.

The indicative offer price for the RSS business is slightly above the top end of our value range for the RSS business. However, based on discussions with Link Group management, any transaction involving the disposal of the RSS business is likely to result in a substantial tax liability for Link Group which is not currently reflected in our valuation of a Link share. In addition, our valuation included a significant allocation of corporate costs, some of which might not be able to be eliminated if a sale of this business is undertaken.

Any disposal of the RSS business without Dye & Durham's consent would be a breach of the Scheme Implementation Deed currently in place with Dye & Durham. As at the date of this Report, Dye & Durham has not expressed a willingness to consider pursuit of the Proposed Scheme excluding the RSS business and so if Link Group chose to pursue the disposal of the RSS business with FNZ Group, the Scheme Implementation Deed with Dye & Durham may be terminated which would result in costs, and Link Group may then be left to pursue a strategy to progressively dispose each of the other business units and other assets which would take time, result in costs being incurred, and also carry risks.

Whilst we consider the likelihood of a superior proposal emerging to be low, there is nothing stopping another party from submitting a superior offer for Link Group.

Link Group's share price is likely to fall if the Proposed Scheme is not implemented and no superior proposal emerges

It is common for the share price of a target company that is subject to a takeover offer to trade at or around the price of the takeover offer during the offer period, particularly if the market has formed the view that the takeover will proceed at that price. Since the announcement of the Proposed Scheme, Link Group's shares have traded at a premium to the price on the day before the announcement. In the absence of an alternative offer and in the event that the Proposed Scheme is unsuccessful, Link Group's share price is likely to decline in the short term.

Dye & Durham has stated that it is targeting additional benefits through the acquisition of Link Group

Our assessment of fairness has reflected certain benefits of control available to market participant buyers of Link Group. Dye & Durham has announced to the market that it expects to realise CAD125m² (AUD135m) of synergies as a result of the acquisition of Link Group. Whilst no further details have been provided to us with respect to those synergies, that level of synergies is higher than those assumed in our analysis and we assume that such synergies are unique to Dye & Durham and would expect that they would carry risks that a market participant buyer would be reluctant to price into the control value of Link Group.

² Dye & Durham Quarterly Results Presentation, 1 February 2022

Opinion

In our opinion, the Proposed Scheme is fair and reasonable to Link Group shareholders. It is therefore in the best interests of Link Group shareholders.

An individual shareholder's decision in relation to the Proposed Scheme may be influenced by his or her particular circumstances. If in doubt the shareholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully



Tapan Parekh

Authorised Representative

AR Number: 461009

Deloitte Corporate Finance Pty Limited: AFSL 241457

Independent Expert's Report

continued

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Glossary

Reference	Definition	Reference	Definition
AUD	Australian dollars (unless stated, all amounts are presented in AUD)	Implementation Date	The date of implementation of the Proposed Scheme, as defined in the Scheme Implementation Deed and as set out in the Scheme Booklet
bn	Billion	IPO	Initial public offering
AAS	Australian Administration Services	k	Thousand
ASIC	Australian Securities and Investments Commission	Link Group	Link Administration Holdings Limited
ASX	Australian Securities Exchange	Link Property	Link Property Pty Ltd
BCM	Banking and credit management division of Link Group	m	Million
CAGR	Compound annual growth rate	Management	The management of Link Group
CEO	Chief executive officer	NPAT	Net profit after tax
CM	Corporate markets division of Link Group	NPATA	Net profit after tax and excluding acquired amortisation
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited	NPBT	Net profit before tax
Directors	The directors of Link Group	NPL	Non-performing loans
Dye & Durham	Dye & Durham Corporation	PEXA	Property Exchange Australia Limited
EBIT	Earnings before interest and tax	Proposed Scheme	Proposed takeover of Link Group by Dye & Durham by way of a Scheme of Arrangement
EBITDA	Earnings before interest, tax, depreciation and amortisation	RSS	Retirement and superannuation solutions division of Link Group
EMEA	Europe, Middle East and Africa	Scheme Booklet	The scheme booklet issued by the Directors in respect of the Proposed Scheme
EUR	Euros	Scheme Implementation Deed	Scheme Implementation Deed between Link Group and Dye & Durham related to the Proposed Scheme
Explanatory Memorandum	Explanatory memorandum detailing the Proposed Takeover	Shareholders	Existing shareholders of Link Group
FS	Fund Solutions business of Link Group	UK	United Kingdom
FYXX	Financial year ended 30 June 20xx	VWAP	Volume weighted average price
GBP	Pounds sterling		
IER	Independent expert's report		
IFRS	International Financial Reporting Standards		

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Independent Expert's Report

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1 Overview of the Proposed Scheme

1.1 Background to the Proposed Scheme

On 22 December 2021, Link Group announced that it had entered into the Proposed Scheme arrangement with Dye & Durham under which Dye & Durham will acquire 100% of the issued share capital of Link Group.

For each Link Group share, shareholders will receive:

- cash of AUD 5.42 (representing the base consideration of AUD 5.50 less the special dividend of AUD 0.08 per share, referred to below)
- a special dividend of AUD 0.08 per share (franked at 100%)
- AUD 0.03 interim dividend (franked at 100%) which was paid on 8 April 2022.

The total base cash consideration of AUD 5.50 (represented by the cash of AUD 5.42 plus the special dividend of AUD 0.08) plus the interim dividend of AUD 0.03 is AUD 5.53 per share. In the event of a sale of the BCM business, shareholders would receive net consideration from the sale of the BCM business capped at AUD 0.13 per share, with the expectation that any payment will be made by share capital return if the proceeds are received by Link Group up to two business days before the Implementation Date, or otherwise as an additional payment by Dye & Durham as consideration under the Proposed Scheme if received after that time and up to 12 months after the Implementation Date. Further details are set out in section 4.5 of the Scheme Booklet.

1.2 Background to Dye & Durham

Dye & Durham is a cloud based software and technology solutions firm for legal, financial services and government organisations in Canada, Australia, Ireland, and the United Kingdom. It is listed on the Toronto Stock Exchange, and has a market capitalisation of CAD 1.5bn (AUD 1.6bn) as at 30 April 2022.

Dye & Durham intends to fund the acquisition through a mix of debt and equity, with both components secured through a range of global financial institutions and asset managers.

1.3 Key conditions of the Proposed Scheme

The Proposed Scheme is subject to various conditions including:

- approval from the Foreign Investment Review Board and the Australian Competition and Consumer Commission
- approval of more than 75% of Link Group shareholders who vote on the Proposed Scheme
- court approval in accordance with the Corporations Act
- no notice is issued by the Financial Conduct Authority (FCA), or determination of a complaint to the Financial Ombudsman Service, in respect of the Woodford investigation before the second court date scheduled to take place in May/June 2022, which seeks to impose a fine, or complaints liability or other redress that Link Fund Solutions (LFS, a subsidiary of Link Group) is unable to meet from its own resources. Further details of the investigation are included in Section 4.3.3
- certain other regulatory and procedural conditions.

Given the nature of Link Group's activities, the regulatory approvals required are extensive and whilst all parties are using their best endeavours to obtain the regulatory approvals by the Implementation Date, there is a risk that the Implementation Date could be delayed if such approvals have not been met. Please refer to the Scheme Booklet for the full list and details of the conditions.

The Proposed Scheme is also subject to customary exclusivity provisions, including 'no shop, no talk' notification obligations and matching rights, as well as break fees under certain circumstances.

If certain prescribed events occur, Link Group will be liable for a break fee of AUD 28.6m. Equally, Dye & Durham will be required to pay a reverse break fee of the same amount, under certain circumstances, including non-payment of the consideration if the Proposed Scheme becomes effective. For further details on the Proposed Scheme, refer to Section 4 of the Scheme Booklet.

Link Group anticipates incurring AUD 40m in costs associated with implementation of the Proposed Scheme. AUD 7m of costs will be incurred by Link Group regardless of whether the Proposed Scheme proceeds.

1.4 Backdrop to the Proposed Scheme

In October 2020, Link Group announced that it had received a conditional, non-binding indicative proposal to be acquired by a consortium comprising Pacific Equity Partners, the Carlyle Group and their affiliates. The price offered under the proposal was AUD 5.20 per share which implied an enterprise value of AUD 3.8bn³. The Directors concluded that the proposal materially undervalued the Link Group. At the same time, the Directors announced that they were in the process of considering structural alternatives, including the separation and demerger of Link Group's interest in PEXA. The consortium later revised their offer to AUD 5.40 per share, implying an enterprise value of AUD 3.9bn¹.

The Board responded to the proposal noting that the revised proposal did not represent compelling value of the Link Group and that it would continue to determine the viability and attractiveness of the separation of PEXA from the Link Group. The Board allowed the consortium access to information to allow them to undertake due diligence and to enable them to formulate a superior proposal from November 2020 to April 2021. At the same time, the Board was also assessing the attractiveness of an IPO or trade sale of the PEXA investment.

In December 2020 SS&C Technologies made a non-binding indicative proposal to acquire the Link Group at a price of AUD 5.65 per share, implying an enterprise value of AUD 4.0bn¹. Following a non-exclusive due diligence process, the SS&C bid was withdrawn in January 2021.

In April 2021, the Pacific Equity Partners and Carlyle Group consortium withdrew their offer. Shortly after this, an offer was received from KKR and Domain as part of a trade sale for Link Group's interest in PEXA. The offer implied an enterprise value of PEXA (100% basis) of AUD 3bn, plus cash on the balance sheet of AUD 126m, thereby implying a value of Link Group's interest in PEXA at that time of AUD 1.4bn. The Directors concluded that an IPO of PEXA would present an opportunity to realise greater value for Link Group shareholders. The IPO would also enable a return of capital to Link Group (through the repayment of the shareholder loan), had the potential to deliver a more effective tax outcome over the medium term, a transparent market valuation of Link Group's interest in PEXA, and provide Management with more options with respect to the ongoing interest in PEXA going forward. For these reasons, the Directors concluded that it was in the best interest of shareholders to retain the PEXA interest and support the IPO. In July 2021, PEXA listed on the ASX at an implied enterprise value of AUD 3.3bn or implied value of AUD 1.4bn for Link Group's interest. The IPO also allowed PEXA to pay down the loans from shareholders, thereby providing Link Group with net cash proceeds of AUD 179m (which, in turn, were used by Link Group to pay down debt).

In November 2021, Link Group received a conditional, non-binding indicative offer from the Carlyle Group at AUD 5.38 per share⁴ implying an enterprise value of AUD 3.6bn⁵ subsequent to which access to information to allow Carlyle to undertake due diligence was provided.

In November 2021, Link Group announced that it had received two conditional, non-binding offers for the BCM business from a syndicate led by Pepper European Servicing and a second offer from LC Financial Holdings. Subsequently, in February 2022, Link Group announced that they were working with LC Financial Holdings on an exclusive basis for them to acquire the BCM business. On 21 March 2022, Link Group announced the discussions have not resulted in a binding agreement that is acceptable to all parties. It also announced that it had received a conditional, non-binding indicative proposal from FNZ Group to acquire the RSS business for AUD 1.5bn on a cash free debt free basis and subject to normal completion adjustments.

³ Calculated as offer price per share multiplied by number of shares outstanding as at 30 June 2020 (530.3m) plus net debt as at 30 June 2020 (AUD 1,030.8m). Net debt is defined as lease liabilities plus interest bearing debt less cash and cash equivalents

⁴ Comprising AUD 3.00 per share cash plus an in-specie distribution of Link Group's shares in PEXA which had been assessed as having a value of AUD 2.38 per share

⁵ Calculated as offer price per share multiplied by number of shares outstanding as at 30 June 2021 (536.2m) plus net debt as at 30 June 2021 (AUD 764.7m). Net debt is defined as lease liabilities plus interest bearing debt less cash and cash equivalents

Independent Expert's Report

continued

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2 Basis of evaluation

2.1 Guidance

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report. ASIC has also issued Regulatory Guide 112 in respect of the independence of experts but this provides very little guidance in respect of evaluating transactions.

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Accordingly, if an expert were to conclude that a proposal was 'reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target company.
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the offer under the proposed scheme, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Scheme is in the best interests of Link Group's shareholders, we have adopted the tests of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

2.2 Approach to evaluation of fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company.

Accordingly, we have assessed whether the Proposed Scheme is fair by comparing the consideration offered with the value of a share in Link Group on a control basis.

Link Group shares have been valued at market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a Link Group share has not been premised on the existence of a special purchaser.

We have assessed whether the Proposed Scheme is fair by comparing the value of a Link Group share to the value of the consideration to be received from Dye & Durham. We have assessed the value of each Link Group share by estimating the current value of Link Group on a control basis and dividing this value by the number of shares on issue.

If Link Group shareholders are receiving equal to, or more than, our assessment of the market value of Link Group shares, then the Proposed Scheme would be fair. If the consideration is less than our assessment of the market value of Link Group shares, then the Proposed Scheme would be not fair.

2.3 Approach to evaluation of reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Scheme we considered the following factors in addition to determining whether the Proposed Scheme is fair:

- the extent to which Link Group shareholders are receiving a premium for control
- the likely market price and liquidity of Link Group shares in the absence of the Proposed Scheme
- cash flows or other benefits available to Dye & Durham upon achieving 100% ownership of Link Group
- the fact that the Proposed Scheme allows Link Group shareholders to realise their investment in Link Group and removes uncertainty regarding the execution of future strategic initiatives
- the value to an alternative bidder and the likelihood of an alternative offer being made
- whether any other alternatives exist
- the advantages and disadvantages of alternatives other than the Proposed Scheme
- other implications associated with Link Group shareholders rejecting the Proposed Scheme.

2.4 Limitations

This report should be read in conjunction with Appendix 5.

Independent Expert's Report

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3 Profile of Link Group

Link Group is a technology enabled provider of administration and other services and is listed on the ASX with a market capitalisation of approximately AUD 2.6bn⁶. It partners with a diversified portfolio of global clients to provide robust, efficient and scalable services, purpose-built solutions and modern technology platforms to enable the administration process for securities associated with pensions, companies, loans, funds and property assets. Link Group operates in 18 jurisdictions with over 6,000 clients and 7,000 full time employees.

3.1 Corporate history

An overview of the company history is provided in the figure below.

Figure 2: Corporate history

Pre-2005	The early origin of the company was a share registry business owned by Perpetual Trustees. Subsequently, the ASX purchased a 50% interest and it was renamed ASX Perpetual Registrars.
2005	ASX Perpetual Registrars was purchased by Pacific Equity Partners, and renamed Link Market Services (part of Link Group). Established a joint venture with the New Zealand Stock Exchange.
2006	Acquired Australian Administration Services (AAS), one of Australia's leading superannuation administration services providers, and Orient Capital, an Australian provider of share register analysis and equity ownership analytics services. Expanded corporate markets to include investor relation services.
2008	Acquired Intime Spectrum Registry Ltd, a leading share registry business in India.
2012	Acquired assets of FuturePlus Financial Services Pty Limited, a superannuation fund administrator.
2013	Acquired Synchronised Software, an Australian financial administration software company. Acquired 11.4% ownership interest in PEXA. Acquired Russell Investments' Australian superannuation administration services business.
2014	Acquired German based registrar services GmbH from Deutsche Bank. Acquired D.F. King & Co's European operations from American Stock Transfer & Trust. Acquired Superpartners, a superannuation administration provider.
2015	Listed on the ASX. Acquired HCE Haubrok, a specialist provider of Annual General Meeting (AGM) services in Germany.
2016	Acquired White Outsourcing, a provider of unit registry services. Renamed Link Fund Solutions. Acquired Adviser Network, a provider of digital and advice services.
2017	Acquired Capita Asset Services, which provides a range of administration and financial services. Their major business units included fund solutions, shareholder solutions, corporate and private client solutions, banking and debt solutions. The acquisition was an opportunity for Link Group to further expand into the UK and Europe. Link Group increased its shareholding in PEXA from 11.4% to 19.7%.
2018	Acquired Novalink, a Netherlands based debt servicing business. Jan: Andrew MacLachlan appointed as CFO, succeeding John Hawkins. Participated in PEXA trade sale and increased ownership interest to 44.2%. Apr: Acquired Flex Front Group, comprising of a Dutch mortgage broker FlexFront and mid-office servicer Nationaal Hypotheek Loket.
2019	May: Acquired 75% of TSR Darashaw, a share registry business based in India. Jun: Sold Corporate and Private Client Services business unit (originally acquired as part of the Capita Asset Services acquisition). Aug: Entered into a binding agreement to sell interest in Link Market Services South Africa. Nov: Entered the UK pension market through a partnership with Smart Pension. Jan: Acquired 100% interest in pension administration business of Smart Pension. Aug: Announced John McMurtrie would retire as Managing Director, to be replaced by Vivek Bhatia. Sep: Increased investment in TSR Darashaw to 100%. Oct: Received a non-binding indicative offer from the Pacific Equity Partners and Carlyle consortium. Following this announcement Link Group announced that they consider that the offer undervalues the Link Group, but would allow the consortium to undertake due diligence. Link Group also announced that the Directors were considering alternatives, including a proposal to demerge Link Group's interest in PEXA (through an IPO of the entity that held Link Group's interest in PEXA). Nov: Completed the sale of Link Market Services South Africa. Dec: Received a non-binding indicative offer from SS&C Technologies Holdings Inc.
2020	Jan: SS&C Technologies Holdings Inc. withdrew its offer. Link Group announced, along with a possible IPO of the entity that held its interest in PEXA, it would also explore a trade sale of its interest in PEXA.
2021	Apr: The Pacific Equity Partners and Carlyle consortium withdrew its offer. May: Received an offer for its interest in PEXA. Link Group and the various other shareholders of PEXA commenced a process to undertake an IPO of PEXA

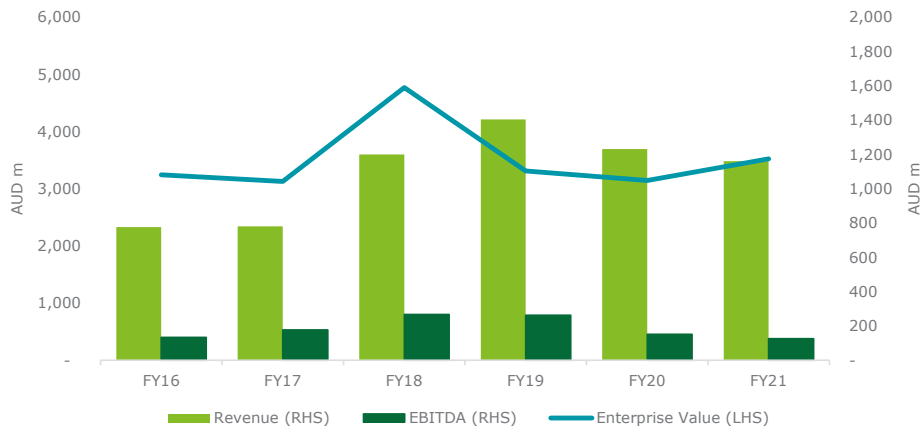
⁶ Market capitalisation as at 30 April 2022

2021	<p>July: PEXA listed on the ASX. Link Group’s equity interest in PEXA reduced from 44.2% to 42.8% and Link Group received c. AUD 180m of net cash proceeds (the majority of which was subsequently used to undertake on-market buybacks of Link Group’s shares).</p> <p>Aug: Acquired Luxembourg-headquartered Casa4Funds SA from Banor Capital for EUR 10m.</p> <p>Nov: Received a conditional, non-binding indicative offer from Carlyle Asia Partners V, L.P. to acquire 100% of share capital of Link Group. Separately, the BCM business received two conditional, non-binding offers, the first being from a syndicate led by Pepper European Servicing and the second from LC Financial Holdings.</p> <p>Dec: Entered into a Scheme Implementation Deed with Dye & Durham to acquire 100% of Link Group’s share capital for a consideration of AUD 5.50 cash per share plus interim dividend of 3 cents per share which was subsequently paid on 8 April 2022 and any proceeds from the sale of BCM.</p>
2022	<p>Feb: Link Group announced that they are working with LC Financial Holdings on an exclusive basis and that Pepper European Servicing had withdrawn their interest in acquiring BCM.</p> <p>Mar: Link Group announced the discussions regarding the sale of BCM have not resulted in a binding agreement that is acceptable to all parties. It also announced that it had received a conditional, non-binding indicative proposal from FNZ Group to acquire the RSS business for AUD 1.5bn on a cash free debt free basis and subject to normal completion adjustments.</p> <p>Mar: Link Group announced that it had received a conditional, non-binding indicative proposal from FNZ Group to acquire the RSS business for AUD 1.5bn on a cash free debt free basis subject to normal completion adjustments and had determined it would not be expected to lead to a transaction as a whole that is more favourable to Link Group shareholders when compared to the Proposed Scheme.</p>

Source: Annual reports, ASX announcements

Over the years, the growth of the Link Group has been achieved through strategic investments or acquisitions such as AAS, Superpartners, Capita Asset Services, PEXA and Smart Pension, and organically through expansion of business service lines, including partnerships with key market participants. Figure 3 shows revenue growth since the IPO in 2015, from approximately AUD 800m to a peak of AUD 1,400m in FY19, prior to the sale of the Corporate and Private Client Services business in June 2019 and before being affected by the impact of regulatory changes in the Australian superannuation market and market uncertainties driven by the COVID-19 pandemic and other political and economic events, such as Brexit, in key markets.

Figure 3: Financial performance since IPO



Notes:
 Enterprise value is market capitalisation plus net debt and non-controlling interests at end of each financial year
 Includes BCM to the extent it was owned by Link Group in that financial year
 With the introduction of AASB 16 from FY20 onwards, net debt includes lease liabilities and EBITDA is prior to rent expense
 Source: Annual reports, Capital IQ, Deloitte Corporate Finance analysis

As seen above, whilst headline revenue has increased significantly since FY16, the enterprise value has only increased marginally.

3.2 Overview of Link Group

The operations of Link Group are split between the following business units:

- **Retirement and superannuation solutions (RSS):** member and employer administration services including data management, member communication, contribution and statement processing, reporting, integrated clearing house, financial planning, direct investment options and trustee services
- **Corporate markets (CM):** offers a suite of products that allows companies and other entities to connect with their stakeholders, including, share registry management, employee share plan administration, investor relations services, proxy solicitation, treasury management, company secretarial support and other solutions

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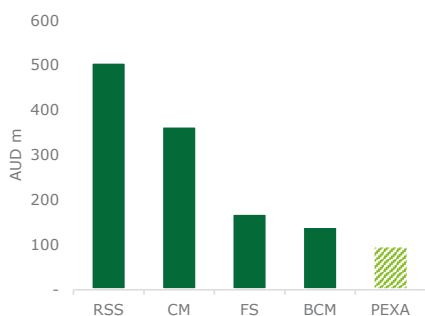
- **Fund solutions (FS):** authorised fund manager, third party administration and transfer agency services to asset managers and investment funds
- **Banking and credit management (BCM):** end-to-end loan servicing including origination and management, debt work-out, compliance and regulatory oversight.

Link Group also has a 42.8% equity interest in PEXA, a digital property settlement platform that had a national transfer market penetration of 80% as at June 2021. The platform connects financial institutions, legal and conveyancing firms, developers, land registries and state revenue offices.

In the year ended 30 June 2021, Link Group generated AUD 1,160.3m of revenue, and AUD 208.0m of EBITDA after significant items⁷.

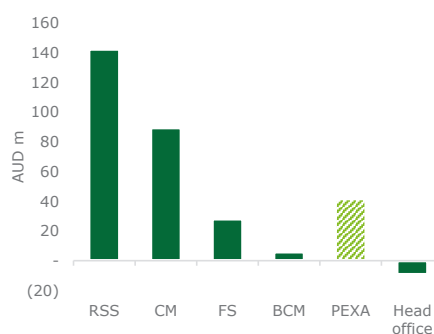
Set out in the figures below is an analysis of revenue and EBITDA by business unit and geography for FY21. Whilst not consolidated in Link Group's financial statements, for presentation purposes, we have included Link Group's share of PEXA revenue and EBITDA in the figures below.

Figure 4: Revenue by business unit (FY21)



Notes:
 Figures are gross of intercompany eliminations
 PEXA figure represents Link's share in PEXA (42.8%)
 Source: Annual report, FY21 results presentation

Figure 5: Operating EBITDA by business unit (FY21)



Notes:
 Figures are gross of intercompany eliminations
 PEXA figure represents Link's share in PEXA (42.8%)
 Source: Annual report, FY21 results presentation

⁷ Excludes PEXA

Figure 6: Revenue by geography (FY21)

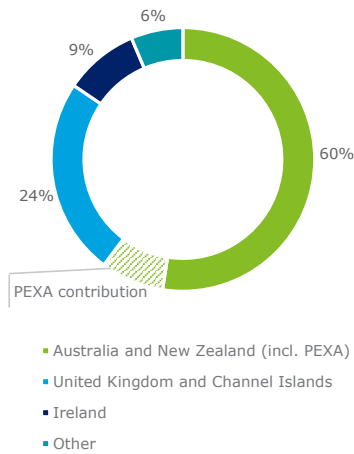
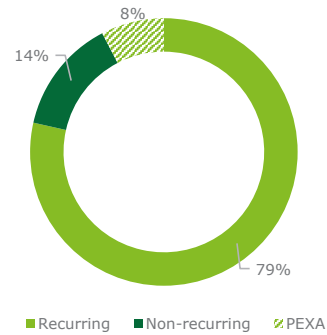


Figure 7: Recurring revenue (FY21)



Notes:
Includes Link Group’s 42.8% share of PEXA’s revenue (included in Australia and New Zealand) and includes BCM.
Source: Link and PEXA FY21 annual reports, Deloitte Corporate Finance analysis

Notes:
Includes Link Group’s 42.8% share of PEXA’s revenue and includes BCM.
Source: Link and PEXA FY21 annual reports, Deloitte Corporate Finance analysis

The revenue contribution of the Australian and New Zealand operations as disclosed above, increased in FY21 from 58% to 60% as a result of the growth in PEXA, which currently generates all of its revenue in Australia.

Recurring revenue as a percentage of total revenue has increased from 79.6% in FY18 to 85.0% (excluding PEXA) in FY21⁸.

Appendix 1 sets out a discussion of the key industry drivers.

3.3 Interests in other entities

The table below summarises Link Group’s interests in entities that are not wholly owned.

Table 4: Interests in entities <100% owned

	Country of incorporation	Interest	Accounting treatment	Material to group?
Empirics Marketing Pty Limited	Australia	51.3%	Consolidated	No
Accrued Holdings Pty Limited	Australia	51.3%	Consolidated	No
PEXA Group Limited	Australia	42.8%	Equity accounted	Yes
Smart Pension Limited	United Kingdom	12.3%	At fair value through profit or loss	Yes
Advanced Share Registry	Australia	10.1%	At fair value through profit or loss	No
Moneysoft	Australia	9.5%	At fair value through profit or loss	No

Source: Annual report, Management

A brief description of these entities is as follows:

- Empirics Marketing is a data solutions specialist, building integrated data platforms and tailored analytics solutions. Empirics Marketing owns 100% of the shares in Accrued Holdings, which owns some of the software used by Empirics
- PEXA Group Limited is discussed in greater detail in Section 4.5
- Smart Pension Limited is a workplace pension platform based in the UK. Link Group has a minority interest in Smart Pension Limited and a 100% interest in Smart Pension Administration Limited

⁸ Recurring revenue represents contracted revenue, assessed by management as a measure of revenue that the business expects to generate with a high level of consistency and certainty. This revenue is still subject to variability as the revenue from each customer is not fixed or committed.

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- Advanced Share Registry provides a suite of share registry services, including registry maintenance, capital raisings, corporate actions, and other corporate services
- Moneysoft provides personal financial management technology, with solutions for both individual users and large enterprises.

3.4 Strategic expansion and diversification

Link Group has become substantially more diversified in recent years, as demonstrated in the figures below, which compare FY21 actual revenue to revenue included in the prospectus in FY15.

Figure 8: Revenue by business unit (FY15)

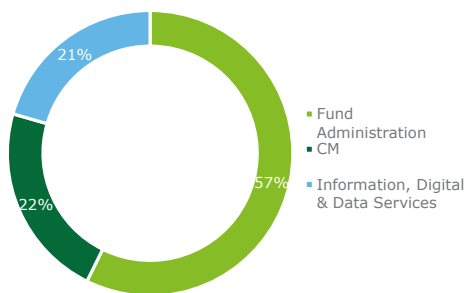


Figure 9: Revenue by business unit (FY21)

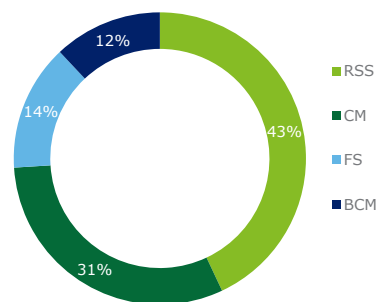


Figure 10: Revenue by geography (FY15)

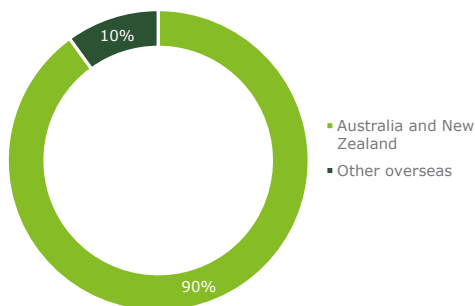
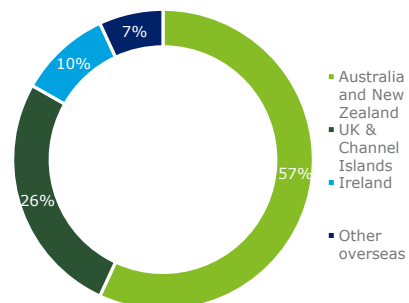


Figure 11: Revenue by geography (FY21)



Note:
Percentages represent contribution before eliminations, and do not include PEXA
FY21 figures include BCM
Source: FY21 annual results presentation, FY21 annual report, Deloitte Corporate Finance analysis

Diversification helped to soften the overall impact of recent challenges faced in individual business units, such as client losses arising from superannuation fund consolidations and government policy changes in RSS.

The scale of Link Group has enhanced its ability to generate growth, with a greater range of products, more geographies and a broader client base. The complementary nature of the business units has allowed Link Group to pursue its Global Transformation Program, which is on track to deliver total annualised cost savings of AUD 75m by June 2022.

On 26 June 2017 Link Group announced that it had entered into an agreement to acquire Capita Asset Services for GBP 888m (AUD 1,493m), an acquisition that transformed the group. Capita Asset Services provided a range of financial and administrative services including:

- **Shareholder solutions:** share registration, share plan services and treasury solutions. This business now forms part of the CM business unit

- **Fund solutions:** authorised fund management, third party administration and transfer agency services provided to asset managers and investment funds. This business created the FS business unit
- **Corporate and private client solutions:** trustee services, administration services, domiciliation and governance services. This business has been subsequently disposed
- **Banking and debt solutions:** loan processing, administration and work-out services. This business created the BCM business unit.

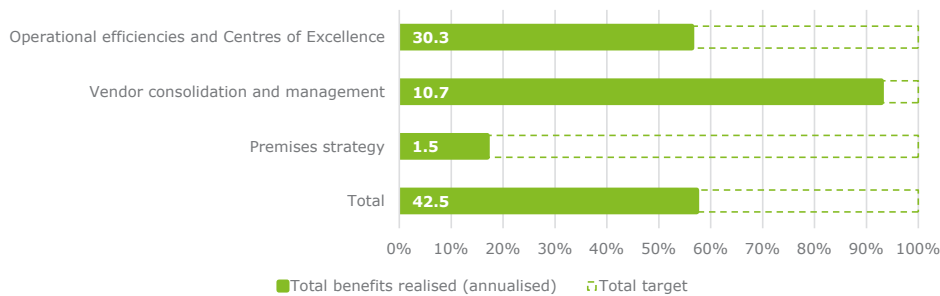
The acquisition enabled Link Group to expand its product offering. As well as extending Link Group’s businesses profile and diversifying its geographical exposure, the transaction provided scale in the UK, and provided a growth platform for future business operations in Europe. The transaction was completed on 6 November 2017.

3.5 Global Transformation Program

The Global Transformation Program is an initiative centred around realising synergies and efficiencies on prior business combinations and establishing a global structure through centres of excellence and operating hubs in the UK, India and Australia. The use of centres of excellence and operating hubs is intended to build-out existing capabilities by ensuring that staff with the best and most relevant specialisation in key operating areas – such as cloud utilisation, information security and workflow automation – are working collaboratively together rather than in silos within the business units. This program is expected to result in significant operational efficiencies and direct cost savings across the whole group, with the exception of PEXA.

The program is expected to incur one-off costs in the range of AUD 100m, and generate total annualised cost savings of AUD 75m by the end of FY22. The figure below summarises the Global Transformation Program and its progress as at June 2021.

Figure 12: Global Transformation Program benefits realised to 30 June 2021 (AUD m)



Notes:
Includes benefits realised in respect of BCM
Source: Management, Deloitte Corporate Finance analysis

Link Group management had delivered AUD 23m of in year benefits in FY21 and a cumulative annualised total of AUD 63m to 31 December 2021, supported by continued investment in technology capabilities, in particular with the hub strategy out of Leeds and Mumbai. Link Group is on track to deliver the target of AUD 75m of annualised cost savings by the end of FY22.

3.6 Impacts of the COVID-19 pandemic

With social distancing measures and economies globally entering periods of lockdown, Link Group was required to transition to a remote delivery business model, achieving a remote working workforce of c. 90% during 2020.

The Australian Government introduced an “early release of super” scheme, allowing Australians experiencing economic hardship as a result of the COVID-19 pandemic to access superannuation savings. In FY20 and FY21, Link Group lost some fee revenue on accounts whose superannuation balance had been withdrawn to nil, however the total impact was immaterial. This was offset by non-recurring revenue on one-off projects to help implement and manage the program. The program concluded in FY21 and no future impact is expected.

COVID-19 continued to be a source of market uncertainty impacting Link Group’s operations. In the CM business unit, there was an impairment expense of \$107.8m in FY20 largely due to actual and forecast impacts of COVID-19 on non-recurring revenue. In FY21, there continued to be low levels of margin income, share dealing and investor relations support services due to the impact of COVID-19. In the BCM business unit, actual and forecast lower numbers of loan books coming to market following the economic impact and government responses to the pandemic, particularly in relation to the non-performing loan market in Ireland, Italy, and the UK, resulted in the business taking an impairment charge of AUD 182.8m in FY21.

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Additional remuneration measures were implemented in FY21 on top of the mandatory leave and temporary pay reduction programs that were rolled out in FY20 in response to the COVID-19 pandemic. The initiatives included suspension of annual increase to Non-Executive Director fees and no fixed pay increase for all staff including the outgoing Managing Director and executive key management personnel.

The COVID-19 pandemic has also created and fuelled broader and faster adoption of digital communication by customers and end users. This is resulting in a substantial change in the way Link Group will deliver its services in the future.

3.7 Employees and management

The Link Group has over 6,500 employees, led by a management team with extensive expertise in Link Group and the broader industry in which it operates. Set out below are key management who have oversight and responsibilities related to Link Group.

Table 5: Management team

Name and current position	Experience	Time at Link Group ¹
Vivek Bhatia – CEO & Managing Director; Non-executive director, PEXA	Vivek Bhatia succeeded John McMurtrie as CEO and Managing Director effective 2 November 2020. Vivek has over two decades of experience in financial services, government and management consulting. Prior to his appointment at Link Group, Vivek was Chief Executive Officer at QBE Insurance Group from 2018. Prior to this he held the position of CEO at icare, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & Company and has also held senior executive roles at Wesfarmers Insurance.	1.5 years
Dee McGrath – CEO, RSS	Dee McGrath joined Link Group as CEO of RSS in May 2019. Dee has over 20 years' experience in the financial services and technology industry. Dee has held senior appointments at NAB, Visa and HP, and prior to joining Link Group, was Managing Partner, Global Business Services at IBM. Dee has also held board roles at IBM Australia, Bluewolf Australia and Oniqua Holdings and is currently a Non-Executive Director of Smart Pension.	2.5 years
Karl Midl – CEO, FS	Karl joined the Fund Solutions business in 1995 and Link Group in 2017 as part of the Capita Asset Services acquisition. He has had 27+ years of experience, having held a number of senior roles including Operations Director, Programme Director and Director of Relationship Management and Product and Change Management. In 2019 he was promoted to the role of Managing Director, Link Fund Solutions for the UK business. Karl was appointed CEO of Link Funds Solution in H2FY22.	11 years
Antoinette Dunne – CEO, BCM	Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021. Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCM Global Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia.	4 years
Paul Gardiner – CEO, CM	Paul was appointed CEO of CM in May 2021. He has over 15 years of experience in operations, data analytics and digital technology. Prior to this he was CEO of Corporate Markets and Technology and Innovation. Paul joined Link Group when Orient Capital was acquired by Link Group in 2006.	15 years
Nicole Pelchen – CTO	Nicole Pelchen was appointed Chief Technology Officer in October 2021. Nicole has over 25 years' experience in the technology and banking industries. Nicole was most recently Chief Information Officer, Retail and Commercial at ANZ, where she was responsible for technology including digital, data and automation programs, leading teams across Australia, China and India. Prior to ANZ, Nicole held various leading technology, transformation, IT operations, digital and strategy roles.	<1 year
Andrew MacLachlan – CFO	Andrew was appointed CFO in January 2019. Prior to this he was Deputy CFO. He has over 25 years' experience in Finance and Accounting with roles at Fero Group, Evans and Tate Limited, Singtel Optus and KPMG. Andrew is also an Alternate Director of PEXA Group Limited.	12 years
Sarah Turner – General Counsel & Company Secretary	Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary. Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice. Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US.	1 year
Wendy Phillis – CRO	Wendy Phillis joined Link Group as Chief Risk Officer in June 2019. Wendy has over 25 years' experience in global leadership roles in risk, compliance and operations, within the financial services industry and has held senior positions at ICAP and State Street. Prior to joining Link Group, Wendy was the Managing Director of Regulatory Solutions at Royal Bank of Canada's Investor & Treasury Services (RBC I&TS) division.	2.5 years

Note:

1. Includes predecessor entities

Source: Link Group company website

3.8 Financial performance

Set out in the table below is the financial performance of Link Group for the years ended 30 June 2020, 30 June 2021, and the half year ended 31 December 2021.

Table 6: Financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	1,230.4	1,160.3	593.7
Employee expenses	(599.2)	(614.3)	(325.1)
Occupancy expenses	(28.4)	(20.1)	(10.9)
IT costs	(118.4)	(116.9)	(59.0)
Administrative, general and other expenses	(238.1)	(201.0)	(116.9)
EBITDA (statutory)	246.3	208.0	81.8
Depreciation	(55.4)	(53.7)	(22.9)
Amortisation	(116.9)	(109.9)	(48.4)
Impairment expense	(107.8)	(182.8)	(81.6)
EBIT	(33.7)	(138.4)	(71.1)
Gain/(loss) on financial assets held at fair value	(23.2)	3.6	0.5
Share of gain/ (loss) of equity accounted investments	(0.0)	1.9	4.1
Profit on disposal of subsidiaries	0.0	15.3	-
Net finance costs	(33.2)	(24.0)	(15.8)
Net Profit Before Tax (NPBT)	(90.0)	(141.5)	(82.3)
Tax expense	(12.5)	(21.2)	0.5
Net Profit After Tax (NPAT) (statutory)	(102.5)	(162.7)	(81.7)
Dividend per share (cents)	10.0	10.0	3.0
Revenue growth	(12)%	(6)%	2% ¹
EBITDA margin	20%	18%	14%
Cash conversion (Table 8)	108%	114%	88%

Notes:

1. Annualised for half year results

Source: Annual reports, Deloitte Corporate Finance analysis

Revenue decreased by AUD 70.1m or 6% in FY21 due to the impact of:

- portfolio run-off, along with lower new business pipeline reflecting the impact of fiscal and monetary stimuli on the back of the COVID-19 pandemic resulted in a reduction of AUD 24.6m in revenue in the BCM business
- the impact of regulatory change on member numbers and reduced non-recurring fee for service revenue compared to FY20, coupled with the part year impact of some client exits and discounts, resulted in a reduction of AUD 22.5m in revenue in the RSS business
- the sale of Link Market Services South Africa in October 2020 resulting in only a part-year contribution to the CM business, along with lower levels of margin income, share dealing and investor relations support services resulting in a decrease in revenues in the CM business of AUD 22.2m

Revenue for H1FY22 decreased by 1% compared to the prior corresponding period, largely attributed to:

- MTAA fund exit due to merger and normalisation of non-recurring project revenues in RSS following elevated levels in FY20 and FY21
- lower margin income and normalisation of AGM activities in Germany recorded for CM as well as continued weakness in the secondary loan market and non-performing loan (NPL) portfolio run-offs for BCM
- partially offset by stronger member and services growth in RSS, return of shareholder activity in CM, recovering equity market conditions in FS and the benefits derived from the completion of Casa4Funds acquisition.

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Employee expenses increased in FY21 reflecting the reinstated incentives, special equity grant costs, increase in annual leave provision, and partially offset by temporary salary reductions. During H1FY22, operating costs increased at an annualised rate of 2% due to the rebasing of staff costs across the group which included special equity grant costs of AUD 3.5m and loss of the prior year impact of temporary salary reductions of AUD 13.4m partially offset by annualised benefits from Global Transformation Program.

Whilst IT costs decreased in FY21 slightly compared to the prior year, occupancy expenses and administrative expenses experienced more substantial decreases, due to COVID-19 related reductions in office, travel and entertainment expenses, lower bad debt and claims expenses, partially offset by higher insurance cost.

An impairment charge of AUD 182.8m was recognised in FY21, related to a goodwill write down in the BCM business due to challenging market conditions, particularly in relation to the non-performing loan market in Ireland, Italy, and the UK. In H1FY22, a further impairment charge of AUD 81.6m (consisting of AUD 20.9m in respect of surplus premises space in Australia and AUD 60.7m of goodwill in relation to the BCM business) was incurred as a result of a further deterioration in the near-term outlook for this business.

Gains on financial assets held at fair value in FY21 can be attributed to a fair value gain on the investment in Smart Pension Limited, offset by a fair value loss on the group's interest in Leveris Limited.

Share of gain of equity accounted investments relates to Link Group's interest in PEXA, reflecting Link Group's share of PEXA's operating results.

Profit on disposal relates to the disposal Link Market Services South Africa in October 2020 whilst net finance cost reduced by AUD 9.2m in FY21, reflecting the interest income received on PEXA shareholder loans and the low interest rate environment.

The effective tax rate for FY21 was impacted by non-taxable items in net profit before tax, including impairment expenses, PEXA gains, and fair value gains.

Dividends of 10 cents per share were paid in FY21, consistent with FY20, reflecting Link Group's cash conversion ability and operating cash flow position. For H1FY22, an interim dividend of 3 cents per share was approved by the Directors and paid on 8 April 2022.

Set out in the table below is the statutory EBITDA adjusted for significant items:

Table 7: Statutory and operating EBITDA reconciliation

AUD m	FY20	FY21	H1FY22
Statutory EBITDA (from Table 6)	246.3	208.0	81.8
Global Transformation Program costs	31.3	27.2	15.0
Acquisition and divestment costs	13.6	21.5	22.1
Global RSS tender costs	2.6	-	-
Operating EBITDA	293.8	256.7	118.9
<i>Comprised of:</i>			
Attributable to reportable segments	305.1	266.0	129.1
Attributable to head office	(11.3)	(9.3)	(10.2)

Source: Annual report, Deloitte Corporate Finance analysis

The reconciling items shown in Table 7 include costs related to the Global Transformation Program that is spread across employee, occupancy, IT costs and administrative, general and other expenses. Acquisition and divestment costs include those associated with the responding to the Pacific Equity Partners/Carlyle consortium and SS&C proposals, the terminated Pepper European Servicing acquisition, consideration of a PEXA de-merger/ trade sale, and the successful PEXA IPO.

Costs attributable to the head office relate to listed company costs such as directors' fees, ASX listing, D&O insurance, and other group costs that are not passed to the operating business units. The increase in such costs in H1FY22 can be attributed to a reallocation of certain costs between the business units and the corporate function

Over this period, Link Group has delivered strong average operating cash flow conversion rates in excess of 100%, indicating that it can effectively turn its operating profits into cash. This cash conversion has been calculated as follows:

Table 8: Cash conversion FY20 and FY21

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Operating EBITDA ¹	293.8	256.7	119.0
Net operating cash flow ²	318.6	292.9	125.7
Cash conversion rate	108%	114%	106%

Note:

- Defined as operating EBITDA before significant items. Significant items mostly relate to Global Transformation Program costs and business combination, acquisition and divestment costs
- Defined as net cash flows from the course of operations as presented in the statutory Consolidated Statement of Cash Flows

Source: Investor presentation, Annual report, Deloitte Corporate Finance analysis

H1FY22 cash conversion was 106%, slightly lower than FY21 due to seasonal factors.

3.9 Financial position

Set out in the table below is the consolidated financial position of Link Group as at 30 June 2020, 30 June 2021 and 31 December 2021.

Table 9: Financial position

AUD m (unless otherwise stated)	30 June 2020	30 June 2021	31 December 2021
Restricted (regulatory) cash	17.6	17.6	22.2
Trade receivables net of expected credit losses	163.0	147.9	160.6
Other assets	33.8	36.5	40.8
Trade creditors	(38.5)	(50.4)	(36.7)
Other payables	(112.8)	(112.7)	(109.9)
Net current tax balances	13.6	(24.6)	5.7
Net working capital	76.7	14.2	82.7
Net funds held in trust	(11.9)	21.1	26.3
Investments	93.2	103.5	123.6
Equity-accounted investments	705.3	535.2	539.4
Plant and equipment	79.7	70.6	93.5
Right of use asset	170.8	145.1	233.8
Intangible assets including goodwill	2,042.2	1,798.4	1,739.6
Net other liabilities	(192.9)	(183.9)	(148.9)
Total funds employed	2,898.3	2,469.0	2,581.1
Cash and cash equivalents ¹	225.5	302.9	95.7
Lease liabilities	(251.2)	(219.6)	(349.2)
Interest bearing debt	(1,011.7)	(848.3)	(897.4)
Other	6.6	0.3	-
Net debt	(1,030.8)	(764.7)	(1,151.0)
Net assets	1,932.3	1,739.6	1,539.2
Non-controlling interest	(4.6)	(0.8)	(0.7)
Equity attributable to shareholders of the parent	1,927.7	1,738.7	1,538.4
<i>Net working capital % of revenue</i>	6.2%	1.2%	13.9%
<i>Return on funds employed²</i>	8.5%	8.4%	3.2%

Notes:

- Excludes restricted cash and cash for funds held in trust which are separately recognised in this table
- Defined as statutory EBITDA (as shown in Table 6), divided by total funds employed (as shown above)

Source: Annual report, Deloitte Corporate Finance analysis

Restricted (regulatory) cash includes balances Link Group is required to hold to satisfy relevant financial licensing requirements, as prescribed by the relevant regulatory requirements in each jurisdiction.

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Net funds held in trust represents the net investor purchases and redemptions of units, along with funds held in trust, for funds where Link Group's subsidiaries are the authorised corporate director.

Investments mainly relate to the unlisted investment in Smart Pension. In FY21, Link Group invested additional capital into Smart Pension and revalued its pre-existing interest using the latest funding subscription price, resulting in an increase of AUD 26.3m compared to the prior year. This gain was offset by the write down of the investment in Leveris, which reduced the balance to nil as at FY21 compared to AUD 16.7m in the prior year. The remaining balance of investments is made up of Link Group's interest in Advanced Share Registry and Moneysoft. By December 2021, the fair value of investments had increased by AUD 20m, reflecting additional investment by Link Group into Smart Pension.

Equity accounted investments include the 42.8% interest in PEXA. Because the value of PEXA is reflected under the equity accounting method, the book value reflects the historical cost at acquisition and adjusted thereafter for Link Group's share of PEXA's profit. Further details of Link Group's interest in PEXA are included in Section 4.5.

Net other liabilities in total funds employed includes net deferred tax liabilities, employee benefits and provisions.

Net debt decreased substantially over FY21, driven by cash flow performance during the year and AUD 200m of repayments related to the PEXA shareholder loan. As at 31 December 2021, net debt has increased to AUD 1,151m, driven by the increase in lease liabilities (after Link Group acquired a new lease in Parramatta), increase in interest-bearing debt drawn to fund additional investment in Smart Pension, investment in PEXA as part of its IPO, and on market share buyback of c. AUD 102m. Having regard to Management's estimate of the net debt balance at Implementation Date and other liabilities, we have estimated the net debt at Implementation Date to be in the range of AUD 1,085m to AUD 1,094m.

3.10 Capital structure and shareholders

3.10.1 Debt profile

Set out in the table below is a summary of existing debt facilities.

Table 10: Available debt facilities

	Currency	Interest margin	31 Dec 2021 (m)
Non-amortising term loan	AUD	1.5% - 1.7%	630.0
Working capital	AUD	1.6% - 1.7%	30.0
Non-amortising term loan	GBP	1.7% - 1.9%	465.0
Working capital	GBP	1.6% - 1.9%	37.2
Total leverage ratio ¹			2.6x
Interest coverage ratio ¹			13.8x

Note:

1. As disclosed in the H1FY22 results presentation
Source: H1FY22 results presentation, H1FY22 financial statements

The leverage ratio of 2.6x is within the guidance range of 2.0x to 3.0x net debt to EBITDA. It does reflect an increase relative to 30 June 2021 and this was mainly due to lower operating cash flows, the share buyback undertaken during the period, and funding the acquisition of Case4Funds and the investment in Smart Pension.

Interest coverage ratio of 13.8x increased relative to that as at 30 June 2021 of 11.7x as a result of slightly lower interest expense.

In November 2021, Link Group refinanced its senior debt facilities. As a result of this, Link Group has available to it senior debt facilities denominated in AUD and GBP totalling AUD 1.6bn as at 31 December 2021. AUD 520m are available until 29 October 2024, whilst the balance is available until 29 October 2026. Of these facilities, AUD 902m has been utilised.

In addition, as at 31 December 2021 Link Group had working capital facilities with maturities aligned to the term facilities totalling AUD 67.2m (from 2 facilities of AUD 30m and GBP 20m) were also available to Link Group. AUD 11.7m of these facilities was drawn.

3.10.2 Shareholders

Link Group has 513m shares on issue (excluding performance rights or share rights which are discussed separately below). Set out below are the substantial shareholders.

Table 11: Substantial shareholders as at 22 April 2022

AUD m	Millions of shares	% interest
Yarra Funds	35.7	7.0%

Source: Management, Deloitte Corporate Finance analysis

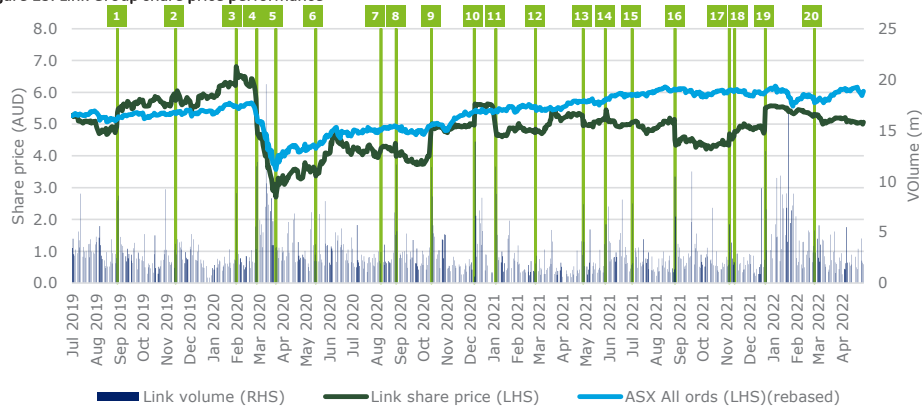
Approximately 7.0% of the total shares on issue is held by one substantial shareholder.

In addition to the shares on issue, there are 6.1m performance rights and 1.3m share rights on issue whilst 56k share rights have been committed to be issued to current and previous executives of Link Group. These rights carry certain hurdles which must be achieved prior to vesting. Under the terms of the Proposed Scheme, these rights will vest and shares in Link Group will be issued to the relevant parties.

3.11 Share price performance

The share price of Link Group has generally tracked in line with the broader Australian share market as depicted by the ASX All Ordinaries index, with the exception of certain periods where the share price was impacted by unexpected announcements relating to earnings. This is summarised in the figure and table below.

Figure 13: Link Group share price performance



Source: ASX announcements, Deloitte Corporate Finance analysis

Table 12: Key events and announcements

Ref	Announcement
1	Full year results released, with operating EBITDA increasing 6% relative to prior corresponding period, and a final dividend of 12.5c, up from 8.0c in the prior corresponding period. Link Group also announced an on-market buy-back of up to 10% of issued capital.
2	Enters UK pension market through the strategic partnership and investment in Smart Pension.
3	Announcement that Link Group has entered into a binding agreement to acquire Pepper Group's Pepper European Servicing business.
4	H1FY20 earnings release, reporting operating EBITDA down 11% from prior corresponding period. An interim dividend of 6.5c per share was announced, compared to 12.5c per share in the prior corresponding period.
5	Provides an update on the impact of the COVID-19 pandemic on the business and withdraw market guidance. Australian government announced a temporary measure allowing individuals early access to their superannuation fund, subject to certain criteria.
6	Revenue headwinds due to Covid-19 in the form of lower asset values reducing FS revenue and lower volumes of property transactions for PEXA.
7	Announcement that John McMurtrie will be succeeded by Vivek Bhatia as Group Managing Director and Chief Executive Officer.
8	Release of FY20 earnings, with a decrease in statutory revenue and a decrease in final dividend from 6.5c per share to 3.5c per share.
9	Announcement of a non-binding indicative offer from Pacific Equity Partners / Carlyle consortium.
10	Higher buyout proposal received from SS&C Technologies Holdings Inc.
11	SS&C proposal withdrawn, and Link Group announce the consideration of a potential trade sale of interest in PEXA.
12	H1FY21 results released, with an operating EBITDA decrease of 15% from the prior corresponding period. An interim dividend of 4.5c was announced, down from 6.5c in the prior corresponding period.
13	Announced the withdrawal of proposal from Pacific Equity Partners/Carlyle Group consortium.
14	Announcement of an offer from a consortium comprising KKR and Domain Group to acquire Link Group's 44.2% share of PEXA. The proposal implied an enterprise value of PEXA at AUD 3bn plus cash on the balance sheet as at date of settlement.

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15	PEXA listed on the ASX at an enterprise value of AUD 3.3bn.
16	Full year FY21 results announced, with statutory revenue decreasing by 6% and operating EBITDA of AUD 141.4m decreasing 13% to prior corresponding period. Moreover, a final dividend of 5.5c, up from 3.5c in the prior corresponding period. Link Group also announces its intention to undertake an on-market buy-back of its shares up to a maximum cost of AUD 150m.
17	Receipt of a conditional, non-binding indicative proposal from entities associated with Carlyle to acquire 100% of the shares in Link Group by a way of a Scheme of Arrangement.
18	Announcement of a conditional, non-binding indicative proposal from a syndicate led by Pepper European Servicing to acquire the whole of BCM for up to AUD 86.5m, followed by receipt of a further bid for BCM, a conditional, non-binding offer from LC Financial to acquire the business for up to AUD 101m.
19	Announcement of the Proposed Scheme with Dye & Durham, for 100% of the share capital of Link Group.
20	H1FY22 results announced, with an 11% decrease in operating EBIT relative to the prior corresponding period.

Source: ASX announcements, Deloitte Corporate Finance analysis

3.12 Strategy and outlook

At the investor day in November 2021, Management set out aspirational targets to grow revenues at a CAGR (Compound Annual Growth Rate) of 8% to 10% over the period FY21 to FY26, with the benefits of incremental organic and inorganic revenue as well as planned cost savings driving margin expansion resulting in 16% to 18% EBIT CAGR over the same period.

Management anticipates that delivery of growth in line with the above will require investment over the short to medium term (FY22 and FY23) with expected benefits in revenue and margin growth over the longer term.

In order to achieve these growth targets, Management's focus is on the following areas:

- both enhancing and cross-selling existing offerings to achieve organic growth in mature markets such as Australia, the United Kingdom and key European jurisdictions, including Italy and the Netherlands
- extending existing offerings by pivoting to higher margin services, and completing bolt-on acquisitions in existing markets
- transcending the current suite of solutions through entry into new geographies and markets such as alternative assets
- successful delivery of the Global Transformation Program and strategic capital investment.

Further discussion of the strategy of each business unit is set out in Section 4.

3.12.1 Equity analysts' perspectives

Summarised in Table 13 is the revenue and EBITDA growth based on estimates by equity analysts.

Table 13: Equity analysts' consensus estimate summary

AUD m (unless otherwise stated)	FY21 Actual ¹	FY22 Consensus	FY23 Consensus	FY24 Consensus
Median revenue	1,160	1,183	1,208	1,249
Revenue growth (%)		2.0%	2.1%	3.4%
Median EBITDA	257	248	266	287
EBITDA growth (%)		-3.2%	7.1%	7.9%

Notes:

Excludes performance of PEXA

1. As disclosed per Link Group FY21 Annual report

Source: Equity analyst reports, S&P Capital IQ, Deloitte Corporate Finance analysis

The consensus calculated above is based on five reports issued by various analysts following the date of the H1FY22 results announcement. Generally speaking, analysts' expectations of growth for the Group are lower than that of Management.

Themes highlighted by analysts include:

- overall, market conditions are supportive for Link Group's businesses. The global economic recovery from the COVID-19 pandemic has created favourable conditions for the CM and FS divisions, whilst RSS is expected to benefit from the legislative changes and consolidation trends in the super fund industry
- analysts recognise the medium to long-term growth opportunities available in the two largest business units. Legislative changes and consolidation are expected to benefit large superannuation funds (which are clients of RSS) in the long term. The CM business is expected to benefit from higher corporate actions activities as well as higher interest rate outlook post COVID-19
- despite recognising long term growth prospects, analysts express conservatism over management's execution, noting that the 'aspirational' growth targets should be approached 'sceptically' until Link Group begins to deliver results

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- one analyst expressed concerns over the high cost-to-income ratio, noting that even small misses in revenues and/or expenses could derail the pathway to Link Group's target. Another analyst notes risks surrounding significant costs (i.e. acquisition-related costs) becoming elevated throughout the forecast period
- two analysts expressed uncertainty over Management's overseas expansion plan, which requires upfront investment that may fail to deliver new revenue or fail to cover cost inflation.

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4 The business units of Link Group

4.1 Retirement and superannuation solutions

4.1.1 Overview

This business unit delivers superannuation administration services to clients primarily in the industry sector, with clients also in the government and corporate sectors.

4.1.2 Services and products

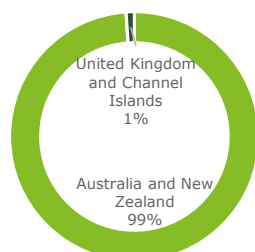
The core product is administration of member and employer information, which includes data management, member communications, contribution processing, call centre operation, insurance administration and regulatory reporting.

RSS also offers a range of value-added services which, when combined with the core services, have enabled Link Group to achieve a large market share in Australia. Value-added services include data analytics which can provide insights on member and employee behaviour, an integrated clearing house which simplifies payments for employers, direct investment options offering members more flexibility, a financial planning service which can provide members with tailored financial advice and trustee services which assist fund trustees with their regulatory obligations.

4.1.3 Revenue/customer profile

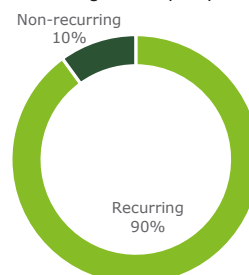
RSS' revenues are largely recurring in nature with the vast majority generated in Australia and New Zealand as set out in the figures below:

Figure 14: Geographical revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Figure 15: Recurring revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Revenue in this business unit is typically generated from contracts ranging from three to five years resulting in a high proportion of recurring revenue.

Fees reflect the number of members within those superannuation funds and include a mix of weekly fees per member, individual transaction fees and fixed fee agreements, depending on the arrangement for each client. Many of the clients are industry funds which are 'first employers' such as healthcare, retail, tourism and hospitality, which helps to support growth in new members. There are approximately 9 million members in the superannuation funds managed by Link Group.

Revenue is highly concentrated with the top 20 clients representing approximately 94% of revenue. The single largest client represented 26% of RSS revenue (24% in FY20 and 26% in FY19), and 11% of total group revenue in FY21. Contracts for two of the top 5 clients are not due for renewal until H2FY23, with the rest being due for renewal beyond that. However, the reliance on a relatively small number of very large clients concentrated in one jurisdiction, along with the structural changes occurring in the industry, does create an inherent risk.

Earnings in FY21 were impacted by the loss of clients such as MTAA and Ausfund. However, this was offset by the incremental revenue from the Hostplus call centre arrangement and organic member growth amongst existing clients. It is expected that RSS clients, who represent some of the largest superannuation funds in Australia, will ultimately gain more members and benefit from continued consolidation as smaller funds merge with larger funds. This industry trend is discussed in more detail in Appendix 1.

4.1.4 Financial performance

Set out in the table below is the financial performance for the periods ended 30 June 2020, 30 June 2021 and 31 December 2021.

Table 14: RSS financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	529.4	506.9	252.2
Revenue growth (%)		(4%)	(0.5%) ¹
Operating expenses	(383.5)	(364.5)	(187.3)
Operating EBITDA	145.9	142.4	65.0
Operating EBITDA margin (%)	28%	28%	26%
Depreciation and amortisation	(49.6)	(46.3)	(18.7)
Operating EBIT	96.3	96.0	46.2
Operating EBIT margin (%)	18%	19%	18%

Notes:

n.a. = not available

1. Growth rate has been calculated based on annualization of half year results

Source: Annual report, Deloitte Corporate Finance analysis

In FY21 revenue decreased by 4%, driven by a combination of client losses, fee discounts, and the impact of Protecting Your Super scheme which resulted in closure of inactive accounts, as well as non-recurrence of higher fee-for-service revenue in FY20 driven by significant legislative change activities around that time. The Protecting Your Super scheme is expected to have an ongoing impact on RSS revenue as inactive accounts are swept to the ATO biannually, however at a much lower quantum compared to the first year of implementation. This decrease in revenue was partially offset by member growth of 6.5% and indexation-linked price increases. Fee-for-service revenue projects completed during FY21 included significant regulatory and legislative change programs particularly related to the Early Release of Superannuation scheme, insurance changes and 'Supermatch' program. The Early Release of Superannuation scheme concluded in FY21 and is not expected to have future impact on revenue.

The reduced turnover, as discussed above, translated into flat operating profit. However, a reduction in operating costs primarily due to reduced remuneration, and lower project resource and travel costs, resulted in flat EBIT over the period.

Revenue in H1FY22 decreased due to the impact of prior year client exits and the impact of regulatory change programs discussed above which have resulted in c. 1.3 million account transfers/closures. However, this has been offset by member growth of 5.3% relative to December 2020. EBITDA margins decreased reflecting cost growth (in turn reflecting normalisation of costs post measures adopted in response to the anticipated negative impacts of COVID-19) and pricing pressure.

4.1.5 Key transactions

Smart Pension

On 13 November 2019 Link Group announced the strategic partnership with Smart Pension, a workplace pension platform based in the UK. The investment represented an entry into the UK pension administration market, building a business presence in the UK and offering exclusive access to Smart Pension's platform in certain locations in Europe and Asia.

Link Group paid GBP 40.0m (AUD 75.0m) for a 17.4% interest in Smart Pension which is recognised as an unlisted investment in the financial statements. Subsequent to the initial investment by Link Group in FY20, the group has made further investments into the company.

4.1.6 Growth opportunities

At the investor day in November 2021, Management set out aspirational targets to grow the RSS business' revenues at a CAGR of 8% to 10% and EBIT at a CAGR of 11% to 13% over FY21 to FY26.

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Growth into other markets

UK and Australia are the third and fifth largest superannuation markets in the world, respectively⁹. As Link Group is the leading administrator in the Australian market, it is able to benefit from member growth and fund consolidation in Australia and regulatory frameworks supporting pension programs (such as compulsory automatic enrolment) in the UK.

The partnership with and investment in Smart Pension is seen as a key strategic opportunity as it has enabled Link Group to enter the UK pension administration market, which is transitioning from a defined benefit to a defined contribution market similar to Australia. The transaction also involved taking over administration of Smart Pension's workplace pension business in the UK and the Smart Pension Master Trust. This transaction provides the RSS business with growth opportunities in the UK as well as longer term opportunities in the US, Canada, Hong Kong and Netherlands.

Investment in the proprietary software platform

RSS proprietary software platform is a core aspect of its five year strategy. Increasing member expectations and the demand for digital and multi-channel engagement are expected to influence the suite of products that businesses like RSS will provide. In order to remain competitive, Link Group is planning to further develop the software platform to allow it to continue to deliver personalised user experiences and provide information and advice to members in innovative ways.

Evolution of the Australian market

30% of Link Group's clients' members will move from the accumulation phase into retirement in the next five years, and there is expected to be an estimated AUD 1.3 trillion of pension assets in Australia by 2032¹⁰, however no existing full suite solution in the market that is able to deal with this evolution. Link Group is planning to build out its core platform in Australia, ultimately offering an end-to-end solution from working age through to retirement. The retirement solution is expected to account for 10% to 15% of RSS revenue growth in the next five years.

4.2 Corporate Markets (CM)

4.2.1 Overview

The CM business unit provides an integrated suite of services that facilitate companies and other entities to connect with their stakeholders.

4.2.2 Services / products

- **Registry management** incorporates registry maintenance, capital market services, dividends, share dealing, and shareholder meetings
- **Employee share plan management** such as design, administration, reporting and trustee solutions for 40% of the ASX top 200 companies in addition to other geographies
- **Investor relations** services which includes ownership data analytics and market insights as well as investor communication and shareholder management
- **Communication solutions** includes the DigiCom platform which specialises in providing flexible and cost-effective communication services, that connect CM with its clients with their stakeholders
- **Corporate governance** offers treasury management, company secretarial, corporate administration services and virtual meetings

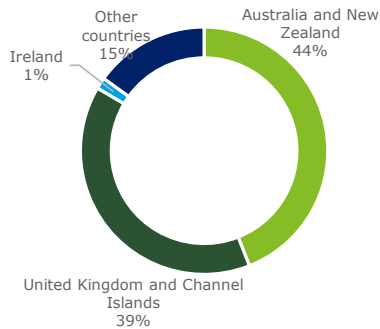
4.2.3 Revenue/customer profile

CM's revenues are largely recurring in nature with the vast majority generated in Australia, New Zealand and the UK as set out in the figures below:

⁹ Willis Towers Watson *Global Pension Assets Study 2021*. Based on asset size (2020 data).

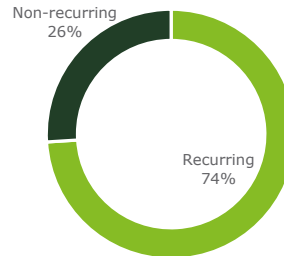
¹⁰ Link Group Investor Day Presentation on 3 Nov 2021

Figure 16: Geographical revenue(FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Figure 17: Recurring revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

The CM business has operations in twelve jurisdictions which diversifies revenue to some degree, albeit the vast majority of revenues are generated in Australia, New Zealand and the UK. Revenue is earned from contracts with entities listed on various securities exchanges, which are typically two to three years in length, resulting in a large proportion of revenue from recurring services. In FY21 the proportion of recurring revenue increased from 72% to 74%, driven by strong overall client retention (more than 90%) and cross-selling of value added services.

4.2.4 Financial performance

Set out in the table below is the financial performance for the periods ended 30 June 2020, 30 June 2021 and 31 December 2021.

Table 15: CM financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	387.1	364.9	189.6
Revenue growth (%)		(6%)	4% ¹
Operating expenses	(281.3)	(275.4)	(140.7)
Operating EBITDA	105.8	89.5	48.9
Operating EBITDA margin (%)	27%	25%	26%
Depreciation and amortisation	(33.8)	(35.3)	(16.7)
Operating EBIT	72.0	54.2	32.2
Operating EBIT margin (%)	19%	15%	17%

Notes:

1. Growth rate has been calculated based on annualisation of half year results

Source: Annual report, Deloitte Corporate Finance analysis.

In FY21, revenue decreased by 6%, primarily driven by the disposal of the South African business (LMS South Africa), competitive fee pressures and lower print and mail volumes (AUD 8.2m), as well as a decrease in non-recurring revenue due to lower levels of margin income and share trading income due to COVID-19 market volatility (AUD 14.0m). This was partially offset by organic revenue growth of approximately 5% across major regions, strong overall client retention and cross-selling of value-added services.

Margins decreased due to the reduced levels of higher margin non-recurring revenue and continued pricing pressure in core registry services across all jurisdictions.

In H1FY22, revenue increased by 4% on an annualised basis but on a same period basis was flat. The business continued to benefit from the strength of capital markets supporting 51 IPOs (including 7 of the 10 largest IPOs in Australia), strong growth in India, and modest growth in the UK market which was impacted by the historic low cash rates.

4.2.5 Key transactions

Capita Asset Services

In FY18, Link Group acquired Capita Asset Services which was based out of the UK. More details on this acquisition set out above in section 3.4. A key business activity of Capita Asset Services was the provision of services with UK based corporates with respect to shareholder administration. This business is now part of the Corporate Markets business unit.

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TSR Darashaw Consultants Private Limited

On 31 May 2019, the Group acquired 75% of the shares of TSR Darashaw Consultants Private Limited, a share registry business based in India. Link Group paid AUD 12.8m for this acquisition. Link Group has since increased its interest to take complete ownership.

Divestment of Link Market Services South Africa

In November 2020, Link Group sold its 75% interest in Link Market Services South Africa, for a consideration of ZAR 224.5m (AUD 19.5m).

4.2.6 Growth opportunities

At the investor day in November 2021, Management set out aspirational targets to grow the CM business' revenues at a CAGR of 6% to 8% and EBIT at a CAGR of 10% to 12% over FY21 to FY26.

Organic growth

The CM business is expected to continue to benefit from the global recovery from the COVID-19 pandemic, particularly with respect to increased corporate actions in mature markets and growth in IPOs in emerging markets such as Hong Kong and India. The COVID-19 pandemic has also driven demand for employee share plans globally in response to the financial stress of paying wages and in return, has increased demand for the CM business' employee share plan services.

Leverage existing platform to improve performance in the UK

CM's online platform, miraqle, is used by its customers globally to manage their relationships with investors. It provides transparency and structure to investor relations and allows for efficient interactions with the capital markets. CM is expecting to leverage the success of this system in Australia to improve profitability of its UK operations.

Cross-selling opportunities

Cross-selling products such as employee share plan and investor relations services to existing registry clients is also a key tenet of the organic growth strategy for the CM business, along with the development of new ways of servicing customers as businesses move to an increasingly virtual landscape. As an example, during FY20 and FY21, Link successfully rolled out virtual AGM technology globally and has since supported more than 200 AGMs, EGMs (extraordinary general meetings), and M&A schemes on its various platforms.

Leverage existing client base into inorganic opportunities

Inorganic growth is expected to come from expansion into other complementary services such as corporate governance services, and treasury services in Europe and Asia.

4.3 Fund Solutions (FS)

4.3.1 Overview

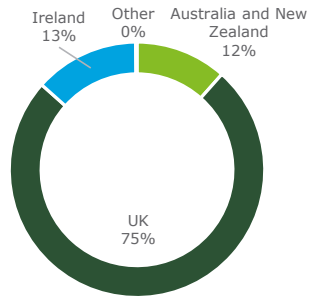
The FS business unit offers a variety of management and administrative services to asset management companies, including traditional asset managers, hedge funds, private equity and responsible entity funds. FS's services are complementary, and many customers use more than one service, some across multiple jurisdictions. Its key services include:

- **Fund administration** including investment operations, fund accounting and unit pricing
- **Transfer agency** services including investor record-keeping
- **Regulatory services** including fund governance, oversight and risk management.

4.3.2 Revenue/customer profile

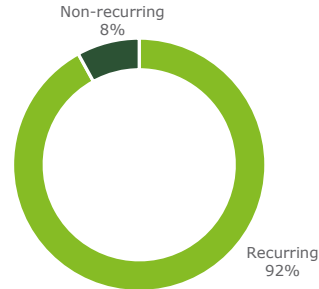
FS' revenues are also largely recurring in nature but the vast majority are generated in the UK as set out in the figures below:

Figure 18: Geographical revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Figure 19: Recurring revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Revenue in the FS business unit is concentrated in the UK. Clients are engaged under long-term contracts typically for three to five years in duration. The majority of fees are charged based on a percentage of assets under management meaning that revenue is earned primarily on a recurring basis. Other revenues include fees for registry, administration and transfer agency services.

Consistent with other business units, FS has a relatively small number of large, long-term contracts. The top 20 customers generate 72% of total revenue. From a geographical perspective, the regional concentration and the correlation between revenue and the returns or volatility of capital markets leaves the business particularly susceptible to economic conditions in each location.

4.3.3 Woodford investigation

On 3 June 2019, trading in the LF Woodford Equity Income Fund was suspended. This suspension occurred due to an increased level of redemptions, which would have required the fund to become a “forced seller” to meet redemptions.

On 18 June 2019 Link Group announced that the FCA was commencing an investigation into Link Fund Solutions (UK subsidiary), in connection with its role as Authorised Corporate Director (ACD) of the fund. Link Group considers that it has, at all times, acted in accordance with the applicable rules and in the best interest of all investors of the fund. The FCA’s investigation is ongoing and the outcome of the investigation (including findings on whether LFS breached any rules) is not known as at the date of this report. By June 2021, Link Group had incurred substantial legal expenses and Management anticipate that future legal expenses will be covered by the group’s insurance policies.

It was the intention of Management to reposition the fund before recommending trading, however, due to uncertainties associated with the timing of this process, it was decided to pursue an orderly wind up. Up to December 2021, Link Fund Solutions (as ACD of the fund) has made four distributions from the windup of the fund, totalling GBP 2.5bn (AUD 4.8bn). The remaining assets are understood to be invested in relatively illiquid, unlisted companies.

As of February 2022, Link Fund Solutions, as LF Woodford’s authorised corporate director, has had a claim issued against it on behalf of 100 investors in the fund. As at the date of this report, LFS has not been served with these proceedings. LFS has also received pre-action letters and correspondence from three other law firms acting on behalf of various investors in the fund and it is not aware of any other claims been issued in respect of these matters. LFS intends to defend itself against any proceedings should they be served. Further, LFS has received complaints from investors in the Fund, a number of which has been referred to the Financial Ombudsman Service. LFS has not been notified of any determination by the Financial Ombudsman Service in respect of any of these complaints.

As of December 2021, no provision was recognised as under accounting standards the obligation does not meet the definition of a liability at that point in time.

4.3.4 Financial performance

Set out in the table below is the financial performance for the periods ended 30 June 2020, 30 June 2021 and 31 December 2021.

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Table 16: Fund Solutions financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	173.0	170.5	93.6
Revenue growth (%)		(1%)	10% ¹
Operating expenses	(141.6)	(142.3)	(76.6)
Operating EBITDA	31.4	28.2	17.0
Operating EBITDA margin (%)	18%	17%	18%
Depreciation and amortisation	(11.0)	(12.5)	(6.6)
Operating EBIT	20.4	15.7	10.4
Operating EBIT margin (%)	12%	9%	11%

Notes:

1. Growth rate has been calculated based on annualisation of half year results
Source: Annual report, Deloitte Corporate Finance analysis

Revenue decreased marginally in FY21, driven by lower average rates earned on assets under management, client losses, contract negotiations and sub-fund wind ups which broadly reflects the cessation of funds with sub-optimal asset value sizes. This was partly offset by additional sub-funds launched for new and existing clients, including Local Government Pension Schemes.

Operating margins decreased to 9% in FY21 compared to 12% in FY20 due to the adverse impact of several contract renegotiations and planned client exits. Net new money flows were also down as a result of economic uncertainty and weaker investor sentiment.

During H1FY22, revenue increased by 10% on an annualised basis reflecting the benefits of improved equity market conditions and the acquisition of Casa4Funds (discussed below) along with subsequent client wins. Operating margins stayed relatively consistent when compared to prior years but there were some benefits as a result of consolidation of support roles into the Mumbai Hub.

4.3.5 Key transactions

Capita Asset Services

In FY18, Link Group acquired Capita Asset Services which was based out of the UK. More details on this acquisition set out above in section 3.4. The FS business unit was created as a result of Capita Asset Services business' activities in this segment.

White Outsourcing Pty Limited

During 2017 Link Group acquired White Outsourcing, a business offering middle and back-office administration, fund accounting, custodial and unit registry services for fund managers, trustees and listed investment companies, with AUD 43 billion in funds under administration.

Casa4Funds

On 4 August 2021, Link Group announced that it had acquired Casa4Funds for a total consideration of EUR 10m. Headquartered in Luxembourg, Europe's largest investment fund centre, Casa4Funds is one of the oldest European independent third-party UCITS¹¹ management companies and alternative investment fund managers. The acquisition is expected to provide additional scale and capacity for Link Fund Solutions to grow and deliver services to clients in European markets.

4.3.6 Growth opportunities

At the investor day in November 2021, Management set out aspirational targets to grow the FS business' revenue at a CAGR of 9% to 11% and EBIT growth at a CAGR of 28% to 30% over FY21 to FY26.

¹¹ UCITS represents Undertakings for Collective Investment in Transferable Securities. A UCITS Management Company is a company whose regular business is management of UCITS funds.

Core products and markets

With increasing asset pools and new asset managers (in particular boutique asset managers) entering the market, the FS business is anticipating continued growth in the various markets that it can capitalise on.

Growth in alternative assets

The shift toward alternative assets, particularly in low tax jurisdictions such as Ireland and Luxembourg, as well as a growing demand for ESG funds and ESG reporting requirements (amongst all funds), presents opportunities as boutique fund managers increasingly choose to outsource their administration services to focus on their core capabilities. This trend is discussed further in Appendix 1. The acquisition of Casa4Funds, based in Luxembourg, is providing additional scale and capacity to capitalise on the largest management company and authorised corporate director market in Europe, Luxembourg.

In-sourcing of investment management amongst Australian super funds

FS also sees opportunities in cross-selling fund services to superannuation clients in Australia by leveraging Link Group's RSS relationships as Australian superannuation funds increasing in-source investment management services.

4.4 Banking and Credit Management (BCM)

4.4.1 Overview

The BCM business unit model operates in the primary and secondary loan markets, focusing on administration services associated with the origination, monitoring and repayment of asset-backed debt, along with regulatory and compliance oversight functions. As at 31 December 2021, the business unit has approximately AUD 100bn in assets under management.

In November 2021, the Directors announced that Link Group had received two conditional offers for the BCM business from third parties. These parties were subsequently provided access to information on the BCM to allow them to undertake diligence. On 8 February 2022, the Directors announced that one party was working exclusively with Link Group to acquire the business.

4.4.2 Services / products

Within BCM, which operates in the primary and secondary loan markets, there are three categories of services provided by the business unit:

- Bank outsourcing offers banking clients management of full banking operations including transforming non-core and core banking activities
- New lending offers an end-to-end solution across the loan lifecycle including packaging, underwriting, origination, the related primary and special servicing activities and structured finance
- Portfolio management offers end-to-end solutions across the full debt management lifecycle that includes NPL and performing loan servicing.

4.4.3 Revenue/customer profile

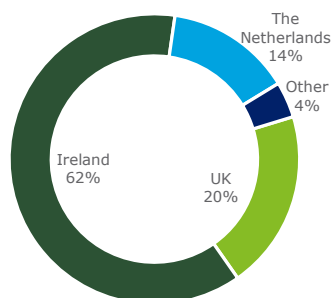
BCM's revenues are largely recurring in nature with the vast majority generated in the UK and Ireland as set out in the figures below:

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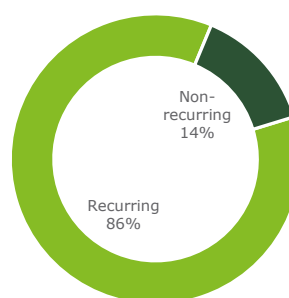
Deloitte.

Figure 20: Geographical revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

Figure 21: Recurring revenue (FY21)



Source: Annual report, Deloitte Corporate Finance analysis

BCM services a wide range of clients including retail and investment banks, pension funds, private equity funds, insurers and other investors primarily based in Ireland and the UK which accounts for 82% of revenue. In addition, in FY21, 42% of revenue was derived from the primary loan market whilst 58% was derived from the secondary loan market.

Since FY20, BCM has been experiencing challenging market conditions, particularly in respect of the secondary market for non-performing loans in Ireland, Italy and the UK with the COVID-19 pandemic resulting in NPL and non-core loan deal activity down year-on-year.

Revenue is earned from contracts with credit providers, which are typically three- to five-years in length, resulting in a large proportion of revenue from recurring services. FY21 saw a decrease in the proportion of recurring revenue, driven by lower contracted revenue fees.

4.4.4 Financial performance

Set out in the table below is the financial performance for the periods ended 30 June 2020, 30 June 2021 and 31 December 2021.

Table 17: BCM financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	165.7	141.1	67.0
Revenue growth (%)	-	(15%)	(5%) ¹
Operating expenses	(143.5)	(135.2)	(68.6)
Operating EBITDA	22.1	5.9	(1.7)
Operating EBITDA margin (%)	13%	4%	(3%)
Depreciation and amortisation	(15.4)	(18.0)	(6.4)
Operating EBIT	6.7	(12.1)	(8.1)
Operating EBIT margin (%)	4%	(9%)	(12%)

Notes:

1. Growth rate has been calculated based on annualisation of half year results

Source: Annual report, Deloitte Corporate Finance analysis

During FY21 revenue decreased by 15%, driven by the economic impacts of the COVID-19 pandemic, particularly in respect of non-recurring revenue due to lower liquidations and one-off fees, and a lower new business pipeline. The loss of the servicing rights to a large debt portfolio which was sold by its owner to a third party and portfolio run-off in Ireland and the UK also impacted revenue. Cost reduction programs were implemented in response to the reduction in revenue which led to overall decrease in operating expenses.

These reductions in revenue were partially offset by a full year of revenue from acquisitions such as FlexFront Group in the Netherlands, and the economic environment in the Netherlands where historically low interest rates are encouraging mortgage origination.

As a result, operating EBITDA in FY21 for BCM was AUD 5.9m, down 73% compared to the prior year. Operating EBIT for the period was also down reflecting the impact of lower revenue coupled with higher depreciation and amortisation charges, including client migration related amortisation.

During H1FY22, revenue continued to decrease due to continued disruptions in the secondary loan market coupled with NPL portfolio run-offs and loan book servicing being moved in-house. EBITDA was also down with the business unit now generating losses reflecting the loss of scale.

4.4.5 Key transactions

Capita Asset Services

In FY18, Link Group acquired Capita Asset Services which was based out of the UK. More details on this acquisition set out above in Section 3.4. BCM was created as a result of Capita Asset Services business' activities in this segment.

FlexFront Group

On 2 April 2019 Link Group acquired the FlexFront Group¹² for a price of up to AUD 13.7m. The group provided mortgage acceptance services accelerating the expansion in the Netherlands.

4.4.6 Growth opportunities

At the investor day in November 2021, Management set out aspirational targets to grow the BCM business' revenue at a CAGR of 9% to 11% and EBITDA at a CAGR of 35% to 37% over FY21 to FY26.

BCM sees opportunities over the medium to long term, fuelled by challenges in the banking sector, including pressure on banks to de-leverage, increasing compliance and loan servicing costs, and overall housing sector dynamics.

Primary loan markets

BCM is planning to invest in the UK mortgages offering to develop existing, and acquire new, technology including customer portal and telecommunication upgrades. This will target continuous improvements in client experience, stabilise risk and reduce operating costs. In other parts of Europe, the development of new origination/broker platforms and customer portals in Ireland will protect BCM's market-leadership position. The creation of a residential mortgage servicing capability in the Netherlands will allow BCM to compete for larger contracts in that market, where there is a large proportion of small lenders with a propensity to outsource.

Secondary loan markets

In addition to growing the existing established secondary/non-performing loan offering, BCM is evaluating opportunities to capture revenues through co-investment initiatives with local fund managers, especially in Italy.

¹² Comprising of Dutch Mortgage broker FlexFront B.V. and servicer Nationaal Hypotheek Loket B.V.

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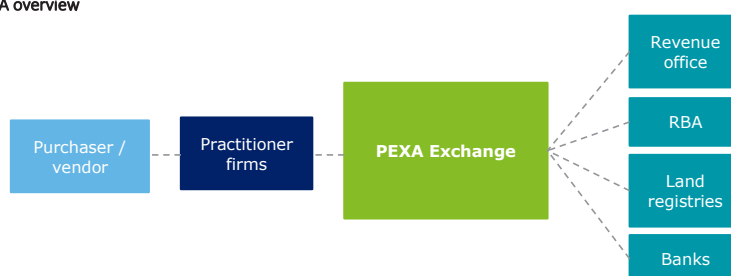
4.5 Profile of PEXA

4.5.1 Overview

PEXA is listed on the ASX and operates a full-service electronic lodgement network, a cloud-based platform that enables digital lodgement and settlement for property transactions. It integrates lodgement and settlement services across financial institutions, practitioner firms, property developers, consumers, the RBA, Land Titles offices and the State Revenue offices. As at 30 April 2022, PEXA had a market capitalisation of approximately AUD 3.2bn based on the closing price of AUD 17.88 per share. Link Group owns 42.8% of PEXA and, for Link Group's financial reporting purposes, it is held as an equity accounted investment.

An overview of PEXA's operation is outlined below:

Figure 22: PEXA overview



Source: ASX announcement, Deloitte Corporate Finance analysis

PEXA is hosted on the cloud and provides a range of functions in the conveyancing process, including:

- providing a secure online workspace through which the parties preparing a property transaction collaborate to prepare for settlement
- financial settlement of the property transaction through electronic funds transfers at the RBA through exchange of value between financial institutions
- facilitation of financial disbursements at settlement; and
- lodgement of various dealings with the relevant Land Titles Office.

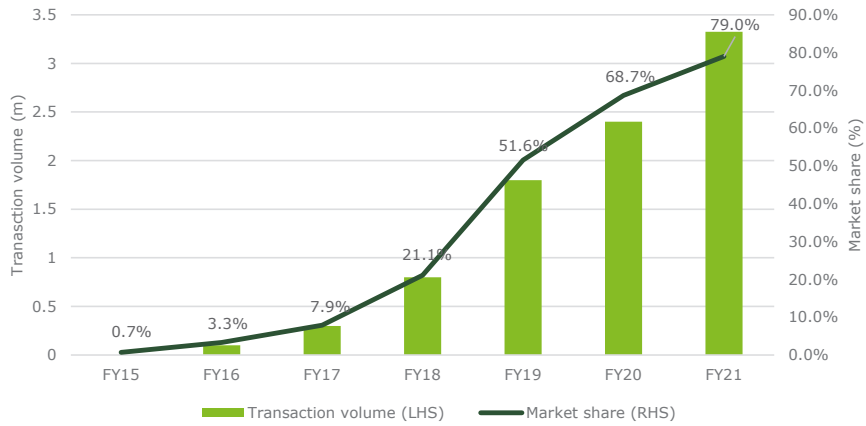
PEXA is also targeting a number of growth opportunities which are discussed in greater detail below.

4.5.2 Operating performance

Following a period of development, the PEXA platform launched in New South Wales and Victoria in 2014, followed by Queensland and Western Australia. It was subsequently launched in South Australia in 2016. eConveyancing has been largely mandated in New South Wales, Victoria, South Australia and Western Australia which make up more than 72% of national transactions. Other states and territories are expected to mandate digital property settlement over the coming years.

As at the end of June 2021, PEXA had 350 full time equivalent employees, with a market share of approximately 79% in Australia, having performed 3.3m transactions with a gross value of AUD 907bn.

Figure 23: PEXA transactions and market share growth



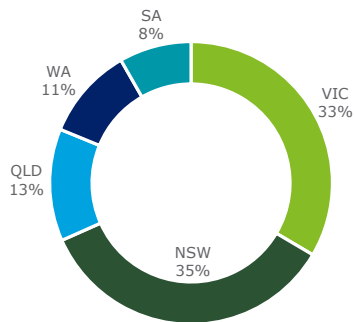
Source: Link Group FY20 full year results presentation, PEXA FY21 full year results presentation

During the half year ended 31 December 2021, it had processed 2.1m transactions and its market share had increased to 84%.

PEXA generates fees based on a rate per successful transaction and the total charge depends on the transaction type. It does not charge registration or ongoing subscription fees. Fees are charged for specific services, including lodgement verification checks, title activity checks, electronic disbursement of cleared funds, document lodgement with land registry and stamp duty verification. Rates are set in line with the *model operating requirements* which are set and governed by the Australian Registrars National Electronic Conveyancing Council. Rate escalations are capped, based on the consumer price index.

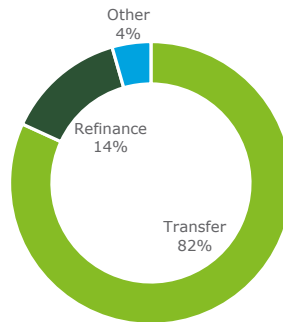
Set out in the figure below is PEXA’s revenue by jurisdiction and product for the period ending 30 June 2021:

Figure 24: Revenue split by state (FY21)



Source: PEXA FY21 full year results presentation

Figure 25: Revenue split by product (FY21)



Source: PEXA FY21 full year results presentation

4.5.3 Financial performance

Set out in the table below is the audited statements of financial performance of PEXA for the periods ended 30 June 2020, 30 June 2021 and 31 December 2021.

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Table 18: PEXA financial performance

AUD m (unless otherwise stated)	FY20	FY21	H1FY22
Revenue	155.6	221.0	145.5
Gross profit	132.6	191.7	127.5
Operating expenses	(80.9)	(97.3)	(75.3)
EBITDA (statutory)	51.7	94.4	52.2
Depreciation	(2.4)	(2.7)	(1.3)
Amortisation	(60.0)	(63.3)	(32.8)
EBIT	(10.7)	28.4	18.1
Net finance income/(costs)	1.9	(36.5)	(2.7)
NPBT	(8.8)	(8.1)	15.4
Tax	8.7	(3.7)	(5.8)
NPAT	(0.0)	(11.8)	9.7
NPATA	60.0	51.5	29.4
Exchange transactions (m)	2.4	3.3	2.1
Revenue growth (%)	43%	42%	32% ¹
Gross margin (%)	85%	87%	88%
EBITDA margin (%)	33%	43%	36%

Notes:

1. Growth rate has been calculated based on annualisation of half year results

Source: PEXA financial statements, PEXA results presentation, Deloitte Corporate Finance analysis

Revenue growth for FY21 was driven by the increase in transaction volume on the PEXA exchange platform (3.3m transactions, reflecting 37% growth on the prior period), as a direct result of growth in market share (which primarily reflects increased use of eConveyancing). The growth trend continued in H1FY22, driven by transaction volumes and deeper penetration in key states. Cost of sales primarily relates to fees paid to state land registries for information relating to settlements. These costs are typically incurred on a per transaction basis in advance of a settlement occurring.

Operating expenses are largely comprised of salaries and wages, IT and development costs, product development, administration, sales and marketing. FY21 operating expenses includes IPO transaction costs (AUD 6.5m) and share based payments of AUD 6.3m. With the exception of these items, operating expenses remained relatively flat, reflecting the scalable nature of the platform. Operating expense in H1FY22 include AUD 23.5m of costs associated with IPO.

The AUD 3.3m step up in amortisation for FY21 was driven by higher levels of capitalised software.

PEXA also recorded net finance costs of AUD 36.5m which relate to interest expense on loans and borrowings from related parties. On 31 July 2020, PEXA raised capital through shareholder loans with a fixed rate of 4.15%. Following the IPO the shareholder loans were fully repaid.

Despite generating a loss before tax, an income tax expense of AUD 3.7m was recognised in FY21, due to deferred tax liabilities raised in respect of temporary timing differences, primarily for intangible assets.

4.5.4 Financial position

Set out in the table below is the financial position of PEXA as at 30 June 2020, 30 June 2021 and 31 December 2021.

Table 19: PEXA financial position

AUD m (unless otherwise stated)	30 June 2020	30 June 2021	31 December 2021
Trade and other receivables	0.9	2.1	2.0
Prepayments and other assets	8.0	9.6	9.9
Trade and other payables	(30.2)	(49.9)	(20.7)
Provisions	(3.5)	(5.0)	(6.0)
Working capital	(24.9)	(43.1)	(14.6)
Prepayments – insurance	-	-	4.5
Property, plant and equipment	0.9	0.8	1.2
Intangible assets	1,558.3	1,517.3	1,506.3
ROU assets	10.1	10.1	9.3
Provisions	(0.6)	(0.6)	(0.7)
Net deferred tax liabilities	(20.5)	(23.8)	(27.8)
Total funds employed	1,548.2	1,503.8	1,492.6
Cash and cash equivalents	70.4	51.5	78.5
Other financial assets	14.2	21.7	4.1
Lease liabilities	(11.4)	(11.7)	(10.9)
Loans and borrowings	-	(297.4)	(297.7)
Shareholder loans	-	(193.0)	-
Net cash/(debt)	73.2	(428.9)	(226.0)
Net assets	1,596.4	1,031.8	1,252.0

Source: PEXA financial statements, Deloitte Corporate Finance analysis

Working capital largely comprises trade payables and other accruals which are largely wage related. Prepayments primarily relate to insurance, software licencing and support costs and fees paid to state land registries ahead of settlement.

Total funds employed is primarily comprised of intangible assets, recognised on the acquisition of PEXA in January 2019. Intangible assets as at 30 June 2021 include goodwill (AUD 694m), software (AUD 534m), customer relationships (AUD 397m), brand (AUD 24m), and licences (AUD 15m). In H1FY22, intangible assets decreased due to the amortisation of customer relationships.

Net deferred tax liabilities relate to temporary timing differences, primarily a deferred tax liability relating to intangible assets and a deferred tax asset relating to transaction costs.

Right of use assets and lease liabilities largely offset each other.

Net debt increased during FY21 as PEXA entered into a senior unsecured 4-year revolving debt facility of AUD 335m in June 2021. On 29 June 2021, a AUD 300m initial drawdown from this new facility was utilised to repay existing shareholder loans and pay transaction costs in relation to the IPO. The remaining balance of AUD 193m in shareholder loans was repaid after 30 June 2021.

4.5.5 Growth opportunities

Immediate growth opportunities for PEXA lie in growing market share and capitalising on the transition to electronic conveyancing. Current initiatives are focussed on adjacent platforms that create value for users and supporting volume growth, including:

- **PEXA Plus:** providing small/medium size practitioner firms with title searches, digital contracts and identity verification and other self-service tools
- **PEXA Projects:** Allows developers to manage multiple workspaces for multiple lot settlements
- **PEXA Key:** provides settlement tracking and secure communication platform to vendors and purchasers
- **PEXA Planner:** targeted to financial institutions, providing visibility over upcoming settlements.

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Medium to long-term growth opportunities, as identified by PEXA management, include PEXA International, PEXA Insights and PX Ventures entities:

- PEXA International:** PEXA intends to expand its digital property settlement solutions to international jurisdictions, with the UK as the first jurisdiction for its international expansion. UK has almost three times the volume of residential dwelling stock compared to Australia and an estimated potential market size of AUD 719m. PEXA has established a management presence in the UK, is developing relationships with key stakeholders and is working towards potentially commencing a pilot of an initial re-mortgaging solution in 2022. The table below summarises identified international opportunities:

Table 20: PEXA International potential market size

Country	Estimated digital property settlements market size (AUD m) ¹	Population (m) ¹	Dwellings (m) ¹
Australia	280	25.7	10.6
United Kingdom	719	66.8	27.8
New Zealand	89	5	2
Canada (Torrens jurisdictions only) ²	234	37.7	12.4

Notes:

1. Estimated as at 30 June 2021

2. Excludes Quebec, Prince Edward island, Newfoundland and Labrador

Source: PEXA Prospectus

PEXA's ability to generate revenue through these opportunities will be very reliant on regulatory and third-party approvals as well as general economic factors including changes in the property market and range of alternative/substitute products.

- PEXA Insights:** PEXA aims to leverage the real-time data collected from the PEXA Exchange which represents around 80% of national property transfer dataset to provide more comprehensive real estate and financial information and insights. PEXA estimates that the potential market size for existing property data services in Australia is approximately AUD 400m. PEXA has commenced developing a Property Bureau, which is a foundational asset for PEXA Insights. The Property Bureau is being designed to bring together a range of datasets from a range of public and proprietary sources including State/Territory cadastres, valuer general offices and other third parties into a format in which these different datasets can be linked and analysed. As part of this strategy, on 23 January 2022, PEXA announced that it has committed to acquire a 38% interest in Landchecker, an all-in-one-source of property information
- PX Ventures:** PX Ventures aims to use data and established relationships to develop new business opportunities with consumers, businesses and governments across the broader property industry. PX Ventures will offer entrepreneurs funding, bespoke services and mentoring support to enable continued innovation and enhancement of new and existing products and tools for Australian stakeholders. As a result, PEXA seeks to capitalise on these new opportunities arising in the Business customers (B2B) and Consumer customers (B2C) services space. PX Launchpad was launched in 2021 to target start-ups that have identified and developed a product or services that can transform the experiences in the property sector. Eligible ventures will receive tailored acceleration services worth up to AUD 100,000 to scale and commercialise their offerings.

4.5.6 Substantial shareholders

PEXA has 177.3m shares on issue. Set out below are the substantial shareholders.

Table 21: Substantial shareholders of PEXA

AUD m	No. of shares (m)	% interest
Link Group ¹	75.8	42.8
Commonwealth Bank of Australia ¹	42.4	23.9
Other	59.1	33.3
Total	177.3	100.0

Notes:

1. Excludes interests held by parties deemed to be associates under the ASX listing rules

Source: ASX announcements, Deloitte Corporate Finance analysis

Approximately 67% of the total securities on issue are held by the top 2 substantial shareholders.

Link Group, along with Commonwealth Bank of Australia, have entered into a relationship deed with PEXA which shall stay in place for so long as the two groups continue to be shareholders holding more than 10% of the shares of PEXA. The details of these agreements are set out in Section 9.3 of the PEXA prospectus dated 21 June 2021 but in principle so far as Link Group's shareholding in PEXA is concerned the material elements are as follows:

- Link Group can elect to sell any of its shares in PEXA at any time and PEXA must provide reasonable assistance with any sell down if requested
- Link Group has the right to nominate one director to the board of PEXA so long as it owns at least 10% of the shares of PEXA, and two directors to the board of PEXA so long as it owns at least 25% of the shares of PEXA
- Such directors will also be members of the Audit and Risk Committee and the Nomination, Remuneration and People Committee of the board of PEXA (so long as it owns at least 25% of the shares of PEXA)
- Link Group has access rights in respect of certain information of PEXA, including monthly and other periodic financial reports prepared by management and other information received by its nominee directors.

4.5.7 Share price performance

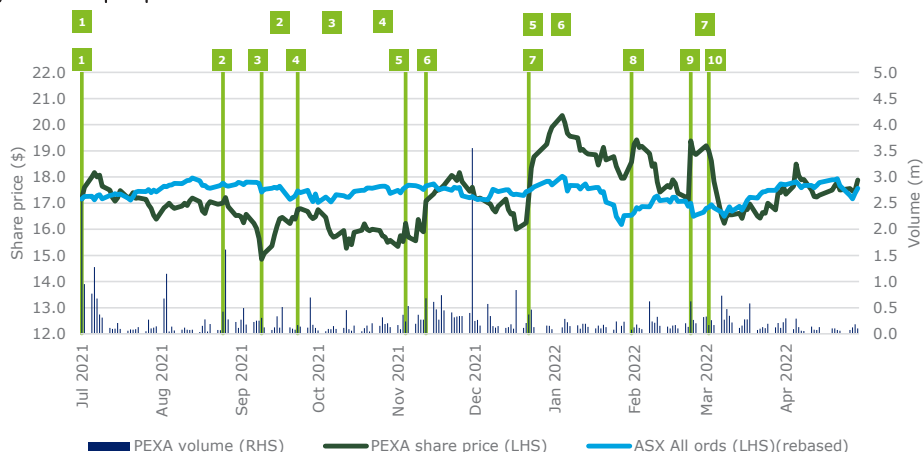
The share price of PEXA Group has generally tracked below the broader Australian share market as depicted by the ASX All Ordinaries index, with the exception of certain periods where the share price was impacted by announcements relating to earnings and other corporate activity. This is summarised in the figure and table below.

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Figure 26: Share price performance



Source: ASX announcements, S&P Capital IQ, Deloitte Corporate Finance analysis

Table 22: Key events and announcements

#	Announcement
1	PEXA listed on the ASX
2	PEXA releases FY21 financial results, with revenue up 42% to AUD 221m (1% ahead of Prospectus estimates), EBITDA up 124% to AUD 102m (2% ahead of Prospectus estimates).
3	Data and outlook on the Australian residential property market released. Due to COVID-19 lockdowns, the number of new listings in August 2021 dropped around 6% below the five-year average and total active listing dropped to 30% below five-year average. The estimated number of home sales also dropped 9% nationally over the 3 months ending August when compared to previous 3 months period.
4	PEXA receives approval from the Registrar General to operate an Electronic Lodgement Network in the Australian Capital Territory (ACT).
5	Link Group receives conditional, non-binding proposal from Carlyle Asia Partners to acquire 100% of the shares in Link Group which also includes a pro rata distribution of Link Group's shareholding in PEXA to Link Group's shareholders.
6	Data and outlook on the Australian residential property market released. The relaxation of COVID-19 lockdowns/ restrictions across Australia has led 47% increase in new listings in October and 1.5% growth in property values over the same period.
7	Link Group enters into a Scheme of Implementation Deed with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group.
8	Broader market re-risking of equity securities with exposure to the technology sector
9	H1FY22 earnings announced with revenue up 46% and EBITDA increasing by 71% relative to the prior corresponding period. Management also upgraded FY22 forecasts.
10	Concerns over the possible impacts of the Russia invasion of Ukraine on the global economy

Source: ASX announcements, S&P Capital IQ, Corelogic Australia, Deloitte Corporate Finance analysis

More specifically, we note that PEXA's share price has increased from AUD 16.25 per share prior to the announcement of the Proposed Scheme to AUD 17.88 per share on 30 April 2022. We anticipate that this may reflect a combination of investor perception that Link Group and Link Group shareholders may be possible sellers of PEXA shares (creating a pricing overhang) prior to the announcement of the Proposed Scheme and following the announcement of the Proposed Scheme, an implicit control premium being built into the PEXA share price by investors on the possible expectation that Dye & Durham may ultimately launch a takeover offer for PEXA and/or the possibility that the opportunity that the opportunity for expansion into the Canadian (and UK) market may have improved as a result of Dye & Durham's ultimately owning a substantial interest in PEXA.

4.5.8 Liquidity in PEXA trading

PEXA's free float was 28.1% as at 30 April 2022 which reflects the large number of securities held by the substantial shareholders such as CBA and Link Group, along with management of PEXA.

The trading liquidity in PEXA securities in the last 6 months was 17.9%, reflecting average daily trading of 0.1%. The percentage of shares outstanding and VWAP (Valued weighted average price) in the last 6 months have been summarised below:

Table 23: Liquidity in PEXA trading

	Average daily volume traded as % of average shares outstanding	VWAP (AUD)	Daily VWAP (AUD)		Daily price (AUD)	
			Low	High	Low	High
Over 6-month period to 30 April 2022	0.14%	17.57	17.20	17.91	15.28	20.81
Over 3-month period to 30 April 2022	0.11%	17.71	17.34	18.14	16.00	19.90
Over 1-month period to 30 April 2022	0.06%	17.66	17.41	17.97	17.00	18.73
Over 1 week period to 30 April 2022	0.07%	17.58	17.38	17.85	17.13	18.00

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

4.5.9 Equity analysts’ perspectives

There have been four equity analyst reports issued for PEXA since its IPO in July 2021. Analysts anticipate a strong growth outlook for PEXA, due the success in digitalisation of vast majority of Australian conveyancing transactions, dominant market share and limited competition. With PEXA’s international expansion plans, FY24 forecasts anticipate a substantial earnings boost from its entry into the UK.

Revenue is estimated to grow at a CAGR of 13.1% to AU 319m and EBITDA to AUD 122m at a CAGR of 6.2% over the next 3 years to FY24 per equity analyst consensus analysis below:

Table 24: Equity analyst consensus estimate summary in respect of PEXA

AUD m (unless otherwise stated)	FY21 Actual ¹	FY22 Consensus	FY23 Consensus	FY24 Consensus
Median revenue	221	270	272	319
Revenue growth (%)		22.3%	0.7%	17.3%
Median EBITDA	102	127	121	122
EBITDA growth (%)		24.6%	-4.3%	0.5%

Notes:

1. As disclosed per PEXA FY21 Annual Report

Source: Equity analyst reports, S&P Capital IQ, Deloitte Corporate Finance analysis

Key themes for the PEXA Group include:

- preservation of market share in Australia assisted by high barriers to entry, customer switching costs and low competition
- expansion into the UK. The current process of buying and selling UK property is perceived as inefficient and digitalisation seems an inevitable step forward. This makes PEXA’s experience and technology highly attractive for UK conveyancers and lenders
- EBITDA growth is underpinned by planned cost reductions over the medium term and economies of scale, as a result of the low marginal cost to process additional customers/transactions to the established systems
- the global economic recovery from the COVID-19 pandemic increasing revenue as mortgage activities continue to recover and as the markets correct for the slowdown during FY20
- increased levels of depreciation and amortisation, reflecting the impact of recent higher capital acquisition and expenditure on software intangibles
- introduction of interoperability and its potential impact on PEXA’s competitive advantage in the e-Conveyancing market.

Median analyst price target for PEXA is AUD 20.20 per share which is a premium when compared to the trading price of AUD 17.88 as at 30 April 2022. The equity analysts’ higher price target is based on the fact that PEXA has successfully digitised the vast majority of Australian eConveyancing transactions with a dominant market share amidst very limited competition and low number of well-established industry players. The price targets factor in major offshore expansion opportunities as earnings are boosted from entry into the UK market, along with limited impact from the introduction of competition in the Australian market, all at relatively low discount rates.

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5 Valuation of Link Group

5.1 Valuation conclusion

We have estimated the current market value of the equity of Link Group to be in the range of AUD 2,504 m to AUD 3,102m. This implies a value of between AUD 4.81 and AUD 5.97 per share.

A summary of our valuation is set out in the following table:

Table 25: Link Group valuation summary

	Section	Unit	Low	High
RSS	5.3.1	AUD m	1,215	1,450
CM	5.3.1	AUD m	765	900
FS	5.3.1	AUD m	285	368
Corporate overheads	5.3.3	AUD m	(227)	(201)
Enterprise value (selected)		AUD m	2,039	2,516
BCM	5.5	AUD m	65	75
Link Group's interest in PEXA	5.6	AUD m	1,370	1,480
Add/(less): Other assets/(liabilities)	5.7.1	AUD m	124	124
Add/(less): Net cash/(debt) ¹	5.7.2	AUD m	(1,094)	(1,085)
Equity value		AUD m	2,503	3,110
Less: minority interests	5.7.3	AUD m	(1)	(1)
Equity value – Link Group interest		AUD m	2,502	3,109
Number of shares	4.5.6	m	520	520
Value per share		AUD	4.81	5.97

Notes:

1. Projected net debt at or around Implementation Date having regard to the operating performance of Link Group up to the Scheme Implementation Date and, including cash and cash equivalents, borrowings, and lease and certain other liabilities potential liability that Link Group needs to meet in respect of the Woodford matter.

Source: Deloitte Corporate Finance analysis

We have assessed the equity value of Link Group using the sum of the parts approach. This approach assesses the value of each Link Group business unit separately. This approach is considered appropriate because each business unit services different markets with differing growth prospects and has differing risk profiles. The sum of the parts approach, therefore, provides a flexible valuation approach to reflect these factors.

The range of value of a Link Group share is wider than would typically be the case. We consider this reasonable recognising recent capital market volatility, including recent movements in the share price of PEXA and also the current outlook for the group as a result of factors such as the future impacts of superannuation reforms (including consolidation activity), and the possible impacts on the business as a result of any negative findings from the Woodford matter. We also consider that this wider range reflects our attempt to recognise within the upper end of the range the growth option available in Management's medium to long term aspirations for the group.

In applying this approach, we have used the market multiples approach to estimate the enterprise value of the RSS, CM and FS businesses. Our valuation of each business unit includes the incremental cash flows relating to the Global Transformation Program as applicable to that business unit. BCM has recently been the subject of a sales process which has provided insights into the value of this business. We have considered the potential net proceeds implied by the offers received, among other things, when assessing the value of BCM.

Whilst any disposal of BCM would result in certain overhead costs going with the business, the maintainable earnings of the RSS, CM and FS businesses do not include the costs associated with the head office function (corporate overheads) and other stranded overheads that Link Group will implicitly assume as a result of the disposal of BCM. We have therefore estimated these overheads (section 5.3.3) and subtracted this from the value of the Link Group.

PEXA is an independent entity that is now listed on the ASX. Link Group's interest in PEXA has been separately valued having regard to the recent trading in PEXA shares on the ASX, along with equity analysts' price targets, offers received through recent transaction processes and a cross-check to the multiples implied by our valuation.

We have separately included the value of other assets/liabilities and subtracted the value of the minority equity interests attributable to the interest of non-controlling parties in entities consolidated in the Link Group's financials, along with net debt.

Our valuation range also takes account of possible penalties that may arise from the Woodford matter.

We have primarily conducted our valuation in AUD as almost all of RSS' revenue and earnings are denominated in AUD. The majority of CM's revenues and earnings are also denominated in AUD. In respect of FS, although the majority of its revenues are generated in GBP, given the functional currency is AUD and recognising the simplicity of explanation and the relative value of FS to the value of the rest of Link Group, we have also chosen AUD but having regard to historical foreign exchange fluctuations and their impact on historical earnings.

5.2 Basis of selection of the valuation approach

A discussion of the methodologies available to value business enterprises is set out in Appendix 2.

In selecting the market multiples approach to estimate the RSS, CM and FS businesses, we considered the following factors:

- the businesses are at a mature stage of their life cycle and experience a relatively stable growth profile
- the information available on listed companies considered sufficiently comparable to the operations of the business.
- We cross-checked our primary valuation using a high-level discounted cash flow valuation.

Since the introduction of the IFRS 16 *Leases* (IFRS 16) accounting standard, Australian companies – and other jurisdictions that follow IFRS – are required to reflect certain rent payments as financing costs in depreciation and interest expense rather than operating rent expense in the income statement. Link Group's reports its financial statements taking account of this accounting standard. Our selection of maintainable earnings reflects EBITDA on a post-IFRS 16 basis (i.e. prior to any deductions for rent payments), and the comparable listed company and transaction multiples have also been calculated on a post-IFRS 16 basis (where EBITDA is calculated prior to any deductions for rent payments and lease liabilities are included in net debt when arriving at implied enterprise value).

Although this is the approach for entities that apply IFRS, companies following US GAAP still recognise rent implicitly as an operating expense and therefore it is deducted from EBITDA. Whilst there is a possibility of some errors in analysing the comparable listed company and transaction multiples due to the requirements of IFRS 16 (and how companies interpret it in its application), due to the relative insignificance of rent expense for companies such as Link Group (3% of total revenue), we consider the risk of material error in the valuation to be low and any such error would be, in any case, captured in our valuation range.

In selecting the valuation approach for the BCM business, we had regard to the fact that the business has been the subject of a formal sales process which has provided insights into the value of this business is ongoing at the date of this report. We also had regard to our review of an discounted cash flow valuation undertaken by management of Link Group as at 31 December 2021 for financial reporting purposes. As such we have adopted a range of values informed by these reference points.

The trading price of a listed company security should provide an objective assessment of the market value of the entity's equity where the market is well informed and liquid. Market prices incorporate the influence of all publicly known information relevant to the value of an entity's securities. Our assessment of the value of Link Group's interest in PEXA has been informed by recent share trading, along with equity research analyst consensus and offers received through a recent transaction process. We have also cross-checked our valuation of Link Group's interest in PEXA using multiples implied by our valuation.

5.3 Application of market multiples approach in respect of RSS, CM and FS

5.3.1 Introduction

We have selected EBITDA as an appropriate measure of earnings because earnings multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT. This allows a better comparison with earnings multiples of other comparable companies. In addition, EBITDA is more commonly and consistently forecast by equity research analysts and thus results in more accurate implied multiples for the comparable companies which form our market benchmarks.

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5.3.1 Selection of maintainable earnings

We have assessed maintainable EBITDA to be as follows:

Table 26: Maintainable earnings summary

AUDm	Assessed maintainable earnings	
	Low	High
RSS	135	145
CM	85	90
FS	30	35

Source: Deloitte Corporate Finance analysis

In our assessment of maintainable EBITDA, we have had regard to:

- the varying characteristics of each business and factors that influence the earnings of each business unit
- recent financial performance of each business unit
- FY22 budgets prepared by management and approved by the Board of Directors
- the underlying business strategies and transformation plans that support the budgets
- consensus estimates of earnings for Link Group. Refer to Section 3.12.1 for our analysis.

Our selection of the estimated maintainable EBITDA of each business unit is discussed below.

5.3.1.1 Retirement and Superannuation Solutions

The RSS business revenues have decreased from AUD 565m in FY19 to AUD 507m in FY21. Over this time the EBITDA margin of the business has decreased from 33% to 28%.

FY21 EBITDA of AUD 142m was affected by a number of significant events including:

- an overall decrease in the total number of superannuation accounts in Australia by c. 17% over the last 3 years due to the Protecting Your Super (PYS) scheme, and to a smaller extent the Early Release of Super scheme. Management expects no further impacts of the Early Release of Super scheme, and while PYS had a larger (but permanent) impact on earnings in FY20 and FY21, there will be an ongoing business-as-usual impact for those low-balance accounts that will be swept into the PYS system into the future
- the Early Release of Super scheme also resulted in some short-term non-recurring project revenue in relation to supporting clients with the roll-out of the scheme. This revenue was primarily generated in the first half of FY21
- loss of a number of clients due to industry consolidation activity
- pricing pressures in respect of a number of contracts that were renewed.

H1FY22 EBITDA of AUD 64.9m implies annualised EBITDA of AUD 130m, however Management is anticipating an improvement in H2FY22. We note this is lower than the consensus estimate of EBITDA in the range of AUD 142m to AUD 157m for FY22, with a median of AUD 148.6m.

On balance, we have adopted a maintainable EBITDA range of AUD 135m to AUD 145m for the purpose of our analysis.

5.3.1.2 Corporate Markets

The CM revenue has decreased from AUD 391m in FY19 to AUD 365m in FY21. Over this time, the EBITDA margin of the business has also decreased from 31% to 24.5%.

FY21 EBITDA of AUD 90m was affected by the following events:

- a decline in revenue by a CAGR of 3% and EBITDA margin erosion from 31% to 24.5% in the prior 3 years, driven by the stable number of new IPOs in mature markets like Australia and UK
- the low interest rate environment which resulted in a significant decrease in margin income
- the disposal of the LMS South Africa business in November 2020 which meant that some earnings of that business were included in FY21 EBITDA for part of the period
- on the other hand, the business pivoted to meet the increased demand for virtual meetings and AGMs as a response to the COVID-19 pandemic.

H1FY22 EBITDA of AUD 48.9m implies annualised EBITDA of AUD 98m. This result includes the impact of the loss of the registry management services for Standard Life, which occurred in early H1FY22, along with increased corporate transaction activity and the impacts of buoyant capital markets. This is also in line with the EBITDA figure forecasted by equity research analysts which are in the range of AUD 87m to AUD 99m for FY22, with a median of AUD 90.3m.

We have adopted a maintainable EBITDA in the range of AUD 85m to AUD 90m for the purpose of our analysis.

5.3.1.3 Fund Solutions

The FS revenue has increased from AUD 163m in FY19 to AUD 171m in FY21. Over this time, EBITDA margin of the business has decreased from 20.7% to 16.5%.

FY21 EBITDA of AUD 28m was affected by a number of significant items such as:

- COVID-19 related market volatility, which affected margins earned on assets under management (AuM). Despite growth in AuM caused by the recovery of equity market indices, margins were lower due to contract renegotiations, client discounts, and client exits. Net new money flows were also down as a result of economic uncertainty and poor investor sentiment
- legal expenses as a result of the ongoing Woodford investigation. In the past two years, FS incurred approximately AUD 6m of legal and consulting expenses
- Link Group's association with Woodford and the ongoing FCA investigation (and associated political and media scrutiny) has also caused client exits and new business pipeline conversion challenges
- H1FY22 EBITDA of AUD 17.0m suggests an annualised EBITDA of AUD 34.0m. However, the half-year EBITDA has been favourably affected by non-recurring projects for client's system enhancements. H1FY22 was also aided by buoyant capital markets and recent market volatility is now likely to depress earnings during H2FY22. We have also referenced to consensus among equity research analysts which indicate a lower EBITDA range of AUD 28m to AUD 33m for FY22, with a median of AUD 32.9m.

We have adopted an EBITDA in the range of AUD 30m to AUD 35m as FS's maintainable earnings for the purpose of our analysis.

5.3.2 Selection of market multiple

In selecting an earnings multiple for each business, we have considered earnings multiples derived from share market prices of listed companies with comparable operations to its businesses and the implied earnings multiples paid to acquire comparable companies.

Earnings multiples derived from share market trading (which we refer to as 'listed company multiples' in this section) may not reflect the market value for control of a company as they are based on portfolio holdings in the subject companies. The difference between the fair market value of a controlling interest and a minority interest is referred to as the premium for control.

The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors and managers
- determine and change the strategy and policies of the company
- make acquisitions, restructure the business or divest operations
- control the composition of the board of directors.

Whilst Australian studies indicate takeover premiums range between 20% and 40% of the portfolio holding value, these figures are influenced by a number of factors of which control is just one.

We have conducted a global search for companies comparable to each business unit. As most of the comparable listed companies have diversified operations, there are a limited number of companies directly comparable to each business unit on a standalone basis. The companies identified are set out in Appendix 3.

We have only considered transactions involving similar businesses that occurred over the past 3 years as we do not consider transactions prior to this period to provide accurate benchmarks of current value. Details of the transactions identified is set out in Appendix 4.

Transaction multiples are calculated with reference to historical earnings and, as a result, we would expect the transaction multiples to be higher than the trading multiples observed for listed comparable companies, which have been calculated with reference to forecast earnings, given that most of the comparable companies are projected to exhibit earnings growth in the short term (based on consensus equity analyst estimates). Our selection of an appropriate earnings multiple for each business is set out separately below.

We have considered following when selecting the multiples for each business unit:

- operating performance to date and current growth prospects, including management initiatives for medium-term growth

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- proprietary software platform: We would generally expect companies with proprietary software to trade at higher multiples given the scalability of the services and the protection afforded by the intellectual property
- business model: whilst we have identified comparable companies with similar operations for each business unit, most comparable companies also offer other services such as brokerage, financial planning advice, and wealth management
- growth prospects: companies with a higher growth outlook generally trade at higher multiples than those with lower growth prospects.
- diversification and scale: companies with greater product and/or geographic diversification (which also tend to be larger) can, all things being equal, trade on higher multiples than smaller companies. This is because the product and geographic diversification can mean that the business is more insulated from specific risks – which may only impact a particular product or geography – or because their larger size gives them a scale advantage.

5.3.2.1 Retirement and Superannuation Solutions

Listed company multiples for RSS

Set out in the table below are the implied EBITDA multiples of the listed companies identified as being broadly comparable to the RSS business unit:

Table 27: Comparable listed companies' financial and valuation metrics - RSS

	Enterprise value (AUDm)	Revenue growth (%)	EBITDA margin (%)	Current EBITDA multiple (x)
Bravura	456.3	9.3%	18.0%	9.5x
Iress	2,410.5	5.4%	24.1%	15.9x

Source: Capital IQ, Companies' annual reports, Deloitte Corporate Finance analysis

Some of our key considerations are set out below:

- Bravura, although smaller than RSS, is considered a comparable entity both in terms of its solution offering – which includes a core superannuation administration product – and in terms of its growth prospects and operating margins. Having said this, Bravura offers a 'software only' service and has substantial operations in the UK. Notwithstanding, Bravura has a smaller market share than RSS in the superannuation administration space. We would expect its multiple to be lower than that of RSS but February 2022, it announced a delay of opportunities to FY23 which resulted in the earnings being deferred from FY22 (current year) to FY23 (forecast year)
- Iress is primarily a technology company with its software used by various funds across the industry that are electing to in-source administration activities, including some that were previously clients of RSS. Further, Iress also has a capital market trading systems capability, along with a substantial presence in the UK wealth management market. The company has also been the subject of interest from private equity which may continue to be implicitly factored in its valuation multiples. For all of these reasons we would expect Iress to trade at a higher multiple than that which would be relevant for RSS
- Both Bravura and Iress largely generate returns through the provision of data and software to enable their clients to administer their own member funds. In contrast, the RSS business unit uses third-party software and its own workforce to provide an outsourced administration service to clients. All things being equal, it is typical to see companies that own their own software and provide it to their clients on a license or subscription basis to be valued on higher multiples.

Comparable transaction multiples for RSS

There have been a limited number of transactions involving companies highly comparable to the RSS business. However, set out in the table below are three transactions we have identified involving broadly similar businesses:

Table 28: Comparable transactions' multiples - RSS

Announcement date	Target	Acquiror	Total transaction value (AUDm)	Historical EBITDA margin (%)	Historical EBITDA multiple (x)
Oct-20	Xplore Wealth	HUB24	57	3.6%	n/m, 11.9x ¹
Jun-20	OneVue	Iress	107	13.5%	16.9x, 14.5x ¹
Dec-19	GBST	FNZ Group	244	19.7%	13.1x, 12.5x ¹

Note:

n/m = not meaningful

1. Implied EV/ EBITDA multiple calculated using adjusted EBITDA per the Independent Expert's Report (IER) issued in respect of the transaction

Source: Mergermarket, Capital IQ, Deloitte Corporate Finance analysis

We make the following observations in relation to the selected comparable transactions set out above:

- In October 2020, HUB24 acquired Xplore Wealth in an all-scrip transaction. Xplore Wealth caters to the Australian market, providing a range of platform solutions for investment and superannuation, similar to HUB24 and Iress

mentioned below. Xplore is much smaller than RSS but experiencing substantially higher growth than the RSS business having exposure to a number of high growth segments of the superannuation funds market. Using the adjusted maintainable EBITDA estimated by the independent expert, we have calculated the multiple for the transaction to be c. 11.9x EBITDA

- In June 2020, Iress acquired OneVue at a price implying a multiple of 16.9x EBITDA. OneVue operates a business similar to RSS, being superannuation administration services through a proprietary platform in Australia. Using the adjusted maintainable EBITDA assessed by the independent expert, the transaction multiple for the business was c. 14.5x. OneVue had exhibited strong recent historical growth (FY18 to FY2013 CAGR of 16%) but had been impacted by losses experienced as a result of the failure of a company it had lent funds to
- In December 2019, FNZ Group acquired GBST, a company that provides platform solutions for wealth management professionals. Compared to RSS it is much smaller in size and provides services globally. It is also, at its core, a technology company as opposed to an end-to-end service provider. Based on the adjusted maintainable EBITDA adopted by the independent expert, the transaction multiple for the transaction was c.12.5x EBITDA.

Although an older transaction, we have also had regard to Mercer's acquisition of Pillar in 2016. The Pillar business is very comparable to RSS. The EBITDA multiple implied in Mercer's purchase price was 6.8x. At that time, listed entities like Link Group was trading at higher multiples than that implied by this transaction. This suggests that a transaction for a full-suite service provider such as Pillar or RSS may be expected to occur at a discount to the trading multiples of listed companies such as Link Group.

Selected multiples for RSS

We have applied a multiple in the range of 9.0 to 10.0 times the estimated maintainable EBITDA for the business unit.

Our selected multiple range reflects our professional judgement having regard to several factors, including:

- the ongoing impact of client losses and fee discounts mentioned previously, which are expected to be partially offset by organic revenue growth via indexation
- RSS has a particular concentration of customers and whilst it has recently renewed contracts with its four largest customers until at least the second half of FY23, it operates in a competitive environment with the threat of new entrants and insourcing creating risk of future pricing pressure
- the ongoing impacts of the PYS scheme which is expected to result in the loss/sweeping of approximately 120,000 accounts (reflecting 1.5% of accounts currently administered by Link) every six months, noting that the impacts of this on the RSS business will be muted over the short to medium term as a number of client contracts are on a fixed fee arrangement
- recent initiatives introduced by the Government such as account stapling and the MySuper heatmap. Over the long-term, account stapling is anticipated to positively impact RSS given the industry affiliation of RSS clients. The MySuper heatmaps are expected to ultimately result in further consolidation of superannuation funds and management of the RSS business anticipates that the current clients will be net beneficiaries of such consolidation
- there is an expectation that recent regulatory focus may encourage superannuation funds who currently insource their administration activities to consider outsourcing such activities. Having said this, there is also a view that superannuation funds may seek to insource these services to obtain greater control of member administration in order to reduce the risk of errors
- an increase in the cost base given recent inflation but with opportunities to realise cost savings from consolidating certain functions in lower cost jurisdictions, process efficiencies and automation
- the opportunity afforded by the UK market reflecting management's efforts to date in that market but also noting that this is a new market for RSS and its success in that market remains untested.

5.3.2.2 Corporate Markets

Listed company multiples for CM

Set out in the table below are the implied EBITDA multiples of the listed companies identified as being broadly comparable to the CM business unit:

¹³ IRESS (and therefore OneVue) reports based on a December year-end

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Table 29: Comparable listed companies' financial and valuation metrics - CM

	Enterprise value (AUDm)	Revenue growth (%)	EBITDA margin (%)	Current EBITDA multiple (x)
ASX	9,507.5	5.1%	72.5%	13.0x
Broadridge Financial Solutions	20,995.1	9.6%	21.4%	17.3x
Computershare	17,758.2	15.3%	28.4%	17.7x

Notes:

Source: Capital IQ, Companies' annual reports, Deloitte Corporate Finance analysis

Key considerations in respect of the above companies are set out below:

- Computershare is a competitor to CM. Their operations are geographically diverse across the UK, Australia and Asia Pacific, but they also have a strong presence in the US. Compared to CM, Computershare also offers other products including mortgage services and business services. The company achieves a similar EBITDA margin to that of CM, and broker consensus forecasts a strong growth profile of revenue (CAGR of 15%) over the next 2 years. Computershare is also significantly larger. We would expect it to trade at a higher multiple than CM to reflect Computershare's diversification and reach
- Broadridge Financial Solutions, though its Investor Communications Solutions segment is considered comparable, however, it also has a significant Technology and Operations segment. Broadridge's offering is broad with it servicing listed companies through to mutual funds and ETFs, along with investment managers for asset classes ranging from alternatives through to collateralised debt obligations and private debt. Beyond investor relations, it also provides customer relation services to the healthcare, telecoms and utilities sectors. The business is heavily weighted to the North American market, and is significantly larger
- ASX offers issuer services (corporate actions, holding statements) similar to CM, however, ASX earns most of its revenue from trading and clearing activities for the debt, equity, and derivative markets. As the business activities and margins are different than those of CM, we have put less weight on this comparable.

Comparable transaction multiples for CM

We have identified four transactions involving companies broadly comparable to CM as detailed in the table below.

Table 30: Comparable transactions' multiples - CM

Announcement date	Target	Acquirer	Total transaction value (AUDm)	Historical EBITDA margin (%)	Historical EBITDA multiple (x)
Aug-21	Boardroom	Tower Capital	313	49.0%	14.5x
Apr-21	Equiniti Group	Siris Capital	1,747	16.1%	12.7x
Jul-21	AST	Siris Capital	850	27.5%	10.8x
Sep-20	AST Canada	TMX Group	184	28.2%	12.6x

Note:

Source: Mergermarket, Capital IQ, Capital raising presentations by Siris Capital, Deloitte Corporate Finance analysis

We make the following observations in relation to the selected comparable transactions set out above:

- In August 2021, Tower Capital announced its intention to acquire a 100% interest in Boardroom for total consideration of AUD 313m, implying a historical (year ended 31 December 2020) transaction multiple of 14.5x. The business was experiencing substantial growth having grown revenues on the preceding financial year by 15%. The half year performance for the period to 30 June 2021 also suggests the continued growth (similar growth in EBITDA). The EBITDA multiple calculated based on annualised half year to June 2021 EBITDA is 11.7x. Boardroom provides a full-suite corporate services platform in the Asia-Pacific region. Whilst the Boardroom business is smaller than CM, it does seem to be exhibiting higher growth
- In December 2021, Siris Capital completed the acquisition of a 100% interest in Equiniti at a transaction price implying a FY20 reported EBITDA multiple of 12.7x. On underlying EBITDA, the multiple was 10.5x. Siris Capital had recently acquired AST (discussed below) and intended to combine the two businesses to deliver merger synergies. Equiniti offers a range of services that are similar to CM services, underpinned by a suite of scalable proprietary platforms, but is focussed on the UK and European markets. In FY20, Equiniti recorded revenue of GBP 472m (AUD 872m) delivering an underlying EBITDA margin of 19%. Equiniti's operations achieve a lower margin relative to CM, however, the business is significantly larger.
- Despite a decline in revenue of 15% due to COVID-19, Equiniti's strategy was positioned for organic growth at 3% to 7%, supplemented with growth by acquisitions. At the time of acquisition Equiniti had recently secured a significant contract with Standard Life (which was not reflected in the earnings from which the transaction multiple was calculated), furthermore, the transaction multiple was calculated based on FY20 earnings, relative to a transaction which occurred in December 2021, both implying a lower multiple would apply to the transaction if based on pro-forma FY21 earnings

- In July 2021, Siris Capital announced the acquisition of 100% of AST from Pacific Equity Partners at a transaction price implying in a multiple of 10.8x historical EBITDA. AST offers similar services to Equiniti in the North American market. In the year ended 30 June 2021, AST generated revenues of USD 201m (AUD263m) delivering an EBITDA margin of 27.5%. AST is smaller than the CM business but generates higher margins
- In September 2020, TMX Group announced the acquisition of AST Canada at a transaction price implying a multiple of 12.6x historical EBITDA. AST Canada provides transfer agency, corporate trust and other proxy-related services in Canada. The company is smaller than CM, generating CAD 46.5m (AUD 43.6m) in revenue in FY20.

Selected multiples for CM

We have applied a multiple in the range of 9.0 to 10.0 times the estimated maintainable EBITDA for the business unit.

We have placed more weight on the comparable transactions as they are recent transactions involving companies with similar business profiles to CM. However, despite their significantly larger size and exposure to different markets, we also placed some weighting on the Computershare and Broadridge listed company multiples. Our selected multiple range reflects our professional judgement having regard to several factors, including:

- the CM's business operates in a competitive market and more recently the UK market has been highly competitive
- a number of the CM business' competitors have recently been acquired and this may create additional hunger to drive revenue growth through customer acquisition
- the presence CM has in growth markets such as Hong Kong and India
- over the course of FY21 and H1FY22, the CM business has benefited from buoyant capital markets and elevated levels of virtual meetings and corporate actions. There is uncertainty as to whether such activity will be sustained on a go-forward basis and recent corrections in capital markets would suggest markets are likely to be subdued on a go-forward basis
- investment in initiatives to improve profitability in the UK business. This includes initiatives to transform the core platform and leverage the existing infrastructure in the UK market, which is expected to improve client retention, reduce maintenance and support costs, and provide revenue and margin increases for the registry business
- the increase in earnings available to the business as a result of possible increases in interest rates (although this is also likely to be case for a number of the comparable companies such as Equiniti, AST and AST Canada)
- organic growth in existing markets from CM's current offerings, including cross selling opportunities in Australia, UK and HK.

5.3.2.3 Fund Solutions

Listed company multiples for FS

Set out in the table below are the implied EBITDA multiples of the listed companies identified as being broadly comparable to the FS business unit:

Table 31: Comparable listed companies' financial and valuation metrics - FS

	Enterprise value (AUDm)	Revenue growth (%)	EBITDA margin (%)	Current EBITDA multiple (x)
EQT Holdings	534.7	8.6%	40.6%	11.7x
Iress	2,410.5	5.4%	24.1%	15.9x
Northern Trust	45,237.9	10.0%	38.4%	11.7x
Perpetual	2,066.5	11.3%	32.8%	8.1x
SS&C Technologies	33,254.9	7.3%	39.6%	11.0x

Source: Capital IQ, Companies' annual reports, Deloitte Corporate Finance analysis

Key considerations in respect of the above companies are set out below:

- Perpetual's corporate trust business is considered the most comparable to FS. However, it has substantial other activities in wealth management and investment management with the latter having been a focus area for growth over recent years. Whilst historically its business activities were focussed on Australia, it has recently made substantial acquisitions for the investment management business which have seen it develop a presence in the UK and North America. The corporate trust business has seen steady but strong growth over the years. The company is trading on a current EBITDA multiple of 8.1x which we consider may reflect concerns over capital markets, short to medium term outlook for the investment management business and a recently announced it had approached a competitor with a takeover offer which has the potential to dilute Perpetual shareholders
- Iress, whose platform is used by funds that perform administration in-house is trading at a current EBITDA multiple of 15.9x. FS does not have its own proprietary platform however utilises best in-class, cloud-based solutions for each asset class dependent on client's requirements. We would generally expect companies with proprietary software to trade at higher multiples given the scalability of the services and the protection afforded by the intellectual property. Iress' multiple may also be inflated by recent interest from private equity investors

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- EQT offers trustee services, estate planning, and fund governance. EQT has exhibited growth on a historical basis and this growth has been coupled with superior margins. We would expect EQT's multiple to be higher than that of FS
- We have also referenced to the current trading multiples of Northern Trust and SSNC which are 11.7x and 11.0x respectively. However, we have noted that these companies operate mainly in different geographies and at a much larger scale than FS. SSNC is the largest provider of proprietary software in our selected group of comparable companies and provides platforms for many other fund administrators, hence trading at the higher end of the range.

Comparable transaction multiples for FS

We have identified several transactions involving companies broadly comparable to FS as detailed in the table below.

Table 32: Comparable transaction multiples - FS

Announcement date	Target	Acquirer	Total transaction value (AUDm)	Historical EBITDA margin (%)	Historical EBITDA multiple (x)
Aug-21	Sanne	Apex	3,076	27.9%	34.4x
Mar-21	CST business of Wells Fargo	Computershare	1,050	17.6%	8.9x ¹
Oct-20	Mainstream Group	Apex	386	11.4%	51.5x, 20.6x ²
Oct-20	Xplore Wealth	HUB24	57	3.6%	n/m, 11.9x ²
Jun-20	OneVue	Iress	107	13.5%	16.9x, 14.5x ²
May-19	Ausmaq	Clearstream	39	33.2%	9.6x
Feb-19	Ipes	Apex	263	n/a	15.2x ³

Note:

n/m = not meaningful

1. Implied EV/ EBITDA multiple calculated using last twelve months (LTM) EBITDA as of 31 December 2020

2. Implied EV/ EBITDA multiple calculated using adjusted EBITDA per the IER issued in respect of the transaction

3. Multiple sourced directly from Mergermarket as financial information in respect of Ipes was not available

Source: Mergermarket, Capital IQ, Deloitte Corporate Finance analysis

We make the following observations in relation to the selected comparable transactions set out above:

- In October 2020, Apex acquired 100% of the equity in Mainstream. Using the adjusted maintainable EBITDA per the independent expert in respect of that transaction, Mainstream was acquired at a multiple of 20.6x adjusted FY21 EBITDA. We have considered the following factors to compare Mainstream to the FS business:
 - Mainstream has geographically diversified operations in the Americas, Europe, and a main focus in Asia-Pacific. This is similar to Link Group's FS business where revenue comes from Australia, UK, and EMEA
 - Similar to FS, Mainstream did not have its own proprietary platform but rather integrated already developed applications to suit clients' needs. This has provided Mainstream with the flexibility of not being locked into one solution, however has affected the business' scalability and increased the need to pay license fees
 - Mainstream has a strong growth profile at the time of acquisition at a CAGR of 41% in the three years to FY20. It also had a strong growth outlook by brokers with the consensus revenue estimate of CAGR 17% between FY20 and FY22. On the other hand, FS has a softer growth profile with historical growth rate of CAGR 2% and average consensus revenue growth of 9% between FY21 and FY23
 - Mainstream was of interest to several parties, including a number of trade purchasers who could realise substantial synergies. The process which was a rather public process resulted in multiple competitive offers being put forward in a relatively short period of time
 - On balance, we would expect FS to transact at a lower multiple than Mainstream.
- In June 2020, Iress acquired OneVue at a price implying a multiple of 16.9x EBITDA. Based on maintainable EBITDA per the independent expert for the transaction, the appropriate multiple for the business to be c.14.5x EBITDA. Unlike FS and Mainstream, OneVue developed and serviced clients through its proprietary platform. OneVue had exhibited strong recent historical growth (FY18 to FY20 CAGR of 16%) but had been impacted by losses experienced as a result of a failure of a company it had lent funds to. OneVue's historical growth is higher than FS's actual growth, being 2.4% in the past 3 years of. In addition, OneVue's revenue is forecasted to grow at a CAGR of 9% between FY21 and FY23. For these reasons, we would expect OneVue to trade at a higher multiple than the FS business
- The acquisition of Xplore Wealth occurred in October 2020 at a multiple of 11.9x, however whilst Xplore provides software solutions to the wealth management sector in Australia, Xplore operated at a smaller scale and was less diversified than FS
- Sanne Group's business activities are very similar to that of the FS business and is seen as a competitor to the European business of FS. It was acquired by Apex (another competitor) a historical EBITDA multiple of 34.4x. However, prior to Sanne itself being acquired, Sanne had acquired a number of businesses and as such this multiple is higher than a run-rate multiple that includes the earnings of those acquired businesses. It is difficult to calculate this multiple accurately, but we expect that the multiple would be 50% lower

- Computershare acquired the Corporate Trust Services business of Wells Fargo at a multiple of 8.9x which provides trust and agency services in connection with debt securities in the US. Wells Fargo's CTS business was substantially larger than the FS business and had significant recurring revenues which had been consistently growing over a long period of time. The business also complemented Computershare existing business quite well and Computershare management had expectations of a substantial synergy benefits over the short and medium term
- Whilst some of the older transactions are broadly comparable, they are somewhat dated especially recognising the impacts of COVID-19 pandemic on the market serviced by FS.

Selected multiples for FS

We have applied a multiple in the range of 9.5 to 10.5 times the estimated maintainable EBITDA for the business unit.

Our selected multiple range reflects our professional judgement having regard to several factors, including:

- Management's medium term plans are to capitalise on the growth in core products and markets, to leverage existing systems in new geographies, and expand service offerings to capture growth in alternative assets funds, specifically:
 - Growth initiatives to enhance the digital investor portal, which require upfront investment in the next two years and minimal maintenance expense thereafter
 - Develop fund administration capabilities for alternative assets investments to grow the UK market and enter new markets. The growth strategy is anticipated to leverage strong tailwinds as the alternative asset management industry is expected to grow and Link Group has existing client relationships and presence in overseas market
- The FS business has experienced weaker growth compared to our comparable companies perhaps in part due to the uncertainty around the Woodford issues which has impacted new client conversion
- Even though the Woodford investigation's outcome is expected to be known this year, any negative findings are likely to pose risks to revenue growth over the short to medium term
- The business has experienced fee compression and continued competition in the sector, is likely to continue to place pressure on margins and profitability.

5.3.3 Corporate overheads

As discussed in Section 5.3.1, we have assessed the maintainable level of EBITDA for each business unit based on the expected ongoing operating costs of each business unit which have not factored in an allocation for corporate overheads. Given we are assessing the value of Link Group as a whole, a level of corporate overheads would be required to sustain the operations of each business unit. We have, therefore, assessed the cost associated with corporate overheads separately and subtracted it from the enterprise value of Link Group. We have capitalised the maintainable level of corporate overheads by an EBITDA multiple range.

We consider an adjusted maintainable corporate overhead level to be in the range of AUD 20m to AUD 25m to be reasonable after considering the following:

- Actual corporate overheads were AUD 11.3m in FY20 and AUD 9.3m for FY21, whilst for H1FY22 they were AUD 10.1m. The increase in H1FY22 overheads can be attributed to a reallocation of certain costs between the business units and the corporate function. We have assessed the maintainable level of corporate overheads to be AUD 20m
- This amount inherently includes costs associated with Link Group being a listed entity which may be removed by a potential acquirer. We are of the view that approximately AUD 5m in corporate overheads could be removed from the running of the company if it was not listed
- In addition, in the event of a disposal of BCM, Management are of the view that there are AUD 20m p.a. of stranded costs which will need to be taken up by Link Group and that the majority of these costs are expected to be removed over a period of time, say 6 to 12 months. We consider it appropriate to assume that the disposal will leave between AUD 5m and AUD 10m of costs to be absorbed by Link Group.

Maintainable corporate overheads have been capitalised by an EBITDA multiple of 9.1 times to 10.1 times, calculated as the earnings weighted average of the multiples we selected for the valuations of the Businesses.

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5.4 Summary of valuation of RSS, CM and FS

Set out in the table below is a summary of the assessed enterprise value of the RSS, CM and FS businesses.

Table 33: Summary of enterprise value of RSS, CM and FS

	Maintainable earnings (AUDm)		Market multiple (x)		Enterprise value (AUDm)	
	Low	High	Low	High	Low	High
RSS	135	145	9.0x	10.0x	1,215	1,450
CM	85	90	9.0x	10.0x	765	900
FS	30	35	9.5x	10.5x	285	368
Overhead costs	(25)	(20)	9.1x	10.1x	(227)	201
Aggregate	225	250			2,039	2,516
<i>Implied EBITDA multiple</i>					<i>9.1x</i>	<i>10.1x</i>

Source: Deloitte Corporate Finance analysis

In order to further assess the reasonableness of our maintainable earnings range, we also compared aggregate EBITDA prior to overhead allocations to other data points, as follows. EBITDA prior to overhead allocations has been used, as information on the overhead cost assumptions is not consistently available in published analyst reports.

Table 34: Summary of assessed EBITDA of RSS, CM and FS in aggregate

AUD m	Low	High
Aggregate EBITDA prior to overhead allocation	250	270
FY21 equivalent	260	260
H1FY22 equivalent (annualised)	262	262
FY22 equity analyst range	271	277

Source: Deloitte Corporate Finance analysis

The aggregate of our assessed range of EBITDA is in line with the FY21 and annualised H1FY22 equivalent earnings. Whilst it is slightly lower than the range forecasted by equity analysts, we note that this range is based on only two forecasts and as such we consider its relevance limited. Outside of this, we consider the above provides support for our selected level of maintainable earnings.

5.4.1 DCF cross-check for the Link Group operating businesses

We have also cross-checked our valuation based on earnings multiples to that derived by using the discounted cash flow approach.

The discounted cash flow approach estimates enterprise value by discounting a company's future cash flows to their net present value provided that the future cash flows that are expected to be derived from a business are capable of being estimated with a reasonable degree of confidence.

5.4.1.1 Future cash flows

Management has prepared five-year forecasts for each business unit, reflecting the business environment and growth strategies specific to each. The forecasts were subject to a detailed formulation, review and Board approval process.

A discussion of the factors specific to each business unit underpinning Management's plan are set out in Section 3.12 and Section 4. Set out below are the key considerations in management's development of the forecasts for all business units:

- Revenue projections are based on FY21 actual revenue adjusted for growth driven by management strategies, including extension of existing products in existing markets, offering new products and services, and expanding into new geographies.
- EBITDA margin is anticipated to increase over the forecast period, driven by efficiency initiatives to centralise and consolidate headcount and increase client service efficiency via platform upgrades. The successful delivery of Global Transformation Program, which is budgeted to achieve total annualised cost saving of AUD 75m by FY22 and extend into future years, along with investment made by Management over the short to medium term is expected to underpin Management's plan for EBITDA margin improvement over the longer term

We have made the following adjustments to management's forecasts:

- Working capital is based on a proportion of forecast revenue (1.5%), after considering a normalised forecast level of net working capital
- Capital expenditure is estimated to be 5% of revenue consistent with Link Group's FY22 guidance
- Management's forecast includes inorganic growth through certain acquisition targets, which are considered key to achieving targets in overseas markets. However, there are risks to such acquisitions especially when they are at such an early stage of evaluation and in our opinion, the inclusion of the value accretive benefits of such acquisitions would be inappropriate at this stage. We have deducted overhead costs from management's EBITDA as discussed in Section 5.3.3. This includes corporate head office costs that are not allocated to the business unit and stranded costs that will remain if the BCM business unit is sold
- We adopt an amount in the terminal year that reflects lease sustaining cashflows beyond the current lease term. This has been calculated with reference to the current level of lease expense, escalated for inflation to the terminal year
- We adopt an effective tax rate of 28.5%, consistent with the effective tax rate for Link Group.

5.4.1.2 Terminal growth rate

We have estimated a terminal value at the end of the forecast period using the perpetuity growth formula. We adopted an average long-term growth rate of 2.2%, which has been calculated based on long term inflation data available for the geographies where Link Group operates, weighted by FY21 revenue.

5.4.1.3 Discount rate

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor. We have selected a base case nominal after tax discount rate of 10% to 11% to discount the future cash flows to their present value. In selecting this discount rate range, we have considered the following:

- the required rate of return of comparable companies
- the debt-to-equity ratio of comparable companies

We used the capital asset pricing model as a frame of reference for the calculation of the discount rate, along with the following inputs:

- Cost of equity of 11.5% to 14.0% based on:
 - a risk-free rate of 2.8% based on the five-day average of the zero-coupon ten-year Australian government bond
 - an equity market risk premium of 6.25%
 - a Blume-adjusted levered beta of 1.08 to 1.29
 - a company specific risk premium of 2.0% to 3.0%, reflecting risk in management's forecasted cash flows, discussed further below
 - net debt to enterprise value ratio of 20% to 30%
 - pre-tax cost of debt of 5.7% to 5.9%
 - corporate tax rate of 28.5%.

This discount rate is higher than the range currently being disclosed by equity research analysts for Link Group (ranging from 7.5% to 9.0%), however we note that analysts have each adopted a risk-adjusted set of cash flows that are generally lower than management's forecasts, and would support the lower discount rate applied.

From a valuation perspective, it is generally preferable to make any valuation adjustments directly within cashflows, however there are certain risks in respect of Link Group's cash flows that do not lend themselves to reliable quantification, and therefore these need to be reflected in the discount rate, as described below:

- It is not possible to accurately reflect the potential impact of external risks faced by Link Group faces, such as aggressive pricing strategies from competitors and its exposure to adverse capital market movements
- A key assumption underpinning management's forecast is the investment in technology and digital infrastructure to remain competitive in all of the services that it offers. It is difficult to predict the rate of technological change that will occur over the forecast period, and the cost of any additional investment that may be required above what is planned
- Management's forecast does not assume any further impacts from the Woodford investigation in the FS business, however in our opinion there is both direct risk associated with the extent of any redress imposed by authorities, as well as ongoing reputational risk. Neither of these can be reliably quantified at this point in time
- Whilst considering only organic growth, management's forecast does not include a high revenue growth assumption, it assumes margin expansion from 25% in FY22 to 33% in FY26. While this improvement in margin is supported by the Global Transformation Program, there are risks that the program may not deliver results in line with management's expectations.

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We note that when the company-specific risk premium is excluded from our discount rate, the result is in line with the rates used by analysts.

5.4.1.4 Conclusion on DCF cross-check

The estimated enterprise value using the discounted cash flow approach is AUD 2,188m to AUD 2,461m using the discount rate range of 10% to 11%. This overlaps with our primary valuation outcome as set out below.

Table 35: Enterprise value

AUD m	Enterprise value	
	Low	High
Enterprise value – DCF ¹ cross check	2,188	2,461
Enterprise value – multiples primary approach	2,039	2,516

Notes:

1. The range of enterprise value using DCF method was calculated using the discount rate range of 10% to 11%
Source: Deloitte Corporate Finance analysis

5.5 BCM

In determining our valuation range for the BCM business, we have had regard to the following factors:

- The recent sale process – During the last quarter of 2022, Link Group received offers for the BCM business which then resulted in it allowing certain parties to undertake due diligence and provide definitive offers for the business. We consider that the offers received provide insights as to the value of the business
- Management's discounted cash flow analysis – Management of Link Group undertook an assessment of the value of the BCM business for financial reporting purposes as at 31 December 2021. We understand this analysis was the subject of review by the auditors. Consequently, we also consider this to provide insights to the value of the business.

Under the terms of the Scheme Implementation Deed, the proceeds (net of costs) capped at AUD 0.13 per share, from any disposal occurring within 12 months of the Implementation Date, would be distributed to Link Group shareholders by way of a dividend.

5.6 Valuation of Link Group's shares in PEXA

Set out in the table below is a summary of the assessed value of Link Group's 42.8% interest in PEXA.

Table 36: Valuation of Link Group's shares in PEXA

	Section	Unit	Low	High
Number of PEXA securities held by Link Group	4.5.6	m	75.8	75.8
PEXA security price	5.6.3	AUD	18.00	19.50
Value of PEXA shares held by Link Group		AUD m	1,365	1,479
Value of PEXA shares held by Link Group (rounded)		AUD m	1,370	1,480

Source: Deloitte Corporate Finance analysis

5.6.1 Analysis of recent security trading in PEXA

Since the IPO, 54.4m PEXA securities have been traded, representing 30.7% of PEXA's securities on issue. We consider that there is modest but adequate liquidity in PEXA securities.

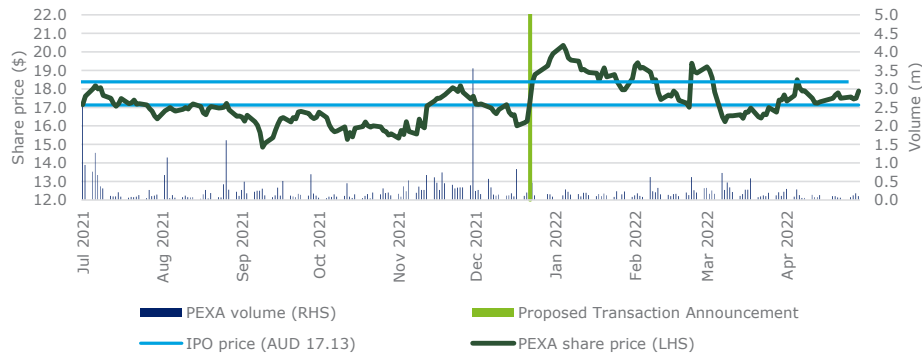
PEXA has a market capitalisation of AUD 3.2bn as at 30 April 2022. It is subject to the ASX's continuous disclosure requirements, and periodically releases reports detailing operational activities as well as financial information regarding its financial performance.

PEXA is also covered by four equity research analysts, between them adopting a range of fundamental valuation approaches to assess the value of PEXA on an ongoing basis. As at 30 April 2022, all four of the equity analysts had released reports within the preceding 3 months.

Due to the liquidity of PEXA's securities (17.9% in the last 6 months) and the amount of information available to the market regarding PEXA, we consider that the price of a PEXA security, as traded on the ASX, provides relatively strong evidence of the market value of PEXA.

The figure below illustrates PEXA's security price history from IPO to 30 April 2022.

Figure 27: PEXA security price performance



Source: S&P Capital IQ, ASX announcements, Deloitte Corporate Finance analysis

Since the IPO, the PEXA share price has generally traded between AUD 15.00 and AUD 20.00 per share. As at 30 April 2022, its most recent closing price was AUD 17.88 per security.

Since February 2022, equity analyst target prices are in the range of AUD 14.00 to AUD 22.00 per security, with a median of AUD 20.20, and a mean of AUD 18.73. The low end of the range seems to reflect concerns over uncertainty in the eConveyancing market with PEXA being the first digital property settlement platform in Australia as well as the possibility of PEXA’s competitive advantages being undermined following the introduction of interoperability in 2023.

Set out below is a summary of trading prices in PEXA shares since the IPO.

Table 37: Reference points for trading prices of PEXA shares

AUD	Share price
IPO price	17.13
Ranging of trading in the share price between 1 July 2021 to 30 April 2022	14.85 to 20.81
3-month VWAP to 30 April 2022	17.71
2-month VWAP to 30 April 2022	17.14
1-month VWAP to 30 April 2022	17.66
Last close price as of 30 April 2022	17.88

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Through December 2021 and January 2022 there was a considerable change in the trading price of PEXA shares, as shown in Figure 27 above. This coincided with the Proposed Scheme between Link Group and Dye & Durham and may be attributed to the market expecting that Dye & Durham may ultimately launch a takeover offer for PEXA and / or improved prospects for expansion into the Canadian market, as discussed in Section 4.5.7. Furthermore, prices after February 2022 take account of the release of the H1FY22 results and negative market sentiment towards technology companies, along with subsequently the initial concerns over the impacts of the Russia-Ukraine crisis and its possible impacts on the global and Australian economy. However, there still seems to be confidence around the ability of the company to grow in the UK market.

5.6.2 Other considerations

Link Group has a substantial, but not controlling, interest in PEXA. In considering whether a premium or discount would apply to Link Group’s interest in PEXA we considered the following:

- The rights attaching to Link Group’s interest as set out in Section 4.5.6, including that Link Group has the ability to nominate two out of seven Directors on the PEXA Board
- The number of PEXA shares owned by Link Group represents a large parcel that is likely to be difficult to liquidate in a timely manner absent an offer for the whole company, and without offering some discount to current trading in the shares to prospective investors
- PEXA is considered a desirable asset with infrastructure-like attributes. We consider there to be appetite for such investments in the Australian market, evident by historical transactions in land registry assets in various states in Australia. However, the trade sale process undertaken prior to the IPO resulted in offers at a discount to the value implied by the IPO and current trading in PEXA shares
- There are limited, if any, synergies available between Link Group and PEXA and equally, whilst a prospective acquirer of PEXA may see benefits in owning PEXA, given PEXA’s current position in the Australian e-conveyancing market, there are not likely to be substantial synergies available for immediate realisation.

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On balance, we consider that any argument for a premium would be somewhat offset by the arguments for a discount and as such, we do not consider any further adjustment to the selected share price is warranted.

It is also worthwhile highlighting that any disposal of PEXA shares by Link Group (outside of an in-specie distribution to Link Group shareholders) is likely to result in the crystallisation of a capital gains tax liability of c. AUD 200m for Link Group. Our valuation has not taken account of such a liability.

5.6.3 Cross-checks of our valuation of Link Group's shares in PEXA

We have cross-checked the valuation of PEXA by reference to the market multiples implied by trading in listed companies and transactions in comparable companies to PEXA as identified in Table 38.

We considered companies that are exposed to Australian real-estate technology and securities exchange services due to a limited number of companies directly comparable in the digital property settlement space with the industry being in relatively early stage of its lifecycle.

We have also considered relevant transactions that occurred over the past three years.

The EBITDA multiple implied by our valuation of Link Group's shares in PEXA is set out in the table below.

Table 38: EBITDA multiples implied by our valuation of Link Group's shares in PEXA

	Section	Unit	Low	High
Security price	5.6.1	AUD	18.00	19.50
Total shares outstanding	4.5.6	m	177.3	177.3
Equity value		AUD m	3,192	3,458
Net debt	4.5.4	AUD m	226	226
Enterprise value		AUD m	3,418	3,684
Historical (FY21) EBITDA	4.5.3	AUD m	94.4	94.4
Current (FY22) EBITDA	4.5.9	AUD m	110.0	110.0
H1FY22 EBITDA annualised ¹	4.5.3	AUD m	151.4	151.4
Historical (FY21) EBITDA multiple		times	36.2x	39.0x
Current (FY22) EBITDA multiple		times	31.1x	33.5x
H1FY22 EBITDA annualised multiple ¹		times	22.6x	24.3x

Notes:

1. EBITDA calculated before IPO related costs of AUD 23.5m (for the half year).

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

In assessing the reasonableness of the implied EBITDA multiple, we had regard to the multiple observed for listed companies, as set out in the table below:

Table 39: Comparable listed companies' financial and valuation metrics

	Enterprise value (AUDm)	Revenue growth (%) ¹	EBITDA margin (%)	EBITDA multiple (x)
ASX	9,507.5	5.1%	72.5%	13.0x
Domain	2,401.8	17.0%	36.1%	18.9x
REA Group	17,456.3	13.9%	60.4%	25.2x

Notes:

1. Revenue growth refers to CAGR for the historical to forecast period.

Source: Capital IQ, Companies' annual reports, Deloitte Corporate Finance analysis

The PEXA business is loosely comparable to ASX, Domain and REA Group to the extent that these companies are exposed to either the residential property sector in Australia or provide exchange settlement services in Australia. ASX operates Australia's primary securities and derivatives exchange platform whilst Domain and REA operate in the real estate media and technology services sectors. ASX has a lower multiple, largely driven by the lower projected growth as it operates in a mature market. PEXA, being in a new market has experienced strong revenue growth (c. 40%) for the past 2 years.

We also had regard to transactions involving the various state land registry businesses in Australia. This includes NSW Land Registry, VIC Land Titles Registry, Landgate WA and Land Services SA, across 2018 and 2019. These businesses are considered comparable to PEXA's operations as their business performance is closely linked to property transaction volumes and they have exclusive rights or monopolies in their respective markets.

Notwithstanding, there are some differences between PEXA and state land registries, including:

- Land registries are largely responsible for processing land titles, property transactions and valuation services through exclusive partnership with each of the state governments. Their core services are monopolised and therefore protected from competitive forces. PEXA is currently a monopoly, but competition is anticipated in the near future and is the subject to price regulation
- the transactions involving the land registries were subject to finite life concessions, with a lease period of between 35 to 40 years
- Land registry services are geographically limited to their state of jurisdiction.

These land registry concessions were reported to be transacted at EBITDA multiples in the range of 20.0 times to 35.0 times EBITDA.

Having regard to the above considerations, we consider the EBITDA multiple cross-check to be supportive of our valuation of PEXA.

5.7 Other assets and liabilities

5.7.1 Investments

As discussed in Section 3.3, Link Group has ownership interests in Smart Pension, Advanced Share Registry and Moneysoft. The assessed value of these interests is based on the fair value recorded in the financial statements as at 31 December 2021 of AUD124m.

5.7.2 Net debt

We have assessed Link Group's net debt based on the projected cash and debt balances at Implementation Date. Having regard to the most recent statement of financial position of the Group and other liabilities, cash flow from operations expected to be generated and capex expected to be incurred over the period to the Implementation Date, and following discussions with management, net debt is estimated to be in the range of AUD 1,085m to AUD 1,094m.

5.7.3 Minority interests

Link Group's minority interest balance as at 31 December 2021 was AUD 1m.

5.8 Shares on issue

Link Group currently has 513m shares on issue. In addition, 7.4m performance and share rights will vest under the terms of the Proposed Scheme and shares in Link Group will be issued to the relevant holders of the rights.

5.9 Cross-check – Implied price earnings ratio

As a cross check of our valuation, we have calculated the price to earnings multiple implied by our valuation and compared it to the multiple of the S&P/ASX 200 index. The price to earnings (PE) (based on H1FY22 (annualised)) multiple implied by our valuation is in the range of 22.4 times to 27.8 times.

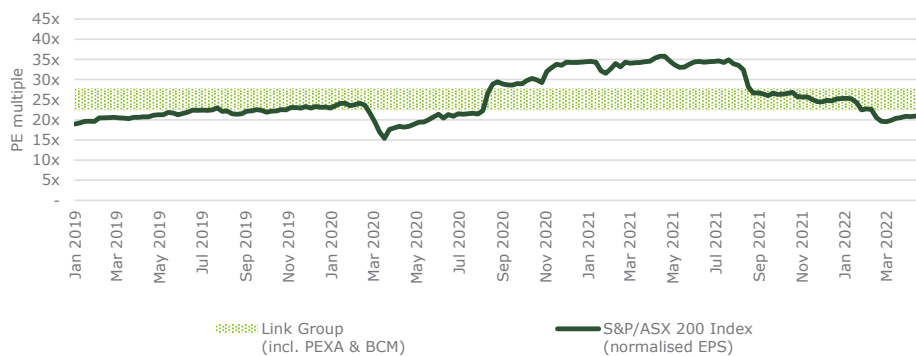
In the following figure, we compare this multiple range with the S&P/ASX 200 Index.

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Figure 28: PE multiple implied by our valuation compared to the S&P/ASX 200 index



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Our valuation implies a price earnings ratio slightly above the forecast price earnings ratio of the market as a whole. On the basis of this analysis, and having particular regard to the constituents of the S&P/ASX200 Index, the price earnings ratio implied by our valuation does not appear unreasonable and therefore this cross check provides support for our valuation.

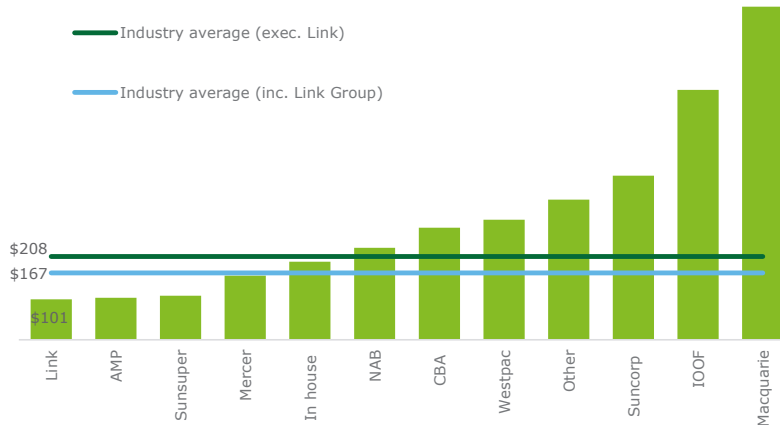
Appendix 1: Key industry themes

Superannuation fund administration (RSS)

Competitive environment

Link Group is the largest third-party superannuation administration services provider in Australia, which gives it a scale advantage and has allowed it to market itself as the lowest cost provider in the industry. The largest threat to the RSS business is the insourcing trend in the market, where superannuation funds take the administration functions back in-house with the support of various technology providers. Other competitors include the March & McLennan owned Mercer, whose 2016 acquisition of the NSW government’s back office superannuation business unit, Pillar, allowed it to gain market share and win new clients. Despite Mercer’s relatively smaller size, it is expected that both Link Group and Mercer will compete aggressively for any future outsourcing contracts that become available from the mid-sized superannuation funds.

Figure 29: Average administration fee per member account FY21



Source: Management presentation, Deloitte Corporate Finance analysis

High barriers to entry

Link Group’s client retention rate exceed 90% in both the Australian and UK markets¹⁴. Long term contracts of 2 to 5 years, operational and reputational risks along with 6 to 9 months of lead time to switch provider, creates a barrier to entry to Link’s competitors. Link is expected to continue to benefit from economies of scale, being the largest provider in the market, to continue reinvest into its platform and retain its existing customer base.

Increasing regulation and costs drive fund consolidation

Underperforming superannuation funds in Australia have been a focus area for industry regulators. There is an expectation that conduct reporting and financial obligations will be increasingly regulated and enforced, which will increase costs. According to a benchmarking report released by Rainmaker Information, the number of superannuation funds has halved since 2010, with the greatest level of consolidation being experienced by smaller funds¹⁵.

¹⁴ Morningstar Equity Research, Link Administration Holdings Ltd, 30 May 2021.

¹⁵ The Guardian, *Australian superannuation mergers cut number of funds by half in a decade*, 29 August 2021. Available from <https://www.theguardian.com/australia-news/2021/aug/29/australian-superannuation-mergers-cut-number-of-funds-by-half-in-a-decade>, accessed 24 January 2022

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The large number of mid-sized funds in the market provides opportunities for mergers, as many of these funds can benefit from the larger scale achieved by combining assets and resources with other funds. It is expected that Link Group's relatively large superannuation clients will continue to benefit from consolidation as smaller funds are absorbed. This consolidation activity is expected to pick up pace as a result of recent regulatory changes introduced by the Australian Government and APRA.

Outsourcing opportunities

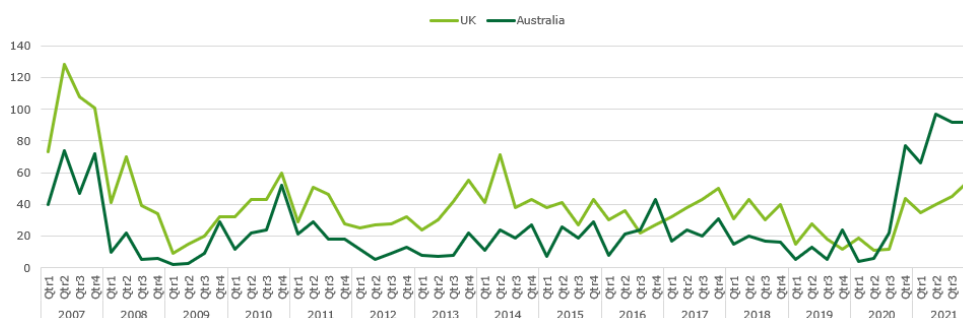
According to Morningstar¹⁶, 60% of the superannuation fund administration market is currently serviced in-house. In addition, the Big-4 banks, who have traditionally had a strong presence in the superannuation and broader wealth management sector, are in the process of exiting the sector. With the economies of scale through consolidation and continued pressures on funds to deliver services in a cost efficient manner, there could be further opportunities for outsourcing of administration services. However, the lead time on outsourcing is significant due to the complexities involved and the importance of managing member transition appropriately and as such we consider that growth from such opportunities is only likely to be realised over the medium to long-term.

Corporate Markets (CM)

Soft capital market activity in EMEA

Whilst both the European and Australian capital markets were initially impacted by a slow-down as a result of the economic impacts of COVID-19 during the course of 2020, Australia has shown a more robust recovery in 2021 compared to the UK as illustrated in Figure 30 below. These impacts were experienced across the world, however, were felt more intensely in EMEA due to the combination of both COVID-19 and Brexit. Despite the recovery in the number of IPOs in 2021, the overall number of new listings in both Australia and UK have been flat over the last 5 years, prompting Link Group to pivot towards growth markets such as India and Hong Kong.

Figure 30: ASX and London Stock Exchange new issues and IPOs (companies per calendar quarter)



Source: London Stock Exchange, S&P Capital IQ, Deloitte Corporate Finance analysis

ASX distributed ledger technology project

In December 2017, the ASX announced that it would replace its existing clearing and settlement system – known as CHES – with an application built on distributed ledger technology, more commonly known as blockchain. The project intends to maintain the ASX's role as the central counterparty but to remove duplicate processes that exist by virtue of the current system. It is currently in the build and test phase and has been delayed from its original timeframe to April 2023.

During the project, the ASX has requested input from key stakeholders, including Link Group, via a public consultation process. Importantly, following the initial feedback certain functionality that was initially considered to be a threat to registry providers – such as the introduction of a unique customer number for investors and electronic dividend reinvestment – appear to have been removed from the current design. As a result, it is unlikely the initial roll out will have a material impact on share registries' operations. However, such technologies could continue to pose a threat over the long-term and equally share registries will be required to invest substantially to pivot their operations to "talk to" such technologies and create value for their clients and end users.

¹⁶ Morningstar Equity Research, Link Administration Holdings Ltd, 7 November 2021.

Historical low cash rate affecting the registry business's profitability

As a response to the COVID-19 global pandemic, governments around the world have responded with fiscal packages and monetary policies, of which the decrease in base interest rate has been a common feature in both Australia and UK. Cash rates at historical lows for a prolonged period of time has had negative impact on the profitability of Link's registry business, where client funds are temporarily invested to earn margin income.

Competitive environment

Link Group's main competitor in the CM business unit is Computershare which is the largest provider of registry services in the world. Pricing is competitive across all service providers in all jurisdictions in which Link Group operates. Nonetheless, Link Group has invested heavily in its technology over recent years which is expected to allow it to deliver a more competitive and broader offering.

Fund Solutions (FS)

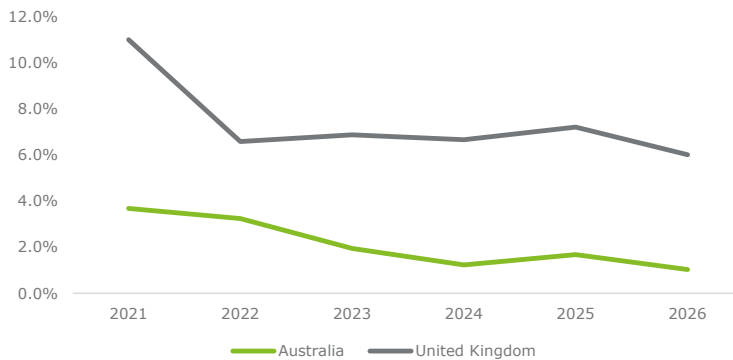
Competitive environment

There is an estimated GBP 12 trillion (AUD 19 trillion) assets under management in the UK, and EUR 18 trillion (AUD 30 trillion) in Europe, with the largest concentrations in Ireland, UK and Luxembourg. Although the industry is dominated by large investment banks in each region, there are over 1,300 providers operating in the UK alone, indicating a low level of industry concentration¹⁷. Link Group's FS business unit has an established footprint in all three of the key locations, putting it in an attractive position to capitalise on the increasing demand for outsourced services (refer to discussion regarding regulatory oversight below).

Industry outlook

As a result of market volatility from the COVID-19 pandemic stock indices around the world dropped significantly and industry assets under management and revenue reduced year-on-year. However, in the face of economic recovery, lower interest rates and the weight of monetary and fiscal policies fuelling capital over 2020 and 2021, demand for fund management services is expected to grow across all of Link Group's major jurisdictions over the next five years, further enabled by an ageing population, growing wealth and new and evolving investment products.

Figure 31: Forecast fund management industry revenue growth by region (%)



Source: IBISWorld, Deloitte Corporate Finance analysis

Australia

FUM (Funds under management) in Australia has benefited from funds sourced from overseas markets as well as a recovery from the initial shock caused by the COVID-19 pandemic. Despite this, revenue is forecasted to grow at a CAGR of 1.8% in the next 5 years due to rising competition. Overall, a growing inflow of funds and positive investment returns is expected for the future periods.

¹⁷ IBISWorld, Industry Research Report: Fund Management Activities in the UK, August 31, 2021.

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United Kingdom

Despite volatility in the early months of the COVID-19 pandemic, the industry recovered robustly in FY21, supported by a low interest rate environment, higher inflows from pension funds and retail investors. The industry's long-term outlook is also positive at a CAGR of 5.1% in the next 5 years, primarily due to structural shifts in societies – such as compulsory automatic superannuation enrolment in the UK – which will continue to support savings and investment, resulting in growth in assets under management¹⁸. Further, despite some year-on-year volatility, financial markets are anticipated to trend upwards, supporting industry growth. On the other hand, as a consequence of Brexit and the loss of passporting rights to the EU (European Union), UK-based managers are expected to face challenges with gaining access to the EU market.

Regulatory attention in the UK

The Woodford investigation which played out in the UK during mid-2019 brought heightened attention to authorised company directors, including those offered by Link Group. While Link Group was directly involved in the Woodford investigation, the Financial Conduct Authority in the UK, a non-government regulatory body, has taken a broad approach to its review, looking into not only the specific actions of those involved but also more generally the culture of governance over UK investment funds¹⁹. The review focused on the viability of the host Authorised Fund Management business model as well as conflicts of interest that may be present between investment managers and the relevant fund's authorised company directors. The resulting recommendations are expected to have significant impacts on the regulatory environment in which investment managers and authorised company directors operate, resulting in increased compliance costs for investment funds.

Growth in alternative assets

According to the IBISWorld report previously referenced, market players are seeing a shift in asset allocation, away from equities and fixed income toward alternative and mixed assets. These investments are often located in jurisdictions with low effective tax rates and more flexible tax regimes for foreign investors such as Ireland and Luxembourg and managed by boutique firms. Further, there is an increasing trend for boutique firms to outsource administration services relating to the investments they manage, allowing them to focus on core competencies. This presents opportunities for organisations such as Link Group with its strong market presence in these locations.

Banking and Credit Management (BCM)

NPL trends in Europe

Throughout 2020 and 2021, the COVID-19 pandemic has been raising concerns for the European regulators over possible high accumulation of NPLs in the EU banking system. While important progress has been made since the GFC to reduce the potential impact of financial stability issues in each jurisdiction in Europe, NPLs remain high in some jurisdictions and amongst certain banks.

In addition, given that most insolvency moratoria, employment protection schemes and central bank liquidity support measures unwind into 2022, a rapid new flow of NPLs could be highly detrimental, with the European Central Bank suggesting that NPL levels could reach EUR 1.4 trillion once COVID-related reliefs are withdrawn²⁰. As a result, total provisioning levels amongst the largest banks across UK, Spain, France, Germany and Switzerland have almost doubled year-on-year rising to EUR 118.1bn.

More recently, despite these headwinds, the EBA's Q3 2021 Risk Dashboard indicates the total stock of European bank NPLs decreased over the year. NPL volumes were down to EUR 419bn as of September 2021 (EUR 528bn in December 2020) with the NPL ratio falling to 2.5% in the same period (2.6% in Q4 2020). Loan volumes under current moratoria also decreased further to EUR 50bn (EUR 318bn in Q4 2020) and stage 2 ratio²¹ has contracted to 8.7% (9.1% in Q4 2020). This indicates consistent reduction in NPL volumes and effective mitigation of the banks' asset quality.

However, EU regulators remain concerned about the delayed impact due to time lag as the benefits of government measures begin to erode, with a potential increase forecasted over the medium to long term.

¹⁸ IBISWorld, Industry Research Report: Fund Management Activities in the UK, August 30, 2021.

¹⁹ FCA, *Review of host Authorised Fund Management firms*, 30 June 2021. Available from <<https://www.fca.org.uk/publications/multi-firm-reviews/host-authorised-fund-management-firms>>, accessed 24 February 2022.

²⁰ Deloitte UK, *Deleverage Europe*, June 2021

²¹ Stage 2 ratio indicates underperforming loans with significant increase in credit risk since initial recognition per IFRS9

A popular strategy is for the banks to sell distressed loans to third-party investors via a sale. These sales create opportunities for the BCM business unit as a specialist in management of established loan portfolios and liquidation and recovery of NPLs in these regions.

NPL opportunities in China

Different global economies are at different stages of their economic recovery. Link Group has previously announced its intention to explore the NPL markets in emerging economies such as China, where banks' NPL ratios – although much smaller than their European peers – grew to USD 541bn by the end of June 2021, with expectations that the trend will continue into the short term²².

The Australian eConveyancing market (PEXA)

The eConveyancing industry is undergoing a digital transformation with national roll-out of an electronic lodgement and settlement system. This system allows practitioners, financial institutions, and government bodies to lodge documents and complete settlements electronically. Such adoption has been further accelerated by the impacts of COVID-19 pandemic between 2020-21. In 2021, it is estimated that the total addressable market of eConveyancing in Australia was approximately AUD 280m.

Adoption of national eConveyancing

In 2008, the Council of Australian Governments committed to creating a single, national e-Conveyancing solution for the Australian property industry. In 2010, the New South Wales, Queensland and Victorian Governments established National e-Conveyancing Development Limited, now known as PEXA. In the following years each jurisdiction implemented the relevant laws adopting the national electronic conveyancing system. In August 2020, South Australia mandated electronic conveyancing, bringing the state in line with New South Wales, Victoria and Western Australia.

Market growth

The number of property transactions remained relatively flat from 2010 to 2019. The June 2020 quarter saw a significant decline in transaction numbers on the back of the COVID-19 pandemic before seeing sharp increase in volumes from December 2020 quarter due to the surge in the property market before normalising towards the end of 2021. The strong growth in the volume over 2020-21 benefited the eConveyancing market which is heavily reliant on property transactions. The market share in eConveyancing also grew to 79% (+10%) in FY21, as measured by PEXA's share of transactions. This trend is expected to continue to grow on the back of stabilising number of property transactions and the introduction of mandatory, streamlined eConveyancing policies in Australia.

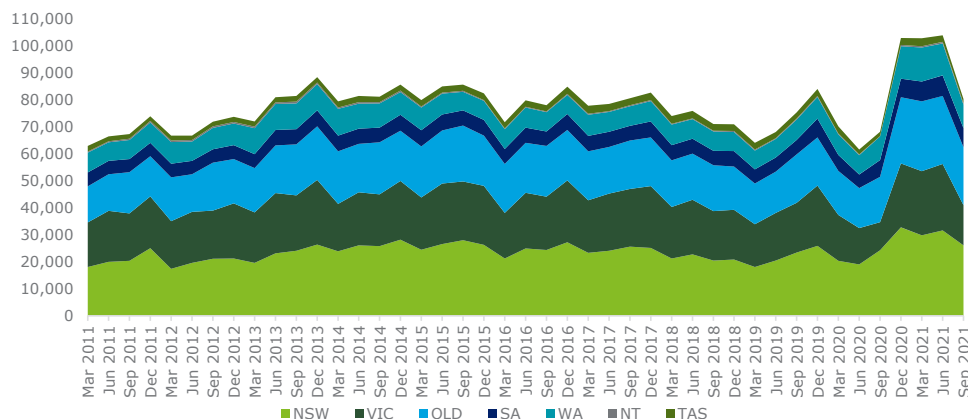
²² Reuters, *China's bank regulators warn of rising bad loans due to uneven recovery*, 14 July 2021. Available from <<https://www.reuters.com/business/finance/chinas-bank-regulator-warns-rising-bad-loans-due-uneven-recovery-2021-07-14/>>, accessed 24 January 2022.

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Figure 32: Number of established house transfers by state (quarterly)



Source: Australian Bureau of Statistics, Deloitte Corporate Finance analysis

Regulation and competition

The market in Australia for eConveyancing services is rapidly evolving and may face additional competition from domestic and international service providers. As the market continues to mature, it is expected that competition will intensify as the digital property settlement industry relies heavily on the ability to continue to innovate technical capability and increase subscribers' adoption of its platform and service offerings.

As at 30 June 2021, PEXA effectively held 79% market share of the Australian eConveyancing market. Only Sympli Australia Pty Ltd has been granted approval to operate whilst Lextech is seeking approval from the Australian Registrars' National Electronic Conveyancing Council (ARNECC). Sympli is a 50:50 joint venture between the ASX and Australian Technology Innovators Pty limited (parent company of InfoTrack, an Australian provider of eConveyancing technology and services).

From a regulatory perspective, the ARNECC is responsible for developing of regulatory framework for the industry and updating the operating requirements and participation rules for the ELNOs (Electronic lodgement network operators) and its subscribers.

Currently, the ARNECC has engaged the industry and Government to develop policies surrounding the interoperability²³ between the ELNOs in the Australian market which would allow streamlining across all transaction types and jurisdictions. Whilst core technical features of the interoperability model for ELNOs have been largely agreed, the actual development and implementation of the interoperability feature could have significant impact on the industry players and in particular PEXA who currently have a dominant position. Interoperability may require further cyber security requirements, operational and commercial agreements between ELNOs, customer integration and transfer/store of data which will impose additional compliance burdens and costs. Moreover, this feature may accelerate competition by facilitating integration between alternative service providers which ultimately reduces the reliance on a single ELNO to complete transactions.

Despite PEXA's strong market position, the entry of broader set of competitors and shift into interoperability between service providers may bring additional risks and intensify competition over the next few years.

²³ Interoperability refers to eConveyancing systems from different ELNOs being able to communicate with each other to complete a property transaction. At present, there is no interoperability between the systems, all parties to an electronic conveyancing transaction must use the same system.

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses are discussed below.

Market based methods

The market approach involves the determination of market value having regard to pricing and other metrics implied by market trading or transactions of comparable assets. Valuation methods commonly adopted under the market approach include:

- earnings multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The market multiple method estimates market value as the product of an entity's earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market trading and/or transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the market value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income approach

The income approach involves the determination of market value based on the present value of future amounts. The discounted cash flow method estimates market value by discounting an entity's future cash flows using an appropriate cost of capital to reflect the risks of the cash flows, to a net present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence, and is commonly used to value early stage companies or projects with a finite life.

Other methods under the income approach include option pricing models (such as Black Scholes-Merton formula or a binomial model) and the multi-period excess earnings method in the case of valuing intangible assets.

Cost approach

The cost approach involves the determination of market value based on the cost of replacement. Valuation methods under the cost approach estimate the market value of an entity's shares based on the realisable value of its identifiable net assets, and typically comprise:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method, except that it assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market value of the net assets of an entity, after deduction for the costs of operating the net assets of the business, but does not take account of realisation costs.

These methods ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill which may not be recognised on the balance sheet. Asset based methods are appropriate when companies are not profitable, or a significant proportion of an entity's assets are liquid, or for asset holding companies.

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Appendix 3: Comparable entities

We identified the following companies whose securities are traded on various securities exchanges, and we consider similar:

Table 40: Description of comparable listed companies

Name	Primary country of operations	Description
Advanced Share Registry Limited (ASX:ASW)	Australia	Advanced Share Registry provides share registry and other corporate services in Australia. The company offers a suite of registry services, including registry maintenance, capital raisings, corporate actions, company meetings, employee share plans, shareholder communications, and in-house printing services. It also engages in the property investment business.
ASX Limited (ASX:ASX)	Australia	ASX operates as a multi-asset class and integrated exchange company in Australia and internationally. The company provides listings, trading, clearing, settlement, technical and information services, and other post-trade services; securities and derivatives exchange, and ancillary services; and central counterparty clearing services. It also operates markets for a range of asset classes, including equities, fixed income, commodities, and energy; provides data and technology services to intermediaries, banks, information vendors, and software developers to enable them to make decisions, offer services to their clients, and connect with one another; and is involved in the registry, depository, and settlement activities, as well as delivery-versus-payment clearing of financial products.
Bravura Solutions Limited (ASX:BVS)	Australia	Bravura engages in the development, licensing, and maintenance of administration and management software applications for the wealth management and funds administration sectors in Australia, New Zealand, the United Kingdom, and internationally. The company operates through two segments, Wealth Management (contributing 66% to revenues) and Funds Administration (contributing 34% to revenues). It offers Sonata, a wealth management solution for the administration of a range of wealth management products; Sonata Alta, a digital operating model, which provides clients control over their customer's data, operations, and end customer experiences; Sonata Digital that provides digital service; Garradin, a private wealth and portfolio administration solution for the administration of retail and wholesale wealth management, trusts and estates, SMSFs, managed accounts, fund accounting, and tax; and ePASS, an online portal that provides online services for superannuation members and employers.
Broadridge Financial Solutions, Inc. (NYSE:BR)	United States	Broadridge provides investor communications and technology-driven solutions for the financial services industry worldwide. The company's Investor Communication Solutions segment processes and distributes proxy materials to investors in equity securities and mutual funds, as well as facilitates related vote processing services. The company's Global Technology and Operations segment offers desktop productivity tools, data aggregation, performance reporting, portfolio management, order capture and execution, trade confirmation, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and portfolio accounting and custody-related services.
Centrepoint Alliance Limited (ASX:CAF)	Australia	Centrepoint provides licensee and advice services, fund management and administration, and consulting services segments. The Licensee and Advice Services segment offers license services, which include licensing, systems, compliance, training, and technical advice to financial advisers and their clients, as well as mortgage broking services. The Fund Management and Administration segment provides investor directed portfolio services and investment management services to financial advisers, accountants, and their clients. The Consulting Services segment provides consulting services to self-licensed advisers and licensees.
Computershare Limited (ASX:CPU)	Australia	Computershare is one of Link Group's largest competitors for CM in Australia and BCM in Europe. It operates across six segments, with issuer services (registry maintenance corporate actions, stakeholder relationship management, corporate governance, and related services) representing 44% of FY21 revenue; and mortgage administration services generating 26% of revenue.
Domain Holdings Australia Limited (ASX:DHG)	Australia	Domain is a real estate media and technology company that focuses on the property market in Australia. The company offers property marketing services through listings primarily on its website and smartphone app, but also through social media and print magazines. It also generates revenue from advertisers looking to promote their products and services to consumers; and offers data and technology services to real estate agencies through customer relationship management software, property data subscriptions and research, and property inspection management tools.
E&P Financial Group Limited (ASX:EP1)	Australia	E&P engages in financial services business in Australia, the United States, and Hong Kong. It operates through three segments: E&P Wealth (45% of total revenues), E&P Capital (30% of total revenues), and E&P Funds (25% of total revenues). The E&P Wealth segment offers private wealth management, private client portfolio administration and reporting, self-managed superannuation fund administration, and legal services to self-managed superannuation trustees. The E&P Capital segment provides stockbroking and investment advisory services to institutional clients and advice to corporations. The E&P Funds segment offers investment management services, fund accounting and administration services, and responsible entity services to managed investment schemes.
EQT Holdings Limited (ASX:EQT)	Australia	EQT provides philanthropic, trust, investment, and estate services in Australia, the United Kingdom, and Ireland. It operates through Trustee and Wealth Services (47% of total revenues), Superannuation Trustee Services (19% of total revenues), and Corporate Trustee Services (33% of total revenues) segments. The Trustee and Wealth Services segment provides estate planning and management; charitable, compensation, community, and personal trust services; and wealth management and advisory services. The Superannuation Trustee Services segment offers trustee, custody, and investment management services for superannuation funds. The Corporate Trustee Services segment provides a range of global fiduciary services, and fund governance and trustee services for managed investment schemes.

Name	Primary country of operations	Description
Fiducian Group Ltd (ASX:FID)	Australia	Fiducian offers financial services in Australia and India. The company provides investor directed portfolio and separately managed accounts services; and acts as the trustee of fiducial superannuation services. It also offers fiducial funds; financial planning services; client account administration platforms; wrap platform administration services; and self-managed superannuation and corporate services.
HUB24 Limited (ASX:HUB)	Australia	HUB24 provides wealth management superannuation investment platforms, technology, and data solutions in Australia. The company develops and operates HUB24, an investment and superannuation platform, which is a portfolio administration services for financial advisers, stockbrokers, accountants and their clients, and direct consumers. It also provides application and technology products for the financial services sector, as well as license and consulting services for data management, software, and infrastructure.
Insignia Financial Ltd. (ASX:IFL)	Australia	Insignia (previously known as IOOF) provides financial advice, portfolio and estate administration, and investment management services in Australia. It offers financial planning advice and stockbroking services, such as investment research, training, compliance support, and access to financial products. The company also provides administration and management services through master trust platforms, which offer a single access point to a range of investment products.
IRESS Limited (ASX:IRE)	Australia	Iress designs and develops software and services for the financial services industry in Australia, New Zealand, Asia, North America, Europe, South Africa, and the United Kingdom. It offers client management, business automation, portfolio data, research, financial planning tools, scaled advice journeys, digital client solutions, data-driven compliance and analytics, and consent infrastructure-as-a-service; and market data, trading interfaces, order and execution management, smart order routing, FIX services, portfolio management, securities lending, analytical tools, algorithmic trading, market making, CFD clearing, post trade solutions, and trading and market data APIs.
Northern Trust Corporation (NasdaqGS: NTRS)	United States	Northern Trust Corporation provides wealth management, asset servicing, asset management, and banking solutions for corporations, institutions, families, and individuals worldwide. The Corporate & Institutional Services segment offers asset servicing and related services, including custody, fund administration, investment operations outsourcing, investment management, investment risk and analytical services, employee benefit services, securities lending, foreign exchange, treasury management, brokerage services. The Wealth Management segment offers trust, investment management, custody, and philanthropic; financial consulting; guardianship and estate administration; family business consulting; family financial education; brokerage services; and private and business banking services.
Perpetual Limited (ASX:PPT)	Australia	Perpetual provides funds management, portfolio management, financial planning, trustee, responsible entity and compliance services, executor services, investment administration and custody services, and mortgage processing services.
REA Group Limited (ASX:REA)	Australia	REA is an online property advertising business in Australia, Asia, and North America, offering properties for sale and other property-related services on its website and smartphone apps. It also provides mortgage broking and home-financing solutions. Consistent with PEXA, its revenues are dependent on the property market cycle, and it offers services to consumers and professionals throughout the property purchase process.
SS&C Technologies Holdings, Inc. (NASDAQ: SSNC)	United States	SS&C provides software products and software-enabled services to the financial services and healthcare industries. The company owns and operates technology that automates complex business processes, and helps its customers to manage requirements to process information. It has subsidiaries which offer various services to customers, the most relevant of which is SS&C Fund Services which offers fund administration services for hedge funds, funds of funds, private equity funds and managed account managers, similar to the Fund Services business unit of Link Group.
The Bank of New York Mellon Corporation	United States	The Bank of New York Mellon Corporation operates under two segments, being Investment Management (72% of FY19 revenue) and Investment Services (23% of FY19 revenue). The Investment Service segment offers custody, accounting, exchange-traded funds services, middle-office solutions, and transfer agency services, among other things. The Investment Management segment provides direct investment management strategies to asset managers, banks, broker-dealers, corporations, financial intermediaries, governments, high net worth individuals, insurance companies, non-profit organisations, pensions, and sovereign institutions.

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

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The following table summarises the multiples of the comparable companies considered:

Table 41: Comparable listed companies – Implied valuation multiples

Company	EBITDA margin (current)	CAGR revenue growth (historical to forecast)	Enterprise value (AUD m) ²	EBITDA times (historical)	EBITDA times (current)	EBITDA times (forecast)
Advanced Share Registry	n/a	n/a	44.1	14.5x	n/a	n/a
ASX	72.5%	5.1%	9,507.5	13.7x	13.0x	12.4x
Bravura	18.0%	9.3%	456.3	7.4x	9.5x	8.6x
Broadridge	21.4%	9.6%	20,995.1	20.7x	17.3x	15.8x
Centrepont	n/a	n/a	38.5	11.9x	n/a	n/a
Computershare	27.6%	15.3%	17,758.2	25.2x	17.7x	14.0x
Domain	36.1%	17.0%	2,401.8	23.9x	18.9x	15.6x
E&P	n/a	n/a	102.0	3.8x	n/a	n/a
EQT	40.6%	8.6%	534.7	14.4x	11.7x	11.0x
Fiducian	34.9%	n/a	231.8	11.3x	n/a	n/a
HUB24	34.8%	58.9%	1,889.0	69.6x	28.2x	18.9x
Insignia	26.1%	5.8%	2,610.0	10.1x	6.5x	6.3x
Iress	24.1%	5.4%	2,410.5	16.2x	15.9x	14.6x
Northern Trust	38.4%	10.0%	45,237.9	13.3x	11.7x	10.8x
Perpetual	32.8%	11.3%	2,066.5	12.7x	8.1x	8.0x
REA	60.4%	13.9%	17,456.3	30.9x	25.2x	21.8x
SS&C	39.6%	7.3%	33,254.9	12.6x	11.0x	10.1x
The Bank of New York Mellon Corporation	29.1%	5.4%	76,961.2	8.3x	11.1x	9.8x

Notes:

n/a = not available

1. For non-Australian companies, Enterprise value has been converted into AUD using spot rate as at 30 April 2022

Source: S&P Capital IQ, Companies' annual reports, Deloitte Corporate Finance analysis

Appendix 4: Comparable transactions

The following table provides a summary of merger and acquisition transactions identified:

Table 42: Comparable transactions

Target Name	Description
Sanne Group (acquired by Apex Group)	<p>Sanne provides corporate, fund and private client administration, reporting, and fiduciary services in Europe, the Middle East, Africa, the Channel Islands, North America, the Asia-Pacific, and Mauritius. The company offers fund services, including establishment, governance and administration, investor, financial reporting, and tax and regulatory compliance services; and corporate services comprising investment and treasury, employee incentives and independent trustee, tax, regulatory, compliance, and accounting and financial services, as well as governance, fiduciary, and administration services. In the lead up to the transaction, Sanne had undertaken a number of acquisitions which weren't fully reflected in its historical financial performance.</p> <p>Apex offers a suite of products and services, including fund set up, portfolio valuation, fund and portfolio accounting, shareholder, directorship, and listing sponsorship services. It also provides fund services, such as corporate secretarial administration, emerging manager incubation, fund formation or changing administration, fund of funds, investor servicing, private equity, tax services.</p>
Boardroom (acquired by Tower Capital)	<p>Boardroom provides professional business services in Singapore, Malaysia, Hong Kong, Australia, and China. It offers corporate secretarial services including company secretary services, as well as corporate secretarial consultancy, advisory, assistance, and support services. The company also provides share registry services comprising share registrar, unit registrar, share transfer agent, and transfer agency services for public listed corporations.</p> <p>Tower Capital Asia is a private equity firm based in Singapore with additional offices in London, United Kingdom and Seattle, Washington.</p>
AST (acquired by Siris Capital)	<p>AST is a leading provider of technology-enabled ownership data management, analytics, and advisory products and services to corporate issuers and mutual funds in the U.S. and private companies globally.</p> <p>Siris Capital is a private equity firm specialising in middle market, later stage, mature, industry consolidation, turnaround, special situations, and mid-market buyout investments. Upon completion of the transaction, Siris Capital combined AST with Equinity Group. It is expected to benefit from synergies from the strategic merger of two companies with complementary products, services and customers.</p>
Equiniti Group (acquired by Siris Capital)	<p>Equiniti provides administration and payment services worldwide. It offers shareholder management services, including share registration, dividends, meeting management, governance and investor relations; employee share plans, executive and discretionary share plans, private markets, and SaaS solutions; IPOs; and corporate actions.</p> <p>Siris Capital is a private equity firm specialising in middle market, later stage, mature, industry consolidation, turnaround, special situations, and mid-market buyout investments.</p>
Corporate Trust Services business - Wells Fargo (acquired by Computershare)	<p>The Corporate Trust Services (CST) business of Wells Fargo (a large US bank) provides trust and agency services in connection with debt securities issued by public and private corporations, government entities, and the banking and securities industries.</p> <p>Computershare (profiled in Appendix 3) provides similar services in the Canadian market and to a lesser degree in the US market. Computershare anticipated substantial synergies from the combination of the two businesses.</p>
Mainstream (acquired by Apex Group)	<p>Mainstream provides fund administration and custodian services for the financial services industry in the Asia Pacific, Americas, and Europe. Its services include investment administration and fund, fund accounting, unit registry, middle office, distressed assets administration, and corporate services to fund managers and listed companies.</p> <p>Apex offers a suite of products and services, including fund set up, portfolio valuation, fund and portfolio accounting, shareholder, directorship, and listing sponsorship services. It also provides fund services, such as corporate secretarial administration, emerging manager incubation, fund formation or changing administration, fund of funds, investor servicing, private equity, tax services.</p>
Xplore Wealth (acquired by HUB24)	<p>Xplore Wealth operates as an independent specialist platform provider and investment administrator with a specialisation in managed accounts in Australia. The company provides portfolio administration services, such as administration and reporting for client portfolios and Xplore wealth investment wrap and superannuation and pension service.</p> <p>HUB24 owns and operates HUB24, an investment and superannuation platform, which is a portfolio administration services for financial advisers, stockbrokers, accountants and their clients, and direct consumers.</p>
AST Investor Services (Canada) (acquired by TMX Group)	<p>The Canadian business of AST provides transfer agency, corporate trust, and related services to Canadian public and private companies.</p> <p>TMX Group Limited operates a number of equity, derivative and venture exchanges and clearing houses, notably Toronto Stock Exchange, TSX Venture Exchange, and Montreal Exchange. It also provides corporate trust, registrar, transfer agency, and foreign exchange services. The acquisition is expected to enhance TST business by adding a complementary portfolio of transfer agency, equity plan solutions, corporate trust and proxy-related services.</p>

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Target Name	Description
OneVue (acquired by Iress)	<p>OneVue provides various superannuation solutions in Australia. It operates through two segments – Fund Services segment offers managed fund and superannuation member administration services and Platform Services segment provides platform administration, including managed funds and accounts.</p> <p>Iress designs and develops software and services for the financial services industry in Australia, New Zealand, Asia, North America, Europe, South Africa, and the United Kingdom. It offers client management, business automation, portfolio data, research, financial planning tools, portfolio management, securities lending, analytical tools, algorithmic trading, market making, CFD clearing, post trade solutions, and trading.</p>
Business and Asset of Corporate Creations (acquired by Computershare)	<p>Corporate Creations provides corporate document filing, retrieval, and registered agent services.</p> <p>Computershare provides issuer, employee share plans and voucher, business, communication and utilities, technology, and mortgage and property rental services. It operates in Australia, New Zealand, Asia, Canada, Continental Europe, the United Kingdom, the Channel Islands, Ireland, Africa, and the United States.</p>
GBST (acquired by FNZ Group)	<p>GBST Holdings Limited provides client accounting and securities transaction technology solutions for the finance, banking, and capital market industries worldwide. Its offerings include GBST Syn™, a shares and derivatives platforms to process equities, managed funds and other transactions, and GBST Composer, a funds administration and management software for the wealth management industry. GBST also provides technology hub solutions, data analytics and quantitative services for the measurement of portfolio performance and website and mobile platform design and digital agency services.</p> <p>FNZ Group is a global wealth management platform, combining wealth management technology, IT infrastructure and back office operations under a platform as a service model. It services the asset management, insurance, banking and wealth management industries.</p>
Ausmaq (acquired by Clearstream)	<p>Ausmaq offers specialist custody of managed funds and term deposits for wrap platform providers and wealth managers in Australia. Its services include specialised custody services for managed funds, managed fund administration services, and managed fund pricing and data services.</p> <p>Clearstream, an international central securities depository, provides post-trade infrastructure and securities services for international and domestic markets. The company offers asset services, such as distribution and settlement processing of new issues, income and redemption payment processing, corporate actions, tax and proxy voting services, reporting, and safekeeping services; and cash and banking services, including commercial and central bank money services</p>
Ipes (acquired by Apex)	<p>Ipes provides fund administration, depository oversight and outsourced services to the private equity industry. The company offers a range of fund administration services, including fund launching and accounting, investment processing, investor relations, carried interest, outsourcing, compliance, banking, and depository services. It administers various types of private equity funds, including fund of funds, buyout funds, venture capital funds, listed funds and debt funds and offers administration services for special purpose vehicles, trusts, management companies and carry vehicles.</p>

Source: Mergermarket, Capital IQ, Deloitte Corporate Finance analysis

The following table provides a summary of valuation metrics in respect of the identified transactions:

Table 43: Comparable transactions – Implied valuation multiples

Date	Target	Acquirer	% Acquired	Total Transaction Value (AUDm)	Historical EBITDA margin (%)	Implied EV/ Revenue multiple	Implied EV/ EBITDA multiple
Aug-21	Sanne	Apex	100	3,076	27.9%	9.6x	34.4x
Aug-21	Boardroom	Tower Capital	100	313	49.0%	7.1x	14.5x
Jul-21	AST	Siris Capital	100	850	27.5%	n/a	10.8x
Apr-21	Equiniti	Siris Capital	100	1,747	16.1%	2.0x	12.7x
Mar-21	Corporate Trust Services - Wells Fargo	Computershare	100	1,050	17.6%	1.6x	8.9x ¹
Oct-20	Mainstream	Apex	100	386	11.4%	5.9x	51.5x, 20.6x ²
Oct-20	Xplore Wealth	HUB24	100	57	3.6%	2.5x	n/m, 11.9x ²
Sep-20	AST Investor Services (Canada)	TMX Group	100	184	28.2%	3.5x	12.6x
Jun-20	OneVue	Iress	100	107	13.5%	2.3x	16.9x, 14.5x ²
Feb-20	Corporate Creations	Computershare	100	212	n/a	4.1x	n/a
Dec-19	GBST	FNZ Group	100	244	19.7%	2.6x	13.1x, 12.5x ²
May-19	Ausmaq	Clearstream	100	39	33.2%	3.2x	9.6x
Feb-19	Ipes	Apex	100	263	n/a	n/a	15.2x ³

Note:

n/m = not meaningful; n/a = not available

1. Implied EV/ EBITDA multiple calculated using LTM EBITDA as of 31 December 2020

2. Implied EV/ EBITDA multiple calculated using adjusted EBITDA per the IER issued in respect of the transaction

3. Multiple sought directly from Mergermarket as Deloitte Corporate Finance was not able to verify against the company's financial

Source: Mergermarket, Capital IQ, Deloitte Corporate Finance analysis

Independent Expert's Report

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Appendix 5: Context to the report

The report has been prepared at the request of the Directors and is to be included in the Scheme Booklet to be provided to Link Group securityholders for approval of the Proposed Scheme. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Scheme and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Link Group securityholders and the Directors, in respect of this report, including any errors or omissions however caused.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is fair and reasonable to, and is the best interests of, Link Group securityholders.

The report has been prepared having regard to professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Individual circumstances

We have evaluated the Proposed Scheme for Link Group securityholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual securityholders. Due to their particular circumstances, individual securityholders may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Scheme is fair and reasonable, and in their best interests. If in doubt, securityholders should consult an independent adviser, who should have regard to their individual circumstances.

Limitations

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Link Group and its officers, employees, agents or advisors. Deloitte 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. Drafts of our report were issued to the executives of Link Group for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by Link Group and its officers, employees, agents or advisors, Link Group has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Link Group may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Link Group and its officers, employees, agents or advisors or the failure by Link Group and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

To the extent that this report refers to prospective financial information, we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of Link Group and its officers, employees, agents or advisors and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for Link Group included in this report has been prepared on a reasonable basis consistent with the requirements of ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information relating to Link Group referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Qualifications

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu.

The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Partner, B.Bus, M.Comm, CA, F.Fin. Tapan has many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- Link Group proposes to issue the Scheme Booklet in respect of the Proposed Scheme
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review (Draft Scheme Booklet)
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report as Annexure 1 of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the Draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report as Annexure 1 of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included as Annexure 1.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- Link Group annual reports and investors presentations for the year ending 30 June 2019, 30 June 2020 and 30 June 2021
- Link Group half year reports and investors presentations for the year ending 31 December 2019, 31 December 2020 and 31 December 2021
- draft copies of the Scheme Booklet
- historical financial reports for Link Group
- the contents of a data room made available to Dye & Durham
- The Scheme Implementation Deed
- Term sheet and proposals received from LC Financial Holdings in respect of the acquisition of the BCM business
- Non-binding indicative offer letter received from FNZ Group in respect of the acquisition of the RSS business
- Link Group websites
- Information provided by executives of Link Group with respect to the business and operations of Link Group and its assets and liabilities
- Information published by third party subscription providers such as Refinitiv, S&P Capital IQ, Mergermarket and IBIS World
- other publicly available information, media releases and broker reports on Link Group, the comparable companies and the business services sector.

In addition, we have had discussions and correspondence with certain directors and executives of Link Group in relation to the above information and to current operations and prospects.

Independent Expert's Report

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Annexure 2

Scheme of arrangement

Scheme of arrangement



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Scheme of arrangement – share scheme

Link Administration Holdings Limited

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000
herbertsmithfreehills.com DX 361 Sydney



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Scheme of arrangement – share scheme

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

Between the parties

Link	Link Administration Holdings Limited ACN 120 964 098 of Level 12, 680 George Street, Sydney NSW 2000, Australia
Scheme Shareholders	Each holder of Link Shares recorded in the Link Share Register as at the Scheme Record Date

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Link is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. Link Shares are quoted for trading on the ASX.
- (b) As at the date of the Implementation Deed, 512,987,481 Link Shares were on issue.
- (c) Bidder is a private company limited by shares registered in Ontario, Canada.
- (d) Pursuant to clause 4.3 of the Implementation Deed, Bidder may nominate a subsidiary of Bidder (Nominee) to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with this Scheme.
- (e) If this Scheme becomes Effective:

Scheme of arrangement

continued



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3 Conditions

- (1) Bidder and Nominee must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder (or Nominee) and Link will enter the name of Bidder (or Nominee) in the Link Share Register in respect of the Scheme Shares.
- (f) Link and Bidder have agreed, by executing the Implementation Deed, to implement this Scheme (among other things).
- (g) This Scheme attributes actions to Bidder and Nominee (as applicable) but does not itself impose an obligation on them to perform those actions. Bidder and Nominee have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect (and will not become Effective) until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in clause 3.1(d) of the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Bidder and Link;
- (d) subject to clause 8.1, such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Bidder and Link having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act, on or before the End Date (or any later date Link and Bidder agree in writing).

3.2 Certificate

- (a) Link and Bidder will provide to the Court on the Second Court Date a certificate (signed for and behalf of Link and Bidder respectively), or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.



3.3 Termination

Without limiting any rights under the Implementation Deed, if the Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, each of Bidder and Nominee (if applicable) are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

3.4 End Date

Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Link and Bidder otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Link must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme (or such later date as agreed in writing by Bidder).

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Base Scheme Consideration in the manner contemplated by clause 5.1(b), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder (or Nominee), without the need for any further act by any Scheme Shareholder (other than acts performed by Link as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) Link delivering to Bidder (or Nominee) a duly completed Scheme Transfer to transfer all of the Scheme Shares to Bidder (or Nominee) executed on behalf of the Scheme Shareholders by Link as attorney and agent, for registration; and
 - (2) Bidder (or Nominee) duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Link for registration; and
- (b) Immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Link must enter, or procure the entry of, the name of Bidder (or Nominee) in the Link Share Register as the registered holder of all the Scheme Shares.

Scheme of arrangement

continued



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5 Scheme Consideration

5 Scheme Consideration

5.1 Provision of Base Scheme Consideration

- (a) Subject to clause 5.1(d), Bidder (or Nominee) must, and Link must use its best endeavours to procure that Bidder (or Nominee) does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to difference between the aggregate cash amount of the Base Scheme Consideration payable to all Scheme Shareholders and the aggregate of all Additional Dividends, into the Trust Account, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), Link must pay or procure the payment of the Base Scheme Consideration (as adjusted to deduct the amount of any Additional Dividends) to each Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of Link under clause 5.1(b) will be satisfied by Link (in its absolute discretion, and despite any election referred to in clause 5.1(c)(1) or authority referred to in clause 5.1(c)(2) made or given by the Scheme Shareholder):
 - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Link Registry to receive dividend payments from Link by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Link; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.1(i)).
- (d) If Bidder (or Nominee) is required by Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) to pay amounts to the Australian Taxation Office (**ATO**) in respect of the acquisition of Link Shares from certain Scheme Shareholders, Bidder (or Nominee) is entitled to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders and remit those amounts to the ATO. Bidder (or Nominee) will not be obliged to increase the aggregate sum paid to Scheme Shareholders by the amount of the deduction and the net aggregate sum payable to those Scheme Shareholders should be taken to be in full and final satisfaction of amounts owing to those Scheme Shareholders. Bidder (or Nominee) must pay any amount to the ATO in the time permitted by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.



- (e) Bidder (or Nominee) and Link will use all reasonable endeavours to obtain clearance from the ATO (**Withholding Clearance**) such that withholding is not require under Subdivision 14-D. Link will provide all reasonably requested information in connection with the Withholding Clearance within a reasonable timeframe, having regard to the nature of the request.
- (f) To the extent that, following satisfaction of Link's obligations under clause 5.1(b), there is a surplus in the amount held by Link as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by Link to Bidder(or Nominee).
- (g) Following the Implementation Date and during the Deferred Returns Period, to the extent any additional Scheme Consideration is required to be paid to Scheme Shareholders in accordance with clause 4.4(d)(2) of the Implementation Deed (and clause 3.2 of the Deed Poll), clauses 5.1(a) to 5.1(d) apply to Link as if the reference to Base Scheme Consideration was to that additional Scheme Consideration except that the reference to that the reference to payment being required by no later than the Business Day before the Implementation Date will instead be to no later than the Business Day before the earlier of the date that is three weeks after proceeds are received by Link and the date that is twelve months after the Implementation Date.
- (h) For the avoidance of doubt, clause 5.1(g) will cease to apply once the Deferred Returns Period has expired and all BCM Sale Proceeds received during the Deferred Returns Period (up to a maximum amount of \$0.13 per Scheme Share) have been returned to the Scheme Shareholders in accordance with clause 4.4(d)(2) of the Implementation Deed (and clause 3.2 of the Deed Poll).
- (i) If, following satisfaction of Bidder's (or Nominee's) obligations under clause 5.1(a) but prior to the occurrence of all of the events described in clause 4.2(a), this Scheme lapses under clause 3.4, Link must immediately repay (or cause to be repaid) to or at the direction of Bidder (or Nominee) the funds that were deposited in the Trust Account plus any interest on the amounts deposited (less bank fees and other charges).

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Link, the holder whose name appears first in the Link Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clauses 5.1(c)(1) or 5.1(c)(2), in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Link, the holder whose name appears first in the Link Share Register as at the Scheme Record Date or to the joint holders.

5.3 Unclaimed monies

- (a) Link may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to Link; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.

Scheme of arrangement

continued



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5 Scheme Consideration

- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Link (or the Link Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Link must reissue a cheque that was previously cancelled under this clause 5.3.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).
- (d) Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of Bidder.

5.4 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.5 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Link's obligations under the other provisions of this clause 5 and provided Bidder (or Nominee) has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the terms of this Scheme, the Deed Poll and the Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Link (or the Link Registry on Link's behalf) to Bidder (or Nominee).

5.6 Orders of a court or Government Agency

- (a) If written notice is given to Link (or the Link Registry) or Bidder, of an order or direction made by a court of competent jurisdiction or by another Government Agency that:
 - (1) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Link in accordance with this clause 5, then Link shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (2) prevents Link from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Link shall be entitled to (as applicable) retain an amount, in Australian dollars, in relation to Base Scheme Consideration, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Base Scheme Consideration until such time as provision of the Base Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law or in relation to any additional Scheme Consideration equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the total additional Scheme Consideration until such time as provision of that Scheme Consideration in



accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

- (b) To the extent that amounts are so deducted or withheld in accordance with clause 5.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6 Dealings in Link Shares

6.1 Determination of Scheme Shareholders

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

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

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

6.2 Register

- (a) Link must register, or cause to be registered, registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Link to register a transfer that would result in a Link Shareholder holding a parcel of Link Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Link shall be entitled to disregard any such disposal, purported disposal, agreement or other dealing.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Link must maintain the Link Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Link Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Link Shares (other than statements of holding in favour of Bidder(or Nominee)) will cease to have effect after the Scheme

Scheme of arrangement

continued



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7 Quotation of Link Shares

Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Link Share Register (other than entries on the Link Share Register in respect of Bidder (or Nominee)) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Link Shares relating to that entry.

- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Link will ensure that details of the names, Registered Addresses and holdings of Link Shares for each Scheme Shareholder as shown in the Link Share Register are available to Bidder (or Nominee) in the form Bidder (or Nominee) reasonably requires.

7 Quotation of Link Shares

- (a) Link must apply to ASX to suspend trading on the ASX in Link Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Bidder, Link must apply:
- (1) for termination of the official quotation of Link Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

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

- (a) Link may, by its counsel, consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Link has consented to in accordance with clause 8.1(a).

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of Bidder (or Nominee), destroy any holding statements or share certificates relating to their Link Shares;
 - (4) who holds their Link Shares in a CHESS Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises Link to do anything necessary or expedient



- (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
- (5) acknowledges and agrees that this Scheme binds Link and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting)
- (b) Each Scheme Shareholder is taken to have warranted to Link, Bidder and Nominee on the Implementation Date, and appointed and authorised Link as its attorney and agent to warrant to Bidder and Nominee) on the Implementation Date, that:
- (1) all its Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to Bidder (or Nominee) together with any rights and entitlements attaching to those shares. ;
- (2) it has full power and capacity to sell and to transfer its Scheme Shares together with all rights and entitlements attaching to those shares to Bidder (or Nominee) under this Scheme; and
- (3) it have no existing right to be issued any Link Shares, Link Equity Incentives, or any other Link equity securities.
- (c) Link undertakes that it will provide the warranty in clause 8.2(b) to Bidder and Nominee as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder (or Nominee) will, at the time of transfer of them to Bidder (or Nominee), vest in Bidder (or Nominee) free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Base Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1, Bidder (or Nominee) will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Link of Bidder (or Nominee) in the Link Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Base Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1(b), and until Link registers Bidder (or Nominee) as the holder of all Scheme Shares in the Link Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder (or Nominee) as attorney and agent (and directed Bidder or Nominee in each such capacity) to appoint any

Scheme of arrangement

continued



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9 General

director, officer, secretary or agent nominated by Bidder (or Nominee) as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

- (b) must not, and undertakes to Bidder and Nominee not to, attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder (or Nominee) reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Bidder (or Nominee) and any director, officer, secretary or agent nominated by Bidder (or Nominee) under clause 8.4(a) may act in the best interests of Bidder (or Nominee) as the intended registered holder of the Scheme Shares.

8.5 Authority given to Link

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Link and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Bidder and Nominee, and Link undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder and Nominee on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Link and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing and delivering the Scheme Transfer,

and Link accepts each such appointment. Link as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

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

9 General

9.1 Stamp duty

Bidder and Nominee:



- (a) must pay all stamp duty and any related fines and penalties payable in respect of the transfer by the Scheme Shareholders of the Scheme Shares to Bidder (or Nominee) pursuant to this Scheme or the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Link doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Link or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Link, 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 Link's registered office or at the office of the Link Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by any Link Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Link must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Shareholder) required by law or necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that none of Link, Bidder or Nominee nor any director, officer, secretary or employee of any of Link, Bidder, or Nominee, shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Scheme of arrangement

continued



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Schedule 1

Definitions and interpretation

1 Definitions

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

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
Additional Dividend	has the meaning given to it in clause 4.4(e) of the Implementation Deed.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Base Scheme Consideration	for each Scheme Share, \$5.50 cash divided by the number of Scheme Shares.
Bidder	Dye & Durham Corporation.
Bidder Group	Bidder and its Subsidiaries and a reference to a Bidder Group Member is to any one of them.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia or Toronto, Canada.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.



Term	Meaning
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and Link.
Deed Poll	the deed poll in the form of Attachment 1 or such other form as agreed in writing between the parties under which Bidder and Nominee (if any) covenant in favour of the Scheme Shareholders to perform the obligations attributed to Bidder and Nominee (if any) under this Scheme.
Deferred Returns Period	has the meaning given in the Implementation Deed.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	<ol style="list-style-type: none">1 30 September 2022; or2 such other date as agreed in writing by the parties.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing or is ordered by the Court or required by ASX.
Implementation Deed	the scheme implementation deed dated 22 December 2021 between Link and Bidder relating to the implementation of this Scheme (as amended on 22 March 2022).
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.

Scheme of arrangement

continued



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Schedule 1 Definitions and interpretation

Term	Meaning
Link	Link Administration Holdings Limited ACN 120 964 098.
Link Equity Incentives	Link Equity Rights and Link Restricted Shares.
Link Equity Rights	any rights to Link Shares issued under employee incentive arrangements of the Link Group.
Link Group	Link and each of its Subsidiaries, and a reference to a Link Group Member is to Link or any of its Subsidiaries. For the avoidance of doubt, Link Group does not include PEXA or any of its Subsidiaries.
Link Registry	Link Market Services Limited ABN 54 083 214 537.
Link Restricted Shares	the Link Shares which are subject to any restrictions (including vesting conditions, disposal restrictions, holding locks, forfeiting restriction or service conditions).
Link Share	a fully paid ordinary share in the capital of Link.
Link Shareholder	each person who is registered as the holder of a Link Share in the Link Share Register.
Link Share Register	the register of members of Link maintained in accordance with the Corporations Act.
Listing Rules	the official listing rules of ASX.
Nominee	has the meaning given to it in clause 4.3 of the Implementation Deed.
Operating Rules	the official operating rules of ASX.
PEXA	PEXA Group Limited ACN 629 193 764.
Registered Address	in relation to a Link Shareholder, the address shown in the Link Share Register as at the Scheme Record Date.



Term	Meaning
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Link and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.2 of the Implementation Deed.
Scheme Consideration	the consideration to be provided by Bidder (or Nominee) to each Scheme Shareholder for the transfer to Bidder (or Nominee) of each Scheme Share, being for each Link Share held by a Scheme Shareholder as at the Scheme Record Date an amount determined in accordance with clause 4.4(d) of the Implementation Deed.
Scheme Meeting	the meeting of the Link Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme Resolution and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Resolution	the resolution to approve this Scheme to be considered by Link Shareholders at the Scheme Meeting.
Scheme Shareholder	a Link Shareholder as at the Scheme Record Date.
Scheme Shares	all Link Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder (or Nominee) as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.

Scheme of arrangement

continued



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Schedule 1 Definitions and interpretation

Term	Meaning
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Trust Account	an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the <i>Banking Act 1959</i> (Cth)) operated by Link (or the Link Registry) as trustee for the Scheme Shareholders.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;



- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules, Settlement Rules, and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

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

Scheme of arrangement

continued



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Attachment 1

Deed Poll

[Attached]

Annexure 3

Deed Poll



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Deed

Share scheme deed poll

Bidder

Nominee



Share scheme deed poll

Date ►

This deed poll is made

By Dye & Durham Corporation
of Level 4, 24 Campbell Street Sydney NSW 2000
(Bidder)
and
Link Acquisition Australia Pty Ltd ACN 659 235 631
of Level 20, 535 Bourke Street Melbourne VIC 3000
(Nominee)

in favour of each person registered as a holder of fully paid ordinary shares in Link Administration Holdings Limited ACN 120 964 098 (**Link**) in the Link Share Register as at the Scheme Record Date.

Recitals

- 1 Link and Bidder have entered into the Implementation Deed.
- 2 In the Implementation Deed, Bidder agreed to make this deed poll and to procure that Nominee make this deed poll.
- 3 Bidder and Nominee are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to each of them under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
Additional Dividend	has the meaning given to it in clause 4.4(e) of the Implementation Deed.



Term	Meaning
BCM Business	has the meaning given in the Implementation Deed.
BCM Sale Proceeds	has the meaning given in the Implementation Deed.
Deferred Returns Period	has the meaning given in the Implementation Deed.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the scheme implementation deed entered into Link and Bidder dated 22 December 2021 (as amended on 22 March 2022).
Link	Link Administration Holdings Limited ACN 120 964 098.
Scheme	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Link and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is set out in Attachment 1 (or such other form as agreed in writing by Bidder and Link), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.2 of the Implementation Deed.

Share Capital Return has the meaning given in the Implementation Deed.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Bidder and Nominee acknowledge that:



- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Link 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 Bidder and Nominee.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Bidder and Nominee under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder and Nominee under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective on or before the End Date,

unless Bidder, Nominee and Link otherwise agree in writing (and, if required, as approved by the Court).

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and Nominee are released from their obligations under this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Bidder and Nominee in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to pay Scheme Consideration

Subject to clause 2:

- (a) Nominee undertakes, and Bidder undertakes to procure Nominee, in favour of each Scheme Shareholder to deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the difference between the aggregate amount of the Base Scheme Consideration payable to all Scheme Shareholders under the Scheme and the aggregate of all Additional Dividends into an Australian dollar denominated trust account operated by Link as trustee for the Scheme



Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to Nominee's account;

- (b) Bidder undertakes in favour of each Scheme Shareholder that, in the event Nominee will not or does not fulfil its obligations under clause 3.1(a), Bidder will perform those obligations as if the references to Nominee in clause 3.1(a) were references to Bidder; and
- (c) each of Bidder and Nominee undertakes in favour of each Scheme Shareholder to undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to each of them under the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

3.2 Undertaking to return BCM Sale Proceeds

- (a) Subject to clause 2, in consideration for the transfer to Bidder of the Scheme Shares in accordance with the Scheme, Bidder covenants in favour of each Scheme Shareholder that it will:
 - (1) if none or not all of the BCM Sale Proceeds have been received by the Link Group by the date that is two Business Days before the Implementation Date (including where no sale for the BCM Business has been entered into by that time), then on and from the Implementation Date, use its best endeavours to pursue (or procure that the relevant Link Group Members pursue) the sale of the BCM Business during the Deferred Returns Period; and
 - (2) to the extent any BCM Sale Proceeds are received pursuant to clause 3.2(a)(1) during the Deferred Returns Period, hold such proceeds up to a maximum amount of \$0.13 cash per Scheme Share for the benefit of the Scheme Shareholders and procure that they are promptly returned to the Scheme Shareholders in accordance with the respective holding of Scheme Shares of each Scheme Shareholder as at the Record Date in accordance with clause 3.3. For the avoidance of doubt, the maximum of any BCM Sale Proceeds required to be returned to Scheme Shareholders under this clause is \$0.13 cash per Scheme Share.
- (b) For the avoidance of doubt, Bidder's obligations under this clause 3.2 will cease to apply once the Deferred Returns Period has expired and any BCM Sale Proceeds received during the Deferred Returns Period (up to a maximum amount of \$0.13 cash per Scheme Share) have been returned to the Scheme Shareholders in accordance with clause 4.4(d)(2) of the Implementation Deed and clause 3.2(a)(2).

3.3 Payments to Scheme Shareholders

Any payments to be made to Scheme Shareholders under clause 3.2 must be:

- (a) paid in the same manner that Link determines to pay the Base Scheme Consideration to each Scheme Shareholder under clause 5.1(a) of the Scheme; and
- (b) otherwise made in accordance with clauses 5.2, 5.3, 5.4, 5.5 and 5.6 of the Scheme on the basis that references to 'Base Scheme Consideration' are references to 'BCM Sale Proceeds', except that the reference to payment being required by no later than the Business Day before the Implementation Date will instead be to no later than the Business Day before the earlier of the date that is three



weeks after proceeds are received by Link and the date that is twelve months after the Implementation Date.

4 Warranties

Each of Bidder and Nominee represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has full capacity, corporate power and lawful authority to execute, deliver and enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution or articles of association, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder and Nominee have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Bidder and Nominee in accordance with the details set out below (or any alternative details nominated by Bidder or Nominee by Notice).

Attention

Charlie MacCready



Address	199 Bay Street, Suite 4610, Toronto, Ontario M5L 1E9
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Email address	charlie.maccready@dyedurham.com
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with a copy to:

Rory Moriarty, Partner
rmoriarty@claytonutz.com

David Indula, Senior Associate
dindula@claytonutz.com

Kimberley Grellinger, Lawyer
kgrellinger@claytonutz.com

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), in the place nominated by the addressee as its address in clause 6.1(b), then the Notice will instead be regarded as given and received at the start of the following business hours period in that place.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By express post to the nominated address	At 9.00am (addressee's time) on the fourth Business Day after the date of posting
By email to the nominated email address	<p>The earlier of:</p> <ol style="list-style-type: none"> 1 when the recipient's email server generates a message to the sender confirming that the email has been delivered to that server ("delivery receipt"), or at the time that the recipient "read" the email as stated in an automated message received by the sender ("read receipt"); 2 the time that the recipient confirms receipt of the email by reply email to the sender; and 3 four hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that four



hour period, an automated message that the email has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

7 General

7.1 Stamp duty

- (a) Nominee:
 - (1) must pay all stamp duty and any related fines and penalties payable in respect of the Scheme and this deed poll and the transfer by the Scheme Shareholders of the Scheme Shares to Nominee pursuant to the Scheme; and
 - (2) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a)(1).
- (b) In the event that Nominee will not or does not fulfil its obligations under clause 7.1(a), Bidder:
 - (1) must perform those obligations; and
 - (2) indemnifies each Scheme Shareholder against liability arising from failure to comply with clause 7.1(b)(1).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) Bidder and Nominee irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll.
- (c) Bidder and Nominee irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Service of process

- (a) Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 6.
- (b) Bidder and Nominee each irrevocably appoints Clayton Utz as its agent for the service of process in Australia in relation to any matter arising out of this deed. If Clayton Utz ceases to be able to act as such or have an address in Australia,



Bidder and Nominee each agree to appoint a new process agent in Australia and deliver to the other party within 10 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed. Bidder and Nominee must inform Link in writing of any change in the address of its process agent within 10 Business Days of the change.

- (c) As soon as reasonably practicable after the date of this deed, and no later than 3 Business Days after the date of this deed, Bidder must obtain from its foreign counsel in the jurisdiction in which it is incorporated, and provide to Link, a written legal opinion, in a form agreed to by the parties, acting reasonably, prior to entry into this deed, confirming that Bidder has duly executed this deed in accordance with the laws of its place of incorporation and articles and by-laws and Bidder's good standing under its governing jurisdiction laws.

7.4 Waiver

- (a) Bidder and Nominee may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Bidder or Nominee as a waiver of any right unless the waiver is in writing and signed by Bidder or Nominee, as appropriate. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) The meanings of the terms used in this clause 7.4 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.5 Variation

A provision of this deed poll may not be varied unless the variation is agreed to by Bidder and Nominee and:

- (a) if before the First Court Date, the variation is agreed to by Link in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by Link in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder and Nominee must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.



7.6 Cumulative rights

The rights, powers and remedies of Bidder, Nominee and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.7 Assignment

- (a) The rights created by this deed poll are personal to Bidder, Nominee and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder or Nominee.
- (b) Any purported dealing in contravention of clause 7.7(a) is invalid.

7.8 Joint and several obligations

Bidder and Nominee are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

7.9 Further action

Bidder and Nominee must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Deed Poll

continued



HERBERT
SMITH
FREEHILLS

Attachment 1

Scheme

[Attached]

[Share scheme deed poll](#)



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed poll

Signed sealed and delivered by
Dye & Durham Corporation in
the presence of



sign here ► _____
Authorised signatory

sign here ► _____
Witness

print name _____

print name _____

Signed sealed and delivered in
accordance with section 127 of the
Corporations Act 2001 (Cth) by
**Link Acquisition Australia Pty
Ltd**
by

sign here ► _____
Director

sign here ► _____
Director

print name _____

print name _____

Share scheme deed poll

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Annexure 4

Notice of Scheme Meeting and Special General Meeting

Notice of Scheme Meeting and Special General Meeting

Notice of Scheme Meeting

Link Administration Holdings Limited (ACN 120 964 098) (Link)

Notice is hereby given that, by an order of the Supreme Court of New South Wales made on 10 May 2022, pursuant to subsection 411(1) of the Corporations Act, a meeting of Link Group Shareholders (**Scheme Meeting**) will be held:

Date: 13 July 2022

Time: 10:00am (Sydney time)

Venue: Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 and online via the online platform at <https://meetings.linkgroup.com/LNKSM22>

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Link and Dye & Durham agree) proposed to be made between Link Group and Link Group Shareholders (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Explanatory Booklet, of which this notice forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in section 10.1 of the Explanatory Booklet, unless the context otherwise requires.

Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (**Scheme Resolution**):

‘That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Link Administration Holdings Limited and the holders of its ordinary shares, as contained in and more particularly described in the Explanatory Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which Link Administration Holdings Limited and Dye & Durham Corporation agree.’

Dated 10 May 2022

By order of the Court and the Link Board.

sign here ▶



Company Secretary

print name

Sarah Turner

Notice of Scheme Meeting and Special General Meeting

Notice of Special General Meeting

Notice is hereby given that a special general meeting of Link Group Shareholders (**Special General Meeting**) will be held:

Date: 13 July 2022

Time: 10:15am (Sydney time) or as soon after that time as the Scheme Meeting has concluded or been adjourned

Venue: Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 and online via the online platform at <https://meetings.linkgroup.com/LNKSM22>

Purpose of the Special General Meeting

The purpose of the Special General Meeting is to consider and, if thought fit, to agree to a proposed equal reduction in Link's ordinary share capital under section 256B of the Corporations Act in an amount equal to the BCM Net Sale Proceeds received by Link Group by the day that is two Business Days prior to the Implementation Date (the **BCM Capital Return**). Additional information about the Special General Meeting is set out in the explanatory notes that accompany and form part of this notice.

Capital Return Resolution

The meeting will consider and, if thought fit, pass the following resolution:

'That, subject to the implementation of the Scheme and Link Group receiving any or all of the BCM Net Sale Proceeds by the day that is two Business Days prior to the Implementation Date, for the purposes of section 256C(1) of the *Corporations Act 2001* (Cth), and for all other purposes, approval is given for the ordinary share capital of the Company to be reduced by returning capital, in the form of cash, to each registered holder of fully paid ordinary shares in the Company as at the Scheme Record Date in an aggregate amount equal to the amount of the Capital Return Consideration.'

Dated 10 May 2022

By order of the Link Board.

sign here ►



Company Secretary

print name

Sarah Turner

Notice of Scheme Meeting and Special General Meeting

Explanatory notes

1 General

These explanatory notes relate to the Transaction and should be read in conjunction with the Explanatory Booklet dated 10 May 2022 and the Notice of Scheme Meeting and Notice of Special General Meeting (collectively, the **Notice of Meetings**). These explanatory notes and the Explanatory Booklet form part of the Notice of Meetings. The Explanatory Booklet contains important information to assist you in determining how to vote on the Scheme Resolution and the Capital Return Resolution.

A copy of the Scheme is set out in Annexure 2 of the Explanatory Booklet.

Capitalised terms used but not defined in the Notice of Meetings have the defined meanings set out in section 10.1 of the Explanatory Booklet unless the context otherwise requires.

2 Meeting Format

The Scheme Meeting and Special General Meeting will be held as hybrid meetings. This means that Link Group Shareholders and their authorised proxies, attorneys and corporate representatives will be able to attend the Meetings in person at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000 or may participate in the Meetings online at <https://meetings.linkgroup.com/LNKSM22>.

Due to the public health risks and potential for restrictions on public gatherings imposed from time to time in response to COVID-19, we strongly encourage you to participate in the Meetings virtually via the online platform. Link Group Shareholders who participate in the Meetings via the online platform will be able to watch the Meetings live, cast an online vote on real time and ask questions online.

In the lead up to the Meetings, Link Group will be closely monitoring the changing COVID-19 situation and associated health restrictions. If it becomes necessary or appropriate to make alternative arrangements for the holding of the Meetings, we will release further information on the ASX and on Link Group's website at www.linkgroup.com.

Further details on how to participate in the Meetings via the online platform are set out in the explanatory notes that accompany and form part of these Notice of Meetings and in the Online Platform Guide which has been released to the ASX and will be available at www.linkgroup.com/scheme-meeting.

Link Group Shareholders who are unable to, or do not wish to, participate in the Meetings, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 10:00am (Sydney time) on 11 July 2022 following the instructions below. Even if you plan to attend the Meetings, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot join the Meetings (for example, if there is an issue with your internet connection on the day of the Meetings).

An archived recording of the webcast will also be available to Link Group Shareholders after the Meetings at www.linkgroup.com/scheme-meeting.

3 Chair

The Court has directed that Mr Michael Carapiet is to act as Chair of the Meetings and that if Mr Carapiet is unable or willing to act, Mr Glen Boreham is to act as Chair of the Meetings.

Notice of Scheme Meeting and Special General Meeting

4 Required Voting Majorities

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Link Group Shareholders present and voting (either in person, online or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by Link Group Shareholders present and voting (either in person, online or by proxy, attorney or, in the case of corporate Link Group Shareholders, body corporate representative).

The Capital Return Resolution is an ordinary resolution and will be passed if at least 50% of votes cast by Link Group Shareholders entitled to vote on the resolution are cast in favour of the resolution.

5 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (if capable of waiver) by the time required under the Scheme, Link Group intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

6 Eligibility to vote

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Link Board has determined that the time for determining eligibility to vote at the Meetings is 7:00pm (Sydney time) on 11 July 2022. Only those Link Group Shareholders entered on the Link Group Share Register at that time will be entitled to participate in and vote at the Meetings, in person, online, by proxy or attorney, or in the case of a corporate Link Group Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Meetings. The remaining comments in these explanatory notes are addressed to Link Group Shareholders entitled to participate in and vote at the Meetings.

Notice of Scheme Meeting and Special General Meeting

7 Participation in the Meetings

7.1 Participating via the online platform

Link Group Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the Meetings via the online platform at <https://meetings.linkgroup.com/LNKSM22>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow Link Group Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Meetings live, cast an online vote and ask questions online.

To participate and vote online, Link Group Shareholders will need their Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) and their postcode or country of residence (if outside Australia). Proxyholders should obtain their proxy code by calling the Link Group Share Registry on +61 1300 934 599 between 8:30am and 5:30pm (Sydney time), Monday to Friday excluding public holidays, or emailing the Link Group Share Registry at proxies@linkgroup.com.

Participants will be able to log in to the online platform 30 minutes before the start of the Scheme Meeting. It is recommended that Participants log in at least 15 minutes before the scheduled start time for the Meetings. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Online Platform Guide has been released to the ASX and will be available at www.linkgroup.com/scheme-meeting.

Please monitor Link Group's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Meetings.

7.2 Participating in person

For Link Group Shareholders who attend the Meetings in person, Link Group will be observing social distancing and any other government requirements that apply at the time. Attendance at the Meetings in person is subject to any COVID-19 restrictions that may be applicable on the day.

All persons attending are asked to arrive at least 30 minutes prior to the time the Meetings are to commence, so that either their shareholding can be checked against the Link Group Share Register, or any power of attorney or certificate of appointment of corporate representative verified, and their attendance noted.

In the lead up to the Meetings, Link will be closely monitoring the COVID-19 situation. If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the Meetings to those set out in this notice, Link Group Shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement to the ASX and published on Link's website at www.linkgroup.com.

Notice of Scheme Meeting and Special General Meeting

8 How to vote

In accordance with clause 14.15 of the Link Group Constitution (**Constitution**), the Chair intends to demand a poll on the Scheme Resolution and the Capital Return Resolution. The Chair considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Meetings.

If you are a Link Group Shareholder entitled to vote at the Meetings, you may vote:

- **by attending the Meetings in person;**
- **by attending the Meetings via the online platform**, by participating and voting via the online platform during the Meetings at <https://meetings.linkgroup.com/LNKSM22>;
- **by proxy**, by completing and submitting the Proxy Form in accordance with the instructions on that form. To be valid, your proxy appointment must be received by the Link Group Share Registry by 10:00am (Sydney time) on 11 July 2022;
- **by attorney**, by appointing an attorney to participate in and vote at the Meetings on your behalf and providing a duly executed power of attorney to the Link Group Share Registry by 10:00am (Sydney time) on 11 July 2022; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the Meetings on your behalf, and providing a duly executed "Appointment of Corporate Representative" form (in accordance with sections 250D of the Corporations Act) prior to the Meetings in accordance with section 10.5 below.

9 Jointly held securities

If you hold Link Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the meeting, only the vote of the holder whose name appears first on the Link Group Share Register will be counted.

See also the comments in section 10.3 below regarding the appointment of a proxy by persons who jointly hold Link Shares.

10 Voting

10.1 Voting online during the Meetings

To vote online, you must participate in the Meetings via the online platform at <https://meetings.linkgroup.com/LNKSM22>.

Online voting will be open between the start of the Meetings and the closing of voting as announced by the Chair during the Meetings.

More information about how to use the online platform (including how to vote and submit questions online during the Meetings) is available in the Online Platform Guide, which is available on our website at www.linkgroup.com/scheme-meeting. If you intend to use the online platform, then before the Meetings we recommend that you ensure the online platform works on your device. Further instructions are provided in the Online Platform Guide.

10.2 Voting in person during the Meetings

Link Group Shareholders and their authorised proxies, attorneys and corporate representatives who are attending the Meetings in person may vote using the paper voting card provided at the Meetings.

Notice of Scheme Meeting and Special General Meeting

10.3 Voting by proxy

If you are unable to participate and vote at the Meetings, you may appoint an individual or a body corporate as a proxy to attend the Meetings in person or online and vote.

A Link Group Shareholder entitled to participate in and vote at the Meetings may appoint a person to participate in and vote at the Meetings as their proxy at any time between the date of this notice and 10:00am on 11 July 2022. To do so, either they should mark the box under 'Appoint a Proxy' in Step 1 of the Proxy Form to appoint the Chair of the Meetings as their proxy, or insert the name and email address of their chosen proxy in the space provided. Please refer to section 10.6 of this Notice of Meetings below for further details in relation to how to submit a Proxy Form.

The following applies to proxy appointments:

- a proxy need not be another Link Group Shareholder, and may be an individual or a body corporate;
- if a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with sections 250D of the Corporations Act) to exercise its powers as proxy at the Meetings in accordance with section 10.5 below;
- a Link Group Shareholder who is entitled to cast two or more votes at the Meetings may appoint up to two proxies and may specify the proportion or number of votes each proxy may exercise. If you wish to appoint a second proxy, a second hard copy Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. Both Proxy Forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy Proxy Forms, you will need to obtain a second Proxy Form. You may obtain an additional Proxy Form from the Link Group Share Registry or online at www.linkmarketservices.com.au (under Resources then Forms). Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the Link Group Shareholder's voting rights. If a Link Group Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Link Group Shareholder's votes, each proxy may only exercise half of that Link Group Shareholder's votes;
- if you hold Link Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of the joint holders must sign the Proxy Form; and
- each proxy will have the right to vote on the poll and also to ask questions at the meeting.

If you have appointed a proxy and participate in and vote at the Meetings, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you view the live webcast of the Meetings as a 'visitor' or attend the Meetings in person as a 'visitor', you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Link Group Share Registry before the start of the Meetings (or, if the Meetings are adjourned or postponed, before the resumption of the Meetings in relation to the resumed part of the Meetings) in any of the ways in section 10.6 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution and the Capital Return Resolution (the **Resolutions**), or whether to leave the decision to the proxy after they have considered the matters discussed at the Meetings.

If you do not direct your proxy how to vote on the Resolutions, the proxy may vote, or abstain from voting, as they think fit. If you instruct your proxy to abstain from voting on an item of business, they are directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the Chair of the Meetings as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the Meetings, the Chair of the Meetings will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The Chair of the Meetings intends to vote all available undirected proxies in favour of the Scheme Resolution and the Capital Return Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.

Notice of Scheme Meeting and Special General Meeting

10.4 Voting by attorney

You may appoint an attorney to participate in and vote at the meeting on your behalf. Your attorney need not be another Link Group Shareholder. Each attorney will have the right to vote on the poll and also to ask questions at the Meetings.

The power of attorney appointing your attorney to participate in and vote at the Meetings must be duly executed by you and specify your name, the company (that is, Link Administration Holdings Limited), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the Link Group Share Registry before 10:00am (Sydney time) on 11 July 2022 (or, if the Meetings are adjourned or postponed, no later than 48 hours before the resumption of the Meetings in relation to the resumed part of the meeting) in any of the ways specified for Proxy Forms in section 10.6 below.

A validly appointed attorney wishing to participate in and vote at the Meetings via the online platform will require the appointing Link Group Shareholder's name and postcode and the SRN/HIN of the shareholding in order to access the online platform. A validly appointed attorney wishing to participate in and vote at the Meetings in person will need to register their attendance and identify themselves as an attorney on the day of the Meetings in person at the registration desk at Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000.

10.5 Voting by corporate representative

A body corporate that is a Link Group Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Meetings. The appointment must comply with the requirements of section 250D of the Corporations Act. The 'Appointment of Corporate Representative' form may be downloaded from the Company's share registry or online at www.linkmarketservices.com.au. The form of appointment may set out restrictions on the representative's powers.

The form of appointment must be received by the Link Group Share Registry prior to the Scheme Meeting. Link Group Shareholders may submit the certificate:

- via email, by sending it to registrars@linkmarketservices.com.au; or
- in any of the ways specified for Proxy Forms in section 10.6 of this Notice of Meetings, except that a form of appointment of corporate representative cannot be lodged online or by mobile device.

If a form of appointment is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the Link Group Share Registry.

A validly appointed corporate representative wishing to participate in and vote at the Meetings via the online platform will require the appointing Link Group Shareholder's name, the SRN/HIN of the shareholding, proxy code and postcode or country of residence (if outside Australia) in order to access the online platform. A validly appointed corporate representative wishing to participate in and vote at the Meetings in person must bring a "Certificate of Appointment of Corporate Representative". A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Notice of Scheme Meeting and Special General Meeting

10.6 How to submit a Proxy Form

To appoint a proxy, you should complete and submit the Proxy Form in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed Proxy Forms by the Link Group Share Registry by **10:00am (Sydney time) on 11 July 2022** (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(a) **online:** at www.linkmarketservices.com.au and follow the prompts

(b) **by mobile device:**

If you have a smart phone, you can now lodge your proxy appointment via www.linkmarketservices.com.au or by scanning the QR code on the Proxy Form. To scan the QR code, you will need a QR code reader application which can be downloaded for free on your mobile device.

(c) **by post in the provided prepaid reply envelope to the Link Group Share Registry at the following address:**

Link Administration Holdings Limited

C/- Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

Australia

(d) **by hand delivery (during normal business hours) to the Link Group Share Registry at the following address:**

Link Market Services Limited

Parramatta Square, Level 22, Tower 6, 10 Darcy Street

Parramatta NSW 2150

or

Level 12, 680 George Street

Sydney NSW 2000

(e) **by fax to the Link Group Share Registry on:**

+61 2 9287 0309

Proxy Forms received after **10:00am (Sydney time) on 11 July 2022** (or, if the Meetings are adjourned or postponed, no later than 48 hours before the resumption of the Meetings in relation to the resumed part of the meeting) will be invalid.

If a Proxy Form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed Proxy Form unless the power of attorney or other authority has previously been received by the Link Group Share Registry.

Notice of Scheme Meeting and Special General Meeting

11 Questions

Link Group Shareholders will have a reasonable opportunity to ask questions during the Meetings.

Link Group Shareholders who prefer to register questions in advance of the Meetings are also invited to do so by submitting questions online at www.linkmarketservices.com.au. To allow time to collate questions and prepare answers, please submit any questions by 5:00pm (Sydney time) on 4 July 2022.

Link Group Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. Questions and comments may be moderated to avoid repetition and to make them more concise.

The Chair of the Meetings will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meetings. However, there may not be sufficient time available during the Meetings to address all of the questions raised. Please note that individual responses will not be sent to Link Group Shareholders.

12 Technical difficulties

Technical difficulties may arise during the course of the Meetings. The Chair has discretion as to whether and how the Meetings should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Link Group Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Meetings and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Link Group Shareholders are encouraged to lodge a directed proxy in advance of the Meetings even if they plan to attend the Meetings online.

Link Group Shareholders may experience local technical difficulties, such as poor internet connection. Please refer to the Online Platform Guide which has been released to the ASX and will be available at www.linkgroup.com/scheme-meeting for advice on optimising the virtual meeting experience.

13 Capital Return Resolution

13.1 Capital Return Resolution

The Explanatory Booklet (of which this Notice of Meetings forms part) sets out the information that is known to Link Group (in addition to information previously announced to Link Group Shareholders) that is material to the decision on how to vote on the Capital Return Resolution.

Subject to the implementation of the Scheme:

- if the Capital Return Resolution is passed by the requisite majority of Link Group Shareholders at the Special General Meeting, then Link Group will implement the BCM Capital Return, provided any or all of the BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date; and/or
- if none or not all of the BCM Net Sale Proceeds have been received by the Link Group by the date that is two Business Days before the Implementation Date, then any BCM Net Sale Proceeds received during the Deferred Returns Period will be paid by D&D Acquirer as additional consideration under the Scheme. That is, even if the Capital Return Resolution is approved, the BCM Proceeds Payment will not be made by an equal reduction of share capital if no BCM Net Sale Proceeds are received by Link Group by the day that is two Business Days before the Implementation Date.

Notice of Scheme Meeting and Special General Meeting

13.2 Capital Return Consideration

The aggregate amount to be returned to Link Group shareholders pursuant to the BCM Capital Return is the **Capital Return Consideration**.

The Capital Return Consideration will be the total of any or all of the BCM Net Sale Proceeds received by Link by the day that is two Business Days before the Implementation Date, up to a maximum of \$0.13 cash per Scheme Share.

As at the date of the Explanatory Booklet, the precise Capital Return Consideration amount cannot currently be accurately estimated, however, the maximum amount of the Capital Return Consideration will be approximately \$67.7 million, being a maximum of \$0.13 cash per Scheme Share. Link Group will announce the final Capital Return Consideration amount prior to implementation of the Scheme (currently expected to occur on 12 August 2022).

The Link Directors are of the view that, taking into account all relevant matters, the Transaction (which includes the BCM Capital Return and the Scheme) is in the best interests of Link Group Shareholders and does not materially prejudice Link Group's ability to pay its creditors.

14 Advertisement

Where this Notice of Meetings is advertised unaccompanied by the Explanatory Booklet, a copy of the Explanatory Booklet can be obtained by anyone from ASX's website (www.asx.com.au) or from Link Group's website (www.linkgroup.com) or by contacting the Link Group Share Registry.

Corporate directory

Link Administration Holdings Limited

Level 12, 680 George Street
Sydney NSW 2000

Financial adviser

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney NSW 2000

Financial adviser

UBS Securities Australia Limited
Level 16, 2 Chifley Square
Sydney NSW 2000

Legal adviser

Herbert Smith Freehills
Level 33, 161 Castlereagh Street
Sydney NSW 2000

Independent Expert

Deloitte Corporate Finance Pty Limited
Grosvenor Place
Level 9, 225 George Street
Sydney NSW 2000

Link Group Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Stock exchange listing

Link ordinary shares are quoted on the
Australian Securities Exchange (ASX: LNK)

LINKGroup




LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Link Administration Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1800 237 687



X99999999999

This Proxy Form should be read in conjunction with the Explanatory Booklet dated 10 May 2022 issued by Link Administration Holdings Limited. Words and expressions used in this Proxy Form have the same meaning given to them in the Explanatory Booklet, unless the context requires otherwise.

PROXY FORM

I/We being a member(s) of Link Administration Holdings Limited (the **Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meetings (mark box)

OR if you are **NOT** appointing the Chairman of the Meetings as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy.

Name

Email

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meetings, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:00am (AEST) on Wednesday, 13 July 2022** and the Special General Meeting of the Company to be held at **10:15am (AEST) on Wednesday, 13 July 2022** or as soon after that time as the Scheme Meeting has concluded or been adjourned (the **Meetings**) and at any postponement or adjournment of the Meetings.

The Meetings will be conducted as a hybrid event. You can participate by attending in person at **Sheraton Grand Sydney Hyde Park Hotel, 161 Elizabeth St, Sydney NSW 2000** or logging in online at <https://meetings.linkgroup.com/LNKSM22> (refer to details in the Online Platform Guide). You can view and download the **Notice of Meetings and Explanatory Booklet** at the Company's website at <https://linkgroup.com/scheme-meeting>

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meetings.

Please read the voting instructions overleaf before marking any boxes with an

The Chairman of the Meetings intends to vote undirected proxies in favour of each item of business, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.

Resolutions


1 Scheme Resolution: That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Link Administration Holdings Limited and the holders of its ordinary shares, as contained in and more particularly described in the Explanatory Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which Link Administration Holdings Limited and Dye & Durham Corporation agree.

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Capital Return Resolution: That, subject to the implementation of the Scheme and Link Group receiving any or all of the BCM Net Sale Proceeds by the day that is two Business Days prior to the Implementation Date, for the purposes of section 256C(1) of the *Corporations Act 2001* (Cth), and for all other purposes, approval is given for the ordinary share capital of the Company to be reduced by returning capital, in the form of cash, to each registered holder of fully paid ordinary shares in the Company as at the Scheme Record Date in an aggregate amount equal to the amount of the Capital Return Consideration.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, each of the joint shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LNK PRX2201N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meetings as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meetings as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETINGS

Any directed proxies that are not voted on a poll at the Meetings will default to the Chairman of the Meetings, who is required to vote those proxies as directed. The Chairman of the Meetings intends to vote undirected proxies in favour of each item of business, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meetings and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, each of the joint shareholders must sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

ACCESS YOUR NOTICE OF SCHEME MEETING AND SPECIAL GENERAL MEETING

To view or download the full **Notices of Meetings and Explanatory Booklet** which sets out the including details of all resolutions being put to the Meetings. Please visit Link Group's website (<https://linkgroup.com/scheme-meeting>).

CORPORATE REPRESENTATIVES

If a representative of a corporation is to attend the Meetings on behalf of a body corporate which is a Link Group Shareholder the appropriate "Certificate of Appointment of Corporate Representative" must be received prior to the Meetings in accordance with the Notice of Meetings. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Monday, 11 July 2022**, being not later than 48 hours before the commencement of the Meetings. Any Proxy Form received after that time will not be valid for the scheduled Meetings.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Log in to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or entering the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Link Administration Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square, Level 22, Tower 6
10 Darcy Street, Parramatta NSW 2150
or
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (8:30am - 5:30pm) and subject to public health orders and restrictions.

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME & SPECIAL GENERAL MEETINGS IN PERSON, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.