

ASX Announcement (UWL)

Scheme Booklet Registered with ASIC

8 June 2022: Uniti Group Limited (Uniti or Company) (ASX:UWL) refers to the announcement made on Tuesday, 7 June 2022 in relation to the proposed acquisition of 100% of Uniti by MBC BidCo Pty Ltd, an entity wholly owned by a consortium comprising The Morrison & Co Infrastructure Partnership, Commonwealth Superannuation Corporation and BIF IV One Holdings LP (a special purpose limited partnership managed by Brookfield), by way of a scheme of arrangement (Scheme), and the orders made by the Federal Court approving the convening of the Scheme Meetings (as defined below) to consider and vote on the proposed Scheme and approving the dispatch of an explanatory statement providing information about the Scheme and notice of each Scheme Meeting (Scheme Booklet) to Uniti Shareholders.

Scheme Booklet

Uniti confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (ASIC).

A copy of the Scheme Booklet, which includes the Independent Expert's Report and notice of each Scheme Meeting, is attached to this announcement as Annexure A and will be made available electronically for viewing and downloading at www.unitigrouplimited.com/schemebooklet/.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as the proxy forms, are expected to be dispatched to Uniti Shareholders shortly.

The Scheme Booklet provides Uniti Shareholders with important information about the Scheme. Uniti Shareholders are advised to read the Scheme Booklet carefully in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Independent Expert's Report

The Scheme Booklet includes a copy of the Independent Expert's Report prepared by Lonergan Edwards & Associates Limited (Independent Expert).

The Independent Expert has concluded that the Cash Consideration of \$5.00 per Uniti Share is fair and reasonable and in the best interests of Uniti Shareholders, in the absence of a superior proposal. The Independent Expert has assessed the value of Uniti Shares to be between \$4.65 and \$5.20 per Uniti share. The Cash Consideration of \$5.00 per Uniti Share is in the upper half, and exceeds the mid-point of \$4.93, of this range.

The Independent Expert has not made any assessment, based on the Scrip Consideration, of whether the Scheme is in the best interests of the Rollover Shareholders because Rollover Shareholders have already elected to receive Scrip Consideration for a portion of their Uniti Shares.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report which is Appendix C of the Scheme Booklet.

Recommendation of the Uniti Board

The Uniti Board unanimously recommends that Uniti Shareholders vote in favour of the Scheme, and each director of the Uniti Board intends to vote all of the Uniti Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders.¹ The Uniti Board makes this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

Permitted Dividend

In addition to the Scheme Consideration, Uniti intends to pay a fully franked Permitted Dividend of up to \$0.11 per Uniti Share on or before the Implementation Date. There may be an opportunity for eligible Uniti Shareholders, subject to their marginal tax rate, to receive a benefit from franking credits attached to any such Permitted Dividend. The amount payable under the Scheme will be reduced by the cash amount per share of any Permitted Dividend (but not the value of any franking credits).

The Permitted Dividend is conditional on the Scheme becoming effective and the declaration and payment of a Permitted Dividend remains at the discretion of the Uniti Board and will be subject to tax advice.²

Scheme Meetings

A meeting of General Shareholders (being all Uniti Shareholders other than the Rollover Shareholders (as defined below)) (General Scheme Meeting) is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022, virtually via the online meeting platform at web.lumiagm.com/381-257-625.

A separate meeting comprising Uniti Managing Director & CEO Mr Michael Simmons, and Uniti Chief Infrastructure Networks & Technology Mr Geoff Aldridge (and entities controlled by them respectively, where applicable) (together, the Rollover Shareholders) (Rollover Shareholders Scheme Meeting, together with the General Scheme Meeting, the Scheme Meetings), is currently expected to be held immediately following the General Scheme Meeting on Friday, 15 July 2022, in person at 22 Salmon Street, Port Melbourne, Victoria 3207.

¹You should note when considering this recommendation, Uniti Managing Director & CEO, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

² Uniti intends to apply to the ATO for a class ruling on the treatment of the Cash Consideration and the Permitted Dividend in the hands of Australia resident Uniti Shareholders.

General Shareholders who participate in the General Scheme Meeting via the online platform will be able to listen to the General Scheme Meeting, ask questions and make comments.

Assuming the Scheme Meetings are held on Friday, 15 July 2022, each registered Uniti Shareholder as at 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022 will be eligible to vote at the Scheme Meeting applicable to them.

All Uniti Shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the relevant Scheme Meeting in person (if a Rollover Shareholder), virtually (if a General Shareholder), or by proxy, attorney or corporate representative. The relevant notice of Scheme Meeting provides Uniti Shareholders with information on how to lodge the proxy form (if applicable).

Shareholders are encouraged to vote as early as possible.

Uniti Shareholders should carefully read the Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. Uniti Shareholders should also seek professional advice on their individual circumstances, as appropriate.

Unless otherwise indicated, capitalised terms used in this announcement have the meaning given to them in the Scheme Booklet dated 7 June 2022.

This announcement is authorised for release by the Uniti Board.

Further Information

If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), Monday to Friday (excluding public or bank holidays in Adelaide or Sydney, Australia) between 9.00am and 5.00pm AEST (Sydney, Melbourne).

For further information, contact as below:


Investors

Ashe-Lee Jegathesan – Company Secretary

P – 03 9034 7897

E – investors@unitigrouplimited.com

W – <https://investors.unitigrouplimited.com/>



Annexure A - Scheme Booklet



Scheme Booklet

For a scheme of arrangement in relation to the proposed acquisition of Uniti Group Limited by MBC BidCo Pty Ltd

VOTE IN FAVOUR

UNITI DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE SCHEME IS IN THE BEST INTERESTS OF UNITI SHAREHOLDERS¹

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

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.

Legal Adviser:

CLAYTON UTZ

If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne) on Monday to Friday.

¹ Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

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IMPORTANT NOTICES

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote on the applicable Scheme Resolution. You should also consult your legal, financial, tax or other professional adviser.

Capitalised terms used in this Scheme Booklet are defined either in the Glossary set out in Section 14 or where the relevant term first appears.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to:

- ▶ explain the terms of the Scheme;
- ▶ explain the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majorities of Uniti Shareholders and by the Court); and
- ▶ provide information as is prescribed or otherwise material to the decision of Uniti Shareholders on whether or not to approve the Scheme by voting in favour of the applicable Scheme Resolution, being information that is within the knowledge of the Uniti Directors and has not previously been disclosed to Uniti Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to Uniti Shareholders in relation to the Scheme pursuant to section 412(1) of the Corporations Act.

Status of Scheme Booklet

This Scheme Booklet does not constitute or contain an offer to Uniti Shareholders, or a solicitation of an offer from Uniti Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Section 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 section 411(1). Instead, Uniti Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

No financial product advice

The information contained in this Scheme Booklet is not financial product or investment advice. Neither Uniti nor MBC BidCo are licensed to provide financial product advice.

Investment decisions

This Scheme Booklet is intended for Uniti Shareholders collectively and does not take into account the investment objectives, financial situation, tax position or particular needs of any Uniti Shareholder or any other person. It is important that you consider the information in this Scheme Booklet in light of your particular circumstances. This Scheme Booklet should not be relied on as the sole basis for any investment decision in relation to Uniti Shares and any decision as to whether or not to vote in favour of the Transaction. The Uniti Directors encourage you to seek independent legal, 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 Scheme 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 11, and the views of the Independent Expert set out in the Independent Expert's Report contained in Appendix C. 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.

Responsibility for information

Uniti has prepared, and is responsible for, the Uniti Information contained in this Scheme Booklet. None of the Bidder Group Members or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Uniti Information or any part of it.

MBC BidCo has prepared, and is responsible for, the Bidder Information contained in this Scheme Booklet. None of the Uniti Group Members, or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Bidder Information or any part of it.

Lonergan Edwards & Associates Limited has prepared, and is responsible for, the Independent Expert's Report. None of the Uniti Group Members and their respective directors, officers, employees or advisers, nor the Bidder Group

IMPORTANT NOTICES *continued*

Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report or any part of it, except in the case of Uniti, to the extent that information has been provided by Uniti to Lonergan Edwards & Associates Limited for the purpose of preparing the Independent Expert's Report.

Grant Thornton has provided, and is responsible for, the information contained in Section 12 (Taxation implications for Scheme Shareholders). None of the Uniti Group Members and their respective directors, officers, employees or advisers, nor the Bidder Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in Section 12 or any part of it. Grant Thornton does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Section 12 (Taxation implications for Scheme Shareholders). Section 12, which was provided by Grant Thornton, is general in nature. The exact tax consequences for each Uniti Shareholder will depend on their specific circumstances. In this regard, Uniti Shareholders should seek their own independent professional tax advice based on their particular circumstances.

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

Role of ASIC and ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. A copy of this Scheme Booklet has also been lodged with ASX.

Uniti has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the no objections statement, it will be produced to the Court on the Second Court Date. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Scheme Booklet.

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

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meetings be convened and has directed that this Scheme Booklet

accompany the Notice of General Scheme Meeting (Appendix A) and Notice of Rollover Shareholders Scheme Meeting (Appendix B) does not mean that the Court:

- ▶ has formed any view as to the merits of the proposed Scheme or as to how Uniti Shareholders should vote (on this matter Uniti Shareholders must reach their own decision); or
- ▶ has prepared, or is responsible for the content of, this Scheme Booklet.

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

Notice of Scheme Meetings

The Notice of General Scheme Meeting is set out in Appendix A and the Notice of Rollover Shareholders Scheme Meeting is set out in Appendix B. A reference to 'the Scheme Booklet' in each of the Notice of General Scheme Meeting and the Notice of Rollover Shareholders Scheme Meeting will be taken to include any supplementary scheme booklet released in relation to the Scheme.

Foreign jurisdictions

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

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

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

Forward looking statements

Certain statements in this Scheme Booklet (including in the Independent Expert's Report) relate to the future. Such

IMPORTANT NOTICES *continued*

forward looking statements, which include information relating to the performance of Uniti or the Uniti Group, are not based on historical facts but rather reflect the current expectations of Uniti (in relation to the Uniti Information) and the Bidder Group (in relation to the Bidder Information). Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intend', 'foresee', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', 'target' or other similar words and phrases. Similarly, statements that describe the Uniti Group, or the Bidder Group's objectives, plans, goals or expectations may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and assumptions and are subject to a variety of other factors that could cause the actual results or performance of Uniti to be materially different from what is expressed or implied by such statements. Some of the risks that Uniti Shareholders may be exposed to in relation to the Scheme are set out in Section 11. Forward looking statements are based on numerous assumptions regarding present and future business strategies and the industries as well as the general economic environment in which the Uniti Group and the Bidder Group will operate in the future. Actual events or results may differ materially from events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of the Uniti Group Members, the Bidder Group Members or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme 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, undue reliance should not be placed on forward looking statements.

Uniti Shareholders should note that the historical performance of Uniti is no assurance of Uniti's future performance. Other than as required by law, none of the Uniti Group Members, the Bidder Group Members or any of their respective directors, officers, employees or advisers represents that, or gives any assurance or guarantee that, the occurrence of events expressed or implied in any forward looking statements will actually occur.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of intention in this Scheme

Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change.

Opinions, projections, forecasts, targets, and outlook statements given in this Scheme Booklet are not guidance. As explained above, forward looking statements involve uncertainty and are subject to change.

Subject to any continuing obligations under law or the Listing Rules, Uniti and the Uniti Directors, officers, employees and advisers disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or change in events, conditions or circumstance on which a statement is based.

Privacy and personal information

Uniti and the Bidder Group Members may need to collect personal information to implement the Scheme. The personal information it may collect includes the names, contact details, bank account details and other details of Uniti Shareholders, as well as the names and contact details of individuals appointed by Uniti Shareholders as proxies, attorneys or corporate representatives to attend and vote at the Scheme Meetings. 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 Uniti to conduct the Scheme Meetings and implement the Scheme. Without this information, Uniti may be hindered in its ability to issue the Scheme Booklet and implement the Scheme.

The personal information described above may be disclosed to the Uniti Registry, securities brokers, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meetings), Related Bodies Corporate of Uniti, Government Agencies and also where disclosure is required or allowed by law. Personal information may also be used to contact Uniti Shareholders in relation to the Scheme.

Uniti Shareholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected in relation to them. An individual who wishes to exercise any of these rights should contact the Uniti Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne) on Monday to Friday. Third parties who

IMPORTANT NOTICES *continued*

receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements.

Uniti Shareholders who appoint an individual as their proxy, attorney or corporate representative to attend and vote at the Scheme Meetings should inform him or her of the matters outlined above. Further information about how Uniti collects, uses and discloses personal information is contained in Uniti's Privacy Policy located at <https://unitigrouplimited.com>.

Sections and appendices

A reference to a Section or an Appendix is a reference to a section of, or appendix to, this Scheme Booklet, unless otherwise stated.

Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary or in the Scheme Implementation Deed.

References to time

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Melbourne, Victoria, Australia.

References to currency

Unless expressly stated otherwise, all references in this Scheme Booklet to '\$', 'A\$' or 'AUD' are references to Australian currency.

Effect of rounding

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

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of this Scheme Booklet are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

Charts and diagrams

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

Timetable and dates

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

Defined terms

A number of defined terms are used in this Scheme Booklet. Capitalised terms used in this Scheme Booklet are defined in Section 14 of this Scheme Booklet. Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 14.

References to websites

Information contained in or accessible through the websites mentioned in this Scheme Booklet do not form part of this Scheme Booklet. All references in this Scheme Booklet to websites are for information only.

Uniti Shareholder Information Line

If you have any questions about this Scheme Booklet or the Scheme, you should call the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne), Monday to Friday.

Date

This Scheme Booklet is dated 7 June 2022

1. KEY DATES

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Melbourne, Victoria, Australia.

Event	Date and Time
First Court Date at which the Court made orders convening the Scheme Meetings.	7 June 2022 at 10.15am
Proxy Forms for Scheme Meetings Latest time and date for receipt of Proxy Forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representatives to be received by the Uniti Registry for the Scheme Meetings.	13 July 2022 at 9.30am
Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meetings.	13 July 2022 at 7.00pm
General Scheme Meeting To be held virtually through the online meeting platform at web.lumiagm.com/381-257-625 . General Shareholders and their authorised proxies, attorneys and corporate representatives may participate and vote at the General Scheme Meeting via the online platform. Further details relating to the General Scheme Meeting are set out in the Notice of General Scheme Meeting in Appendix A.	15 July 2022 at 9.30am
Rollover Shareholders Scheme Meeting To be held immediately following the General Scheme Meeting in person at 22 Salmon Street, Port Melbourne, Victoria 3207. Further details relating to the Rollover Shareholders Scheme Meeting are set out in the Notice of Rollover Shareholders Scheme Meeting in Appendix B.	15 July 2022 (immediately following the General Scheme Meeting)
If the Scheme is approved by Uniti Shareholders at the Scheme Meetings	
Event	Date and Time
Second Court Date to seek Court orders approving the Scheme.	21 July 2022 at 10.15am
Effective Date The date on which the Scheme becomes Effective and is binding on Uniti Shareholders.	21 July 2022
Anticipated Permitted Dividend Record Date All Uniti Shareholders who hold Uniti Shares on the Permitted Dividend Record Date will be entitled to receive the Permitted Dividend.	22 July 2022
Scheme Record Date Time and date for determining entitlements to Scheme Consideration.	28 July 2022 at 7.00pm
Implementation Date The date on which the Scheme will be implemented and Scheme Consideration will be paid.	4 August 2022

Please note that all of the above times and dates are indicative only and subject to change. Any changes will be announced by Uniti through ASX and notified on Uniti's website at <https://unitigrouplimited.com>.

Uniti Shareholders who have elected to receive communications will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet, and to lodge their proxy vote online. The Scheme Booklet will also be made available for viewing and downloading on Uniti's website at <https://unitigrouplimited.com/>.

2. CHAIRMAN'S LETTER

7 June 2022

Dear Uniti Shareholders

On behalf of the Uniti Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed acquisition of Uniti by MBC BidCo Pty Ltd (**MBC BidCo**), a newly incorporated company indirectly wholly owned by a consortium comprising The Morrison & Co Infrastructure Partnership, Commonwealth Superannuation Corporation and BIF IV One Holdings LP (a special purpose limited partnership managed by Brookfield) (together, the **Consortium**).

On 14 April 2022, Uniti announced that it had entered into a Scheme Implementation Deed with MBC BidCo to acquire 100% of Uniti Shares on issue, on a fully diluted basis, via a scheme of arrangement (**Scheme**). The proposed acquisition is subject to Uniti Shareholder and Court approval, and certain other Conditions Precedent. Full details of the Scheme are set out in this Scheme Booklet.

Scheme overview

If the Scheme is approved and implemented, General Shareholders will receive cash consideration equal to \$5.00 per Uniti Share in respect of each Uniti Share held as at the Scheme Record Date.² The cash price of \$5.00 per Uniti Share implies an equity value, on a 100% fully diluted basis, of approximately \$3.6 billion and an enterprise value of approximately \$3.8 billion.³

The Cash Consideration represents:

- ▶ a **58.7%** premium to Uniti's undisturbed closing share price on 14 March 2022, the last trading day before the announcement made by Uniti to ASX on 15 March 2022 that it had received and was assessing an indicative, incomplete, confidential and non-binding proposal from Morrison & Co, of \$3.15 per Uniti Share;
- ▶ a **50.2%** premium to the one-month volume weighted average price (VWAP) to 14 March 2022 of \$3.33 per Uniti Share;
- ▶ a **33.7%** premium to the three-month VWAP to 14 March 2022 of \$3.74 per Uniti Share; and
- ▶ an implied acquisition EV/EBITDA multiple of approximately **28.0x** Uniti's 12 months underlying EBITDA of ~\$135 million to 31 December 2021 and **26.1x** Uniti's FY22F Consensus underlying EBITDA of \$145 million.

Under the Scheme Implementation Deed, certain Uniti Shareholders either directly, or through their controlled entities who are part of the executive management team were eligible to elect to receive some or all of their Scheme Consideration as Scrip Consideration. The decision as to whether to take up the opportunity was a decision made by each individual executive member and the quantum of Uniti Shares that were subject to such election was independently determined on a case by case basis. Mr Michael Simmons, Chief Executive Officer and Managing Director and Mr Geoffrey Aldridge, Chief Infrastructure Networks & Technology (and entities controlled by them respectively, where applicable) (**Rollover Shareholders**) are the only members of the executive management team to have elected to receive a pre-determined proportion of their Scheme Consideration as Scrip Consideration, being shares in TopCo, with the remainder to be received as Cash Consideration. The Rollover Shareholders will form a separate class to the Uniti Shareholders for the purpose of voting on the Scheme.

On 13 April 2022 the Rollover Shareholders each entered into a Voting and Rollover Agreement under which it was agreed, among other things, that they would vote in favour of the Scheme and elect to receive TopCo Securities under the Scheme for some of their Uniti Shares and the remainder as Cash Consideration. In Mr Simmons' case, the TopCo Securities elected to be received are to an amount of \$10 million in value (being in exchange for 2,000,000 Uniti Shares which, at \$5.00 per Uniti Share, would otherwise be received as Cash Consideration of \$10 million) and in Mr Aldridge's case, \$2.8 million in value (being in exchange for 560,000 Uniti Shares which, at \$5.00 per Uniti Share would otherwise be received as Cash Consideration of \$2.8 million). The Voting and Rollover Agreements are addressed in Section 10.7.

Therefore, prior to the date of this Scheme Booklet, Uniti, MBC BidCo and the Rollover Shareholders agreed that the Rollover Shareholders would receive a portion of their Scheme Consideration in the form of Scrip Consideration and are the 'Relevant Shareholders' for the purposes of the Scheme Implementation Deed.

In addition, if the Uniti Board decides to declare and pay a Permitted Dividend, it will be a cash dividend of up to \$0.11 per Uniti Share held by a Uniti Shareholder on the Permitted Dividend Record Date. The Permitted Dividend is conditional

2 If the Uniti Board decides to pay the Permitted Dividend (being an amount of up to \$0.11 per Uniti Share), the amount paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the amount of the Permitted Dividend per Uniti Share held by a Uniti Shareholder on the Scheme Record Date.

3 Implied equity value based on cash proposal of \$5.00 per Uniti Share multiplied by 723.4 million diluted shares on issue. Enterprise value calculated as equity value plus net debt of \$162 million, being \$224m net debt at 31 December 2021 adjusted for \$28.9 million paid in the share-buy-back in March 2022 and also adjusted to reflect expected cash consideration of ~\$91 million payable on exercise of ~43.0 million Employee Share Options, Employee Retention Options and Share Rights (noting ~4.4 million Employee Share Options have already been exercised and Share Rights have a nil exercise price).

2. CHAIRMAN'S LETTER *continued*

on the Scheme becoming Effective and, if the Uniti Board decides to pay it, the Cash Consideration paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the cash amount of the Permitted Dividend. If a Permitted Dividend is paid, eligible Uniti Shareholders may be entitled to receive the additional benefit of franking credits attached to any Permitted Dividend. Whether eligible Uniti Shareholders will be in a position to realise the full benefit of franking credits attached to any Permitted Dividend paid will depend on their individual tax status and specific circumstances. Uniti Shareholders should seek professional taxation advice in this regard.⁴

Directors' recommendation

The Uniti Board unanimously recommends that you vote in favour of the Scheme, and each Uniti Director intends to vote all of the Uniti Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Uniti Shareholders.⁵ Each Uniti Director intends to vote (or procure the voting of) all Uniti Shares held or controlled by them in favour of the Scheme subject to the same qualifications. Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration. Uniti's Chief Executive Officer and Managing Director, Mr Simmons makes his recommendation and declares his intention to vote in favour of the Scheme (in each case as described above) in the context of his controlled Uniti Shares forming a different class (with other Rollover Shareholders) for the purposes of the Scheme. Under his Voting and Rollover Agreement, Mr Simmons has unconditionally agreed to vote all of the Uniti Shares held or controlled by him in favour of the Scheme as long as that agreement remains operative.

In reaching the unanimous decision to recommend the Scheme to Uniti Shareholders, subject to the qualifications described above, the Uniti Directors considered various alternatives to maximise value, including assessment of standalone value creation opportunities. After considering these alternatives, the Uniti Directors formed the view that the combination of value and certainty offered by the Scheme Consideration is likely to deliver a superior outcome for Uniti Shareholders compared to Uniti continuing to operate as a standalone entity.

The Uniti Board was unanimous in its decision to recommend the Scheme,⁵ in the absence of a Superior Proposal, for the following reasons:

- ▶ the Independent Expert has concluded that the Cash Consideration is fair and reasonable and is in the best interests of Uniti Shareholders in the absence of a superior proposal. Note that the Independent Expert has not made any assessment, based on the Scrip Consideration, of whether the Scheme is in the best interests of the Rollover Shareholders because Rollover Shareholders have already elected to receive Scrip Consideration for a portion of their Uniti Shares;
- ▶ the value of the Cash Consideration represents a significant premium for your Uniti Shares compared to historical market prices;
- ▶ the value of the Cash Consideration of \$5.00 per Uniti Share equates to acquisition multiples that are significantly higher than market evidence for fixed line internet infrastructure and consistent with recent wireless infrastructure transactions;
- ▶ the Cash Consideration provides Uniti Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Uniti's business (which are discussed further in Section 11.3);
- ▶ no Superior Proposal has emerged as at the date of this Scheme Booklet;
- ▶ Uniti's share price is likely to fall if the Scheme does not proceed; and
- ▶ you will not incur any brokerage charges on the transfer of your Uniti Shares if the Scheme proceeds.

In forming their unanimous decision to recommend the Scheme to Uniti Shareholders, subject to the qualifications described above, the Uniti Directors considered the potential disadvantages of the Scheme proceeding. In particular:

- ▶ you may disagree with the Uniti Directors' unanimous recommendation of the Scheme in respect of the Cash Consideration and the Independent Expert's conclusion and believe that the Scheme is not in your best interests;
- ▶ you may wish to maintain a direct investment in Uniti as an ASX listed company;
- ▶ the tax consequences of the Scheme may not suit your individual position and circumstances; and

⁴ When assessing the benefit of franking credits attached to any Permitted Dividend, Uniti Shareholders should seek independent professional taxation advice as to whether or not receipt of the Permitted Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 12 of this Scheme Booklet.

⁵ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

2. CHAIRMAN'S LETTER *continued*

- ▶ you may believe there is the potential for a Superior Proposal to be made in the foreseeable future.

The Uniti Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

Independent Expert

The Uniti Directors' unanimous recommendation of the Scheme in respect of the Cash Consideration is supported by the conclusion of Lonergan Edwards & Associates Limited, the Independent Expert engaged by the Uniti Board to assess the merits of the Scheme.

The Independent Expert has concluded that the Cash Consideration is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal. Note that the Independent Expert has not made any assessment, based on the Scrip Consideration, of whether the Scheme is in the best interests of the Rollover Shareholders because Rollover Shareholders have already elected to receive Scrip Consideration for a portion of their Uniti Shares.

The Independent Expert has assessed the full underlying value of Uniti Shares at between \$4.65 and \$5.20 per Uniti Share on a fully diluted basis. The Cash Consideration amount of \$5.00 per Uniti Share is above the valuation mid-point of \$4.93 per Uniti Share.

A complete copy of the Independent Expert's Report is attached at Appendix C to this Scheme Booklet.

General Scheme Meeting and Rollover Shareholders Scheme Meeting

As the Rollover Shareholders are each entitled to receive a portion of Scheme Consideration in the form of Scrip Consideration, the rights of Rollover Shareholders under the Scheme are sufficiently different from those of the General Shareholders such that the Rollover Shareholders constitute a separate class of members for the purpose of voting on the Scheme. This means General Shareholders will have the opportunity to vote independently and in a separate class from the Rollover Shareholders.

The General Shareholders will vote at the General Scheme Meeting but will not be permitted to vote at the Rollover Shareholders Scheme Meeting. Equally, the Rollover Shareholders will vote at the Rollover Shareholders Scheme Meeting but will not be permitted to vote at the General Scheme Meeting.

Details of the Scheme Meetings are set out in Section 6 and in the Notice of General Scheme Meeting contained in Appendix A and in the Notice of Rollover Shareholders Scheme Meeting contained in Appendix B (together, the **Notices**).

How to vote

Your vote is important and I encourage you to vote, as soon as possible, in favour of the Scheme by completing and returning the Proxy Form accompanying this Scheme Booklet or alternatively by attending the Scheme Meetings in person or virtually (as applicable), or by proxy, attorney or corporate representative. For information on how to vote please refer to the Notice relevant to you. The General Scheme Meeting is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022, virtually through the online meeting platform at web.lumiagm.com/381-257-625 and the Rollover Shareholders Scheme Meeting is to be held immediately after the General Scheme Meeting on Friday, 15 July 2022, in person at 22 Salmon Street, Port Melbourne, Victoria 3207. For more instructions on how you can vote and participate in the Scheme Meetings, please see Section 6 and the Notice of General Scheme Meeting at Appendix A and the Notice of Rollover Shareholders Scheme meeting at Appendix B (as appropriate).

If you wish the Scheme to proceed, it is important that you vote in favour of the applicable Scheme Resolution prior to or at the Scheme Meetings. Further details of how to vote at the Scheme Meetings are set out in the Notices.

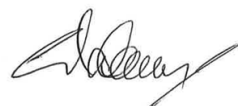
Further information

The Scheme Booklet sets out important information regarding the Scheme, including the reasons for the Uniti Directors' recommendation and the Independent Expert's Report. It also sets out some of the potential reasons why you may wish to vote either for or against the Scheme.

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

If you require any further information, please call the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

On behalf of the Uniti Board, I would like to take this opportunity to thank you for your participation as a shareholder of Uniti and for your ongoing support of Uniti and I look forward to your participation at the Scheme Meetings (as applicable).



Yours faithfully
Graeme Barclay
 Chairman, Uniti Group Limited

3. IMPORTANT INFORMATION REGARDING UNITI DIRECTORS' RECOMMENDATIONS

3.1 Interests of Uniti Directors in Employee Share Options and Share Rights

The table below outlines the Employee Share Options and Share Rights issued to each Uniti Director in accordance with Uniti's existing incentive arrangements and the maximum amount that he or she will receive if the Scheme becomes Effective due to the receipt of Uniti Shares in respect of Share Rights and/or a cash payment in respect of Employee Share Options. No Uniti Director holds any Employee Retention Options. The proposed treatment of all Uniti Equity Incentives is discussed in Section 8.2b).

Director	Position	Employee Share Options held by or on behalf of the Uniti Director (vested) ⁶	Employee Share Options held by or on behalf of the Uniti Director (unvested) ⁷	Share Rights held by or on behalf of the Uniti Director (unvested) ⁸	Total amount to be received for Uniti Equity Incentives if Scheme becomes Effective
Graeme Barclay	Independent Non-Executive Chairman	As at the Last Practicable Date Nil As at 1 July 2022 1,885,981	As at the Last Practicable Date 4,327,001 As at 1 July 2022 2,441,020	As at the Last Practicable Date 135,135 As at 1 July 2022 67,568	Vested: \$5,170,133 Accelerated vesting: \$5,317,521
Michael Simmons	Managing Director & CEO	As at the Last Practicable Date 2,560,056 As at 1 July 2022 4,446,037	As at the Last Practicable Date 4,327,001 As at 1 July 2022 2,441,020	As at the Last Practicable Date 413,485 As at 1 July 2022 230,612	Vested: \$16,159,250 Accelerated vesting: \$6,132,741
Vaughan Bowen	Executive Director	As at the Last Practicable Date Nil As at 1 July 2022 1,885,981	As at the Last Practicable Date 4,327,001 As at 1 July 2022 2,441,020	As at the Last Practicable Date 328,016 As at 1 July 2022 184,894	Vested: \$5,547,908 Accelerated vesting: \$5,904,146
John Lindsay	Independent Non-Executive Director	As at the Last Practicable Date 1,247,634 As at 1 July 2022 1,954,877	As at the Last Practicable Date 1,622,625 As at 1 July 2022 915,382	N/A	Vested: \$6,921,795 Accelerated vesting: \$1,867,379
Kathryn Gramp	Independent Non-Executive Director	As at the Last Practicable Date 564,495 As at 1 July 2022 1,271,738	As at the Last Practicable Date 1,622,625 As at 1 July 2022 915,382	N/A	Vested: \$3,807,636 Accelerated vesting: \$1,867,379

6 As at the date of this Scheme Booklet, certain Uniti Directors hold vested Employee Share Options. On 30 June 2022 approximately 10,260,177 Employee Share Options will vest as a result of their vesting conditions being satisfied as at that date. As set out in Section 8.2b) the Uniti Board intends to take such actions as are necessary in order to permit the payment of a cash amount equivalent in value to the value of all remaining Employee Share Options that have vested but not been exercised or will vest subject to the Scheme becoming Effective.

7 Refer to footnote 5.

8 As at the date of this Scheme Booklet, all Share Rights held by Uniti Directors are unvested. On 1 July 2022 approximately 844,887 Share Rights will vest as a result of the vesting conditions being satisfied as at that date.

3. IMPORTANT INFORMATION REGARDING UNITI DIRECTORS' RECOMMENDATIONS continued

As discussed in further detail in Section 8.2b), the Uniti Board intends to take such actions as are necessary (including to pass a board resolution) in accordance with the applicable incentive plan rules to:

- ▶ waive the vesting conditions on all unvested Employee Share Options and amend Uniti's employee option plan rules in order to permit the payment of a cash amount equivalent to the value of all Employee Share Options (being the Cash Consideration less the exercise price of each vested Employee Share Option) that have vested or will vest subject to the Scheme becoming Effective. The aggregate cash payment for all Employee Share Options is expected to be \$92,994,750 across all employees. Of this aggregate amount, the aggregate cash payment attributable to the accelerated vesting of Employee Share Options is expected to be \$37,287,004 across all employees including directors; and
- ▶ waive the vesting conditions on all unvested Share Rights prior to the Scheme Record Date. For each vested Share Right, holders will receive 1 Uniti Share (that is, on a one for one basis). The maximum number of Uniti Shares that will be issued in accordance with the accelerated vesting of Share Rights across all employees including directors is 1,056,134.

Each Uniti Director will be receiving a benefit if the Scheme proceeds, in the sense that if the Scheme becomes Effective, Uniti Directors will receive Uniti Shares in relation to the accelerated vesting of unvested Share Rights and a cash payment in relation to the accelerated vesting of unvested Employee Share Options. The number of Employee Share Options and Share Rights held by each of the Uniti Directors and the total amount to be received by each of the Uniti Directors on implementation of the Scheme in respect of their Employee Share Options and/or Share Rights is shown in the table above, including from accelerated vesting.

Details of the Uniti Shares held by the Uniti Directors at the date of this Scheme Booklet are set out in Section 13.6. The Uniti Board expects a number of Uniti Directors to exercise their vested Employee Share Options and/or Share Rights during the period between the date of this Scheme Booklet and the Meeting Record Date and/or the Permitted Dividend Record Date. Details of any such exercise will be advised to ASX as required, and will reduce the balance of vested Employee Share Options held by those directors.

Uniti Shareholders should have regard to the Uniti Shares, Employee Share Options and Share Rights held by the Uniti Directors as set out above when considering their recommendation on the Scheme in respect of the Cash Consideration, which appears throughout this Scheme Booklet. The Uniti Board considers that, notwithstanding these arrangements (which will have no impact on the Scheme Consideration paid to Uniti Shareholders), it is appropriate for the Uniti Directors to make such a recommendation, given the importance of the Scheme and their role as directors of Uniti.

3.2 Interests of Uniti Directors in FY22 STI and LTI

As set out in further detail in Section 8.2b), Uniti to intends to take all such actions as are necessary to procure that the FY22 STI amounts (once approved by the Uniti Board and subject to achievement of the FY22 EBITDA earnings target) will be paid out in cash in the ordinary course of business and the FY22 LTI amounts (once approved) be paid out in cash in three equal instalments of 12, 24 and 36 months after their approval. This treatment of the FY22 STI and LTI, in relation to the Uniti Directors relates to the executive directors only (Mr Michael Simmons and Mr Vaughan Bowen) and would result in cash payments totalling no more than \$1.6 million in aggregate.

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

The Scheme has a number of advantages and disadvantages that may affect Uniti Shareholders in different ways depending on their individual circumstances. Those advantages and disadvantages are described in this Section 4, a summary of which is set out in Section 4.1.

Section 4.2 describes some of the reasons why the Uniti Board unanimously recommends Uniti Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders. This Section should be read in conjunction with Section 4.3, which sets out reasons why Uniti Shareholders may wish to vote against the Scheme. Section 4.4 also sets out some additional considerations that may be relevant to your vote in respect of the Scheme.

While the Uniti Directors acknowledge the reasons to vote against the Scheme, they unanimously believe the advantages of the Scheme significantly outweigh the disadvantages.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. You should also seek professional advice on your particular circumstances, as appropriate.

4.1 Summary of reasons why you might vote for or against the Scheme

a) Reasons to vote in favour of the Scheme

- ✓ The Uniti Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders.⁹ Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.
- ✓ Based on the Cash Consideration, the Independent Expert has concluded that the Scheme Consideration

is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal. Note that the Independent Expert has not made any assessment, based on the Scrip Consideration, of whether the Scheme is in the best interests of the Rollover Shareholders because Rollover Shareholders have already elected to receive Scrip Consideration for a portion of their Uniti Shares.

- ✓ The Cash Consideration of \$5.00 per Uniti Share represents a significant premium for your Uniti Shares.
 - ✓ The Cash Consideration of \$5.00 per Uniti Share is above the mid-point of the Independent Expert's valuation range of \$4.65 to \$5.20 per Uniti Share.
 - ✓ The Cash Consideration provides Uniti Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Uniti's business.
 - ✓ No Superior Proposal has emerged as at the date of this Scheme Booklet.
 - ✓ If the Uniti Board decides to pay the Permitted Dividend, eligible Uniti Shareholders may be entitled to the additional benefit of franking credits attached to any Permitted Dividend. Whether Uniti Shareholders will be in a position to realise the full benefit of franking credits attached to any Permitted Dividend will depend on their tax status and specific circumstances. Uniti Shareholders should seek professional taxation advice in this regard.¹⁰
 - ✓ Uniti's share price is likely to fall if the Scheme does not proceed.
 - ✓ You will not incur any brokerage charges on the transfer of your Uniti Shares if the Scheme proceeds.
- #### b) Potential reasons to vote against the Scheme
- ✗ You may disagree with the Uniti Directors' unanimous recommendation of the Scheme in respect of the Cash Consideration and the Independent Expert's conclusion and believe that the Scheme is not in your best interests.
 - ✗ You may wish to maintain a direct investment in Uniti as an ASX listed company.

⁹ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

¹⁰ When assessing the benefit of franking credits attached to any Permitted Dividend, Uniti Shareholders should seek independent professional taxation advice as to whether or not receipt of the Permitted Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 12 of this Scheme Booklet.

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

- ✘ The tax consequences of the Scheme may not suit certain Uniti Shareholders.
- ✘ You may believe there is potential for a Superior Proposal to be made in the foreseeable future.

4.2 Reasons to vote in favour of the Scheme

This Section 4.2 sets out some of the reasons why the Uniti Directors consider that you should vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders. While the Uniti Directors acknowledge that there are reasons to vote against the Scheme, they believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

a) The Uniti Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders

The Uniti Board unanimously recommends that you vote your shares in favour of the Scheme, provided that no Superior Proposal has emerged and that the Independent Expert maintains its conclusion that the Scheme is in the best interests of Uniti Shareholders.¹¹

Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

In reaching its recommendation, the Uniti Board has assessed the Scheme, having regard to the reasons to vote in favour of the Scheme, or against the Scheme, as set out in this Scheme Booklet.

In the absence of a Superior Proposal and provided that the Independent Expert maintains its conclusion that the Scheme is in the best interests of Uniti Shareholders, each Uniti Director intends to vote, or procure the voting of, all Uniti Shares he or she controls at the time of the relevant Scheme Meeting in favour of the Scheme. Under his Voting and Rollover Agreement, Mr Michael Simmons has unconditionally agreed to vote all of the Uniti Shares

held or controlled by him in favour of the Scheme so long as that agreement remains operative. The interests of the Uniti Directors are set out in Section 13.6.

b) Based on the Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal

The Uniti Board appointed the Independent Expert, Lonergan Edwards & Associates Limited to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of Uniti Shareholders.

Based on the Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Uniti Shareholders, in the absence of a superior proposal. The Independent Expert has assessed the value of Uniti Shares to be between \$4.65 and \$5.20 per Uniti Share. The Cash Consideration of \$5.00 per Uniti Share is in the upper half, and exceeds the mid-point of \$4.93, of this range.

The Independent Expert is of the view that the Rollover Shareholders are not receiving a superior offer to the General Shareholders under the Scheme and that the market value of the TopCo Securities to be issued to the Rollover Shareholders as Scrip Consideration, immediately following the completion of the transaction, is no greater than the Cash Consideration being paid to General Shareholders under the Scheme.

The Independent Expert has not made any assessment, based on the Scrip Consideration, of whether the Scheme is in the best interests of the Rollover Shareholders because Rollover Shareholders have already elected to receive Scrip Consideration for a portion of their Uniti Shares as outlined in Section 10.7.

The reasons why the Independent Expert has formed their conclusion that the Scheme is fair and reasonable and in the best interests of Uniti Shareholders are set out in the Independent Expert's Report, a copy of which is included as Appendix C of this Scheme Booklet. The Uniti Board encourages you to read the Independent Expert's Report in its entirety.

As at the date of this Scheme Booklet, the Independent Expert has not changed or qualified its conclusion, and no superior proposal has emerged.

¹¹ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

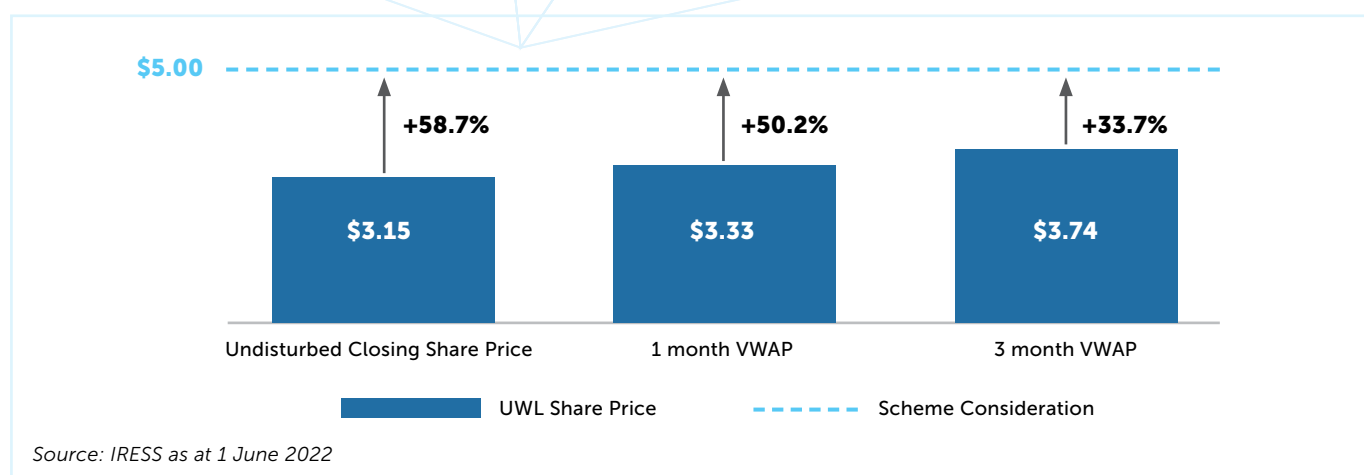
4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

c) The Cash Consideration of \$5.00 per Uniti Share represents a significant premium to the recent trading price of Uniti Shares

If the Scheme is implemented, General Shareholders will receive \$5.00 in cash for each Uniti Share held on the Scheme Record Date. The cash price of \$5.00 per Uniti Share implies an equity value, on a 100% fully diluted basis, of approximately \$3.6 billion and an enterprise value of approximately \$3.8 billion,¹² and represents:

- ▶ a **58.7% premium** to Uniti's undisturbed closing share price on 14 March 2022 of \$3.15 per Uniti Share;

- ▶ a **50.2% premium** to the one-month volume weighted average price (VWAP) to 14 March 2022 of \$3.33 per Uniti Share;
- ▶ a **33.7% premium** to the three-month VWAP to 14 March 2022 of \$3.74 per Uniti Share; and
- ▶ an implied acquisition EV/EBITDA multiple of approximately **28.0x** Uniti's 12 months underlying EBITDA of ~\$135 million to 31 December 2021 and **26.1x** Uniti's FY22F Consensus underlying EBITDA of \$145 million.



d) The Cash Consideration of \$5.00 per Uniti Share is above the mid-point of the Independent Expert's valuation range of \$4.65 to \$5.20 per Uniti Share

The Independent Expert has assessed the value of Uniti Shares to be between \$4.65 and \$5.20 per Uniti Share. The Cash Consideration of \$5.00 per Uniti Share is above the mid-point of \$4.93 of this range.

A complete copy of the Independent Expert's Report is included as Appendix C of this Scheme Booklet. The Uniti Board encourages you to read this report in its entirety.

e) If the Scheme proceeds, the General Shareholders will receive a certain cash price for their investment in Uniti and will avoid ongoing risks and uncertainties involved in Uniti's operations and future developments

The Cash Consideration of \$5.00 in cash per Uniti Share provides General Shareholders with certainty of value for

their Uniti Shares. For General Shareholders, the certainty of the Cash Consideration should be compared with the risks and uncertainties associated with remaining a shareholder in Uniti. Some of these risks are explained in more detail in Section 11.

If the Scheme is not implemented, the value Uniti Shareholders will be able to realise from their investment in Uniti, through future share price performance and dividends, will necessarily be uncertain and subject to these risks.

If the Scheme is implemented, these risks and uncertainties will be assumed by MBC BidCo and Uniti Shareholders will have received a certain cash price for their Uniti Shares.

f) No Superior Proposal has emerged as at the date of this Scheme Booklet

Since 15 March 2022, when discussions between Uniti and MBC BidCo relating to a potential change of control transaction were first disclosed to the market, and up to the

¹² Implied equity value based on cash proposal of \$5.00 per Uniti Share multiplied by 723.4 million diluted shares on issue. Enterprise value calculated as equity value plus net debt of \$162 million, being \$224m net debt at 31 December 2021 adjusted for \$28.9 million paid in the share-buy-back in March 2022 and also adjusted to reflect expected cash consideration of ~\$91 million payable on exercise of ~43.0 million Employee Share Options, Employee Retention Options and Share Rights on issue (noting ~4.4 million Employee Share Options have already been exercised and Share Rights have a nil exercise price).

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

date of this Scheme Booklet, other than as disclosed via ASX announcements, no Superior Proposal has emerged. The Uniti Board is not currently aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.

The Scheme Implementation Deed, entered into with MBC BidCo, permits Uniti to engage with any party that offers a Superior Proposal, subject to certain conditions in favour of MBC BidCo. Further details on the key terms of the Scheme Implementation Deed are provided in Section 8.1 of this Scheme Booklet.

g) If the Uniti Board decides to pay a Permitted Dividend, eligible Uniti Shareholders may be entitled to the additional benefit of franking credits attached to any Permitted Dividend

If the Uniti Board decides to pay a Permitted Dividend, a Permitted Dividend of up to \$0.11 will be paid to all Uniti Shareholders on the Uniti Share Register as at the Permitted Dividend Record Date.

Assuming that a Permitted Dividend of up to \$0.11 is paid, eligible Uniti Shareholders may be entitled to receive an additional benefit of up to approximately \$0.05 from franking credits attached the Permitted Dividend, subject to their individual marginal tax rates.¹³ Whether eligible Uniti Shareholders will be in a position to realise the full benefit of franking credits attached to any Permitted Dividend will depend on their individual tax status and specific circumstances. Uniti Shareholders should seek independent professional taxation advice in this regard.

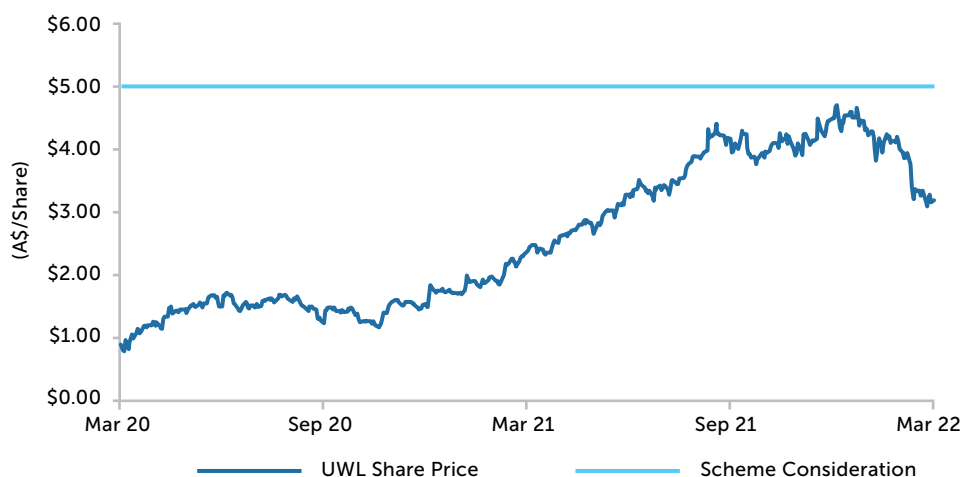
When assessing the benefit of franking credits attached to any Permitted Dividend, Uniti Shareholders should seek independent professional taxation advice as to whether or not receipt of the Permitted Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 12, which contains a general guide to the Australian taxation implications of the Scheme. However, this guide is expressed in general terms only and Uniti Shareholders should consult with their own independent tax advisers regarding the tax consequences applicable to their own circumstances.

h) The Uniti Share price is likely to fall if the Scheme does not proceed

If the Scheme is not implemented, Uniti Shares will continue to remain quoted on ASX and will continue to be subject to market volatility. This includes exposure to general stock market movements, the impact of general economic conditions and the demand for listed securities. As such, if the Scheme is not implemented, it is likely that the price of Uniti Shares will fall to a price below the Cash Consideration being offered.

Over the two years prior to the announcement of discussions between Uniti and MBC BidCo on 15 March 2022, Uniti Shares have closed between a low of \$0.78 per Uniti Share on 19 March 2020 and a high of \$4.64 per Uniti Share on 17 December 2021. On the last trading day prior to the announcement of discussions between Uniti and MBC BidCo, Uniti Shares closed at \$3.15 per Uniti Share.

The graph below shows the share price performance of Uniti Shares over the two years ending 14 March 2022, relative to the Cash Consideration.



Source: IRESS as at 1 June 2022

¹³ The maximum benefit associated with the franking credits will be less if the Permitted Dividend is less than \$0.11 per Uniti Share.

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

i) Uniti Shareholders will not incur any brokerage fees on the transfer of their Uniti Shares if the Scheme proceeds

If the Scheme is implemented, Uniti Shareholders will not incur brokerage charges on the transfer of their Uniti Shares under the Scheme. Uniti Shareholders may incur such charges if they dispose of their Uniti Shares in a manner other than that contemplated by the Scheme.

4.3 Potential reasons to vote against the Scheme

Notwithstanding the Uniti Directors' unanimous recommendation of the Scheme in respect of the Cash Consideration and the Independent Expert concluding that the Scheme is in the best interests of Uniti Shareholders in the absence of a Superior Proposal, this Section 4.3 sets out some of the reasons which may lead you to consider voting against the Scheme.

a) You may disagree with the Uniti Board's unanimous recommendation

Despite the unanimous recommendation of the Uniti Board in respect of the Cash Consideration to vote in favour of the Scheme in the absence of a Superior Proposal, you may believe that the Scheme is not in the best interests of Uniti Shareholders or not in your own individual best interests.

b) You may disagree with the Independent Expert's conclusion

In concluding that, in respect of the Cash Consideration, the Scheme is fair and reasonable and in the best interests of Uniti Shareholders, the Independent Expert has made judgements based on future conditions and events which cannot be predicted with certainty. You may hold a different view and consequently may not agree with the Independent Expert's conclusion that the Scheme is in the best interests of Uniti Shareholders.

c) You may prefer the opportunity to participate in any future value creation of the Uniti business and consider that the Cash Consideration does not adequately compensate you for that opportunity

If the Scheme is implemented, you will no longer be a Uniti Shareholder. This means that you will not participate in the future performance of Uniti, you will not retain any exposure to Uniti's business performance or assets, and you will not be entitled to share in value that could be

generated by Uniti in the future.

You may consider that, despite the risk factors relevant to Uniti's future operations, Uniti may be able to return greater risk adjusted value for shareholders by remaining a listed entity or by seeking alternative corporate or control transactions in the future.

d) You may wish to maintain your investment in Uniti because there may be limited alternative ways of gaining exposure to a comparable asset portfolio

You may wish to maintain your investment in Uniti as an investment in a publicly listed company with the specific characteristics of Uniti in terms of industry, operational profile, development pipeline, size, liquidity, capital structure and potential dividend stream.

If the Scheme is implemented, you will no longer be a Uniti Shareholder. You may want to maintain your investment profile and consider that it will be difficult to find an alternative investment with similar characteristics to Uniti. Furthermore, you may incur transaction costs in undertaking any new investment.

e) The tax consequences of the Scheme may not suit your current financial circumstances

The tax consequences of the Scheme will depend on your individual situation. If the Scheme is implemented, it may result in unfavourable taxation consequences for you.

A general guide to the taxation implications of the Scheme is set out in Section 12. Uniti Shareholders should consider the information in Section 12 to be general in nature and should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

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

You may consider that a Superior Proposal could emerge in the foreseeable future. This may take the form of a takeover offer or an alternative scheme of arrangement, which could deliver total consideration to Uniti Shareholders that exceeds the Scheme Consideration.

As at the date of this Scheme Booklet, no Superior Proposal has emerged, and the Uniti Board is not aware of, and has no basis to believe that a Superior Proposal is likely to emerge.

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

4.4 Additional considerations relating to the Scheme

You should also take into account the following additional considerations in deciding how to vote on the Scheme.

a) The Scheme may be implemented even if you vote against the Scheme or do not vote at all

You should be aware that 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 Uniti Shareholders at each Scheme Meeting and by the Court and if all other Conditions Precedent are satisfied or waived (as applicable) in accordance with the terms of Scheme Implementation Deed. If this occurs, your Uniti Shares held on the Scheme Record Date will be transferred to MBC BidCo and you will receive the Scheme Consideration even though you voted against, or did not vote, on the Scheme.

b) Conditionality of the Scheme

Implementation of the Scheme is subject to the satisfaction (or waiver) of a number of Conditions Precedent, which are summarised in Section 8.1 of this Scheme Booklet and set out in clause 3.1 of the Scheme Implementation Deed. If the Conditions Precedent are not satisfied or waived (as applicable) in accordance with the terms of the Scheme Implementation Deed, the Scheme will not proceed and Uniti Shareholders will not receive the Scheme Consideration.

As far as Uniti and MBC BidCo are aware, as at the date of this Scheme Booklet, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, Uniti will inform Uniti Shareholders of the status of the Conditions Precedent through an announcement to ASX.

The Scheme Implementation Deed may be terminated if any of the Conditions Precedent have not been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the End Date, or such other date as is agreed between Uniti and MBC BidCo.

For further information about the Conditions Precedent and termination rights under the Scheme Implementation Deed (including with respect to the Conditions Precedent) see Sections 8.1a) and 8.1g).

c) Warranty by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Uniti and MBC BidCo, and appointed and authorised Uniti as its attorney and agent to warrant to MBC BidCo, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to MBC BidCo pursuant to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to MBC BidCo pursuant to the Scheme. Each Scheme Shareholder is also deemed to have warranted to Uniti and MBC BidCo, and appointed and authorised Uniti as its attorney and agent to warrant to MBC BidCo, that the relevant Scheme Shareholder has no existing right to be issued any Uniti Shares, Uniti Equity Incentives or any other Uniti equity securities, other than in the case any Scheme Shareholder who is also a holder of Uniti Equity Incentives, the right to be issued Uniti Shares on the vesting of those Uniti Equity Incentives (if applicable) before the Scheme Record Date in accordance with their terms.

d) Exclusivity

The Scheme Implementation Deed includes certain exclusivity arrangements that Uniti has made in favour of MBC BidCo. These include customary no-shop, no-talk and no-due diligence obligations, as well as obligations of notification of competing proposals and providing a matching right to MBC BidCo in the event that a Superior Proposal is received by Uniti. These exclusivity arrangements are described in further detail in Section 8.1b).

e) Break Fee

Uniti will be obliged to pay MBC BidCo the Break Fee in certain circumstances, including if:

- ▶ **Change in recommendation:** during the Exclusivity Period, any Uniti Director fails to recommend that Uniti Shareholders vote in favour of the Scheme, withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation or indicates they no longer recommend the Transaction or recommend, support or endorse a Competing Proposal, in each case provided that MBC BidCo has terminated the Scheme Implementation Deed, and other than in circumstances where:

4. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE *continued*

- the Independent Expert concludes the Scheme is not in the best interests of Uniti Shareholders;
 - a court of competent jurisdiction, ASIC or the Takeovers Panel requires that one or more Uniti Directors abstain or withdraw from making a recommendation that Uniti Shareholders vote in favour of the Scheme;
 - the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a Recommendation occurs in relation to a Recommendation by a Uniti Director who is a Rollover Shareholder and after taking legal advice, such Uniti Director has determined that he has a Scheme Interest that renders it inappropriate for him to make or maintain any such recommendation and the Court would be unlikely to grant an order directing Uniti to convene the Scheme Meetings or an order approving the Scheme, in each case solely as a result of the Scheme Interest; or
 - Uniti is entitled to terminate the Scheme Implementation Deed for material breach in accordance with the provisions of the Scheme Implementation Deed;
- ▶ **Competing Proposal:** at any time before the End Date (or if earlier, the date the Scheme Implementation Deed is terminated under clause 14 of the Scheme Implementation Deed) a Competing Proposal is announced and within 12 months of such announcement a Third Party (either alone or together with any Associate):
- completes a Competing Proposal of the kind referred to in paragraph (b), (c) or (d) of the definition of Competing Proposal; or
 - has a Relevant Interest in, or becomes the holder of, or otherwise acquires 50% or more of Uniti Shares and that acquisition is unconditional; or
- ▶ **Material breach:** MBC BidCo terminates the Scheme Implementation Deed following a material breach by Uniti, including of Uniti's representations and warranties and the Transaction does not complete.

f) Recommendation in relation to Scrip Consideration

As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Directors do not make any comment or recommendation in relation to whether the Rollover Shareholders should have elected to receive the Scrip Consideration.

5. FREQUENTLY ASKED QUESTIONS

Question	Answer	More information
1	Background and overview of the Scheme	
What are General Shareholders being asked to consider?	<p>General Shareholders are being asked to consider and vote on a proposal to transfer all of their Uniti Shares to MBC BidCo, in exchange for MBC BidCo paying the Cash Consideration of \$5.00 in cash to each General Shareholder for each Uniti Share they hold on the Scheme Record Date.</p> <p>The proposal is structured as a scheme of arrangement between Uniti and all persons who hold Uniti Shares as at the Scheme Record Date. If the Scheme becomes Effective, Uniti will become a wholly owned subsidiary of MBC BidCo and removed from ASX's official list.</p>	Section 7 contains an overview of the Scheme and a copy of the Scheme is attached as Appendix D.
What is the Scheme Consideration?	<p>If the Scheme becomes Effective, General Shareholders and Rollover Shareholders (in respect of the portion of their Uniti Shares that they have elected to receive Cash Consideration) will receive Cash Consideration of \$5.00 in cash for each Uniti Share held as at the Scheme Record Date, less the amount of any Permitted Dividend that may be declared and paid by Uniti.</p> <p>If the Uniti Board decides to pay a Permitted Dividend, the amount of Cash Consideration paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the amount of the Permitted Dividend per Uniti Share held by a Uniti Shareholder on the Scheme Record Date.</p> <p>Refer to the questions 'Who are the Rollover Shareholders and what is the Election?' and 'What is the Permitted Dividend?' for further information.</p>	Section 7.3.
What is a scheme of arrangement?	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act and is commonly used in transactions in Australia that may result in a change of ownership or control of a company. It requires a vote in favour of the Scheme by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings, as well as approval of the Court.	Section 7.
What do the Uniti Directors recommend?	<p>The Uniti Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders.¹⁴</p> <p>Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.</p> <p>The reasons for the Uniti Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 4.</p>	Section 4 provides a summary of some of the reasons why Uniti Shareholders might vote for and against the Scheme, as well as some additional considerations that may be relevant to Uniti Shareholders' vote in respect of the Scheme.

¹⁴ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
1	Background and overview of the Scheme <i>continued</i>	
How do the Uniti Directors intend to vote?	<p>Each Uniti Director intends to vote the Uniti Shares he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders.</p> <p>Under his Voting and Rollover Agreement, Mr Michael Simmons has unconditionally agreed to vote all of the Uniti Shares held or controlled by him in favour of the Scheme as long as that agreement remains operative.</p>	Sections 2 and 4.
Do the Uniti Directors make any recommendation in respect of the Scrip Consideration?	<p>As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Directors do not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.</p>	Section 4.4f).
What is the opinion of the Independent Expert?	<p>The Independent Expert has concluded that the Scheme Consideration is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal.</p> <p>Note that the Uniti Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of Uniti Shares, the Uniti Board did not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.</p> <p>The Independent Expert has assessed the full underlying value of Uniti at between \$4.65 and \$5.20 per Uniti Share, with a mid-point of \$4.93 per Uniti Share. The Cash Consideration of \$5.00 per Uniti Share is above the mid-point of this range.</p> <p>A complete copy of the Independent Expert's Report is included in Appendix C. You are encouraged to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.</p>	A copy of the Independent Expert's Report is contained in Appendix C.
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> ▶ vote for or against the applicable Scheme Resolution to approve the Scheme (in person or online (as applicable), or by proxy, corporate representative or attorney); ▶ sell your Uniti Shares on-market before the Effective Date or off-market before the Scheme Record Date; or ▶ abstain or do nothing, in which case: <ul style="list-style-type: none"> – if the Scheme becomes Effective, your Uniti Shares will be transferred to MBC BidCo and you will receive the Cash Consideration for all of your Uniti Shares held on the Scheme Record Date; and – if the Scheme does not become Effective, you will continue to hold your Uniti Shares. 	Section 4 provides a summary of some of the reasons why Uniti Shareholders might vote for and against the Scheme, as well as some additional considerations that may be relevant to Uniti Shareholders' vote in respect of the Scheme.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
1	Background and overview of the Scheme <i>continued</i>	
Can I sell my Uniti Shares now?	<p>Yes. You can sell your Uniti Shares on market at any time, and if the Scheme becomes Effective, before the close of trading on ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration). You will not be able to sell your Uniti Shares on market after the Effective Date, as this will be the last day of trading in Uniti Shares on ASX before trading in Uniti Shares on ASX is suspended.</p> <p>You may however seek to sell your Uniti Shares off-market after the Effective Date but before the Scheme Record Date.</p> <p>If you sell your Uniti Shares before the Scheme Record Date, you:</p> <ul style="list-style-type: none"> ▶ may receive the proceeds from the sale of your Uniti Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration); ▶ will not receive the Permitted Dividend if Uniti decides to pay the Permitted Dividend and you are not a Uniti Shareholder on the Permitted Dividend Record Date; ▶ may incur brokerage costs if you sell your Uniti Shares on market; and ▶ will not be able to participate in the Scheme or a Superior Proposal, if one emerges after the date on which you sell your Uniti Shares. 	N/A
What should I do?	<p>You should read this Scheme Booklet carefully in its entirety and then vote by attending the General Scheme Meeting virtually (or, if you are a Rollover Shareholder, the Rollover Shareholders Scheme Meeting in person) or by appointing a proxy, corporate representative to attend the relevant Scheme Meeting on your behalf. For more information on why there are two meetings, refer to the question 'Why are there two meetings in relation to the Scheme?'</p> <p>Uniti strongly encourages Uniti Shareholders to consider lodging a directed proxy in the event they are not able to participate in the Scheme Meetings.</p>	N/A
2	Information about MBC BidCo, TopCo and the Consortium	
Who are MBC BidCo and TopCo?	<p>MBC BidCo and TopCo are the companies offering the Scheme Consideration for the Uniti Shares. They are Australian special purpose companies and, if the Scheme is implemented, MBC BidCo will become the holder of all Uniti Shares.</p> <p>The direct holding company of MBC BidCo is MBC HoldCo, whose direct holding company is TopCo. As at the date of this Scheme Booklet, TopCo is wholly owned and controlled by the Consortium Members.</p>	Section 10.
Who are the Consortium Members?	<p>The Consortium Members comprise BIV One, MCo IP and CSC who, together, indirectly own and control MBC BidCo.</p>	Section 10.
How is MBC BidCo funding the Cash Consideration?	<p>MBC BidCo intends to fund payment of the Cash Consideration using a combination of debt and equity.</p> <p>For the equity, MBC BidCo has received a legally binding Equity Commitment Letter from the Consortium Members.</p> <p>For the debt, MBC BidCo has entered into a Debt Commitment Letter with the Mandated Lead Arrangers and Bookrunners.</p>	Section 10.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
3	Rollover Shareholders	
Who are the Rollover Shareholders and what is the Election?	<p>Prior to the date of this Scheme Booklet, Uniti and MBC BidCo agreed that Uniti's Chief Executive Officer and Managing Director, Michael Simmons and Chief Infrastructure Networks & Technology, Geoffrey Aldridge (and entities controlled by them respectively, where applicable) are the Rollover Shareholders for the purposes of the Scheme Implementation Deed.</p> <p>The Rollover Shareholders are the only Uniti Shareholders entitled to elect to receive some or all of their Scheme Consideration as Scrip Consideration. Prior to the date of this Scheme Booklet, the Rollover Shareholders elected to receive a pre-determined proportion of their Scheme Consideration as Scrip Consideration, being shares in TopCo, with the remainder to be received as Cash Consideration.</p> <p>Under the Voting and Rollover Agreements, the Rollover Shareholders have agreed to do so for an aggregate of 2.56 million shares (which, at \$5.00 per Uniti Share, equals \$12.8 million in value).</p>	Section 10.7 and Clause 5.2 of the Scheme contained in Appendix D.
What is Scrip Consideration?	<p>The Scrip Consideration is calculated as 0.315594 RPS Management Shares and 0.684406 Ordinary Management Shares in TopCo for each dollar of Cash Consideration a Rollover Shareholder would have otherwise received for each Scheme Share held by that Rollover Shareholder as at the Scheme Record Date. The number of TopCo Securities to be issued to the Rollover Shareholders will be reduced to take into account the amount of Permitted Dividend, if paid by Uniti.</p>	Sections 7.3a) and 10.8.
Why do the Rollover Shareholders vote separately from the General Shareholders?	<p>Because the Rollover Shareholders have elected to receive a different form of consideration under the Scheme to the General Shareholders, their rights under the Scheme are sufficiently different from those of General Shareholders such that they constitute a separate class of members for the purpose of voting on the Scheme.</p> <p>This means that the Rollover Shareholders will not be permitted to vote at the General Scheme Meeting and will instead vote at the Rollover Shareholders Scheme Meeting.</p>	Section 8.3c).
4	Scheme Meetings and voting requirements	
Why are there two meetings in relation to the Scheme?	<p>There are two meetings in relation to the Scheme because the Rollover Shareholders are offered, and may elect to receive, a different form of consideration to the General Shareholders. Therefore, their rights under the Scheme are sufficiently different from those of the General Shareholders such that they constitute a separate class of members for the purposes of voting on the Scheme.</p> <p>This means that the Rollover Shareholders will not be permitted to vote at the General Scheme Meeting and will instead vote at the Rollover Shareholders Scheme Meeting.</p> <p>Equally, the General Shareholders will not be permitted to vote at the Rollover Shareholders Scheme Meeting.</p>	Section 8.3c).

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
<p>4</p> <p>What am I being asked to vote on at the relevant Scheme Meeting?</p>	<p>Scheme Meetings and voting requirements <i>continued</i></p> <p>You are being asked to vote on whether or not to approve the Scheme by voting on the relevant Scheme Resolution.</p> <p>The text of the General Scheme Resolution (on which the General Shareholders are asked to vote) is set out in the Notice of General Scheme Meeting in Appendix A.</p> <p>The text of the Rollover Shareholders Scheme Resolution (on which the Rollover Shareholders are asked to vote) is set out in the Notice of Rollover Shareholders Scheme Meeting in Appendix B.</p>	<p>The Notice of General Scheme Meeting contained in Appendix A sets out further details on how to vote at the General Scheme Meeting.</p> <p>The Notice of Rollover Shareholders Scheme Meeting contained in Appendix B sets out further details on how to vote at the Rollover Shareholders Scheme Meeting.</p>
<p>Am I entitled to vote?</p>	<p>Each Uniti Shareholder who is registered on the Uniti Share Register as at the Meeting Record Date (being 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022), is entitled to vote at the relevant Scheme Meeting.</p> <p>If you are not registered on the Uniti Share Register on the Meeting Record Date, for example, because you sold all of your Uniti Shares, you will not be entitled to vote at the relevant Scheme Meeting.</p>	<p>Notice of General Scheme Meeting contained in Appendix A sets out further details on how to attend and vote at the General Scheme Meeting.</p> <p>The Notice of Rollover Shareholders Scheme Meeting contained in Appendix B sets out further details on how to attend and vote at the Rollover Shareholders Scheme Meeting.</p>
<p>What voting majority is required to approve the Scheme?</p>	<p>The Scheme needs to be approved by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings, which is:</p> <ul style="list-style-type: none"> ▶ at least 75% of the total number of votes cast on the respective Scheme Resolution (either in person or virtually (as applicable), or by proxy, corporate representative or attorney), where each Uniti Share carries one vote; and ▶ a majority in number (more than 50%) of Uniti Shareholders present and voting (in person or virtually (as applicable), or by proxy, corporate representative or attorney) at the relevant Scheme Meeting, where each Uniti Shareholder counts as one vote. <p>The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.</p> <p>If the Scheme is not approved by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings and the Court, the Scheme will not proceed.</p>	<p>Section 6.2, Appendix A and Appendix B.</p>

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
4	Scheme Meetings and voting requirements <i>continued</i>	
How do I vote?	<p>You can vote on the relevant Scheme Resolution:</p> <ul style="list-style-type: none"> ▶ online, if you are a General Shareholder, by attending the General Scheme Meeting virtually via the online meeting platform by entering the following URL web.lumiagm.com/381-257-625 into a web browser on your computer, tablet or smartphone; ▶ in person, if you are a Rollover Shareholder, by attending the Rollover Shareholders Scheme Meeting, or by appointing a proxy, attorney or corporate representative to attend the Rollover Shareholders Scheme Meeting and vote on your behalf; or ▶ by appointing a proxy (including by completing and returning the Proxy Form or lodging your proxy online before 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is available to you. 	Section 6.5, Appendix A and Appendix B.
Is voting compulsory?	No. Voting is not compulsory. However, Uniti Directors believe that the Scheme is important for all Uniti Shareholders and the Uniti Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders. ¹⁵	The reasons for the Uniti Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 4.
Why should I vote in favour of the Scheme?	Section 4.2 sets out some of the reasons why the Uniti Directors consider that you should vote in favour of the Scheme.	Section 4.2.
Why might I consider voting against the Scheme?	Section 4.3 sets out some of the reasons which may lead you to consider voting against the Scheme.	Section 4.3.
When and where will the Scheme Meetings be held?	<p>The General Scheme Meeting is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022 virtually via the online meeting platform at web.lumiagm.com/381-257-625.</p> <p>The Rollover Shareholders Scheme Meeting will be held immediately after the General Scheme Meeting on Friday, 15 July 2022 in person at 22 Salmon Street, Port Melbourne, Victoria 3207.</p>	Section 6.1, Appendix A and Appendix B set out further details on the Scheme Meetings.
When will the results of the Scheme Meetings be known?	<p>The result of each Scheme Meeting will be available shortly after the conclusion of that Scheme Meeting and will be announced to ASX as soon as practicable.</p> <p>Even if each Scheme Resolution is passed at each respective Scheme Meeting, the Scheme is subject to approval of the Court and satisfaction or waiver (if permitted) of all Conditions Precedent.</p>	Section 6.

¹⁵ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
4	Scheme Meetings and voting requirements <i>continued</i>	
What happens to my Uniti Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	<p>If the Scheme becomes Effective and you are a Uniti Shareholder as at the Scheme Record Date, your Uniti Shares will be transferred pursuant to the Scheme and you will be entitled to receive the Scheme Consideration for your Uniti Shares. This is even if you did not vote, or voted against the Scheme.</p> <p>If the Scheme is not approved by Uniti Shareholders and the Court and does not become Effective, you will remain a Uniti Shareholder.</p>	Section 4.4.
What can I do if I oppose the Scheme?	<p>If you, as a Uniti Shareholder, oppose the Scheme, you may:</p> <ul style="list-style-type: none"> ▶ call the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) to obtain further information; ▶ attend the General Scheme Meeting virtually or the Rollover Shareholders Scheme Meeting in person (as applicable to you), or by proxy, representative or attorney and vote against the relevant Scheme Resolution; and/or ▶ if Uniti Shareholders pass the Scheme Resolutions at the Scheme Meetings and you wish to appear and be heard at the hearing on the Second Court Date, you must lodge a notice of intention to appear at such hearing and indicate opposition to the Scheme. You should seek professional advice as to how to do this. 	See Important notices, Section 4.3, Appendix A and Appendix B.
5	Permitted Dividend	
What is the Permitted Dividend?	<p>The Permitted Dividend is a cash dividend that the Uniti Board may decide to pay of up to \$0.11 per Uniti Share held by a Uniti Shareholder on the Permitted Dividend Record Date.</p> <p>If the Uniti Board decides to pay the Permitted Dividend, payment of such Permitted Dividend is conditional on the Scheme becoming Effective.</p> <p>It is important to note that the Permitted Dividend does not represent an additional payment over and above the headline offer price of \$5.00 per Uniti Share. If the Uniti Board decides to pay the Permitted Dividend, the amount paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the cash amount of the Permitted Dividend per Uniti Share held on the Scheme Record Date.</p>	Sections 7.3 and 8.1h).
When will I know if Uniti has decided to pay a Permitted Dividend and, if so, what the amount of the Permitted Dividend will be?	<p>On or before the date of the Scheme Meetings.</p> <p>If the Uniti Board decides to pay the Permitted Dividend, the cash amount of the Permitted Dividend will be up to \$0.11 per Uniti Share held by a Uniti Shareholder on the Permitted Dividend Record Date.</p> <p>In accordance with the Scheme Implementation Deed the Permitted Dividend Record Date must be a date before the Scheme Record Date.</p>	N/A
Am I eligible to receive the Permitted Dividend?	<p>If you hold Uniti Shares on the Permitted Dividend Record Date, you will be eligible to receive the Permitted Dividend in respect of each Uniti Share held by you on that date.</p>	Section 8.1h).

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
5	Permitted Dividend <i>continued</i>	
When will I receive the Permitted Dividend?	The Permitted Dividend is conditional on the Scheme becoming Effective and in accordance with the Scheme Implementation Deed, the Permitted Dividend must be declared and paid no later than the Implementation Date.	Sections 1 and 8.1h).
Will the Permitted Dividend be franked?	The Uniti Board intends that the Permitted Dividend will be fully franked. This means that, depending on the tax status and individual circumstances of each Uniti Shareholder, each Uniti Shareholder on the Uniti Share Register on the Permitted Dividend Record Date may also receive a franking credit of up to approximately \$0.05 per Uniti Share ¹⁶ provided that the Uniti Shareholder does not dispose of their Uniti Shares prior to the Scheme Record Date as this would result in the Uniti Shareholder failing to be a 'qualified person'. ¹⁷ Uniti Shareholders should read and consider Section 12 in relation to possible taxation implications of the Scheme and obtain professional or taxation advice applicable to their individual circumstances.	Sections 8.1h) and 12.
6	Implementation of the Scheme	
What will happen to Uniti if the Scheme becomes Effective?	If the Scheme becomes Effective, all of the Uniti Shares will be acquired by MBC BidCo and it is intended that Uniti will be removed from ASX's official list.	Section 8.
Are there conditions that need to be satisfied before the Scheme can proceed?	Yes. Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent. These Conditions Precedent are summarised in Section 8.1a) and set out in full in clause 3.1 of the Scheme Implementation Deed. As at the date of this Scheme Booklet, the Uniti Directors are not aware of any reason why any condition to the Scheme will not be satisfied or waived (if capable of waiver).	Section 8.
When will the Scheme become Effective?	The Scheme will become Effective if: <ul style="list-style-type: none"> ▶ the Scheme is approved by the Requisite Majorities of Uniti Shareholders at the relevant Scheme Meeting; ▶ the Court approves the Scheme on the Second Court Date; and ▶ all other Conditions Precedent are satisfied or waived (as applicable). Subject to the above, the Scheme will become Effective on the Effective Date.	Sections 4.4b) and 8.1.
When will Uniti Shares cease trading on ASX?	Uniti Shares are expected to cease trading from the close of trading on ASX on the Effective Date.	Sections 8.3f) and 13.2.

¹⁶ When assessing the benefit of franking credits attached to any Permitted Dividend, Uniti Shareholders should seek independent professional taxation advice as to whether or not receipt of the Permitted Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 12 of this Scheme Booklet.

¹⁷ The maximum benefit associated with the franking credits will be less if the Permitted Dividend is less than \$0.11 per Uniti Share.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
6	Implementation of the Scheme <i>continued</i>	
When will I receive the Scheme Consideration?	<p>If the Scheme becomes Effective, the Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date.</p> <p>If the Scheme is not approved by the Requisite Majorities of Uniti Shareholders at each Scheme Meeting and the Court, the Scheme Consideration will not be provided.</p>	Section 1.
How will I be paid the Scheme Consideration?	<p>Payment of the Cash Consideration will be made either:</p> <ul style="list-style-type: none"> ▶ to the nominated bank account advised to the Uniti Registry as at the Scheme Record Date; or ▶ if no account is nominated, by a cheque in Australian currency, sent by pre-paid post to your registered address as shown on the Uniti Share Register. <p>You can review and update your bank account details online at www.investorserve.com.au before the Scheme Record Date. Any Scrip Consideration component of the Scheme Consideration will be issued to you (or your nominated related body corporate) by TopCo.</p>	Section 8.3h).
What are the tax implications of the Scheme?	<p>If the Scheme becomes Effective, there may be tax consequences for Scheme Shareholders which may include tax being payable on any gain or disposal of Uniti Shares.</p> <p>For further general information about the Australian tax consequences of the Scheme for certain Uniti Shareholders, see Section 12.</p> <p>The tax treatment may vary depending on your individual circumstances. Uniti encourages you to seek independent professional taxation advice in relation to your particular circumstances.</p>	Section 12.
Will I have to pay brokerage or stamp duty?	<p>No, you will not have to pay brokerage or stamp duty if your Uniti Shares are acquired under the Scheme.</p>	Section 12.4.
What happens if the Scheme is not approved?	<p>If the Scheme is not approved by the Requisite Majorities of Uniti Shareholders at each Scheme Meeting and the Court, the Scheme will not proceed.</p> <p>If the Scheme does not proceed:</p> <ul style="list-style-type: none"> ▶ the Scheme Consideration will not be provided to Scheme Shareholders; ▶ MBC BidCo will not acquire the Scheme Shares; ▶ Uniti will continue to be listed on ASX; and ▶ Uniti Shareholders will retain their Uniti Shares and continue to share in any benefits and risks of Uniti's ongoing business. <p>If the Scheme does not proceed, and no Superior Proposal emerges, Uniti Shareholders will continue to be exposed to the general market risks set out in Section 11.2 and the risk factors relating to the business and operations of Uniti set out in Section 11.3, including the risk that the price of Uniti Shares is likely to fall.</p>	Section 6.2.

5. FREQUENTLY ASKED QUESTIONS *continued*

Question	Answer	More information
6	Implementation of the Scheme <i>continued</i>	
What happens if a Competing Proposal for Uniti emerges?	<p>Although no Competing Proposal has emerged as at the date of this Scheme Booklet, if an unsolicited Competing Proposal for Uniti is received before the Scheme Meetings, the Uniti Directors will carefully consider it to determine whether it is a Superior Proposal and will inform you of any material developments.</p> <p>Uniti must notify MBC BidCo of, and MBC BidCo has a right to match, any Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>Uniti Shareholders should note that Uniti has agreed to certain exclusivity and break fee provisions in favour of MBC BidCo under the Scheme Implementation Deed.</p>	Section 8.1.
When will the Break Fee be payable?	<p>Uniti will be obliged to pay MBC BidCo the Break Fee in certain circumstances, including if during the Exclusivity Period, subject to certain exceptions, any Uniti Director withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation to vote in favour of the Scheme or indicates they no longer recommend the Transaction or recommends, supports or endorses a Competing Proposal.</p>	Sections 4.4e) and 8.1d) set out a detailed explanation of circumstances in which the Break Fee is payable.
When will the Reverse Break Fee be payable?	<p>MBC BidCo is required to pay Uniti the Reverse Break Fee if Uniti has terminated the Scheme Implementation Deed for material breach (including material breach of a Bidder Representation and Warranty) and the Scheme does not become Effective.</p>	Section 8.1e).
7	Further information	
Where can I get further information?	<p>For further information, you can call the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).</p>	Section 9.9.

6. DETAILS OF SCHEME MEETINGS AND INSTRUCTIONS ON HOW TO VOTE

6.1 Details of Scheme Meetings

The notice convening the General Scheme Meeting is attached at Appendix A to this Scheme Booklet and the notice convening the Rollover Shareholders Scheme Meeting is attached at Appendix B to this Scheme Booklet.

The General Scheme Meeting is expected to be held on Friday, 15 July 2022 at 9.30am virtually through the online meeting platform at web.lumiagm.com/381-257-625.

The Rollover Shareholders Scheme Meeting is expected to be held immediately after the General Scheme Meeting on Friday, 15 July 2022, in person at 22 Salmon Street, Port Melbourne, Victoria 3207.

Instructions on how to ask questions during the relevant Scheme Meeting are outlined in the Notice of General Scheme Meeting in Appendix A and Notice of Rollover Shareholders Meeting in Appendix B (as applicable). Please note, only Uniti Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the relevant Scheme Meeting. Uniti Shareholders are therefore encouraged to lodge questions prior to the Scheme Meetings at <https://www.votingonline.com.au/uwlsm2022> by 9.30am AEST (Sydney, Melbourne), Wednesday, 13 July 2022.

6.2 Voting majorities required

The Scheme needs to be approved by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings, which is:

- ▶ at least 75% of the total number of votes cast on the respective Scheme Resolution by Uniti Shareholders present and voting (either in person or virtually (as applicable), or by proxy, corporate representative or attorney); and
- ▶ a majority in number (more than 50%) of Uniti Shareholders present and voting (in person or virtually (as applicable), or by proxy, corporate representative or attorney) at the relevant Scheme Meeting.

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

If the Scheme is not approved by the Requisite Majorities of Uniti Shareholders and approved by the Court, the Scheme will not proceed.

6.3 Your vote is important

Uniti Directors urge Uniti Shareholders to vote on the relevant Scheme Resolution. The Scheme affects the Uniti Shares you hold and your vote on the relevant Scheme Resolution is important in determining whether the Scheme becomes Effective.

6.4 Voting entitlements

Uniti Shareholders registered on the Uniti Share Register on the Meeting Record Date (being 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022) will be entitled to vote at the relevant Scheme Meeting.

6.5 How to vote

a) Voting in person

If you are a Rollover Shareholder, to vote in person at the Rollover Shareholders Scheme Meeting, Rollover Shareholders must attend the Rollover Shareholders Scheme Meeting. A Rollover Shareholder will be admitted to the Rollover Shareholders Scheme Meeting upon providing evidence of his or her name and address at the point of entry to the Rollover Shareholders Scheme Meeting.

If you are a General Shareholder, you will not be able to vote in person at the General Scheme Meeting.

b) Voting online

General Shareholders participating in the General Scheme Meeting using the online meeting platform will be able to vote between the commencement of the General Scheme Meeting and the closure of voting as announced by the Chair during the General Scheme Meeting. If you are unable to attend, please lodge your vote online at <https://www.votingonline.com.au/uwlsm2022>.

If you choose to participate in the General Scheme Meeting online, registration will open at 8.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022. To participate in the General Scheme Meeting online, you can log in to the General Scheme Meeting by entering the following URL web.lumiagm.com/381-257-625 into a web browser on your computer, tablet or smartphone.

Once on the URL, General Shareholders will need the following information to participate in the General Scheme Meeting in real-time:

1. Your postcode registered to your holding if you are an Australian General Shareholder.

6. DETAILS OF SCHEME MEETINGS AND INSTRUCTIONS ON HOW TO VOTE *continued*

2. Overseas General Shareholders should select the country of domicile.
3. The VAC (Voter Access Code) for the General Scheme Meeting, this will be printed on the Proxy Form or provided in the Scheme Meeting email communication.

If you are a Rollover Shareholder, you will not be able to vote online during the Rollover Shareholders Scheme Meeting.

c) Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

Uniti Shareholders wishing to appoint a proxy to attend and vote at the relevant Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form. The Proxy Form contains a control number that you will need if you wish to lodge your proxy online.

There are a number of ways Proxy Forms may be submitted. Proxy Forms may be lodged using one or more of the following methods:

Method	Instructions
Online	If you are a General Shareholder lodge your vote online at https://www.votingonline.com.au/uwlsm2022 or if you are a Rollover Shareholder please go to https://www.votingonline.com.au/uwlroversm2022 . Log in to the Uniti Registry 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, Uniti Shareholders will need their 'Holder Identifier' ('Securityholder Reference Number' or 'Holder Identification Number' as shown on the front of the Proxy Form).
Mobile device	The Uniti Registry voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code on the Proxy Form or by entering the voting link https://www.votingonline.com.au/uwlsm2022 or https://www.votingonline.com.au/uwlroversm2022 (as applicable) into your mobile device. Log in using the 'Holder Identifier' and postcode for your Uniti Shares. To scan the code on the Proxy Form you will need a QR code reader application which can be downloaded for free on your mobile device.
Email	Scan and email a copy of the signed Proxy Form to: proxy@boardroomlimited.com.au
Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
Fax	+61 2 9290 9655
Hand delivery	Deliver during business hours (Monday to Friday, 9.00am – 5.00pm AEST (Sydney, Melbourne)) to the Uniti Registry at Level 12, 225 George Street, Sydney NSW 2000, Australia.

Proxy Forms must be received by the Uniti Registry by the Last Date for Proxy Forms. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Uniti Registry at the same time as the Proxy Form (unless previously provided to the Uniti Registry).

If you are a Rollover Shareholder, a proxy will be admitted to the Rollover Shareholders Scheme Meeting upon providing evidence of your name and address at the point of entry to the Rollover Shareholders Scheme Meeting.

Uniti Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the relevant Scheme Meeting.

d) Voting by attorney

General Shareholders wishing to appoint an attorney to participate and vote at the General Scheme Meeting (or, if you are a Rollover Shareholder, an attorney to attend and vote at the Rollover Shareholders Scheme Meeting) on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the Uniti Registry by the Last Date for Proxy Forms. Persons attending the Rollover Shareholders Scheme Meeting as an attorney should bring to the Rollover Shareholders Scheme Meeting the original or a certified copy of the instrument under which they have been appointed as an attorney and authorised to attend and vote at the Rollover Shareholders Scheme Meeting.

6. DETAILS OF SCHEME MEETINGS AND INSTRUCTIONS ON HOW TO VOTE *continued*

e) Voting by corporate representative

General Shareholders who are bodies corporate may appoint a corporate representative to participate and vote at the General Scheme Meeting (or, if you are a Rollover Shareholder, a corporate representative to attend and vote at the Rollover Shareholders Scheme Meeting) on their behalf and must provide a duly executed certificate of appointment (in accordance with sections 250D or 253B of the Corporations Act) prior to the relevant Scheme Meeting.

6.6 Further information

Please refer to the Notice of General Scheme Meeting set out in Appendix A and the Notice of Rollover Shareholders Scheme Meeting set out in Appendix B for further information on voting procedures and details of the relevant Scheme Resolution to be voted on at the relevant Scheme Meeting (including who is entitled to vote on the respective Scheme Resolutions).

7. TRANSACTION OVERVIEW

7.1 Background

On 14 April 2022, Uniti announced that it had entered into a Scheme Implementation Deed with MBC BidCo under which it is proposed that MBC BidCo will acquire 100% of Uniti Shares, at \$5.00 cash per Uniti Share on a fully diluted basis, subject to Uniti Shareholder and Court approval, and the satisfaction or waiver of a number of other Conditions Precedent. This followed an announcement by Uniti on 29 March 2022 noting receipt of a revised indicative proposal from the Consortium at an offer price of \$5.00 cash per Uniti Share. The Scheme Implementation Deed contains terms and conditions that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Uniti's obligation to conduct its business in the ordinary course during the Scheme process.

The Scheme Implementation Deed sets out a framework for Uniti to propose a scheme of arrangement between itself and Uniti Shareholders under which MBC BidCo will acquire all of the Uniti Shares on issue as at the Scheme Record Date.

Having carefully considered MBC BidCo's proposal and the merits of the alternatives, the Uniti Directors unanimously recommend that Uniti Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that, in respect of the Cash Consideration, the Scheme is in the best interests of the Uniti Shareholders.¹⁸ Subject to those same qualifications, each of the Uniti Directors intend to vote all the Uniti Shares held or controlled by them in favour of the Scheme. Under his Voting and Rollover Agreement, Mr Michael Simmons has unconditionally agreed to vote all of the Uniti Shares¹⁹ held or controlled by him in favour of the Scheme so long as that agreement remains operative.

In forming their unanimous recommendation in respect of the Cash Consideration,¹⁸ the Uniti Directors have carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 4.

The key terms of the Scheme Implementation Deed are summarised in Section 8.1. A full copy of the Scheme Implementation Deed is attached to Uniti's ASX

announcement on 14 April 2022, which can be obtained from ASX's website (at www.asx.com.au) or from Uniti's website (at <https://unitigrouplimited.com>).

7.2 What will happen under the Scheme?

If the Scheme is approved by Uniti Shareholders and the Court (as discussed in Sections 6.2 and 8) and subject to the satisfaction or waiver of the other Conditions Precedent in accordance with the terms of the Scheme Implementation Deed, all Uniti Shareholders who hold Uniti Shares as at the Scheme Record Date will participate in the Scheme, whether or not they voted for the Scheme (and even if they did not vote or voted against the Scheme).

If the Scheme becomes Effective:

- ▶ at the close of trading on the Effective Date, Uniti Shares will cease trading on ASX;
- ▶ on the Implementation Date:
 - all Scheme Shares will be transferred to MBC BidCo (without any need for action by Scheme Shareholders); and
 - each Scheme Shareholder will receive the Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; and
- ▶ Uniti will be removed from the official list of ASX and will cease to be listed on ASX.

The detailed terms of the Scheme are set out in the Scheme Implementation Deed and the attachments to it. In support of its obligations to provide or procure the provision of the Scheme Consideration under the Scheme Implementation Deed, MBC BidCo and TopCo have executed the Deed Poll in favour of Uniti Shareholders, a copy of which is attached at Appendix E.

For the Scheme to proceed, each Scheme Resolution must be approved by the Requisite Majorities of Uniti Shareholders at the relevant Scheme Meeting and the Scheme must be approved by the Court. There are also other Conditions Precedent that need to be satisfied before the Scheme proceeds. The Conditions Precedent are outlined in Section 8.1a).

¹⁸ You should note when considering this recommendation the interests of each Uniti Director in securities in Uniti, including Uniti Equity Incentives, as set out in Sections 3, 8.2 and 13.6 of this Scheme Booklet. You should also note when considering this recommendation, Uniti's Chief Executive Officer and Managing Director, Mr Simmons has elected to receive Scrip Consideration in respect of 2,000,000 Uniti Shares he owns and/or controls.

¹⁹ This represents approximately 1.03% of the fully diluted shares in Uniti.

7. TRANSACTION OVERVIEW *continued*

As noted above, if the Scheme is approved by Uniti Shareholders and by the Court and all other Conditions Precedent are satisfied or waived (where capable of being waived), then Uniti will become a wholly owned subsidiary of MBC BidCo and will be delisted from ASX.

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

7.3 What you will receive

If the Scheme becomes Effective, each General Shareholder and each Rollover Shareholder (in respect of the portion of their Uniti Shares that they have elected to receive Cash Consideration) will receive the Cash Consideration of \$5.00 for each Uniti Share held by that Uniti Shareholder as at the Scheme Record Date, less the amount of the Permitted Dividend (if Uniti decides to pay the Permitted Dividend).

If the Scheme is implemented, Uniti Shareholders will receive the following Scheme Consideration:

a) Scheme Consideration

- ▶ **Cash Consideration:** For each Uniti Share held by a General Shareholder as at the Scheme Record Date (and each Uniti Share held by a Rollover Shareholder as at the Scheme Record Date for which that Rollover Shareholder has elected to receive Cash Consideration), the Cash Consideration will be:
 - if the Uniti Board decides to pay the Permitted Dividend, \$5.00 less the cash value of the Permitted Dividend; or
 - if the Uniti Board decides not to pay the Permitted Dividend, \$5.00.
- ▶ **Scrip Consideration (at the Election of Rollover Shareholders only):** The Rollover Shareholders were entitled to elect to receive some or all of their Scheme Consideration as Scrip Consideration instead of Cash Consideration. That is, to the extent of their Election, the Rollover Shareholders will receive 0.315594 RPS Management Shares and 0.684406 Ordinary Management Shares in TopCo for each dollar of Cash Consideration they would have otherwise received for each Scheme Share they hold at the Scheme Record Date. The number of TopCo Securities to be issued to the Rollover Shareholders will be reduced to take into account the amount of Permitted Dividend, if paid by Uniti.

It is important to note that if a Uniti Shareholder sells the Uniti Shares before the Scheme Record Date, they will not receive the Scheme Consideration.

The Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date.

b) If Uniti decides to pay the Permitted Dividend - the Permitted Dividend

If Uniti decides to pay the Permitted Dividend, it will be a cash dividend of up to \$0.11 per Uniti Share held by a Uniti Shareholder on the Permitted Dividend Record Date. The Permitted Dividend, if Uniti decides to pay it, is conditional on the Scheme becoming Effective.

The Permitted Dividend does not represent an additional payment over and above the headline offer price of \$5.00 per Uniti Share. If Uniti decides to pay a Permitted Dividend, the Cash Consideration paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the cash amount of any Permitted Dividend.

If a person becomes a Uniti Shareholder after the Permitted Dividend Record Date, they will not receive the Permitted Dividend.

In accordance with clause 4.8 of the Scheme Implementation Deed, if paid, the Permitted Dividend must be declared and paid no later than the Implementation Date and the record date of the Permitted Dividend must be a date before the Scheme Record Date.

8. IMPLEMENTATION OF THE SCHEME

8.1 Key terms of the Scheme Implementation Deed

a) Conditions Precedent

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

▶ FIRB Approval

Before 8.00am on the Second Court Date one of the following has occurred:

- MBC BidCo has received written notice under the FATA, by or on behalf of the Treasurer, advising that the Commonwealth Government has no objections to the Transaction, either unconditionally or on terms that are acceptable to MBC BidCo (acting reasonably);
- the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Transaction and the Transaction is not prohibited by section 82 of the FATA; or
- where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision,

(FIRB Approval).

▶ No restraint

No law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency, which restrains, prohibits or impedes implementation of the Scheme (unless such order or injunction has been disposed of to the reasonable satisfaction of Uniti and MBC BidCo acting reasonably and in good faith) is in effect at 8.00am on the Second Court Date.

▶ Shareholder approval

Uniti Shareholders approve the Scheme by the Requisite Majorities at each of the Scheme Meetings.

▶ Independent Expert

The Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Uniti Shareholders and does not formally change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date.

▶ Court approval

The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.

▶ No Prescribed Occurrences

No Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed (13 April 2022) and 8.00am on the Second Court Date.

▶ Material Adverse Change

No Material Adverse Change occurs between the date of the Scheme Implementation Deed (13 April 2022) and 8.00am on the Second Court Date.

As far as the Uniti Board is aware, as at the date of this Scheme Booklet, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, Uniti will inform Uniti Shareholders of the status of the Conditions Precedent through an announcement to ASX. Details regarding the Conditions Precedent are set out in full in clause 3 of the Scheme Implementation Deed.

b) Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of MBC BidCo. These arrangements are in line with market practice in this regard and are summarised as follows:

▶ **Cease discussions:** Uniti was required to cease any discussions or negotiations existing as at the date of the Scheme Implementation Deed relating to a Competing Proposal.

▶ **No shop:** During the Exclusivity Period, Uniti must not and must ensure that none of its Related Persons directly or indirectly solicit, invite, encourage or initiate any Competing Proposal, or any enquiries, expressions of interest, offers, proposals, negotiations or discussions in connection with, with a view to obtaining, or that may reasonably be expected to encourage or lead to, a Competing Proposal or communicate any intention to do any of these things.

▶ **No talk:** During the Exclusivity Period, Uniti must not, and must ensure that each of its Related Persons does not, directly or indirectly, enter into, participate in or continue any negotiations or discussions, or negotiate, accept or enter into any agreement or understanding, with any other person which would reasonably be expected to lead to a Competing Proposal or communicate any intention to do any of these things.

8. IMPLEMENTATION OF THE SCHEME *continued*

- ▶ **No due diligence:** During the Exclusivity Period, Uniti must not and must ensure that each of its Related Persons does not, directly or indirectly, disclose or otherwise make available to any Third Party, any non-public information relating to the Uniti Group or provide access to any Uniti officers or employees to a Third Party (other than a Government Agency) in connection with, with a view to obtaining, or which would reasonably be expected to lead to, the formation of a Competing Proposal, or communicate any intention to do any of those things.
- ▶ **Notification:** During the Exclusivity Period, Uniti must as soon as reasonably practicable (and in any event within 24 hours) notify MBC BidCo if it, or any of its Related Persons, becomes aware of any approach, inquiry, request for the provision of material non-public information concerning the business or operations of Uniti or the Uniti Group, or receipt of a proposal in relation to or which could reasonably be expected to lead to, a Competing Proposal. Such notice must include the material terms and conditions of the Competing Proposal (to the extent of Uniti's knowledge).
- ▶ **Matching right:** During the Exclusivity Period, Uniti is prohibited from entering into an agreement to undertake a Competing Proposal and must use best endeavours to procure that no Uniti Director withdraws or adversely changes, modifies or qualifies their Recommendation, publicly recommends any actual, proposed or potential Competing Proposal or otherwise publicly supports or endorses any actual, proposed or potential Competing Proposal, unless Uniti has given MBC BidCo at least five Business Days to provide a matching or superior proposal (**Bidder Counterproposal**) and either:
 - MBC BidCo does not provide a Bidder Counterproposal within the five Business Days; or
 - the Uniti Board has, acting reasonably and in good faith, determined that the Bidder Counterproposal would not provide an equivalent or superior outcome to Uniti Shareholders (as a whole) compared with the Competing Proposal.

However, Uniti is not required to comply with its obligations under the 'no talk' and 'no due diligence' provisions in the Scheme Implementation Deed in relation to an actual, proposed or potential Competing Proposal, if the Uniti Board, acting in good faith, has determined:

- ▶ after consultation with its financial advisers, that the Competing Proposal could reasonably be expected to lead to a Superior Proposal; and

- ▶ after receiving advice from its external Australian legal advisers that complying with the 'no talk' or 'no due diligence' provisions would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of any member of the Uniti Board,

provided that the Competing Proposal was not brought about in breach of the 'no shop' provisions.

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

c) Uniti Board recommendation

The Scheme Implementation Deed requires Uniti to use its best endeavours to procure that the Uniti Board collectively, and the Uniti Directors individually, do not adversely change, withdraw, adversely modify or adversely qualify (including by making any public statement supporting, endorsing or recommending a Competing Proposal and/or to the effect that he or she no longer supports the Scheme), his or her Recommendation unless:

- ▶ the Independent Expert concludes that the Scheme is not in the best interests of Uniti Shareholders;
- ▶ Uniti receives a Competing Proposal that the Uniti Board has determined (after compliance with the matching right procedure in clause 11.7 of the Scheme Implementation Deed) to be a Superior Proposal;
- ▶ the adverse change, withdrawal, adverse modification or adverse qualification in recommendation occurs because of a requirement by a court of competent jurisdiction, ASIC or the Takeovers Panel that the relevant Uniti Director abstains or withdraws from making a recommendation in favour of the Scheme; or
- ▶ in the case of a Recommendation by a Uniti Director who is a Rollover Shareholder, that Uniti Director may withdraw his or her Recommendation only to the extent, after first obtaining advice from independent counsel, the relevant Uniti Director reasonably determines that he or she has an interest in the Scheme that renders it inappropriate for him or her to make or maintain any such recommendation (**Scheme Interest**), and the Court would be unlikely to grant an order directing Uniti to convene the Scheme Meetings or an order approving the Scheme, in each case solely as a result of the Scheme Interest.

d) Break Fee

Uniti has agreed to pay MBC BidCo the Break Fee (which is approximately 1% of the equity value of Uniti) if:

8. IMPLEMENTATION OF THE SCHEME *continued*

► **Change in recommendation:** during the Exclusivity Period, any Uniti Director fails to recommend that Uniti Shareholders vote in favour of the Scheme, withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation or indicates they no longer recommend the Transaction or recommends, supports or endorses a Competing Proposal, in each case provided that MBC BidCo has terminated the Scheme Implementation Deed, and other than in circumstances where:

- the Independent Expert concludes the Scheme is not in the best interests of Uniti Shareholders;
- a court of competent jurisdiction, ASIC or the Takeovers Panel requires that one or more Uniti Directors abstain or withdraw from making a recommendation that Uniti Shareholders vote in favour of the Scheme;
- the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation occurs in circumstances set out in the last dot point of Section 8.1c) above where the Court would be unlikely to grant an order directing Uniti to convene the Scheme Meetings or an order approving the Scheme, in each case solely as a result of the Scheme Interest; or
- Uniti is entitled to terminate the Scheme Implementation Deed for material breach;

► **Competing Proposal:** at any time before the End Date (or, if earlier, the date the Scheme Implementation Deed is terminated under clause 14 of the Scheme Implementation Deed) a Competing Proposal is announced and within 12 months of such announcement a Third Party (either alone or together with any Associate):

- completes a Competing Proposal of the kind referred to in paragraphs (b), (c) or (d) of the definition of Competing Proposal; or
- has a Relevant Interest in, or becomes the holder of, or otherwise acquires 50% or more of Uniti Shares and that acquisition is unconditional; or

► **Material breach:** MBC BidCo terminates the Scheme Implementation Deed following a material breach by Uniti, including of Uniti's representations and warranties, and the Transaction does not complete.

The Uniti Directors consider that the Break Fee represents a genuine and reasonable pre-estimate of the costs that would be incurred by MBC BidCo in pursuing the Scheme, and believe that it is appropriate in the circumstances for Uniti to agree to the Break Fee in order to secure participation of MBC BidCo in the Transaction. For full details of the Break Fee, see clause 12 of the Scheme Implementation Deed.

e) Reverse Break Fee

MBC BidCo has agreed to pay Uniti the Reverse Break Fee (which is approximately 1% of the equity value of Uniti) if Uniti terminates the Scheme Implementation Deed following a material breach by MBC BidCo, including of MBC BidCo's representations and warranties and the Transaction does not complete.

f) Representation and warranties

The Scheme Implementation Deed contains customary representations and warranties given by each of Uniti and MBC BidCo to each other.

These representations and warranties are set out in Schedule 1 (in the case of Uniti) and Schedule 2 (in the case of MBC BidCo) of the Scheme Implementation Deed.

g) Termination

Either Uniti or MBC BidCo may terminate the Scheme Implementation Deed if:

- **Material breach:** the other party has materially breached a provision of the Scheme Implementation Deed (and the relevant breach is material when taken in the context of the Scheme as a whole) provided that:
 - the party entitled to terminate has given written notice to the party in breach of the Scheme Implementation Deed setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed; and
 - the other party in breach has failed to remedy the breach within five Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given;
- **Failure of Conditions Precedent:** in relation to a Condition Precedent:
 - a consultation notice has been served on the other party due to a breach or non-satisfaction of a Condition Precedent or a Condition Precedent becomes incapable of satisfaction, and in either

8. IMPLEMENTATION OF THE SCHEME *continued*

case the breach or non-fulfilment has not been waived by the time or date specified in the Scheme Implementation Deed for the satisfaction of that Condition Precedent or the Scheme has not become Effective by the End Date as a result of the non-satisfaction of a Condition Precedent;

- after consultation with the other party, the parties are unable to agree the terms on which the relevant Condition Precedent may be waived; whether the Scheme may proceed by alternative means; to extend the time for satisfaction of the Condition Precedent or to change the date of the application to be made to the Court for orders to approve the Scheme; or to extend the End Date; and
- within five Business Days after the delivery of the consultation notice (or any shorter period ending at 5.00pm on the day before the Second Court Date), then, unless the relevant Condition Precedent has been waived or the party/each party entitled to waive the Condition Precedent confirms to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied, or would mean the relevant Condition Precedent would or will not otherwise be satisfied, either Uniti or MBC BidCo may terminate the Scheme Implementation Deed,

provided that failure to satisfy the relevant Condition Precedent is not due to a breach by the terminating party of the Scheme Implementation Deed or the relevant Condition Precedent is stated to be for the sole benefit of the other party;

- ▶ **Scheme not approved:** if Uniti Shareholders do not approve the Scheme at the Scheme Meetings by the Requisite Majorities; or
- ▶ **End Date:** if the Scheme is not Effective by the End Date.

In addition, MBC BidCo may also terminate the Scheme Implementation Deed if any member of the Uniti Board changes his or her recommendation in relation to the Scheme for any reason except as a result of a court of competent jurisdiction, ASIC or the Takeovers Panel requiring a change to the recommendation or a member of the Uniti Board who is a Rollover Shareholder, after receiving advice from independent counsel, determines that he or she has an interest in the Scheme that renders it inappropriate for him or her to make or maintain any such recommendation and the Court would be unlikely to grant an order directing Uniti to convene the Scheme Meetings or approving the Scheme.

Further, Uniti may also terminate the Scheme Implementation Deed if a majority of the Uniti Board changes their recommendation in relation to the Scheme provided that, if required to do so under the Scheme Implementation Deed, Uniti has paid the Break Fee.

The termination of the Scheme Implementation Deed will not necessarily result in the termination of the Voting and Rollover Agreements and the Rollover Shareholders may continue to be bound by the restrictions in those agreements notwithstanding that the Scheme Implementation Deed has terminated. Equally, the termination of the Voting and Rollover Agreements will not necessarily result in the termination of the Scheme Implementation Deed.

h) Permitted Dividend

Uniti may (in its absolute discretion) declare and pay a Permitted Dividend of an amount of up to \$0.11 per Uniti Share to Uniti Shareholders, provided that:

- ▶ the Permitted Dividend must be paid in cash;
- ▶ the Permitted Dividend must be declared and paid no later than the Implementation Date;
- ▶ the Uniti Group's franking account must not be in deficit at any time after payment of the Permitted Dividend up to and including the Implementation Date;
- ▶ the Permitted Dividend does not breach the Benchmark Franking Rule of sections 203-205 of the *Income Tax Assessment Act 1997* (Cth);
- ▶ the record date of the Permitted Dividend must be a date before the Scheme Record Date; and
- ▶ the Permitted Dividend must comply with the Corporations Act.

If Uniti decides to pay the Permitted Dividend, MBC BidCo will, subject to the Scheme becoming Effective and the approval of Uniti Shareholders pursuant to section 260B of the Corporations Act, unless the Uniti Board resolves that the relevant financial assistance does not materially prejudice Uniti's ability to pay its creditors and is in the interests of Uniti and Uniti Shareholders, either:

- ▶ provide an unsecured, interest free loan to Uniti in an amount equal to the aggregate cash amount of the Permitted Dividend, that is subordinated to Uniti's existing debt facilities; or
- ▶ advance Uniti the proportion of the Scheme Consideration equal to the aggregate cash amount of the Permitted Dividend,

8. IMPLEMENTATION OF THE SCHEME *continued*

unless Uniti and MBC BidCo agree otherwise, in their absolute discretion (**Dividend Funds**).

The Dividend Funds must be paid by MBC BidCo to Uniti at least one Business Day prior to the payment for the Permitted Dividend on the Implementation Date.

If Uniti decides to pay a Permitted Dividend, the Cash Consideration paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the cash amount of any Permitted Dividend. The final decision of the Uniti Directors regarding the payment of any Permitted Dividend will be communicated to Uniti Shareholders by way of an ASX announcement.

i) Provision of Commercially Sensitive Information

During the Exclusivity Period, Uniti must not, and must procure that its Related Persons do not, directly or indirectly, disclose or otherwise provide or make available any Commercially Sensitive Information of the Uniti Group to a Third Party in connection with, or with a view to obtaining, a Competing Proposal unless:

- ▶ the fiduciary out in clause 11.5 of the Scheme Implementation Deed applies; and
- ▶ in the event that the relevant Third Party is a Competitor, no Commercially Sensitive Information about the Uniti Group is provided to such Third Party until after:
 - the matching right process set out in clause 11.7 of the Scheme Implementation Deed has been followed and completed in respect of any Competing Proposal of the relevant Third Party (including in respect of each new successive material variation or amendment under clause 11.7(c) of the Scheme Implementation Deed); and
 - following the matching process MBC BidCo has not announced or otherwise formally proposed to Uniti a Bidder Counterproposal by the expiry of the five Business Day period that the Uniti Board acting in good faith determines would provide a superior outcome to Uniti Shareholders (as a whole) than the terms of the Competing Proposal (taking into account all terms and conditions and other aspects of the Bidder Counterproposal and the Competing Proposal).

8.2 Uniti Equity Incentives

a) Overview of arrangements

Uniti operates various incentive plans under which Share Rights and Employee Options are offered to senior executives and key employees as an incentive to align their interests with those of Uniti Shareholders.

Accordingly, Uniti Directors, senior executives and key employees have previously received, and have on foot, a number of existing incentive arrangements which will be impacted by the Scheme (depending on the relevant offer terms).

In particular, as at the Last Practicable Date, Uniti had:

- ▶ 1,901,021 unvested Share Rights;²⁰
- ▶ 1,975,000 unvested Employee Retention Options; and
- ▶ 26,982,483 unvested Employee Share Options²¹ and 7,682,701 vested (but unexercised) Employee Share Options.

Further, under a share purchase agreement dated 16 November 2020, 1,000,000 options to acquire Uniti Shares were also issued by Uniti to certain individual sellers (the **Legacy Options**). As at the Last Practicable Date, all of the Legacy Options have vested and have been exercised, such that the holders will be eligible to participate in the Transaction.

b) Intended treatment of Uniti Equity Incentives

Under the Scheme Implementation Deed, Uniti must ensure that, prior to the Scheme Record Date, subject to the Scheme becoming Effective, all Uniti Equity Incentives have vested in accordance with their terms, been exercised (if applicable), have any applicable restrictions removed (if applicable) and/or have been cash settled.

Employee Retention Options

The Uniti Board intends to take such actions as are necessary (including to pass a board resolution) in accordance with the terms of the employee retention plan rules to waive the vesting conditions on all unvested Employee Retention Options prior to the Scheme Record Date and approve the payment of a cash amount equivalent in value to the value of all Employee Retention Options that will vest subject to the Scheme becoming Effective.

Subject to the Uniti Board undertaking such actions, MBC BidCo has agreed to pay each holder of vested

²⁰ It is expected that 844,887 Share Rights of this total will vest in accordance with their terms on 1 July 2022.

²¹ It is expected that 10,260,177 Employee Share Options of this total will vest in accordance with their terms on 30 June 2022.

8. IMPLEMENTATION OF THE SCHEME *continued*

Employee Retention Options the difference between the Scheme Consideration and the exercise price (if any) for their vested Employee Retention Options on the Implementation Date.

The aggregate net cash payment for all vested Employee Retention Options is expected to be \$1,599,750.

Employee Share Options

The Uniti Board intends to take such actions as are necessary (including to pass a board resolution):

- ▶ to waive the vesting conditions on all unvested Employee Share Options in accordance with the terms of the employee option plan rules; and
- ▶ amend the terms of the employee option plan rules in order to:
 - automatically exercise each of the Employee Share Options which have not yet otherwise been exercised by their holders prior to the Scheme Record Date; and
 - permit the payment of a cash amount equivalent in value to the value of all Employee Share Options that have vested or will vest subject to the Scheme becoming Effective. This value will be the Cash Consideration less the exercise price of each vested Employee Share Option.

Subject to the Uniti Board undertaking such actions, MBC BidCo has agreed to pay each holder of vested Employee Share Options the difference between the Cash Consideration and the exercise price (if any) for their vested Employee Share Options on the Implementation Date.

The aggregate net cash payment for all vested Employee Share Options is expected to be \$92,994,750. Of this total amount, the net cash payment attributable to the accelerated vesting of the remaining 16,722,306 unvested Employee Share Options on the expected Scheme Implementation Date is estimated to be \$37,287,004.²²

Share Rights

The Uniti Board intends to take such actions as are necessary (including to pass a board resolution) in accordance with the terms of the executive incentive plan rules to waive the vesting conditions on all unvested Share Rights prior to the Scheme Record Date. For each vested Share Right, holders will receive one Uniti Share (that is, on a one for one basis).

Similarly, for each of the 844,887 Share Rights that will have vested on 1 July 2022, the Uniti Board intends to take such actions as are necessary (including to pass a board resolution) in order for such vested Share Rights (to the extent not exercised) to automatically convert to Uniti Shares (on a one for one basis) prior to the Scheme Record Date.

Subject to the Uniti Board undertaking such actions, MBC BidCo has agreed to pay each holder of vested Share Rights the Cash Consideration for their vested Share Rights (which have become Uniti Shares on a one for one basis) on the Implementation Date.

The maximum number of Uniti Shares that will be issued in accordance with the accelerated vesting of Share Rights is 1,056,134 (noting, as set out above, 844,887 Share Rights will vest on 1 July 2022).

FY22 STI and LTI

Subject to Uniti Board approving the relevant STI and LTI amounts for FY22, following completion of the FY22 audit of Uniti's financial results for the year ended 30 June 2022 and in accordance with Uniti's existing incentive arrangements, Uniti intends to take all such actions as are necessary to procure the STI amounts will be paid out in cash in the ordinary course of business, and the LTI amounts will be paid out in cash in three equal instalments of 12, 24 and 36 months after the date of the board resolution to approve the award of the STI and LTI amounts in the ordinary course of business (subject to any amendments that may be required under the relevant incentive plan arrangements). For the avoidance of doubt, no Uniti Shares, options, share rights or other form of securities in Uniti will be issued for the FY22 STI and LTI.

Uniti (and MBC BidCo following the Implementation Date) will procure that the above arrangements relating to STI and LTI (to the extent approved by the Uniti Board prior to the Implementation Date) will survive and continue to apply following the Implementation Date.

8.3 Key steps to implement the Scheme

a) Deed Poll

On 3 June 2022, MBC BidCo and TopCo executed the Deed Poll pursuant to which MBC BidCo and TopCo agreed, subject to the Scheme becoming Effective, to comply with their respective obligations under the Scheme. A copy of the Deed Poll is attached at Appendix E.

²² It is expected that 10,260,177 Employee Share Options will vest in accordance with their terms on 30 June 2022 and accordingly those Employee Share Options have not been included in the net cash payment attributable to the accelerated vesting of unvested Employee Share Options.

8. IMPLEMENTATION OF THE SCHEME *continued*

b) Scheme approval requirements

The Scheme will only become Effective and be implemented if:

- ▶ it is approved by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings;
- ▶ it is approved by the Court on the Second Court Date; and
- ▶ the other Conditions Precedent to the Scheme outlined in Section 8.1a) are satisfied or waived (as applicable) prior to the implementation of the Scheme.

General Shareholders are asked (but not required) to vote on the General Scheme Resolution at the General Scheme Meeting, and Rollover Shareholders are asked (but not required) to vote on the Rollover Shareholders Scheme Resolution at the separate Rollover Shareholders Scheme Meeting.

The requisite majorities for each Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

- ▶ in relation to the General Scheme Resolution:
 - at least 75% of the votes cast on the General Scheme Resolution at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and
 - a majority in number (more than 50%) of the General Shareholders present and voting at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and
- ▶ in relation to the Rollover Shareholders Scheme Resolution:
 - at least 75% of the votes cast on the Rollover Shareholders Scheme Resolution at the Rollover Shareholders Scheme Meeting (either in person or by proxy, representative or attorney); and
 - a majority in number (more than 50%) of the Rollover Shareholders present and voting at the Rollover Shareholders Scheme Meeting (either in person or by proxy, representative or attorney).

The Court has the power to waive the second requirement in each of the paragraphs above.

c) Rollover Shareholders and Rollover Shareholders Scheme Meeting

The Rollover Shareholders are Michael John Simmons, Michael John Simmons as trustee for the Luab Unit Trust

(being an entity controlled by Michael Simmons) and Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust (being an entity controlled by Geoffrey Aldridge).

As at the Last Practicable Date, the Rollover Shareholders hold the following Uniti Shares:

- ▶ 6,493,158 Uniti Shares owned by Michael John Simmons, being approximately 0.95% of the total Uniti Shares on issue;
- ▶ 569,066 Uniti Shares owned by Michael John Simmons as trustee for the Luab Unit Trust, being approximately 0.08% of the total Uniti Shares on issue; and
- ▶ 1,575,427 Uniti Shares owned by Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust, being approximately 0.23% of the total Uniti Shares on issue.

The rights of the Rollover Shareholders under the Scheme differ from those of the General Shareholders because the Rollover Shareholders have elected to receive a portion of their Scheme Consideration as Scrip Consideration but the General Shareholders have not and may not.

The rights of the Rollover Shareholders under the Scheme are sufficiently different from those of the General Shareholders such that the Rollover Shareholders constitute a separate class of members for the purpose of voting on the Scheme.

The General Shareholders will vote at the General Scheme Meeting but will not be permitted to vote at the Rollover Shareholders Scheme Meeting.

d) Court hearings

The Court has ordered that Uniti convene the Scheme Meetings for the purposes of Uniti Shareholders considering the Scheme. The General Scheme Meeting is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022, virtually through the online meeting platform at web.lumiagm.com/381-257-625 and the Rollover Shareholders Scheme Meeting is to be held immediately after the General Scheme Meeting on Friday, 15 July 2022, in person at 22 Salmon Street, Port Melbourne, Victoria 3207.

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

If the Scheme is approved by the Requisite Majorities of Uniti Shareholders at each of the Scheme Meetings, Uniti will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Court has discretion

8. IMPLEMENTATION OF THE SCHEME *continued*

as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majorities of Uniti Shareholders at each Scheme Meeting. The Second Court Date is currently expected to be held at 10.15am AEST (Sydney, Melbourne) on Thursday, 21 July 2022, though a different date may be sought.

e) Actions by Uniti and MBC BidCo

If the Court order approving the Scheme is obtained, the directors of each of Uniti and MBC BidCo will take or procure the taking of the steps required for the Scheme to be implemented.

In particular, Uniti will lodge with ASIC copies of the Court order under section 411(4)(b) of the Corporations Act, approving the Scheme and the Scheme will become Effective on the date the office copy of the Court order from the Second Court Date is lodged with ASIC.

f) Suspension of trading of Uniti Shares

If the Court approves the Scheme, it is expected that the suspension of trading on ASX in Uniti Shares will occur from the close of trading on the Effective Date.

g) Determination of who are Scheme Shareholders

For the purposes of establishing the identity of Scheme Shareholders, dealings in Uniti Shares will be recognised by Uniti if:

- ▶ in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Uniti Share Register as the holder of the relevant Uniti Shares before the Scheme Record Date; and
- ▶ in all other cases, registrable transmission applications or transfers 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 Uniti Share Register is kept,

and Uniti will not accept for registration, or recognise for any purpose (except a transfer to MBC BidCo pursuant to the Scheme and any subsequent transfer by MBC BidCo or its successors in title), any transfer or transmission application or other request in respect of Uniti Shares received after the Scheme Record Date or received prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

Uniti will, until the Scheme Consideration has been paid and MBC BidCo has been entered in the Uniti Share Register as the holder of all of the Scheme Shares, maintain the Uniti Share Register in accordance with

clause 6.2 of the Scheme and the Uniti Share Register in this form will solely determine entitlements to the Scheme Consideration.

h) Provision of Scheme Consideration

Cash Consideration

If the Scheme becomes Effective by no later than one Business Day before the Implementation Date, MBC BidCo must deposit, or procure the deposit of, an amount in cleared funds at least equal to an aggregate amount of the Cash Consideration payable into a trust account operated by or on behalf of Uniti, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will accrue to the benefit of MBC BidCo.

On the Implementation Date, subject to the funds having been deposited by MBC BidCo in the manner described in the previous paragraph, Uniti will pay to each Scheme Shareholder an amount equal to the amount of Cash Consideration which that Scheme Shareholder is entitled to receive for each Scheme Share registered in the name of that Scheme Shareholder as at the Scheme Record Date (less any amount to be retained in accordance with clause 5.11 of the Scheme) by (in Uniti's absolute discretion and despite any election made or given by the Scheme Shareholder):

- ▶ where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the Uniti Registry to receive dividend payments from Uniti by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;
- ▶ 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 Uniti; or
- ▶ dispatching or procuring the dispatch, of a cheque in Australian currency drawn out of the trust account referred to above for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder, such cheque being drawn in the name of the Scheme Shareholder or in the case of joint holders as set out in Section 8.3i) below.

8. IMPLEMENTATION OF THE SCHEME *continued*

Scrip Consideration

If the Scheme becomes Effective by no later than 12.00pm on the Implementation Date (or such later time as MBC BidCo and Uniti agree in writing) TopCo must:

- ▶ issue the relevant number of TopCo Securities to each Scheme Shareholder that is a Rollover Shareholder in accordance with clause 5.3 of the Scheme; and
- ▶ procure that the name and address of such Scheme Shareholder is entered in TopCo's register of members as the holder of those TopCo Securities (and in relation to TopCo Securities issued to such Scheme Shareholder, having the same holding name and address and other details as recorded in the Uniti Share Register as at the Scheme Record Date).

i) Uniti Shares held in joint names

In the case of Uniti Shares that are held by Scheme Shareholders in joint names:

- ▶ subject to clause 5.4(c) of the Scheme, any cheque required to be sent to Scheme Shareholders will be made payable to the joint holders and sent at the sole discretion of Uniti, either to the holder whose name appears first in the Uniti Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account, in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- ▶ any other document required to be sent under the Scheme will be forwarded at the sole discretion of Uniti, either to the holder whose name appears first in the Uniti Share Register as at the Scheme Record Date or to the joint holders.

j) Implementation Date

If the Scheme becomes Effective, it will be implemented on the Implementation Date. On that date, all Uniti Shares will be transferred to MBC BidCo, subject to the payment of the Scheme Consideration in the manner described above.

k) Warranty by Uniti Shareholders

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Uniti and MBC BidCo, and appointed and authorised Uniti as its attorney and agent to warrant to MBC BidCo, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to MBC BidCo pursuant

to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to MBC BidCo pursuant to the Scheme. Each Scheme Shareholder is also deemed to have warranted to Uniti and MBC BidCo, and appointed and authorised Uniti as its attorney and agent to warrant to MBC BidCo, that the relevant Scheme Shareholder has no existing right to be issued any Uniti Shares, Uniti Equity Incentives or any other Uniti equity securities, other than in the case of any Scheme Shareholder who is also a holder of Uniti Equity Incentives, the right to be issued Uniti Shares on the vesting of those Uniti Equity Incentives (if applicable) before the Scheme Record Date in accordance with their terms. Uniti undertakes that it will provide such warranty to MBC BidCo as agent and attorney for each Scheme Shareholder.

l) Delisting of Uniti

Following the implementation of the Scheme, Uniti will apply for the termination of official quotation of Uniti Shares on ASX and for Uniti to be removed from the official list of ASX.

9. INFORMATION ABOUT UNITI

9.1 Overview of Uniti

Uniti is a market-leading constructor, owner and vertically integrated operator of fibre infrastructure, and a provider of value-added telecommunications services in identified profitable niche markets. Since mid-2019, Uniti has consolidated the majority of the 'challenger' participants in the greenfield residential fibre broadband networks market, to make Uniti the second largest fibre-to-the-premises (FTTP) infrastructure owner and operator in Australia.

Uniti constructs, owns and operates the infrastructure for property developers, property owners and/or building managers and seeks to build this infrastructure across all property asset classes with a focus on greenfield property developments.

Uniti also provides the telecommunications products and services delivered over this infrastructure both as a wholesaler

of owned fibre infrastructure and also as a retailer to the end-user of telecommunications products and services (on a functionally separated basis), with a particular focus on the owned core technology infrastructure constructed for property market participants. Uniti also resells third party owned telecommunications networks.

Uniti listed on ASX in February 2019 with a clear strategy of becoming a substantial owner and operator of core technology infrastructure through organic growth and inorganic growth by acquisitions of businesses. Uniti brought together an experienced board of directors and executive team to organically build the business and to support the identification, execution, integration and growth of the sizeable pool of acquisition opportunities previously completed.

In FY21, Uniti had underlying revenue of \$159.9 million and underlying EBITDA of \$93.7 million.

Figure 1 – Corporate timeline and key events

Date	Event
2012	▶ Uniti is incorporated in 2012 as Uniti Wireless Pty Ltd
February 2019	▶ Uniti acquired Fuzenet Pty Ltd and listed on ASX as Uniti Wireless Limited at an initial offer price of \$0.25 per issued share representing a market capitalisation of approximately \$33 million at the initial offer price
June 2019	▶ Uniti acquired FDX Holdings Pty Ltd (Fone Dynamics) and Call Dynamics Pty Ltd to provide premium voice services using 13, 1300, 1800 numbers and SMS services via a 'software as a service' platform
September 2019	▶ Uniti acquired LBNC Co, a private fibre network owner and operator providing broadband and ancillary services on FTTP networks ▶ At that time, LBNC Co had acquired or was in the process of acquiring Capital Fibre Networks Pty Ltd, certain assets from Pivitt Pty Ltd and Clublinks Pty Ltd, each of which conducted identical operations to LBNC Co ▶ Uniti changed its name to Uniti Group Limited to more accurately reflect its diversified business structure
October 2019	▶ Uniti acquired OPENetworks Pty Ltd, an identical business to LBNC Co
December 2019	▶ Uniti acquired 1300 Australia Pty Ltd, a wholesaler and retailer of phonewords using 13, 1300, 1800 number combinations
June 2020	▶ Uniti was admitted to the S&P/ASX 300 index
November 2020	▶ Uniti acquired OptiComm Ltd, a designer, builder, owner and operator of wholesale open-access telecommunications infrastructure networks, via scheme of arrangement ▶ Uniti acquired Harbour ISP, a specialist retail service provider (RSP) that delivers superfast retail broadband services to greenfield developments
December 2020	▶ Uniti acquired the Telstra Velocity® & South Brisbane Exchange Assets, Australia's second largest private FTTP network at the time. Telstra agreed to become a RSP of the Uniti FTTP business following the transaction
June 2021	▶ Uniti was admitted to the S&P/ASX 200 index
April 2022	▶ Uniti and MBC BidCo entered into the Scheme Implementation Deed under which MBC BidCo will acquire 100% of the Uniti Shares via the Scheme

9. INFORMATION ABOUT UNITI *continued*

a) Overview of operating segments

Uniti currently operates under two business units:

Wholesale Enterprise & Infrastructure (WEI)

The WEI segment is engaged in the design, installation, operation, and maintenance of fibre-based open access wholesale telecommunication 'last mile' network infrastructure operating mainly in the greenfield Broadacre and MDU housing markets.

Its revenue generating activities include:

- ▶ the construction of telecommunications and technology infrastructure including FTTP for property developers, builders and/or building managers to all property asset classes including residential housing, commercial, industrial, office and retail properties. The revenue earned is primarily one off in nature;
- ▶ the ownership, maintenance, operation and wholesale supply of telecommunications and technology products and services delivered on the fibre infrastructure constructed within the property asset classes above. The revenue is primarily recurring in nature and earned from retail service providers who on-sell the products and services to end users, being residents and businesses within the properties where Uniti owns infrastructure; and
- ▶ the operation of a communications platform as a service (**CPaaS**) for enterprise and wholesale customers, supplying premium voice services over 13, 1300, 1800 calling numbers and SMS. The services include a value-added software as a service data analytics and call tracking application, as well as the leasing of phonewords on these numbers. The revenue is primarily recurring in nature and is earned adopting the brands including Fone Dynamics & 1300 Australia.

As of 31 December 2021, WEI has a contracted pipeline of 292,174 premises, representing new developments in different stages of construction (approximately 163,000 of these premises are forecast to be delivered over the next five years). Not all of these developments may proceed to full completion, noting that they may be varied or delayed at the developer's discretion. Uniti has 227,134 connected premises and 142,607 are classified as active premises, with active internet, telephone, media or smart services being provided by an RSP (in respect of which WEI receives monthly recurring access and capacity fees). The connected and active premises acquired under the Telstra Velocity Transaction are excluded from these figures.

WEI's strategy includes increasing market share across current customers, acquiring new customers in existing markets, including Uniti's core greenfield housing market, and expanding into adjacent property markets with the same business model, including commercial, office, retail, industrial and independent living. Uniti is also focused on expanding technology and products and services it can supply across its core infrastructure and CPaaS platform, both as a retailer and a wholesaler, to leverage the opportunities in the broader ecosystem.

Consumer & Small Business (C&SB)

Through the C&SB segment, Uniti provides telecommunications products and services, including broadband and voice services, on a mixture of owned wireless infrastructure and resold fibre access networks.

Its revenue generating activities include:

- ▶ the retail supply of telecommunications and technology products and services delivered across both owned infrastructure or by resale of third party networks including NBN Co. The revenue earned is primarily recurring in nature. Uniti adopts a number of retail brands including Uniti Internet, Harbour ISP and FuzeNet;
- ▶ the supply of retail enablement services for the supply of telecommunications and technology products and services on behalf of third parties including adopting the third party brands where required. The enablement service is provided across the same infrastructure which Uniti directly retails using its own brands; and
- ▶ the operation of a CPaaS for small business customers, supplying premium voice services over 13, 1300, 1800 calling numbers and SMS. The services include a value-added software as a service data analytics and call tracking application, as well as the leasing of phonewords on these numbers. The revenue is primarily recurring in nature and is earned adopting the brands including Call Dynamics.

Acquisitions and Disposals

As indicated in the Scheme Implementation Deed, Uniti is in discussions with a number of parties in relation to the Approved Disposal and the Proposed Acquisition. In the event these discussions lead to a binding agreement or arrangement, Uniti will update the market via an ASX announcement at the time. Neither of these transactions, should they reach binding agreement, are considered by the Uniti Board to be material in the context of the Scheme.

9. INFORMATION ABOUT UNITI *continued*

9.2 Uniti Board and senior management

a) Uniti Board

The Uniti Board comprises the following directors:

- ▶ Graeme Barclay - Independent Non-Executive Chairman;
- ▶ Michael Simmons - Managing Director & CEO;
- ▶ Vaughan Bowen - Executive Director;
- ▶ John Lindsay - Independent Non-Executive Director; and
- ▶ Kathryn Gramp - Independent Non-Executive Director.

b) Executive leadership team

Members of Uniti's executive leadership team are:

- ▶ Michael Simmons - Managing Director & CEO;
- ▶ Darryl Inns - Chief Financial Officer;
- ▶ Vaughan Bowen - Executive Director;
- ▶ Ashe-Lee Jegathesan - Chief Corporate Services Officer & Company Secretary;
- ▶ Geoff Aldridge - Chief Infrastructure Networks & Technology;
- ▶ Kurt Magner - Chief Consumer & Business; and
- ▶ Julia Walsh - Chief Customer Officer.

9.3 Capital structure

As at the Last Practicable Date, the capital structure of Uniti is as follows:

Type of security	Number on issue
Fully paid ordinary Uniti Shares	684,830,172
Uniti Equity Incentives	1,901,021 Share Rights 1,975,000 Employee Retention Options 34,665,184 Employee Share Options

9.4 Recent share price history

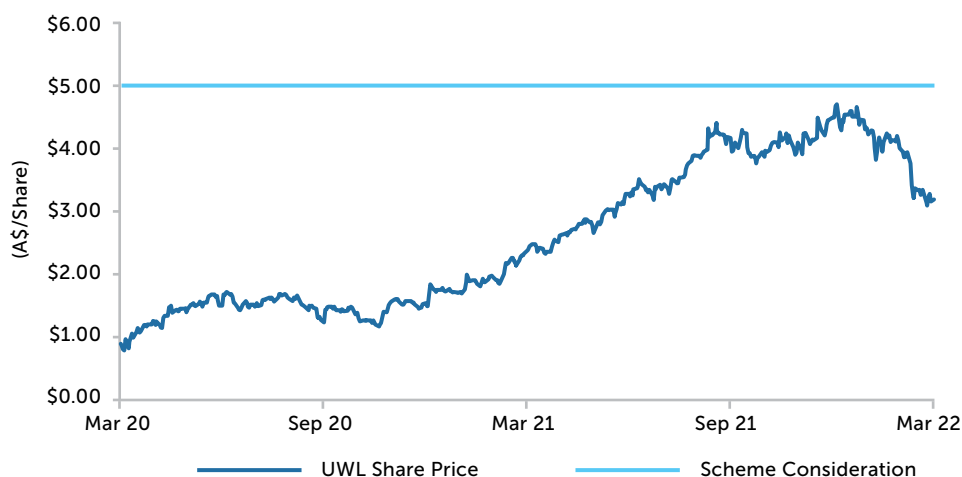
Uniti Shares are listed on ASX under the code 'UWL'.

On 14 March 2022, the last trading day before the announcement made by Uniti to ASX on 15 March 2022 that it had received and was assessing an indicative, incomplete, confidential and non-binding proposal from Morrison & Co, the Uniti Share price closed at \$3.15. On 14 April 2022, the day of the announcement of Uniti's entry into the Scheme Implementation Deed, the Uniti Share price closed at \$4.96. From the day after the announcement of the Scheme to the trading day prior to the Last Practicable Date, the closing price of Uniti Shares has ranged between \$4.90 and \$4.99.

During the three months ending 14 March 2022:

- ▶ the highest recorded daily closing price for Uniti Shares on ASX was \$4.64 on 17 December 2021; and
- ▶ the lowest recorded daily closing price for Uniti Shares on ASX was \$3.05 on 8 March 2022.

Figure 2 – Closing Uniti Share price over the last 24 months ended 14 March 2022



Source: IRESS as at 1 June 2022

9. INFORMATION ABOUT UNITI *continued*

9.5 Uniti substantial shareholders

As extracted from filings released on ASX, in each case prior to the trading day prior to the Last Practicable Date, the following persons were substantial holders with relevant interests of 5% or more of Uniti Shares:

Uniti Shareholder	Number of Uniti Shares	Voting power
HSBC Custody Nominees (Australia) Limited	132,203,022	19.44%
J P Morgan Nominees Australia Pty Limited	114,825,931	16.88%
Citicorp Nominees Pty Limited	76,42,578	11.25%
National Nominees Limited	44,997,336	6.62%

9.6 Historical financial information

a) Basis of preparation

The following section contains historical financial information about the consolidated entity consisting of Uniti and the entities it controlled at the end of, or during, the 12 month periods ended 30 June 2020 and 30 June 2021, and the 6 month period ended 31 December 2021.

The financial information in this Scheme Booklet is in an abbreviated form and does not contain all of the presentations and disclosures that are usually provided in an annual report and should therefore be read conjunction with the financial statements of Uniti for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements. The information has been extracted from the audited financial reports of Uniti for the year ended 30 June 2021, as announced to ASX on 24 August 2021 and the reviewed interim financial statements for the half year ended 31 December 2021, as announced to ASX on 22 February 2022, both of which are available on the Uniti website at <https://unitigrouplimited.com/>.

Further detail on Uniti's financial performance and financial statements for the year ended 30 June 2021 as announced to ASX on 24 August 2021 can be found in the annual report for the financial year ended 30 June 2021 that is available on the Uniti website at <https://unitigrouplimited.com/>.

9. INFORMATION ABOUT UNITI *continued*

9.6 Historical financial information *continued*

b) Uniti's consolidated income statement

Below is a summary of Uniti's historical consolidated income statement for the full financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021.

	1H22 \$'000	FY21 \$'000	FY20 \$'000
Revenue	109,477	160,475	58,216
Expenses:			
Network and hardware expenses	(21,438)	(34,391)	(13,837)
Employee benefits expense	(17,889)	(28,997)	(17,398)
Depreciation and amortisation	(14,927)	(21,418)	(6,853)
Other expense	(4,358)	(23,477)	(10,926)
Finance costs	(6,037)	(7,955)	(595)
Profit before income tax expense	44,828	44,237	8,607
Income tax (expense) / income	(15,522)	(15,042)	7,314
Profit after income tax expense for the year	29,306	29,195	15,921
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	29,306	29,195	15,921

9. INFORMATION ABOUT UNITI *continued*

9.6 Historical financial information *continued*

c) Uniti's consolidated statement of financial position

Below is a summary of Uniti's historical consolidated statement of financial position for the full financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021.

	31 Dec '21 \$'000	30 Jun '21 \$'000	30 Jun '20 \$'000
Assets			
Current assets			
Cash and cash equivalents	50,866	57,332	189,150
Trade and other receivables	22,423	15,389	5,981
Inventories	322	35	161
Deposits and prepayments	3,578	2,720	2,073
Current tax asset	777	1,429	-
Contract assets	848	961	1,008
Total current assets	78,814	77,866	198,373
Non-current assets			
Right-of-use assets	3,183	3,837	3,044
Property, plant and equipment	252,195	234,008	46,507
Intangibles	881,077	889,931	206,027
Deferred tax assets	-	-	168
Total non-current assets	1,136,455	1,127,776	255,746
Total assets	1,215,269	1,205,642	454,119
Current liabilities			
Trade and other payables	26,309	33,695	13,141
Contract liabilities	4,498	3,581	2,269
Employee benefits	2,698	2,598	1,076
Contingent consideration	-	2,799	4,439
Deferred consideration	13,124	6,561	-
Lease liabilities	1,265	1,554	1,357
Provisions	-	-	184
Provision for income tax	-	-	1,890
Total current liabilities	47,894	50,788	24,356
Non-current liabilities			
Trade and other payables	-	1,411	1,411
Employee benefits	104	107	93
Contingent consideration	33,262	32,808	2,712
Deferred consideration	6,198	12,500	-
Borrowings	222,685	261,911	-
Lease liabilities	3,940	4,435	3,853
Provisions	-	414	-
Deferred tax liabilities	41,700	25,396	-
Total non-current liabilities	307,889	338,982	8,069
Total liabilities	355,783	389,770	32,425
Net assets	859,486	815,872	421,694
Equity			
Issued capital	789,932	777,917	421,812
Reserves	17,236	14,943	6,065
Accumulated gains/(losses)	52,318	23,012	(6,183)
Total equity	859,486	815,872	421,694

9. INFORMATION ABOUT UNITI *continued***d) Uniti's consolidated statement of cash flows**

Below is a summary of Uniti's historical consolidated statement of cash flows for the full financial years ended 30 June 2020 and 30 June 2021, and the half-year ended 31 December 2021.

	1H22 \$'000	FY21 \$'000	FY20 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	112,454	170,502	63,360
Payments to suppliers and employees (inclusive of GST)	(47,023)	(78,752)	(41,725)
Dividends received	-	621	-
Interest received	-	481	324
Other revenue	-	-	(561)
Interest and other finance costs paid	(4,505)	(5,615)	246
Income taxes paid	1,429	(2,598)	-
Net cash from operating activities	62,355	84,639	21,644
Cash flows used in investing activities			
Payment for purchase of business, net of cash acquired	(2,799)	(620,656)	(165,527)
Payments to suppliers for the business acquisitions	(8,865)	(6,659)	(2,728)
Payments for property, plant and equipment	(25,557)	(26,365)	(7,541)
Payments for intangible assets	(362)	(1,221)	(702)
Proceeds from disposal of property, plant and equipment	-	18	38
Net cash used in investing activities	(37,583)	(654,883)	(176,460)
Cash flows from financing activities			
Proceeds from issue of shares	9,747	188,518	337,280
Proceeds from borrowings	-	305,625	-
Share issue transaction costs	(27)	(9,279)	(8,981)
Repayment of borrowings	(40,000)	(40,000)	(2,460)
Payment of borrowing costs	-	(4,674)	-
Repayment of lease liability	(958)	(1,764)	(1,004)
Net cash from financing activities	(31,238)	438,426	324,835
Net (decrease)/increase in cash and cash equivalents	(6,466)	(131,818)	170,019
Cash and cash equivalents at the beginning of the financial year	57,332	189,150	19,131
Cash and cash equivalents at the end of the financial year	50,866	57,332	189,150

9. INFORMATION ABOUT UNITI *continued*

9.7 Material changes to Uniti's financial position since 31 December 2021

As at the date of this Scheme Booklet, within the knowledge of the Uniti Directors and other than as disclosed in this Scheme Booklet or announced on ASX, there have been no material changes to the financial position of Uniti since 31 December 2021, being the date of Uniti's reviewed accounts for the half-year ending 31 December 2021, except that Uniti may pay the Permitted Dividend.

9.8 Uniti Directors' intentions for the business

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

- ▶ the continuation of the business of Uniti;
- ▶ any major changes, if any, to be made to the business of Uniti; and
- ▶ the future employment of the present management of Uniti.

If the Scheme is implemented, MBC BidCo will have 100% control of Uniti. The current intentions of MBC BidCo with respect to these matters are set out in Section 10.

If the Scheme is not implemented, the Uniti Directors intend to continue to operate the business of Uniti in the ordinary course of the business.

9.9 Publicly available information on Uniti

As a company listed on ASX and a disclosing entity under the Corporations Act, Uniti is subject to regular reporting and disclosure obligations. Broadly, these require Uniti to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. ASX maintains files containing publicly disclosed information about all companies listed on ASX. Information disclosed to ASX by Uniti is available on ASX's website at www.asx.com.au. Further announcements concerning developments at Uniti will continue to be made available on this website after the date of this Scheme Booklet.

Uniti is required to prepare and lodge with ASIC and ASX both annual and half yearly financial statements accompanied by a statement and report from the Uniti Directors and an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Uniti website at <https://unitigrouplimited.com>.

Uniti Shareholders may also obtain copies of the Uniti annual report for the financial year ended 30 June 2021 free of charge by calling the Uniti Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM

This Section 10 has been prepared by MBC BidCo and forms part of the Bidder Information. The information concerning MBC BidCo and any Bidder Group Member and the intentions, views and opinions contained in this Section 10 are the responsibility of MBC BidCo. Uniti Group and its officers and advisors do not assume any responsibility for the accuracy or completeness of this information.

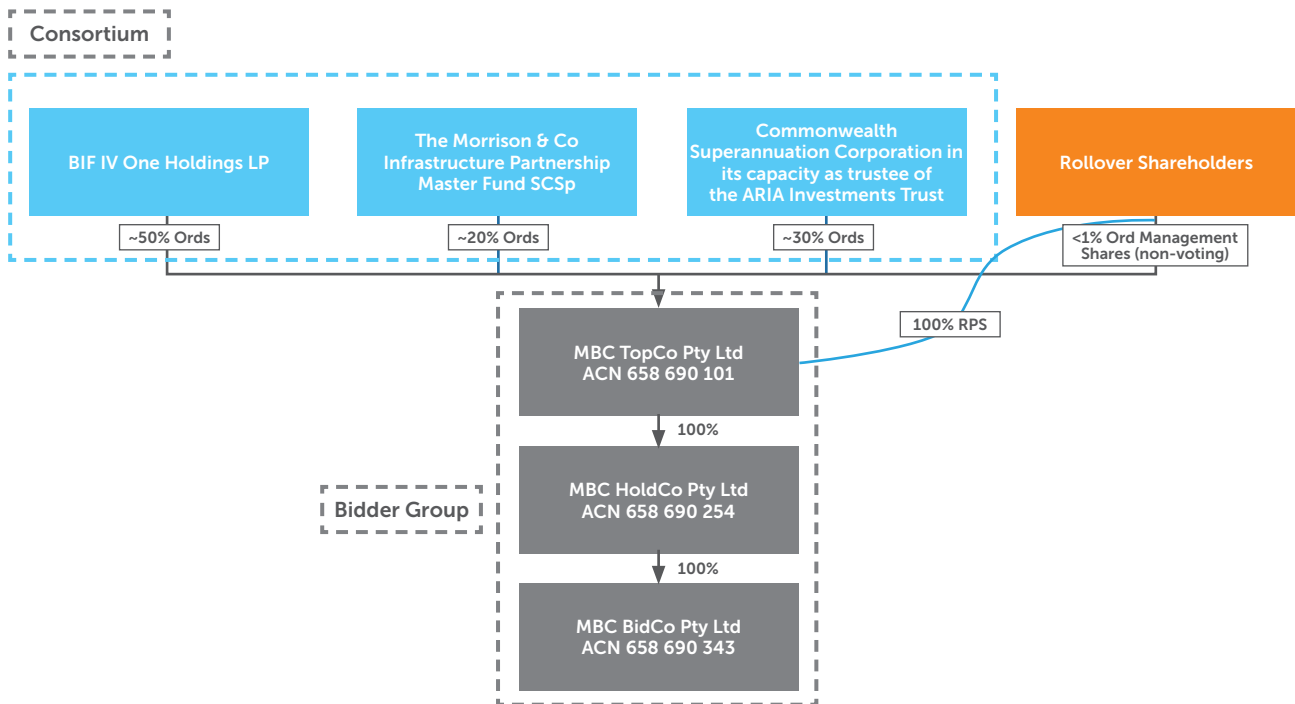
10.1 Overview of MBC BidCo group structure

MBC BidCo is a wholly owned subsidiary of MBC HoldCo, which in turn is a wholly owned subsidiary of TopCo. Each

of MBC BidCo, MBC HoldCo and TopCo are wholly owned and controlled by the Consortium Members as set out in this Section 10.1.

If the Scheme becomes Effective, and subject to MBC BidCo having paid the Scheme Consideration, MBC BidCo will acquire all of the Scheme Shares on the Implementation Date. On and from the Implementation Date, the ownership of TopCo will change, and the Rollover Shareholders will also own a portion of TopCo, as set out in Figure 3 below:

Figure 3



a) MBC BidCo

MBC BidCo is an Australian special purpose company that was incorporated on 9 April 2022 for the purpose of acquiring all of the Scheme Shares under the Scheme. MBC BidCo is an unlisted private company and has not previously conducted any other business or engaged in any trading activity. If the Scheme becomes Effective, MBC BidCo will hold all of the Scheme Shares on the Implementation Date.

b) MBC HoldCo

MBC HoldCo is an Australian special purpose company that was incorporated on 9 April 2022 for the purpose of holding all of the shares in MBC BidCo. MBC HoldCo is an unlisted private company and has not previously conducted any

other business or engaged in any trading activity. All of the shares in MBC HoldCo are owned by TopCo.

c) TopCo

TopCo is an Australian special purpose company that was incorporated on 9 April 2022 for the purpose of holding all of the shares in MBC HoldCo. TopCo is an unlisted private company and has not previously conducted any other business or engaged in any trading activity. As at the date of this Scheme Booklet, all of the shares in TopCo are owned by the Consortium Members as follows:

- ▶ **BIV One:** holds 50 ordinary shares in TopCo;
- ▶ **MCo IP:** holds 30 ordinary shares in TopCo; and

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM continued

► **CSC**: holds 20 ordinary shares in TopCo, (together, the **Consortium Members**).

As noted above, on and from the Implementation Date the Rollover Shareholders will also own a proportion of TopCo.

d) Directors

As at the date of this Scheme Booklet, the directors of each of MBC BidCo, MBC HoldCo and TopCo are the same, being Felix Chih-Wai Chan and Geoffrey John Hutchinson. Profiles of the current directors are set out below.

Name	Profile
Felix Chih-Wai Chan	<p>Felix Chih-Wai Chan is Senior Vice President in Brookfield's infrastructure group and is responsible for developing Brookfield's data infrastructure strategy, which includes overseeing the acquisition of new data infrastructure businesses and assets. Following such acquisitions, Mr Chan is responsible for the operational management of the acquired businesses and assets.</p> <p>Mr Chan joined Brookfield in January 2018. Previously, he has held senior roles at Tarantula Group, NBN Co. and Insight Infrastructure.</p> <p>Mr Chan holds a Master of Commerce and a Bachelor of Economics from Macquarie University.</p>
Geoffrey John Hutchinson	<p>Geoffrey John Hutchinson is co-head of Morrison & Co's Australian and New Zealand operations.</p> <p>Mr Hutchinson joined Morrison & Co in October 2021. Previously, he was a Managing Director at Pacific Equity Partners where he led investments across a range of industries, including healthcare, education and business services over a fourteen-year period.</p> <p>Mr Hutchinson holds a Bachelor of Commerce and Bachelor of Science from the University of Melbourne and a Master of Business Administration from INSEAD.</p>

10.2 Overview of the Consortium Members

As set out in Figure 3, the Consortium Members comprise:

- BIV One;
- MCo IP; and
- CSC.

a) BIF IV One Holdings LP

BIV One is a Bermudan limited partnership, established on 19 April 2022 for the purposes of holding interests in TopCo, and on implementation of the Scheme, the Uniti Shares, on behalf of its ultimate investors (being those funds comprising the Brookfield Infrastructure Fund VI).

BIV One is managed by Brookfield.

Brookfield is listed on the New York Stock Exchange (NYSE:BAM), the Euronext (EURONEXT:BAMA) and the Toronto Stock Exchange (TSX:BAM.A).

Brookfield is a leading global alternative asset manager with more than US\$690 billion of assets under management in over 30 countries across real estate, infrastructure, renewable power, private equity and credit sectors. Brookfield owns and operates long-life assets and businesses, many of which form the backbone of the global economy. Utilising its global reach, access to large-scale capital and operational expertise, Brookfield offers a range of alternative investment products to investors around the world —including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors.

Further information on Brookfield (as the manager of BIV One) is available at <https://www.brookfield.com/>.

b) The Morrison & Co Infrastructure Partnership Master Fund SCSp

MCo IP is a Luxembourg limited partnership with a global investment mandate, principally targeting assets in North America, the United Kingdom, Europe, Australia and New Zealand, with a focus on the energy sector, other utilities, and data infrastructure. As at the Last Practicable Date, MCo IP has approximately AU\$2.1 billion²³ of committed funds.

MCo IP is managed by Morrison & Co. Morrison & Co is a leading alternative asset manager founded in 1988, and

23 Approximately US\$1.5 billion.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

manages multiple mandates on behalf of clients, with total funds under management of over AU\$20 billion. Morrison & Co's investment mandates are tailored to each of its clients and it manages assets across renewable energy and energy networks, airports and transport infrastructure, essential eldercare services, data and telecommunications, water, waste and a broad range of property and social infrastructure sectors in Australia, New Zealand, the United Kingdom, Europe and North America. Morrison & Co combines deep sector knowledge, asset management capability and operational expertise to invest and manage funds on behalf of sovereign wealth funds, pension funds, family offices, endowments and other public and private pools of capital.

Further information on Morrison & Co (as the manager of MCo IP) is available at <https://hrlmorrison.com/>.

c) Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust

CSC is a corporate Commonwealth entity established on 1 July 2011 under the *Governance of the Australian Government Superannuation Schemes Act 2011* (Cth). CSC manages 11 government schemes including five regulated superannuation schemes and six unregulated public sector schemes that provide retirement, insurance and superannuation services to current and former Australian public service employees and members of the Australian Defence Force. The assets of the five regulated superannuation schemes are invested through the ARIA Investments Trust, a pooled superannuation trust for which CSC is the trustee. As at 30 June 2021, CSC has approximately AU\$59 billion in funds under management in assets across various classes, including Australian infrastructure assets such as telecommunications and data centres, renewable energy, healthcare and agriculture and supply chains, as well as private equity sector.

CSC appoints a range of specialist investment managers, including Morrison & Co, across its different asset classes to manage its investments. CSC has appointed Morrison & Co as its investment manager in connection with the Transaction. Please see Section 10.2b) above for further detail on Morrison & Co.

Further information on CSC is available at <https://www.csc.gov.au/>.

10.3 Rationale for proposed acquisition of Uniti

As detailed in Section 10.2 above, the investors comprising the Consortium Members have a long history

of successful large-scale investments in significant infrastructure assets within Australia and across the globe. The Consortium Members view Uniti as a well-managed infrastructure asset that is suited to private ownership under the stewardship of well-resourced, experienced long-term investors, such as the Consortium Members.

The Consortium Members believe their expertise, ready-access to capital and longer-term investment horizon can be applied to grow Uniti's market-leading telecommunications infrastructure network and provide long-term benefits to emerging and established local communities across Australia, retail telecommunications service providers, residential and commercial property developers, households and the broader economy.

10.4 Funding arrangements for the Scheme Consideration

If the Scheme is implemented, the Scheme Shareholders will receive the Scheme Consideration for each Uniti Share they hold as at the Scheme Record Date.

a) Cash Consideration

The terms of the Scheme provide that Scheme Shareholders, other than the Rollover Shareholders, will receive the Cash Consideration of \$5.00 for each Scheme Share that they hold, comprising the Cash Consideration payable by MBC BidCo and, if paid by Uniti, the Permitted Dividend. Based on the number of Uniti Shares on issue as at the date of this Scheme Booklet, and given Rollover Shareholders have elected to receive TopCo Securities as Scheme Consideration in accordance with their contractual commitments under the Voting and Rollover Agreements (see Section 10.7 below), the maximum aggregate amount of cash payable on implementation of the Scheme by MBC BidCo to the Scheme Shareholders will be approximately \$3.6 billion.

MBC BidCo intends to fund the Cash Consideration payable under the Scheme and the Dividend Funds to Uniti to fund the Permitted Dividend (see below), using a combination of debt and equity. The proceeds available to MBC BidCo under the Equity Commitment Letter and the Debt Commitment Letter (detailed below) are in excess of the maximum aggregate amount of cash payable on implementation of the Scheme.

The Scheme is not subject to any financing condition precedent.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM continued

Equity Commitment Letter

MBC BidCo has received a legally binding Equity Commitment Letter dated 13 April 2022 from the following parties:

- ▶ Brookfield Infrastructure Fund IV-A, LP;
- ▶ Brookfield Infrastructure Fund IV-B, LP;
- ▶ Brookfield Infrastructure Fund IV-C, LP;
- ▶ Brookfield Infrastructure Fund IV (ER) SCSp;
- ▶ The Morrison & Co Infrastructure Partnership Master Fund SCSp; and
- ▶ Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust,

(each, an **Equity Commitment Party**).

Under the Equity Commitment Letter, each Equity Commitment Party commits to provide, on a several basis, their individual respective portion of an aggregate amount of, no less than AU\$2.1 billion (**Equity Funding**). The Equity Funding is being provided for the purposes of funding part of the aggregate Cash Consideration payable by MBC BidCo under the Scheme and the Dividend Funds to Uniti to fund the Permitted Dividend. The Equity Funding will be paid indirectly to MBC BidCo by each Equity Commitment Party shortly before implementation of the Scheme by way of one or more capital contributions, which contributions may take the form of ordinary equity in TopCo and/or shareholder loans to TopCo. The Equity Commitment Parties must collectively procure that all or part of the funds received by TopCo are contributed to MBC BidCo (via MBC HoldCo) by way of on-loans or subscriptions for new shares.

The respective Equity Funding of each Equity Commitment Party is subject to the Scheme becoming Effective. The Equity Funding is not subject to any other conditions.

Each Equity Commitment Party has the capacity to fund, in part or in whole, their respective Equity Funding contribution by drawing on cash or cash equivalents available to it from each of their affiliates or affiliate funds.

Debt Commitment Letter

MBC BidCo has entered into a legally binding Debt Commitment Letter dated 13 April 2022 under which Barclays Bank PLC, Commonwealth Bank of Australia, The Hongkong and Shanghai Banking Corporation

Limited, Sydney Branch, Mizuho Bank, Ltd., MUFG Bank, Ltd., Natixis, Hong Kong Branch and Westpac Banking Corporation (collectively, the **Mandated Lead Arrangers and Bookrunners (MLAUBs)**) have severally agreed to provide certain secured debt facilities (**Debt Acquisition Facilities**) in an aggregate amount of no less than \$1.6 billion to MBC BidCo.

MBC BidCo is permitted to use the proceeds of borrowings under the Debt Acquisition Facilities to fund part of the aggregate Cash Consideration payable by MBC BidCo under the Scheme and to pay fees, costs and expenses (including indirect taxes and stamp duty) related to the Debt Acquisition Facilities or the Scheme.

The availability of the Debt Acquisition Facilities provided by the MLAUBs on a customary 'certain funds' basis is subject to the satisfaction of certain customary conditions precedent, including:

- ▶ certification that consummation of the acquisition of the Uniti Shares by MBC BidCo under the Scheme will occur in accordance with the terms of the Scheme Implementation Deed (and related documentation);
- ▶ confirmation that there has been no termination of or amendment to, or a waiver of any Condition Precedent or subsequent granted under, the Scheme Implementation Deed which would be adverse to the interests of the MLAUBs, taken as a whole, unless they have provided their prior written consent (not to be unreasonably withheld or delayed);
- ▶ execution of definitive long form syndicated facility documentation (and related definitive financing documentation) as described below; and
- ▶ the accuracy of certain representations identified in the Debt Commitment Letter made with respect to MBC BidCo prior to funding of the Debt Acquisition Facilities.

It is expected that as of the Second Court Date, the Debt Commitment Letter will be superseded by a definitive long form syndicated facility agreement and related definitive financing documentation required to be entered into as a condition precedent to initial borrowings under the Debt Acquisition Facilities among the parties thereto, the material terms and conditions of which are specified in the Debt Commitment Letter.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

It is expected that the conditions to the Debt Acquisition Facilities will be satisfied on or before the Second Court Date (other than certain procedural conditions which are intended to be satisfied concurrently with, or prior to, the initial borrowings under the Debt Acquisition Facilities, including the payment of fees, costs and expenses).

As at the date of this Scheme Booklet, MBC BidCo is not aware of any reason why, and has no basis to believe that, the conditions to the Debt Acquisition Facilities will not be satisfied so as to enable the relevant Debt Acquisition Facilities to be drawn for the purpose of funding part of the Cash Consideration.

b) Scrip Consideration

The maximum number of TopCo Securities to be issued to the Rollover Shareholders will be 8,760,397 Ordinary Management Shares in TopCo and 4,039,603 RPS Management Shares in TopCo (which is based on an issue price of \$1.00 per TopCo Security) and the valid Elections made by the Rollover Shareholders in accordance with their contractual commitments under the Voting and Rollover Agreements (see Section 10.7 below). Based on an issue price of \$1.00 per TopCo Security, the Scrip Consideration expected to be issued is valued at \$12.8 million. The number of TopCo Securities, and the aggregate value of the Scrip Consideration, to be issued to the Rollover Shareholders will be reduced to take into account the amount of Permitted Dividend, if paid by Uniti.

c) Permitted Dividend

Under the Scheme Implementation Deed, Uniti may (in its absolute discretion) declare and pay a Permitted Dividend of an amount up to \$0.11 per Uniti Share to Uniti Shareholders. If Uniti decides to pay the Permitted Dividend, subject to the Scheme becoming Effective and the approval of Uniti Shareholders pursuant to section 260B of the Corporations Act (if such approval is determined to be necessary), MBC BidCo must fund the Permitted Dividend by way of:

- ▶ an unsecured, interest free loan to Uniti equal to the aggregate cash amount of the Permitted Dividend, that is subordinated to Uniti's existing debt facilities; or
- ▶ advancing Uniti the proportion of the Cash Consideration equal to the aggregate cash amount of the Permitted Dividend,

unless Uniti and MBC BidCo agree otherwise, in their absolute discretion.

If Uniti decides to pay a Permitted Dividend, the Cash Consideration paid to Uniti Shareholders on the Implementation Date will be reduced from \$5.00 by the cash amount of any Permitted Dividend. The final decision of the Uniti Directors regarding the payment of any Permitted Dividend will be communicated to Uniti Shareholders by way of an ASX announcement.

In the event that Uniti declares to pay a Permitted Dividend, MBC BidCo intends, as at the date of this Scheme Booklet, to advance Uniti the proportion of the Cash Consideration equal to the aggregate cash amount of the Permitted Dividend.

Assuming a Permitted Dividend of \$0.11 per Uniti Share is declared by Uniti, the amount to be contributed by each Consortium Member to MBC BidCo is as follows:

Consortium Member	Maximum amount to fund Permitted Dividend (if Permitted Dividend paid at \$0.11 per Uniti Share)
BIV One	\$38,757,074
MCo IP	\$23,254,244
CSC	\$15,502,830
Total	\$77,514,148

d) Provision of Scheme Consideration

On the basis of the arrangements described above, MBC BidCo is of the opinion that it has a reasonable basis for holding the view, and holds the view, that it will be able to satisfy its obligations to provide the Scheme Consideration (including the Dividend Funds) as and when they are due under the terms of the Scheme.

10.5 Intentions if the Scheme is implemented

This Section 10.5 sets out the Consortium Members' present intentions, if the Scheme is implemented, in relation to:

- ▶ the continuation of Uniti's business including any redeployment of significant assets of Uniti;
- ▶ significant changes to be made to Uniti's business and Uniti's management team;
- ▶ the future employment of Uniti's present employees; and
- ▶ the delisting of Uniti from ASX,

assuming the Consortium Members acquire the Uniti Shares as a result of implementation of the Scheme.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM continued

The statements in this Section 10.5 regarding the Consortium Members' intentions are based on information concerning Uniti and the general business environment which are known to the Consortium Members at the time of preparation of this Scheme Booklet.

The intentions and statements of future conduct set out in this Section 10.5 must be read as being subject to the law (including the Corporations Act) and the Listing Rules as well as the legal obligations of Uniti Directors at the time of the preparation of this Scheme Booklet.

The Consortium Members have reviewed information concerning Uniti, its business and the general business environment which is available at the time of preparation of this Scheme Booklet. The Consortium Members have also conducted a limited due diligence review of certain non-public information provided to it by Uniti. The Consortium Members do not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, tax and financial implications of its current intentions. Final decisions in relation to these matters will only be reached after the Consortium Members have had an opportunity to undertake a detailed review of Uniti's business and material information, facts and circumstances at the relevant time following implementation of the Scheme. Accordingly, the intentions described below are statements of current intentions only and may change as new information becomes available or as circumstances change.

a) Head office

MBC BidCo currently intends for Uniti to maintain its current head office at Adelaide following implementation of the Scheme.

b) Business continuity and operations

The Consortium Members currently intend to maintain Uniti's current strategic direction with an investment case based on furthering its position as a market-leading constructor, owner and vertically integrated operator of telecommunications fibre infrastructure in the greenfield residential sector, with a focus on technology infrastructure network ownership on a nationwide basis.

The Consortium Members will undertake a full review of Uniti's business, operations, assets and employees following implementation of the Scheme to determine how to best execute Uniti's strategy and develop and grow Uniti. Decisions relating to future business operations will

be made following completion of that review and in light of circumstances at the relevant time.

Consistent with typical strategic investments of this nature, the Consortium Members may seek to 'exit' their investment in Uniti in the future. There are no current plans to do this, and any decision to exit Uniti will be subject to prevailing market conditions, the business' performance and other factors which may be considered relevant at the time. Similarly, the Consortium Members may seek to divest certain asset groupings or businesses of Uniti to streamline its portfolio and efficiently repatriate proceeds to its shareholders, subject to necessary approvals and market conditions at the time.

c) Board of directors

If the Scheme is implemented, Uniti's Board will be reconstituted so as to comprise persons nominated by the Consortium Members pursuant to clause 5.6 of the Scheme Implementation Deed. As at the date of this Scheme Booklet, the directors of Uniti after the Implementation Date are yet to be determined.

d) Management and employees

The Consortium Members view Uniti's operating and management platform as an integral part of the business. While ensuring that the focus is on the current operations and performance, the Consortium Members also intend to evaluate future management and employment requirements as appropriate and with regard to the operation of Uniti's business in the future. The Consortium Members intend to support Uniti's continued growth and strategies of the existing management team and have no current intention to make substantial changes to Uniti's business or employees.

e) Changes to Uniti's constitution

MBC BidCo intends to replace Uniti's constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in Section 10.5f) below to convert Uniti into a proprietary company limited by shares following implementation of the Scheme).

f) Delisting

Following the implementation of the Scheme, the Consortium Members intend to arrange for Uniti to apply for the termination of the official quotation of Uniti Shares on ASX and for Uniti to be removed from ASX's official list, with effect on or around the Business Day immediately following the Implementation Date.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

10.6 Interests in Uniti Shares

a) Interests in Uniti Shares

As at the Last Practicable Date, none of the Consortium Members have any Relevant Interest or voting power in any Uniti Shares, except:

- ▶ 2,960,462 Uniti Shares held by CSC; and
- ▶ a Relevant Interest arising pursuant to the Voting and Rollover Agreements discussed in Section 10.7:
 - 7,062,224 Uniti Shares held by Michael John Simmons in aggregate (both in his personal capacity and as trustee of Luab Unit trust); and
 - 1,575,427 Uniti Shares held by Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust.

b) Dealings in Uniti Shares in the previous four months

Neither MBC BidCo, nor to its knowledge, its Associates (other than as described below) have provided or agreed to provide any consideration for any Uniti Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet, except for the Scheme Consideration which MBC BidCo has agreed to provide under the Scheme.

As detailed in Section 10.6a), as at the Last Practicable Date, CSC holds 2,960,462 Uniti Shares, which were acquired by CSC over a period from 18 June 2021 to 9 May 2022. CSC will abstain from voting the Uniti Shares it holds at the General Scheme Meeting. The cash amounts paid or received (as applicable) by CSC for Uniti Shares during the period of four months before the date of this Scheme Booklet is as follows:

- ▶ 407,502 Uniti Shares sold by CSC on 7 March 2022 at \$3.10 per Uniti Share, totalling \$1,263,256.20;
- ▶ 216,865 Uniti Shares sold by CSC on 8 March 2022 at \$3.05 per Uniti Share, totalling \$661,438.25; and
- ▶ 21,560 Uniti Shares bought by CSC on 9 May 2022 at \$4.94 per Uniti Share, totalling \$106,506.40.

c) Benefits given during previous four months

During the four months before the date of this Scheme Booklet, neither MBC BidCo nor its Associates have given, or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person to:

- ▶ vote in favour of the Scheme; or
- ▶ dispose of Uniti Shares,

where the benefit was not offered to all current Uniti Shareholders.

d) Benefits to current Uniti Directors

Neither MBC BidCo nor any of its Associates will be making any payment or giving any benefit to any current officers of Uniti or any of Uniti's subsidiaries as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

e) TopCo Securities sold in previous three months

On 28 April 2022, 50 fully paid ordinary TopCo Securities were sold by BIP Bermuda Holdings IV Limited to BIV One for nominal consideration.

Other than the above, no TopCo Securities were sold during the three months before the date of this Scheme Booklet.

10.7 Voting and Rollover Agreements

MBC BidCo and the Rollover Shareholders entered into the Voting and Rollover Agreements on 13 April 2022. The Voting and Rollover Agreements set out, amongst other matters, the framework and terms governing the relationship between MBC BidCo and the Rollover Shareholders in connection with the Scheme.

Under the Voting and Rollover Agreements, the Rollover Shareholders have contractually committed to vote all of the Uniti Shares held by them in favour of the Scheme and make the following Elections (and agree not to revoke such Elections) to receive Scrip Consideration:

- ▶ **in relation to Michael John Simmons and Michael John Simmons as trustee for the Luab Unit Trust:** an election to receive Scrip Consideration in respect of 2,000,000 of the Uniti Shares held in aggregate between them (equating to \$10,000,000 in value), and the Cash Consideration in respect of the remaining Uniti Shares they own or control; and
- ▶ **in relation to Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust:** an election to receive Scrip Consideration in respect of 560,000 of the Uniti Shares it holds (equating to \$2,800,000 in value), and the Cash Consideration in respect of the remaining Uniti Shares it owns or controls.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM continued

The Voting and Rollover Agreements also contain standstill provisions pursuant to which the Rollover Shareholders (and their Related Bodies Corporate, Representatives and Associates – as those terms are defined in the Voting and Rollover Agreements) must not:

- ▶ dispose of their Relevant Interest in any Uniti Shares; or
- ▶ acquire or hold a Relevant Interest in any Uniti Shares after 13 April 2022 (other than in connection with the exercise or vesting of any Uniti Equity Incentives held by the Rollover Shareholder referred to in Sections 3.1 and 8.2).

The Voting and Rollover Agreements terminate on the earlier of:

- ▶ the implementation of the Scheme;
- ▶ 13 April 2023; and
- ▶ provided that Uniti has complied with its exclusivity obligations under clause 11 of the Scheme Implementation Deed, the date on which the Uniti Directors recommend a Superior Proposal in accordance with the Scheme Implementation Deed.

The termination of the Scheme Implementation Deed will not necessarily result in the termination of the Voting and Rollover Agreements and the Rollover Shareholders may continue to be bound by the restrictions in those agreements notwithstanding that the Scheme Implementation Deed has terminated. Equally, the termination of the Voting and Rollover Agreements will not necessarily result in the termination of the Scheme Implementation Deed.

10.8 TopCo Securities to be issued to Rollover Shareholders

a) Overview

TopCo Securities are subject to the TopCo Constitution, and will be subject to:

- ▶ the TopCo Shareholders' Agreement – which will set out the rights and liabilities attaching to the TopCo Securities issued to Consortium Members; and
- ▶ the manager shareholders agreement to be entered into by the Rollover Shareholders, the Consortium Members and TopCo (**Manager Shareholders Agreement**) – which will set out the rights and liabilities attaching to TopCo Securities that will be issued on the Implementation Date to the Rollover Shareholders as Scrip Consideration (the **Management Shares**).

The terms of the Manager Shareholders Agreement have been provided to the Rollover Shareholders (who are the only Uniti Shareholders entitled to make an Election to receive Scrip Consideration).

The Rollover Shareholders should seek professional advice from a solicitor, an accountant, a tax adviser or other independent and qualified professional advisers in relation to the nature of the Management Shares, the risk factors relating to holding Management Shares in light of their own personal circumstances, and the rights and obligations that are set out under the TopCo Constitution and that will be set out under the Manager Shareholders Agreement.

b) Rights and obligations of Management Shares

Management Shares comprise ordinary shares (**Ordinary Management Shares**) and redeemable preference shares (**RPS Management Shares**) in TopCo.

The key rights and obligations attaching to the RPS Management Shares are as follows:

- ▶ the RPS Management Shares rank in priority to ordinary TopCo Securities;
- ▶ the RPS Management Shares are non-voting shares;
- ▶ subject to the TopCo Board's discretion, holders of RPS Management Shares are entitled to dividends;
- ▶ the 'maturity date' shall be 7 years after the 'issue date' of the RPS Management Shares; and
- ▶ the RPS Management Shares are redeemable by TopCo:
 - in the absolute direction of the TopCo Board;
 - on the 'maturity date' (i.e. the date that is 7 years after the 'issue date'); and
 - on the occurrence of an 'exit event'.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

b) Rights and obligations of Management Shares *continued*

A summary of the key rights and obligations as provided for by the Manager Shareholders Agreement to be entered into by the Rollover Shareholders, the Consortium Members and TopCo is set out below (capitalised terms used in the summary that are not defined in Section 14 are bolded within the summary itself):

- | | |
|--|--|
| 1. Parties | <ul style="list-style-type: none"> ▶ Consortium Members (with the TopCo Securities issued to the Consortium Members referred to in this summary as the Sponsor Shares) ▶ Rollover Shareholders ▶ TopCo |
| 2. Economic rights | <ul style="list-style-type: none"> ▶ Ordinary Management Shares will carry the same economic rights and entitlements as ordinary shares in TopCo, and will entitle Rollover Shareholders to the same entitlements to receive dividends, and the same entitlements on liquidation, as holders of ordinary shares in TopCo. ▶ RPS Management Shares will carry the same economic rights and entitlements described above. |
| 3. Non-voting | <ul style="list-style-type: none"> ▶ All Management Shares will be non-voting and will not hold any voting rights at meetings of TopCo shareholders. ▶ Rollover Shareholders will not have the right to appoint any directors to the TopCo Board, or observer rights at TopCo Board meetings. |
| 4. Issue of new Management Shares | <ul style="list-style-type: none"> ▶ The TopCo Board may in its sole discretion resolve to issue new shares to the Rollover Shareholders, on the terms and conditions and in the proportions it determines. ▶ Rollover Shareholders are not entitled to participate in share issues (unless the TopCo Board determines otherwise in its sole discretion). |
| 5. Transfer restrictions | <p>Other than a transfer approved by the Consortium Members, or a transfer to a related entity (including a family trust) of the Rollover Shareholder (each, a Permitted Transfer), a Rollover Shareholder will not be permitted to sell its Management Shares for a period of 3 years following the Implementation Date (Minimum Hold Period).</p> <p>No Rollover Shareholder may dispose of its Management Shares, other than as follows:</p> <ul style="list-style-type: none"> ▶ (Permitted Transfer) a Permitted Transfer; ▶ (Liquidity rights) in accordance with item 6 below; ▶ (Drag rights) if one or more Consortium Members agree to sell more than 80% of the Sponsor Shares on issue to a third party, the selling Consortium Members may drag, and require Rollover Shareholders to sell, the Management Shares held by Rollover Shareholders; ▶ (Tag rights) if one or more Consortium Members agree to sell more than 80% of the Sponsor Shares on issue to a third party, and do not propose to exercise their drag right, each Rollover Shareholder will have a tag along option in respect of that sale; ▶ (Exit event) if at any time, an exit event is approved by the Consortium Members, then the drag rights will apply and each Rollover Shareholder must use reasonable endeavours to facilitate the exit event; ▶ (Leaver) in accordance with item 7 below; or ▶ (Event of default) in accordance with item 8 below. <p>Where a Rollover Shareholder disposes of its Ordinary Management Shares without disposing of the same proportion of its RPS Management Shares, TopCo shall have a right to redeem the same proportion of the RPS Management Shares as the proportion of Ordinary Manager Shares that have been disposed.</p> |

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM continued

6. Liquidity rights

- ▶ A Rollover Shareholder will be entitled to sell up to one third of its Management Shares in any 12 month period following the expiry of the Minimum Hold Period.
- ▶ A Rollover Shareholder can sell its Ordinary Management Shares to the Consortium Members or to TopCo (or its nominee) by way of a put option granted in favour of each Rollover Shareholder.
- ▶ Upon the exercise of the put option by a Rollover Shareholder, the price applicable for the sale will be the fair value of the Ordinary Management Shares (unless the Rollover Shareholder (or its Relevant Manager) is or becomes a bad leaver (see item 7 below)).

7. Leaver

Where a Rollover Shareholder (or its Relevant Manager) ceases to be employed or engaged by the Target Group (**Leaver**) at any time:

- ▶ it will not be entitled to dispose of its Management Shares during the Minimum Hold Period, unless otherwise determined by the TopCo Board; and
- ▶ the Consortium Members and TopCo (or its nominee) will have a call right to acquire all of the Management Shares of the Rollover Shareholder.

8. Event of default

If an 'Event of Default' occurs in respect of a Rollover Shareholder, including where:

- ▶ an insolvency event occurs in respect of a Rollover Shareholder;
 - ▶ a Rollover Shareholder breaches its payment obligations;
 - ▶ a Rollover Shareholder suffers an upstream change of control; or
 - ▶ a Rollover Shareholder is in material breach of the Manager Shareholders Agreement,
- the Consortium Members and TopCo (or its nominee) will have a right to acquire all of the Management Shares of the defaulting Rollover Shareholder.

9. Non-compete

Non-compete covenants in relation to businesses that are the same as, or compete with, TopCo's business will apply (with customary exceptions). Customary non-solicit, no poach and non-dealing covenants apply.

c) Risks associated with TopCo Securities

This Section 10.8 sets out a summary of some of the key risks relating to TopCo Securities. These risks will only apply to Rollover Shareholders who make a valid Election to receive the Scrip Consideration.

i. Risks associated with an investment in TopCo by the Rollover Shareholders post implementation of the Scheme

Rollover Shareholders who have elected to receive Scrip Consideration should consider a number of risks that can be broadly classified as risks specific to an investment in TopCo Securities post implementation of the Scheme and general risks relating to investing in unquoted securities. These risks may, individually or in combination, have a material adverse effect on any one or more of TopCo's future financial performance, financial position, cash flows or distributions and your ability to dispose of TopCo Securities if you wish to do so and consequently, on the

outcome of an investment in TopCo and the value of your TopCo Securities.

There is no guarantee that the Consortium Members will achieve its stated objectives or any of its statements of current future intent as described in Section 10.5, or that any dividends or distributions will be paid to the Rollover Shareholders post implementation of the Scheme.

You should note that this Section 10.8 is limited to an analysis of the risks associated with an investment in TopCo by the Rollover Shareholders only (i.e. through their subscription of TopCo Securities on the Implementation Date). This Section 10.8 is not an exhaustive list of the risks associated with an investment in TopCo post implementation of the Scheme. Further, many of these risks are outside the control of TopCo or the Consortium Members and either cannot be mitigated or can only be partially mitigated. The risk factors that apply to an investment in TopCo post implementation

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

of the Scheme are materially different from those that apply to your existing investment in Uniti. Despite the operating history of Uniti, an investment in TopCo post implementation of the Scheme should be considered a speculative investment. For further information about the rights and risks associated with TopCo Securities see Section 10.8c)ii.

This Section 10.8 and other Sections of the Scheme Booklet that describe the TopCo Securities do not contain the disclosures in relation to the TopCo Securities that would be included in a disclosure document under Chapter 6D of the Corporations Act as the TopCo Securities are being issued without such a disclosure document in accordance with section 708(8) of the Corporations Act.

ii. Risks specific to TopCo and TopCo Securities post implementation of Scheme

Liquidity risk

TopCo is an Australian private company. As such, there will be no public market for the trading of TopCo Securities (including Management Shares), nor is there expected to be any such market in the future. There are restrictions on the disposal of TopCo Securities held by Rollover Shareholders under the Manager Shareholders Agreement that will restrict any prospective seller of TopCo Securities from trading in their TopCo Securities. This will result in TopCo Securities being substantially illiquid, subject to permitted liquidity events provided for in the TopCo Shareholders Agreement and the Manager Shareholders Agreement. Such prohibitions on trading of TopCo Securities may also affect the value of TopCo Securities as well as your ability to dispose of them, either at all or in a timely manner. As noted in Section 10.8c)i above, there are also substantial restrictions on the ability of Rollover Shareholders in TopCo to transfer their TopCo Securities under the Manager Shareholders Agreement.

Rollover Shareholders' minority rights

As Rollover Shareholders who receive non-voting TopCo Securities under the Scheme will collectively have no less than a 1% interest of the TopCo Securities on issue (this reflects the valid Elections received by Uniti from the Rollover Shareholders prior to the Election Time), they will be subject to risks inherent in minority shareholdings. As at the Implementation Date, the Consortium Members will hold shares in the capital of TopCo which confer voting rights at meetings of TopCo shareholders and the right to appoint directors to the TopCo Board. As noted

in Section 10.8b), Rollover Shareholders will have no voting rights at meetings of TopCo shareholders, and Rollover Shareholders will not have the right to appoint any directors to the TopCo Board (as provided for under the Manager Shareholders Agreement). As such, Rollover Shareholders will not be able to affect the governance of TopCo. Rollover Shareholders who receive TopCo Securities under the Scheme will therefore be subject to the decisions made by the Consortium Members in relation to TopCo and its subsidiaries. TopCo is not required to hold an annual general meeting of members and the Rollover Shareholders may receive significantly less information and reports about TopCo and Uniti than the Rollover Shareholders currently receive about Uniti.

Investor protections

As the Listing Rules will not apply to TopCo, investor protections currently available to the Rollover Shareholders in respect of their Uniti Shares under the Listing Rules will not apply to the TopCo Securities. For example, TopCo is not subject to any requirement to disclose material price sensitive information to its shareholders or to ensure that classes of security are appropriate and equitable (including with respect to voting rights of holders of TopCo Securities and any preference shares issued by TopCo). Similarly, except as required under the TopCo Shareholders' Agreement and the Manager Shareholders Agreement, there will be no restrictions on TopCo issuing new securities (which could result in the Rollover Shareholders being more easily diluted) or making significant changes to the nature or scale of TopCo activities without shareholder approval.

Sale of TopCo Securities

The Rollover Shareholders may be compelled (by other TopCo shareholders) to sell or transfer their TopCo Securities under various provisions that will be set out in the Manager Shareholders Agreement.

Related party transactions

As TopCo will be a proprietary company, certain provisions of the Corporations Act that apply only to public companies will not apply such as restrictions on related party transactions. Except as provided by the TopCo Shareholders' Agreement and the Manager Shareholders Agreement, there are no restrictions on persons in a position of influence such as related parties, or substantial holders, from entering into 'related party' transactions with TopCo and such transactions may not require shareholder approval.

10. INFORMATION ABOUT MBC BIDCO AND THE CONSORTIUM *continued*

Future exit by Consortium

The Consortium may seek to exit its investment in TopCo at some time in the future subject to then prevailing market conditions, the business' performance and other factors which may be considered relevant at the time. There is no guarantee that the Rollover Shareholders will be able to achieve an exit in respect of their TopCo Securities if a decision for exit is not made by TopCo. Conversely, there is no guarantee that the Rollover Shareholders will want to exit their investment in TopCo Securities at the same time as the decision for exit is made by the Consortium. Particular Rollover Shareholders may not agree with the exit strategy adopted or decisions made by the TopCo shareholders generally, and may not receive the price and return on investment they expect.

10.9 No other material information

Other than as disclosed in this Section 10, there is no information regarding the Bidder Group, or its intentions regarding Uniti Group, that is material to the making of a decision by a Uniti Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of MBC BidCo as at the date of this Scheme Booklet that has not been previously disclosed to Uniti Shareholders.

11. INVESTMENT RISK / WHAT IF THE SCHEME IS NOT IMPLEMENTED?

11.1 Introduction

The Scheme presents a number of potential risks that Uniti Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

This Section outlines some of the:

- ▶ risk factors relating to the business and operations of Uniti, including your current investment in Uniti Shares (see Sections 11.2 and 11.3); and
- ▶ risks factors which may prevent the Scheme from becoming Effective (see Section 11.3b)).

If the Scheme is implemented, the risks in Sections 11.2 and 11.3 will not apply. If the Scheme is not implemented, Uniti Shares will remain quoted on ASX and all Uniti Shareholders will continue to be subject to the risks in Sections 11.2 and 11.3.

The outline of risks in this Section 11 is a summary only and should not be considered exhaustive. This Section 11 does not purport to list every risk that may be associated with an investment in Uniti now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 11 may be partially or completely outside the control of Uniti and MBC BidCo or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Uniti Shareholders. You should carefully consider the risk factors discussed in this Section 11, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

11.2 General investment risk

If the Scheme does not become Effective, Uniti Shares and future distributions made to Uniti Shareholders will be influenced by a number of macroeconomic factors including:

- ▶ changes in investor sentiment and overall performance of the Australian and international stock markets;

- ▶ changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, wage rates, property markets including rising building costs, house prices and residential supply and demand, population growth, retail sales and consumer demand;
- ▶ the ongoing global impact of the COVID-19 pandemic, and the continuously developing advice and responses from health and regulatory authorities;
- ▶ changes in government fiscal, monetary and regulatory policies, including foreign investment and immigration;
- ▶ the impact of rising rates of inflation globally;
- ▶ natural disasters and catastrophes, whether on a global, regional or local scale; and
- ▶ accounting standards which affect the financial performance and position reported by Uniti.

11.3 Risk factors relating to the business and operations of Uniti

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which Uniti operates, which could materially and adversely affect the future operating and financial performance of Uniti.

Many of these risks are currently relevant to Uniti Shareholders and will continue to be relevant to Uniti Shareholders if the Scheme does not become Effective and you retain your current investment in Uniti.

a) Uniti share price volatility

If the Scheme does not become Effective, Uniti Shares will remain quoted on ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions.

If the Scheme does not become Effective, the price at which Uniti Shares trade is likely to fall.

b) Competition risks

Uniti faces competition from other private fibre network owners and operators including nbn™, as well as alternative technologies for broadband connectivity including fixed wireless/cellular (4G and 5G) technology. If there was a change to nbn™'s technology solutions or pricing strategies that made the nbn™ more competitive, this could have a materially adverse impact on Uniti's ability to attract FTTP network construction and the consequent acquisition of and/or retention of sufficient

11. INVESTMENT RISK / WHAT IF THE SCHEME IS NOT IMPLEMENTED? continued

customers and to generate sufficient revenues and profitability to provide a return to investors.

Uniti also faces competition for customers from other retailers of broadband internet connectivity services, including other resellers of nbn™ and private fibre broadband services, and mobile 4G and 5G cellular services.

c) Supplier and technology risks

Uniti relies on the use of third-party hardware and software technologies to deliver its products and services. These technologies are required to continually perform to expected standards, without disruption or cessation. Uniti's success will depend on its ability to access technology and respond quickly to changes in a cost-effective manner. The extent to which recent changes in the security stance from the Australian Government in relation to equipment and components sourced from some countries may impact on Uniti's existing plans or requirements to refresh its network, is still uncertain.

Uniti also relies on key business relationships to deliver its services such as IP transit, backhaul, high sites or equipment including fibre optic cable. A disruption in the supply of, or prices associated with, equipment or services utilised by Uniti may have a negative impact on the business. Effective management of Uniti's inventory and supply chain has meant Uniti has not been affected by the global chip shortage to date, but further disruptions of this nature from COVID-19 or other global events could pose risks to delivery.

Certain equipment used by Uniti is sourced from overseas, the cost of which is dependent on foreign exchange rates. Uniti's ability to pass on or recover the impact of adverse currency movements is uncertain.

d) Regulatory risks

Uniti operates in a highly regulated environment, with penalties for non-compliance, including undertakings or the imposition of substantial civil and criminal penalties. Uniti also utilises class license spectrum and is subject to and must comply with laws, regulations and government policies in relation to that use. Possible further changes to existing regulation may from time-to-time result in increased compliance costs for different parts of Uniti's business as well as impose substantial risks. Uniti is not able to predict the nature or impact of future policies and any such changes are beyond Uniti's control. If changes occur to existing policies and legislation, then Uniti could be adversely affected.

In addition, the current regulatory framework governing the Australian National Broadband Network supports

non-government enterprise organisations such as Uniti delivering fibre-based network infrastructure to Australian premises. Uniti offers developers an alternative solution to NBN Co in the residential Broadacre and Multi Dwelling Unit sectors. Some of Uniti's market share and future growth opportunities may be eroded to the extent regulatory frameworks currently imposed on NBN Co are amended.

The key risks to Uniti's business because of unexpected regulatory policies, outcomes or decisions, will be:

- ▶ increased regulation by regulators empowered to regulate the telecommunications sector, including the ACCC and the Australian Communications and Media Authority, and the possibility, in certain circumstances, of large fines being imposed for contraventions of undertakings and/or relevant laws;
- ▶ changes to data security regulation;
- ▶ imposition of new or modified carrier licence conditions;
- ▶ an increase in compliance costs and delays in having to seek additional, or variations to, government approvals – this is particularly pertinent given the importance of Uniti being able to obtain maintain, renew and obtain licences to conduct its business; and
- ▶ changes to regulations or government policies governing the telecommunications sector.

More generally, Uniti will operate under the terms of various statutory licences and face ongoing changes in regulation, law and policy. Significant adverse changes, for example as to spectrum pricing or availability, could impact Uniti's profitability.

e) Loss of carrier licences

Uniti (and its subsidiaries) hold carrier licences under the *Telecommunications Act 1997* (Cth) (the **Telecommunications Act**). These licences are essential for Uniti to operate as a carrier of telecommunications infrastructure. If one or more of those licences were to be cancelled (depending on which licences they were) it could severely restrict the ability of Uniti to operate and could result in Uniti breaching a number of its contractual obligations.

Circumstances in which a carrier licence may be cancelled include where the licence holder fails to pay the annual carrier licence fee imposed by the *Telecommunications (Carrier Licence Charges) Act 1997* (Cth) (if required) or the industry levy as imposed by the *Telecommunications (Industry Levy) Act 2012* (Cth) (if required), becomes a disqualified body corporate within the meaning of the Telecommunications Act, or ceases to be a constitutional corporation.

11. INVESTMENT RISK / WHAT IF THE SCHEME IS NOT IMPLEMENTED? continued

Uniti reviews its carrier licence compliance obligations on a regular basis.

f) Network and operational disruption

Uniti depends on the performance, reliability and availability of its network and technology platforms, including its broadband and fixed wireless networks, OSS and BSS systems, RSP Portal, online led customer service platform, call centre and communications systems. There is a risk that these platforms and systems may be adversely affected by a number of factors, including damage, equipment faults, power failure, cyber security incidents such as computer viruses, malicious interventions, third party security infringements or breaches, hacking, natural disasters or failure of third-party networks. Events of that nature may adversely impact the availability of Uniti's technology platform or website, and this may have an adverse impact on Uniti's reputation, and/or ability to deliver services and customer retention and growth.

In particular, Uniti operates across a large geographical area and access to parts of that area may be difficult or restricted following natural disasters such as bush fires. This not only exacerbates the possibility of these risks beyond Uniti's control but also raises the cost of, or reduces the efficiency with which, any repairs or maintenance are conducted.

Disruption to Uniti's services could also result in business interruption, monetary losses, and possible legal liability. As above, cessation or disruption to of Uniti's services could have negative financial implications for the business and Uniti may be subject to liability for accidents, outages or system failure or data corruption that may not be possible or desirable to insure against, or in amounts that exceed the policy limits.

g) Operational and growth risks

Uniti is exposed to risks associated with the rollout of its network, outages and loss of customer services.

There is a risk that the implementation of Uniti's growth strategies will be subject to delays or cost overruns, and there is no guarantee that these strategies will generate growth. Furthermore, the implementation of these growth strategies may lead to changes to Uniti's business or the customer experience which may result in unintended adverse consequences if such changes affect customers' willingness to buy the Uniti's products.

h) Design, construction and development risks

Any delays or unexpected costs associated with the design, construction, and development of any of Uniti's fibre optic telecommunications infrastructure or any changes in funding arrangements with developers may harm Uniti's growth

prospects, future operating results, funding requirements and financial condition.

Delays or unexpected costs can be dictated by external factors such as decisions by developers to vary, delay or cancel developments or to enter into fixed price contracts with customers. A general slow-down in the property market, lower demand for new housing, increased vacancy rates or industry price increases affecting components (such as timber and steel), labour or other aspects of the housing market design, construction and development stages, including the insolvency of builders or developers, are all factors outside Uniti's direct control that could lead to developments being delayed or cancelled and this could have a material adverse impact on Uniti's financial performance and financial position.

Whilst this risk is largely outside Uniti's control, Uniti actively manages this risk, and will continue to do so, by having regular contact with its developer clients gaining visibility over the timing and completion of projected developments and keeping apprised of market conditions.

i) People and safety

Ensuring the health, safety, and wellbeing of Uniti's staff, contractors, customers, and public is a key priority for the Uniti Board and management. There are safety risks inherent in the construction and maintenance of Uniti's networks and COVID-19 has increased the profile of both physical and mental health risks to staff. To manage these risks, Uniti has a safety management system certified to ISO 45001 which is continually reviewed and improved, as well as committed safety resources across the business and regular focus on safety risks at the Uniti Board level.

The success and growth strategy for Uniti depends on its ability to attract and retain key management and operating personnel. Uniti has qualified and experienced management teams. The loss of any key members of these teams, or Uniti's inability to attract the requisite personnel with suitable experience, could have an adverse effect on Uniti and its business performance. There is no assurance as to the continued availability of any such key personnel.

j) Reputation

Brands are key assets of Uniti. Successful maintenance of the reputation and value associated with these brand names will be critical to Uniti's businesses and its strategy for the future.

It is possible that, if the Scheme does not become Effective, the strategies described in this Scheme Booklet may not be achieved, resulting in the erosion of the reputation or value associated with the brand names that, in turn, could have an adverse effect on the value, performance and operations of Uniti.

11. INVESTMENT RISK / WHAT IF THE SCHEME IS NOT IMPLEMENTED? **continued**

Other events, including a material non-compliance with regulations, or licence terms or a breach of or failure in information and technology systems or networks, could have an adverse impact on Uniti's reputation and the value of its brands and increase expenditure due to additional security costs and/or potential claims for compensatory damages.

k) General economic conditions and interest rate risk

In light of recent global macroeconomic events, including the impact of COVID-19, Australia could experience a significant economic recession which could impact the development and construction of new housing projects and/or vacancy rates in residential, commercial or retail premises, and this could also have an impact on Uniti's ability to attract and retain customers, to invest sufficiently to develop, adopt and integrate the latest technologies into existing infrastructure, and to secure and maintain third party suppliers for IT and network infrastructure over whom Uniti may have no direct operational or financial control. These economic disruptions may adversely impact Uniti's earnings and assets, as well as the value of Uniti Shares.

Recent growth at Uniti has been in an environment of low interest rates, significant Government stimulus initiatives including the HomeBuilder support package and reducing personal tax rates.

The RBA has recently increased the cash rate from 0.1% to 0.35% as a result of significant inflationary pressures within the economy and earmarked that they expect further interest rate increases over the course of 2022 and 2023. Under the RBA's own modelling released in April 2022, it has estimated that property prices could fall by 15% over the next two years if interest rates are increased by 2.0%. A downturn in the Australian housing market may result in cancellation or deferral of housing projects which may adversely impact Uniti's financial performance as it would reduce construction revenue and slow down expansion of the fibre network (with resulting impacts on network revenue and profitability).

l) Integration of acquired businesses

Uniti has acquired a number of businesses in the recent years. Uniti has undertaken detailed due diligence in respect of each of those acquisitions, and following each acquisition, has promptly undertaken a systematic integration programme to integrate that business within its respective business unit or strategic pillar. In most cases, the integration programme has been successfully completed. However, there are a number of technology integration projects which remain in progress, in particular those arising from the acquisitions of OptiComm Limited and the Telstra Velocity network assets. Those projects are expected to be completed through a comprehensive migration and integration plan that will run

over the next few years. Until completed, there remains a risk to future income streams to be generated and synergies to be achieved from those acquisitions.

m) Cyber

In a global environment where cyber security threats are continually increasing in both frequency and sophistication, managing the security of Uniti's networks and our customer's data is critical. Uniti is investing in its cyber security capability by continually improving technologies for prevention and detection of malicious access to its networks, improving processes for information security management, and ensuring that the organisation has a security aware culture through regular training and awareness of its people. However, a cyber security incident could occur that could have a materially adverse impact on Uniti's operations, financial performance or position, and reputation.

n) Access to capital

Uniti relies on access to debt and equity financing, and may in the future require additional debt or equity capital to fund growth strategies including for acquisition opportunities that may arise. The ability to secure financing, or financing on acceptable terms, may be materially adversely affected by volatility in financial markets, either globally or affecting a particular geographic region, industry or economic sector, or by a downgrade in Uniti's credit assessment. For these or other reasons, financing may be unavailable or the cost of financing may be significantly increased. Such inability to obtain, or an increase to the costs of obtaining, financing could materially adversely affect Uniti's operations or financial performance.

o) Servicing existing debt

Uniti's ability to service its debt depends upon its financial position, financial performance and cash flows which to some extent are subject to general economic, financial, regulatory and other factors beyond the control of Uniti. If Uniti is unable to generate sufficient cash flow to meet specific debt repayment and servicing obligations, it may face additional financial penalties, higher interest rates, default or difficulty obtaining further funding in the future.

p) Insurance

Uniti seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in its industry sector. However, there is a risk that some liabilities could exceed policy limits or certain risks could be excluded from cover. Uniti may also decide not to insure against certain risks due to various commercial considerations. Any future increase in the cost of such insurance policies or the inability to purchase adequate

11. INVESTMENT RISK / WHAT IF THE SCHEME IS NOT IMPLEMENTED? continued

policy limits and/or risk coverage could adversely affect Uniti's business, financial condition and operational results in the event of an uninsured (or partially insured) material incident occurring.

q) Charges against Uniti Director

The Commonwealth Director of Public Prosecutions has charged Mr Vaughan Bowen with two counts of acting contrary to section 1043A of the Corporations Act. A committal hearing in the Melbourne Magistrates Court has been set down for 28 November 2022. If the matter subsequently goes to trial and Mr Bowen is convicted, section 206B of the Corporations Act imposes an automatic disqualification from managing corporations for a period of 5 years.

Mr Bowen emphatically denies the allegations and confirms that he will be vigorously defending the matter. The Uniti Board does not consider this matter to be a risk to Uniti's future if the Scheme is not approved. Uniti's plans for future sustainability are primarily focused on organic growth, rather than growth by acquisition. Mr Bowen's role as an executive director is primarily focussed on mergers and acquisitions and inorganic strategic growth which, given Uniti's future plans, is less critical in the future than it has been in the past. Furthermore, the Uniti Board notes that the charges in question do not relate to Uniti or Uniti's business.

r) General risks relating to business and operations

The general risks outlined below may also affect Uniti's financial performance, financial position, cash flows, distributions, growth prospects and share price:

- ▶ litigation and claims;
- ▶ inability to pay dividends or make distributions; and
- ▶ equity dilution.

As at the Last Practicable Date, the Uniti Directors are not aware of any current, impending or threatened litigation that may have a material impact on the Uniti Group.

11.4 Risks in relation 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 8 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 Uniti or MBC BidCo to terminate the Scheme Implementation Deed.

The Conditions Precedent include approval by the Court, approval by Uniti Shareholders, and FIRB Approval. 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 Uniti and MBC BidCo (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the Uniti Shareholder approval, Court approvals or FIRB Approval required for the Scheme to proceed may be delayed.

b) Implications for Uniti and Uniti Shareholders if Scheme is not implemented

If the Scheme does not become Effective and is not implemented, Uniti Shareholders will not receive the Cash Consideration or Scrip Consideration (as applicable) and Uniti will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on ASX.

Unless Uniti Shareholders choose to sell their Uniti Shares on ASX, Uniti Shareholders will continue to hold Uniti Shares and be exposed to both the risks (including those set out in this Section 11) and potential future benefits in retaining exposure to Uniti's business and assets.

The Uniti share price will also remain subject to market volatility and is likely to fall in absence of a Superior Proposal.

c) 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, if paid by Uniti, the actual value of any Permitted Dividend to each Uniti 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 12 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Uniti Shareholders should seek professional taxation advice in this regard.

12. TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS

12.1 Introduction

The purpose of this Section is to provide a general understanding of the Australian taxation implications (income tax, goods & services tax (**GST**) and stamp duty) of the Scheme (if implemented) to Scheme Shareholders. It is only to assist Uniti Shareholders in understanding the potential tax implications of the Scheme (if implemented).

The taxation information that follows is based on the applicable Australian income tax legislation and established interpretations of that legislation as at the date of this Scheme Booklet. The application of these laws is complex and may change from either new interpretations from the tax authorities/courts, or new legislation enacted – some of which may have a retrospective impact. As such, it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of Uniti Shareholders. This taxation information is general in nature and does not purport to provide advice to any particular Uniti Shareholder, as the taxation position of each Uniti Shareholder will vary depending on their specific circumstances.

Uniti Shareholders are strongly encouraged to obtain their own independent professional tax advice relevant to their specific circumstances. Further, the comments below do not address any taxation implications which may arise in countries other than Australia, as such, Uniti Shareholders who may be subject to tax consequences in other countries are strongly advised to consider the taxation implications which may arise in these jurisdictions.

This taxation information provides a general outline for Scheme Shareholders who hold their shares on capital account and are therefore subject to the capital gains tax (**CGT**) regime contained in the *Income Tax Assessment Act 1997* (Cth) (the **ITAA 1997**). The comments below do not address the potential Australian taxation implications for Scheme Shareholders who:

- ▶ hold their shares on revenue account or as part of business dealings (e.g. as trading stock, a profit-making scheme/undertaking);
- ▶ are seeking to apply any sort of CGT rollover/relief;
- ▶ hold their shares under an arrangement which is classified as an employee share or rights plan for Australian tax purposes;
- ▶ are subject to any special tax rules such as banks, insurance companies, tax exempt organisations, special purposes vehicles (i.e. certain trusts, investment vehicles etc.) and permanent establishments;

- ▶ are exempt from Australian income tax;
- ▶ are subject to the taxation of financial arrangements rules as contained in Division 230 of the ITAA 1997;
- ▶ changed their tax residency whilst being a Uniti Shareholder; or
- ▶ are temporary residents as that term is defined in the ITAA 1997.

The Uniti Group is in the process of applying for a class ruling (**Class Ruling**) from the ATO, which will provide greater certainty as to the ATO's views on the following income tax considerations arising from the Scheme. Specific items which will be considered include:

- ▶ how a capital gain / loss should be calculated;
- ▶ if any Permitted Dividend is assessable for income tax purposes;
- ▶ whether the Permitted Dividend will be considered to form part of the capital proceeds;
- ▶ the application of the 'qualified person' rules relating to the Permitted Dividend (i.e. ability to access franking credits); and
- ▶ the application of certain integrity rules relating to the franking system.

Accordingly, the below summary outlines the expected tax implications of the Scheme, however, until the Class Ruling is issued by the ATO there can be no guarantee as to these aspects. When the Class Ruling is finalised it will be published by the ATO on its website at www.ato.gov.au and on the Uniti Group's website at <https://unitigrouplimited.com>.

12.2 Australian Resident Scheme Shareholders

a) Australian income tax implications of disposing of Scheme Shares (capital account only)

The following Section outlines the outcomes expected for Australian resident Scheme Shareholders who hold their Scheme Shares on capital account and are Australian tax residents. As outlined in the introduction other Scheme Shareholders will need to seek their own independent advice with respect to the implications of the Scheme.

Capital Gains Tax (CGT)

Australian resident Scheme Shareholders will trigger a CGT event A1 should the Scheme be implemented as it

12. TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS *continued*

will result in them disposing of their Scheme Shares. This CGT event will be triggered on the Implementation Date.

The disposal of Scheme Shares should result in either of the following outcomes for the Scheme Shareholders:

- ▶ **Capital Gain** – a capital gain will arise where the capital proceeds received on the disposal of the shares exceeds the cost base of the Scheme Shares; or
- ▶ **Capital Loss** – a capital loss will arise where the capital proceeds received on the disposal of the shares is less than the reduced cost base of the Scheme Shares.

Capital proceeds

The capital proceeds from the disposal of the Scheme Shares should be equal to the consideration received by the Scheme Shareholder under the Scheme (i.e. cash and market value of any property received).

Where the payment of the Permitted Dividend is viewed as part of the overall arrangement (i.e. required as part of the Scheme or funded as part of the Scheme), the Permitted Dividend may constitute part of the capital proceeds of the disposal of the Scheme Shares in accordance with Taxation Ruling 2010/4. This will be confirmed by the Class Ruling.

If the disposal of Scheme Shares results in a capital gain then the anti-overlap rules (under section 44(1) of ITAA 1997) should operate to ensure there is no double taxation by reducing your capital gain by the amount of the Permitted Dividend that has already been included in your assessable income. Where the disposal of Scheme Shares results in a capital loss, you cannot increase the amount of the capital loss by the Permitted Dividend.

Cost base and reduced cost base

The cost base of the Scheme Shares disposed should broadly equal the amount paid or market value of property given to acquire the Scheme Shares and certain non-deductible associated costs (i.e. brokerage). The reduced cost base is calculated in a similar manner, however, requires certain adjustments to be made.

CGT discount

Generally, if a Scheme Shareholder is an individual, trust or complying superannuation entity and has held the Scheme Shares for at least 12 months or more before disposal they may be entitled to a 'CGT discount' for any capital gain made on the disposal of the Scheme Shares.

Where the CGT discount applies, any capital gain arising (after applying any available capital losses) may be reduced by:

- ▶ 50% in the case of individuals/trusts; or
- ▶ one-third in the case of complying superannuation entities.

Where a trust has utilised the CGT discount the availability of the discount ultimately depends on the tax profile of the entity to whom the income of the trust estate is distributed. Scheme Shareholders that are companies are not entitled to a CGT discount.

The rules relating to the CGT discount are complex and the outcomes can vary depending on the circumstances of the individual. As such, Scheme Shareholders should ensure they obtain their own independent advice.

Net capital gain / capital loss

Following the above steps, Scheme Shareholders will determine whether they have a capital gain or capital loss in connection with the disposal of their Scheme Shares. Any resulting net capital gain is included in a Scheme Shareholder's assessable income, with tax to be paid at the applicable tax rate. Rollover Shareholders may be able to obtain capital gains tax rollover relief for the portion of their Scheme Shares that are exchanged for shares in TopCo (confirmation of the availability of relief is an aspect of the Class Ruling application).

Where the disposal results in a net capital loss and the Scheme Shareholder has no remaining capital gains to offset, the capital loss is carried forward and may be available to be offset against capital gains in future years (subject to the satisfaction of any applicable loss recoupment rules where applicable). Capital losses cannot be used to reduce ordinary assessable income (only capital gains).

b) Australian income tax implications of the Permitted Dividend

Australian resident Scheme Shareholders who receive a Permitted Dividend will need to include the Permitted Dividend in their assessable income for Australian tax purposes. Generally, both the amount of the cash dividend received and an amount equal to the franking credits (if any) attached to a franked dividend must be included in assessable income in the year of receipt. An Australian resident Scheme Shareholder may then be entitled to a franking offset against the income tax on this assessable dividend income.

12. TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS *continued*

However, Scheme Shareholders will not be entitled to a tax offset (and will not be required to include this amount in assessable income) unless they are a 'qualified person' with respect to the Permitted Dividend (**Qualified Person**) and certain franking integrity rules deemed not to apply. These aspects are summarised as follows:

- ▶ The Qualified Person rule requires that for a Scheme Shareholder to access franking credits on the Permitted Dividend they should have held their Scheme Shares 'at risk' for a continuous period of 45 days (excluding acquisition and disposal dates – effectively 47 days). A Scheme Shareholder will not be considered to hold their Scheme Shares 'at risk' if there are materially diminished risks of loss or opportunities for gain with respect to their Scheme Shares. Scheme Shareholders are considered to have ceased to hold their Scheme Shares 'at risk' from the Scheme Record Date. As such, a Scheme Shareholder should have held their Scheme Shares at risk for 45 days before the Scheme Record Date.
- ▶ The franking integrity rules are measures implemented to prevent the manipulation / abuse of the Australian imputation system through undertaking certain transactions (i.e. streaming franking credits) to certain shareholders. The key franking integrity rules form part of the Class Ruling which the ATO will consider and rule upon their application.

These are complex tax rules and their operation and applicability will be confirmed as part of the Class Ruling.

A summary of the key implications of the Permitted Dividend for the key classes of taxpayer are as follows (subject to the application of the applicable franking credit rules):

- ▶ **Individuals** – The Permitted Dividend and franking credits will be included in assessable income with tax being paid at the individual's marginal tax rate. The individual should then be entitled to an offset equal to the amount of the franking credit. Excess franking credit should be available as an offset to reduce other income and may potentially be refundable.
- ▶ **Corporate shareholders** – The Permitted Dividend and franking credits will be included in assessable income and tax paid at their applicable corporate tax rate. To the extent the franking credit exceeds the corporate Scheme Shareholders tax liability, the excess can be converted into a carry forward tax loss and offset against future taxable income (subject to the loss

utilisation rules). There are only limited circumstances a refund of franking credits can be obtained by a corporate shareholder. The franked dividend should give rise to a franking credit in their franking account.

- ▶ **Complying Superannuation Funds** – The Permitted Dividend and franking credits will be included in assessable income with tax payable at the applicable tax rate for any applicable income (net of deductions). Where there are excess franking credits these could offset other income, or result in a refund.

12.3 Non-Australian tax resident Scheme Shareholders

a) Australian income tax implications on disposing Scheme Shares (capital account only)

Treatment of capital gains / losses

Generally, for Australian income tax purposes, non-Australian tax resident Scheme Shareholders who have not used their Scheme Shares at any time in carrying on a business through a permanent establishment in Australia, will only be subject to Australian CGT if (broadly):

- ▶ the Scheme Shareholder (together with their associates) holds an interest of at least 10% of the shares in the Uniti Group at the time of the disposal, or for a 12 month period in the 24 months preceding the disposal (referred to as the 'non-portfolio interest test'); and
- ▶ more than 50% of the market value of the Uniti Group's assets is comprised of Australian 'real property' interests (i.e. land). Broadly, real property includes direct and indirect interests in Australian land, including leases (referred to as the 'principal asset test').

Where the above applies, the Scheme Shares will be referred to as an 'indirect Australian real property interest' under the ITAA 1997. In this case, Scheme Shareholders will need to determine the capital gains tax implications applicable to them. Foreign residents are generally only entitled to the CGT discount in limited circumstances. Where the above applies, the non-resident Uniti Shareholder should obtain independent advice.

Where you are a Scheme Shareholder who was previously an Australian resident for tax purposes and choose to disregard a capital gain/loss on ceasing to be a resident, you may be subject to Australian CGT consequences.

12. TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS *continued*

You should also seek advice from your tax advisor as to the taxation implications of the Scheme being implemented in your country of residence and in Australia.

Foreign resident capital gains withholding tax

In certain circumstances, under the foreign resident CGT withholding regime, MBC BidCo could be required to withhold and pay to the ATO 12.5% of the Scheme Consideration. This could be required if the Scheme Shares are an 'indirect Australian real property interest' (discussed above).

Withholding should generally only apply where the Scheme Shareholder (and their associates) hold more than 10% of the shares on issue in the Uniti Group. To avoid withholding, MBC BidCo may request from the applicable Uniti Shareholder either:

- ▶ a 'residency declaration' confirming that the Uniti Shareholder is an Australian tax resident; or
- ▶ an 'interest declaration' confirming that the membership interest is not an 'indirect Australian real property interest'.

If a declaration is required but not received from the Scheme Shareholder within the requested time period, MBC BidCo will withhold and remit 12.5% of the Scheme Consideration to the ATO. The amount the Scheme Shareholder will receive will not be increased by any amount withheld (i.e. only the net capital proceeds will be received by the Scheme Shareholder). The Scheme Shareholder will then be required to prepare an Australian tax return from which it should be able to seek a 'credit' for the amount withheld (depending on their tax profile).

In order to comply with its obligations under the foreign resident withholding regime, the advisers of MBC BidCo have approached the ATO (separate to the Class Ruling process) to agree the basis upon which no withholding obligation would apply. Broadly, the ATO have agreed that MBC BidCo will monitor the Uniti Share Register up to the Scheme Record Date and that the above declaration will only be required for a Scheme Shareholder who is identified (on an associate inclusive basis) as having a shareholding of 5% or more in Uniti. Where this is the case MBC BidCo will seek a residency declaration or interest declaration (as explained above) from the relevant Scheme Shareholder.

Non-resident income tax implications of the Permitted Dividend

The taxation treatment of a Permitted Dividend received by non-resident Scheme Shareholders will depend on whether the dividends paid are franked or unfranked. It is expected that the Permitted Dividend will be fully franked. The general outcome for non-resident Scheme Shareholders is outlined below with respect to the Permitted Dividend:

- ▶ **Franked Dividends** – To the extent the Permitted Dividend is fully franked, non-resident Scheme Shareholders should not be subject to income tax in Australia and should not be subject to Australian dividend withholding tax.
- ▶ **Unfranked Dividends** – It may be necessary for Uniti to withhold tax from unfranked or partly franked dividends paid to non-resident Scheme Shareholders and remit this withholding tax to the ATO. This will apply to the extent the Permitted Dividend paid is unfranked and is not declared to be 'conduit foreign income'. The applicable withholding tax rate is prima facie the Australian corporate tax rate of 30%, however, where the Scheme Shareholder is a resident of a country with which Australia has entered into a double tax treaty, then the rate can be generally lowered to a range from nil to 15%.

12.4 Stamp Duty

No stamp duty is expected to be payable by the Scheme Shareholders in relation to the disposal of their Scheme Shares for the Cash Consideration under the Scheme.

12.5 Goods and Services Tax (GST)

Scheme Shareholders are not expected to be liable for GST with respect to the disposal of their Scheme Shares under the Scheme.

Where a Scheme Shareholder obtains advice (i.e. adviser fees) with respect to the Scheme and GST forms a component of these costs they may be entitled to input tax credits, however, independent professional advice is required to confirm this for their specific circumstances given the underlying transaction (disposal of shares) is an input taxed financial supply.

13. ADDITIONAL INFORMATION ABOUT UNITI

13.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the Corporations Regulations 2001 (Cth) to be included in this Scheme Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that the Uniti Directors consider material to a decision on how to vote on the resolution in respect of the Scheme.

13.2 Suspension of trading of Uniti Shares

If the Court approves the Scheme, Uniti will immediately notify ASX. It is expected that suspension of trading on ASX in Uniti Shares will occur at the close of trading on ASX on the Effective Date.

13.3 Removal of Uniti from the official list

If the Court approves the Scheme, Uniti will apply to be removed from ASX's official list on or around the Business Day immediately following the Implementation Date unless otherwise agreed between Uniti and MBC BidCo in writing.

13.4 No relevant restrictions in the Constitution of Uniti

There are no relevant restrictions on the right to transfer Uniti Shares in Uniti's constitution.

13.5 Payment instructions

Direct credit instructions can be given or updated online with the Uniti Registry at www.investorserve.com.au, or by completing the direct credit form.

13.6 Uniti Directors' interests in Uniti Shares and Uniti Equity Incentives

As at the Last Practicable Date, the Uniti Directors have the following interests in securities of Uniti:²⁴

Director	Position	Uniti Shares held by or on behalf of the Uniti Director	Employee Share Options held by or on behalf of the Uniti Director	Share Rights held by or on behalf of the Uniti Director
Graeme Barclay	Independent Non-Executive Chairman	9,028,793	4,327,001	135,135
Michael Simmons	Managing Director & CEO	7,646,302	6,887,057	413,485
Vaughan Bowen	Executive Director	15,243,274	4,327,001	328,016
John Lindsay	Independent Non-Executive Director	727,559	2,870,259	N/A
Kathryn Gramp	Independent Non-Executive Director	1,515,442	2,187,120	N/A
Total		34,161,370	20,598,438	876,636

Uniti Directors, or entities controlled by them, who hold Uniti Shares will be entitled to vote at the General Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders. However, as Mr Simmons as a Rollover Shareholder is entitled to Scrip Consideration which is not being offered to other Scheme Shareholders, he is required to vote in a separate class.

Each Uniti Director intends to vote, or procure the voting of, all Uniti Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Uniti Shareholders. Under his Voting and Rollover Agreement, as Mr Simmons has unconditionally agreed to vote all of the Uniti Shares held or controlled by him in favour of the Scheme as long as that agreement remains operative.

Please refer to Section 8.2b) for details regarding the treatment of Unity Equity Incentives if the Scheme becomes Effective.

²⁴ This table includes the Uniti Equity Incentives referred to in Section 8.2.

13. ADDITIONAL INFORMATION ABOUT UNITI *continued*

Uniti Shareholders should have regard to the Employee Share Options and Share Rights held by the Uniti Directors as set out above when considering their recommendation on the Scheme in respect of the Cash Consideration, which appears throughout this Scheme Booklet. The Uniti Board considers that, notwithstanding these arrangements (which will have no impact on the Scheme Consideration paid to Uniti Shareholders), it is appropriate for the Uniti Directors to make such a recommendation, given the importance of the Scheme and their role as directors of Uniti.

13.7 Retirement benefits

a) Retirement benefits of Non-Executive Directors

Except as otherwise disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any Non-Executive Director of Uniti as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Uniti or any Related Bodies Corporate of Uniti.

b) Retirement benefits of other director, secretary or executive officers of Uniti or any of its Related Bodies Corporate

Except as otherwise disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any other director, secretary or executive officers of Uniti or any of its Related Bodies Corporate as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Uniti or any Related Bodies Corporate of Uniti, other than any payments or benefits arising from any applicable redundancy entitlements. Redundancy entitlements may arise under the terms of the relevant officer's contract of employment, applicable statutory entitlements, Uniti policies or a combination of these.

13.8 Deeds of indemnity, insurance and access

Uniti Group has entered into deeds of indemnity, insurance and access with the directors and various executive officers of the Uniti Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each Uniti 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 Uniti Group Member.

Uniti Group also pays a premium in respect of a directors and officers insurance policy for the benefit of the directors and executive officers of Uniti Group. If the Scheme is implemented, the Uniti Group may enter into an arrangement to provide insurance coverage for all current Uniti Directors and officers for seven years from the Implementation Date. As at the Last Practicable Date, Uniti Group expects that the premium for entry into such run-off arrangement will be approximately \$3 million. The entry into such arrangements by Uniti is permitted by clause 9.3 of the Scheme Implementation Deed. In addition, under clause 9.3(a)(ii) of the Scheme Implementation Deed, MBC BidCo 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.

13.9 Agreements and arrangements entered into by Uniti Directors in connection with or conditional upon the Scheme

None of the Uniti Directors, nor any of their Associates, other than Mr Michael Simmons, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any one or more of MBC BidCo, TopCo or any of their respective Related Bodies Corporate, in connection with, or conditional upon, the outcome of the Scheme.

Michael Simmons (and entities controlled by him, where applicable) are parties to a Voting and Rollover Agreement with MBC BidCo entered into on 13 April 2022. Further details of the Voting and Rollover Agreements entered into by the Rollover Shareholders are set in Section 10.7.

13.10 Interests of Uniti Directors in contracts of MBC BidCo and TopCo

Other than as described in this Scheme Booklet with respect to the Voting and Rollover Agreements none of the Uniti Directors, nor any of their Associates, have:

- ▶ any Relevant Interest in any marketable securities in MBC BidCo or any Bidder Group Member; or
- ▶ entered into, or otherwise have any interest in any agreement, arrangement or contract with any one or more of MBC BidCo, TopCo or any of their respective Related Bodies Corporate.

13. ADDITIONAL INFORMATION ABOUT UNITI *continued*

13.11 Disclosure of fees and other benefits

Each of the persons named in this Section as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging.

If the Scheme is implemented, Uniti expects to pay an aggregate amount of approximately \$10 million (exclusive of GST) in transaction costs in connection with the Scheme. This includes advisory fees, the Independent Expert fees, registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meetings. Of this amount approximately \$3 million (exclusive of GST) is expected to be payable by Uniti irrespective of whether or not the Scheme is implemented (excluding any Break Fee that may be payable). These amounts do not include the transaction costs that may be incurred by MBC BidCo in relation to the Scheme.

13.12 Uniti Directors' intentions regarding the business, assets and employees of Uniti

If the Scheme is approved and implemented, the existing Uniti Board will be reconstituted in accordance with the instructions of MBC BidCo as the only shareholder in Uniti. Accordingly, it is not possible for your Uniti Directors to provide a statement of their intentions regarding:

- ▶ the continuation of the business of Uniti or how Uniti's existing business will be conducted after the Scheme is implemented;
- ▶ any major changes to be made to the business of Uniti, including any redeployment of the fixed assets of Uniti; or
- ▶ the future employment of the present employees of Uniti, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, MBC BidCo will have 100% ownership of Uniti issued shares and will control Uniti.

Please refer to Section 10.5 for a statement of MBC BidCo's intentions for Uniti if the Scheme becomes Effective.

13.13 Consents

- ▶ The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
 - Clayton Utz as legal adviser to Uniti; and
 - Boardroom Pty Limited as the Uniti Registry.
- ▶ Lonergan Edwards & Associates Limited has consented to the inclusion of the Independent Expert's Report in Appendix C to this Scheme Booklet and has consented to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- ▶ Grant Thornton has consented to the inclusion of the Taxation Report in Section 12 and to the references to the Taxation Report or the information included in the Taxation Report in this Scheme Booklet being made in the form and context in which each such references are included.
- ▶ Each person named in this Section 13.13:
 - has not authorised or caused the issue of this Scheme Booklet;
 - does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 13.13; 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 Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of the party as specified in this Section 13.13.
- ▶ MBC BidCo and the Consortium Members have given, and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent, to the inclusion of the Bidder Information in this Scheme Booklet and the references to the Bidder Information in the form and context in which they are included in the Scheme Booklet.

13. ADDITIONAL INFORMATION ABOUT UNITI *continued*

13.14 Supplementary information

Uniti will issue a supplementary document if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date:

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

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

- ▶ making an announcement to ASX;
- ▶ placing an advertisement in a prominently placed newspaper which is circulated throughout Australia;
- ▶ posting the supplementary document to Uniti Shareholders at their address shown in the Uniti Share Register; and/or
- ▶ posting a statement on Uniti's website at <https://unitigrouplimited.com>,

as Uniti, in its absolute discretion, considers appropriate.

13.15 Regulatory relief

a) ASIC relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Uniti Directors, the financial position of Uniti has materially changed since the date of the last balance sheet laid before Uniti in general meeting (being its financial statements for the financial year ended 30 June 2021) or sent to Uniti shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change.

ASIC has granted Uniti relief from this requirement so that this Scheme Booklet only need set out whether, within the knowledge of the Uniti Directors, the financial position

of Uniti has materially changed since 31 December 2021 (being the last date of the period to which the financial statements for the half-year ended 31 December 2021 relate) and, if so, full particulars of any change. Uniti 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 Uniti Shareholder who requests a copy before the Scheme is approved by order of the Court. Uniti Shareholders can also access a copy of Uniti Group's financial report for the financial half-year ended 31 December 2021 on the ASX website (www.asx.com.au) or on Uniti's website (<https://unitigrouplimited.com/>).

b) ASX waiver

ASX has granted Uniti a waiver of Listing Rules 6.23.3 and 6.23.4 to the extent necessary to permit the treatment of the Uniti Equity Incentives as set out in Section 8.2.

13.16 Other material information

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

Uniti is not aware of any material information about Uniti that is material to a decision of a Uniti Shareholder on how to vote in relation to the Scheme Resolution and which:

- ▶ has not been made available to the Independent Expert for the purpose of preparing the Independent Expert's Report;
- ▶ is not set out in this Scheme Booklet; or
- ▶ has not otherwise been made publicly available by Uniti.

14. GLOSSARY

14.1 Definitions

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

ACCC means the Australian Competition and Consumer Commission.

Adjusted Estimated Cash means:

- (a) the amount of cash, cash equivalents and short term interest bearing deposits (where the terms 'cash' and 'cash equivalents' are as defined in the Australian Accounting Standards) of the Uniti Group as at the relevant date; *less*
- (b) the aggregate proceeds received by the Uniti Group pursuant to the Approved Disposal, to the extent the disposal has completed as at the relevant date; *less*
- (c) the aggregate proceeds received by the Uniti Group in connection with the vesting and exercise of the Employee Options and the Legacy Options in accordance with clause 5.7 of the Scheme Implementation Deed.

Adjusted Estimated Debt means:

- (a) the Financial Indebtedness of the Uniti Group as at the relevant date (expressed as a positive number); *less*
- (b) the aggregate amount of the Permitted Dividend (if any), to the extent paid as at the relevant date; *less*
- (c) the aggregate purchase price and transaction costs paid by the Uniti Group pursuant to the Proposed Acquisition, to the extent the acquisition has completed as at the relevant date and with prior approval from MBC BidCo; *less*
- (d) the aggregate amount of the Deferred Consideration paid by the Uniti Group, to the extent such amount has been paid as at the relevant date; *less*
- (e) third party transaction costs up to the limit set out in the Disclosure Letter, to the extent such amount has been paid at the relevant date; *less*
- (f) any other amounts agreed by MBC BidCo.

Adjusted Net Debt means an amount equal to the Adjusted Estimated Debt *less* the Adjusted Estimated Cash.

Affiliate means, in respect of a person (the primary person), a person:

- (a) Controlled directly or indirectly by the primary person;
- (b) Controlling directly or indirectly the primary person; or
- (c) who is Controlled, directly or indirectly, by a person or persons who Control the primary person,

where **Control** means, with respect to any person (other than an individual) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person whether through the ownership of voting securities, by agreement or otherwise, and for the avoidance of doubt, a general partner is deemed to Control a limited partnership of which it is the general partner and, solely for the purposes of the Scheme Implementation Deed, a fund advised or managed directly or indirectly by a person will also be deemed to be Controlled by such person.

Approved Disposal has the meaning given in the Disclosure Letter.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

ATO means the Australian Tax Office.

14. GLOSSARY *continued*

Australian Accounting Standards means:

- (a) the accounting standards required under the Corporations Act and issued by The Australian Accounting Standards Board, and
- (b) if no accounting standard applies under the Corporations Act in relation to an accounting practice, the standards acceptable to the Australian Accounting Standards Board (**AASB**) at the relevant time, including:
 - (i) Australian equivalents to IFRS (International Financial Reporting Standards);
 - (ii) other authoritative pronouncements of the AASB;
 - (iii) abstracts and interpretations issued by the AASB; and
 - (iv) to the extent not inconsistent with any of these, any other accounting principles, standards, practices and methods of valuation generally accepted in Australia.

Bidder Counterproposal has the meaning given in Section 8.1b).

Bidder Group means:

- (a) MBC BidCo, TopCo and each of its Related Bodies Corporate;
- (b) each Consortium Member;
- (c) each Consortium Member's Related Bodies Corporate; and
- (d) each Consortium Member's Affiliates,

and a reference to a '**Bidder Group Member**' or a '**member of the Bidder Group**' is to any of them.

Bidder Information means information regarding the Bidder Group provided by or on behalf of MBC BidCo to Uniti in writing for inclusion in this Scheme Booklet, being:

- (a) the answers to the questions '*Who are MBC BidCo and TopCo?*', '*Who are the Consortium Members?*' and '*How is MBC BidCo funding the Scheme Consideration?*' in Section 5;
- (b) the entire content of Section 10; and
- (c) any other information required under the Corporations Act, Corporations Regulations or RG 60 to enable this Scheme Booklet to be prepared that the parties agree is '**Bidder Information**' and that is identified in this Scheme Booklet as such.

Bidder Representations and Warranties means the representations and warranties of MBC BidCo set out in Schedule 2 of the Scheme Implementation Deed.

BIV One means BIF IV One Holdings LP.

Bookrunners has the meaning given in Section 10.4a).

Break Fee means \$35,000,000.

Brookfield means Brookfield Asset Management Inc. and, where appropriate, also includes entities controlled by it including BIF IV One.

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

Cash Consideration means \$5.00 for each Uniti Share, subject to and as adjusted in accordance with clause 4.8 of the Scheme Implementation Deed.

CGT has the meaning given to it in Section 12.

Class Ruling has the meaning given to it in Section 12.

14. GLOSSARY *continued*

Commercially Sensitive Information means the commercially sensitive information of the Uniti Group as set out in the Disclosure Letter and broadly includes:

- (a) information relating the identity of, and specific pricing information and contractual terms governing;
- (b) Uniti's material customer and/or material developer contracts, arrangements, pipeline or relationships;
- (c) detailed information relating to Uniti's financial forecasts and growth strategies;
- (d) potential M&A opportunities being considered by Uniti; and
- (e) information relating to Uniti's pricing strategies.

Competing Proposal means any offer, expression of interest, proposal, agreement, arrangement or transaction which, if entered into or completed, would result in a Third Party (either alone or together with any Associate):

- (a) directly or indirectly acquiring, or having a right to acquire, a Relevant Interest in a legal, beneficial or economic interest in, or control of, 20% or more of the Uniti Shares;
- (b) acquiring Control of Uniti;
- (c) 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 substantial part of Uniti's business or assets or the business or assets of the Uniti Group;
- (d) otherwise directly or indirectly acquiring or merging with Uniti; or
- (e) requiring Uniti to abandon, or otherwise fail to proceed with, the Transaction,

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 or combination thereof.

For the avoidance of doubt, each successive material modification or variation of any offer, expression of interest, proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Competitor means those competitors and potential competitors of the Uniti Group as set out in the Disclosure Letter and broadly includes:

- (a) carrier licence holders, statutory infrastructure providers and carriage service providers (together, **Telecommunications Business**);
- (b) persons who control or hold 20% or more of the voting interest in any Telecommunications Business; and
- (c) any of the respective affiliates of any person described in (a) or (b).

Condition Precedent means each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.

Confidentiality Agreement means each of:

- (a) the confidentiality agreement between Uniti and Morrison & Co dated 13 March 2022; and
- (b) the confidentiality agreement between Uniti and Brookfield dated 24 March 2022, (as amended from time to time).

Consortium means the consortium comprising:

- (a) BIF IV One Holdings LP;
- (b) The Morrison & Co Infrastructure Partnership Master Fund SCSp;
- (c) Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust; and
- (d) any new Consortium Member permitted by clause 4.10 of the Scheme Implementation Deed, and **Consortium Member** has the meaning given to it in Section 10.1c).

14. GLOSSARY *continued*

Control has the meaning given in section 50AA of the Corporations Act.

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

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

Court means the Victoria Registry of the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Uniti and MBC BidCo.

CSC means Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust.

Data Room means the online electronic data room established and maintained by or on behalf of Uniti through which MBC BidCo and its Related Persons have had access to information relating to the Uniti Group.

Debt Acquisition Facilities has the meaning given in Section 10.4a).

Debt Commitment Letters means the binding, credit-approved, executed commitment letters and accompanying term sheets from certain banks or other financial institutions addressed to MBC BidCo and dated 13 April 2022.

Debt Financing means the financing commitments set out in Debt Commitment Letters.

Deed Poll means a deed poll executed by MBC BidCo and TopCo in favour of the Scheme Shareholders, a copy of which is attached at Appendix E.

Deferred Consideration means the deferred consideration payable by Uniti in relation to, and in accordance with the terms of, the Telstra Velocity Transaction.

Disclosure Materials means:

- (a) the documents and information contained in the Uniti Data Room made available by Uniti to MBC BidCo and its Related Persons prior to 12.00pm on 13 April 2022, the index of which has been initialled by, or on behalf of, the parties for identification;
- (b) written responses from Uniti and its Related Persons to requests for further information made by MBC BidCo and its Related Persons via the Data Room prior to 12.00pm on 13 April 2022; and
- (c) the Disclosure Letter.

Disclosure Letter means the disclosure letter provided by Uniti to MBC BidCo and countersigned by MBC BidCo on 13 April 2022.

Dividend Funds has the meaning given in Section 8.1h) of this Scheme Booklet.

D&O Deeds has the meaning given in Section 13.8 of this Scheme Booklet.

EBITDA means the underlying earnings (calculated on a consistent basis as in the Uniti Group's annual report in respect of the financial year ended 30 June 2021) before interest, tax, depreciation and amortisation.

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

Election means an election by a Rollover Shareholder to receive their Scheme Consideration partly in the form of Scrip Consideration and partly in the form of Cash Consideration, made in accordance with clause 4.4 of the Scheme Implementation Deed.

Election Form means a form issued by or on behalf of Uniti for the purposes of a Rollover Shareholder making an Election in a form agreed to by Uniti and MBC BidCo.

Election Time means 5.00pm AEST (Sydney, Melbourne) on 2 June 2022.

14. GLOSSARY *continued*

Employee Options means the Employee Retention Options and the Employee Share Options.

Employee Retention Options means the 1,975,000 options to acquire Uniti Shares issued under Uniti's employee retention option plan.

Employee Share Options means the 34,665,184 options to acquire Uniti Shares issued under Uniti's employee option plan.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date that is 8 months from the date of the Scheme Implementation Deed, or such other date as agreed in writing by Uniti and MBC BidCo.

Equity Commitment Letter means the binding, executed commitment letter dated 13 April 2022 and addressed to one or more Bidder Group Members and Uniti.

Equity Commitment Party has the meaning given to it in Section 10.4a).

Equity Financing means the 'Commitment' as defined in the Equity Commitment Letter.

Equity Funding has the meaning given to it in Section 10.4a).

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

- (a) the date of termination of the Scheme Implementation Deed;
- (b) the End Date; and
- (c) the Effective Date.

Fairly Disclosed means disclosed in sufficient detail to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme to identify the nature and potential impact of the relevant fact, matter, circumstance or event.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of (without double counting):

- (a) moneys borrowed or raised and debit balances at banks or financial institutions (including for the avoidance of doubt all interest and non-interest bearing loans or other financing liabilities or obligations, including overdrafts and any other liabilities in the nature of borrowed money (whether secured or unsecured));
- (b) any advance, loan, bill, bond, debenture, note or similar instrument;
- (c) guarantee or letter of credit;
- (d) swap, option, hedge, forward, futures or similar transaction;
- (e) any drawing, acceptance, endorsement, collecting or discounting arrangement;
- (f) any finance or capital lease to the extent required in accordance with Australian Accounting Standards to be treated as a borrowing;
- (g) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service, but excluding the deferred consideration and migration capex in relation to the Telstra Velocity Transaction; or
- (h) obligation to deliver goods or provide services paid for in advance by any financier; or
- (i) any Dividend Funds made available to Uniti under clause 4.9(a) of the Scheme Implementation Deed.

Financial Year means the financial year in respect of either Uniti or the Uniti Group, being the 12 month period ending on 30 June and **FY** has a corresponding meaning.

14. GLOSSARY *continued*

FIRB means the Foreign Investment Review Board.

FIRB Approval has the meaning given to it in Section 8.1a).

First Court Date means 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.

FTTP has the meaning given to it in Section 9.1.

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

General Scheme Resolution means the resolution to approve the Scheme to be voted on at the General Scheme Meeting, the form of which is set out in the Notice of General Scheme Meeting in Appendix A.

General Shareholders means each Uniti Shareholder other than the Rollover Shareholders.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

Grant Thornton means Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities.

GST has the meaning given to it in Section 12.

Implementation Date the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as Uniti and MBC BidCo agree in writing or is ordered by the Court or required by ASX.

Independent Expert means Loneragan Edwards & Associates Limited ABN 53 095 445 560.

Independent Expert's Report means the report issued by the Independent Expert in connection with the Scheme, dated 2 June 2022 and attached at Appendix C, and including any subsequent, updated or supplementary report, setting out the Independent Expert's opinion whether or not the Transaction is in the best interests of Uniti Shareholders and the reasons for holding that opinion.

Insolvency Event means in relation to an entity:

- (a) 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);
- (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;
- (c) the entity executing a deed of company arrangement;
- (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed;
- (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or
- (f) the entity being deregistered as a company or otherwise dissolved,

or any other like event, matter or circumstance having a substantially similar effect occurring in relation to an entity in any jurisdiction.

ITAA 1997 has the meaning given in Section 12.

Last Date for Proxy Forms is currently expected to be 9.30am AEST (Sydney, Melbourne) on Wednesday, 13, July 2022, or such other date as may be agreed in writing between Uniti and MBC BidCo or as may be required by ASIC or ASX.

14. GLOSSARY *continued*

Last Practicable Date means 2 June 2022.

Legacy Options means the 1,000,000 options to acquire Uniti Shares (ASX Security Code: UWLAAB), granted by Uniti on 29 June 2021.

Listing Rules means the official listing rules of ASX.

LTI means long term incentive.

LTM means last twelve months.

Manager Shareholders Agreement has the meaning given in Section 10.8a).

Management Shares has the meaning given in Section 10.8a).

Mandated Lead Arrangers has the meaning given in Section 10.4a).

Material Adverse Change means any event, circumstance, occurrence or matter occurring after the date of the Scheme Implementation Deed, or which occurs before the date of the Scheme Implementation Deed but is only announced, publicly disclosed or becomes known to MBC BidCo after the date of the Scheme Implementation Deed, which has resulted in, or is reasonably likely to result in, either individually or when aggregated with all such events, circumstances, occurrences or matters:

- (a) a diminution in the net assets of the Uniti Group by an amount equal to \$80,000,000 or more, as compared to what the Uniti Group's net assets could reasonably have expected to have been but for the relevant event, circumstance, occurrence or matter; or
 - (b) the consolidated annual EBITDA of the Uniti Group being reduced (excluding reductions in one-off revenue (including construction revenue) or incurrence of one one-off costs or increases in one-off costs) by an amount equal to or more than 7.5% of the consolidated annual EBITDA of the Uniti Group, as compared to what the consolidated annual EBITDA of the Uniti Group could reasonably have expected to have been but for the relevant event, circumstance, occurrence or matter; or
 - (c) the Adjusted Net Debt of the Uniti Group exceeding \$228 million,
- in each case other than an event, circumstance, occurrence or matter:
- (d) that was Fairly Disclosed in:
 - (i) the Disclosure Materials;
 - (ii) an announcement made by Uniti or a Uniti Group Member to ASX prior to the date of the Scheme Implementation Deed; or
 - (iii) the Relevant Searches;
 - (e) that was (including its impact) within the actual knowledge of MBC BidCo prior to the date of the Scheme Implementation Deed (which does not include mere knowledge of the risk of an event, circumstance, occurrence or matter happening);
 - (f) which MBC BidCo has previously approved or requested in writing;
 - (g) which relate to or are caused by the identity of any Bidder Group Member;
 - (h) arising from changes in economic or business conditions (including changes to interest rates, exchange rates, commodity prices or markets (including domestic or international financial markets)), other than where such matters have a materially disproportionate effect on the Uniti Group as compared to other participants in the telecommunications sector;
 - (i) 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, other than where such matters have a materially disproportionate effect on the Uniti Group as compared to other participants in the telecommunications sector;
 - (j) arising out of the announcement, entry into or performance of obligations under, the Scheme Implementation Deed, the Transaction or the Scheme (including the loss or adverse change in relation to contractual counterparties, creditors, joint venture partners and the like);

14. GLOSSARY *continued*

- (k) required or expressly permitted by the Scheme Implementation Deed or the Scheme;
 - (l) relating to third party costs and expenses incurred by Uniti associated with the Transaction, including any fees payable to external advisers of Uniti, to the extent such amounts are Fairly Disclosed in the Due Diligence Material;
 - (m) 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
 - (n) arising from the COVID-19 virus (or any mutation, variation or derivative), including in connection with lockdowns, travel restrictions, quarantining, closures, social distancing and restrictions of and on activities, venues and gatherings or from any law, order, rule, recommendation, guidance or direction of any Government Agency in relation thereto,
- provided that, notwithstanding any other provision of the Scheme Implementation Deed, for the sole purposes of paragraph (b) above, paragraphs (d) to (n) above will not be construed as a reference to, or as including, any event, circumstance, occurrence or matter arising from the SBAS FAD Inquiry or the NBN SAU Review. For the avoidance of doubt, such event, circumstance, occurrence or matter arising from the SBAS FAD Inquiry or the NBN SAU Review (including their potential impact on the Uniti Group) will therefore be included and considered for the purposes of determining whether a Material Adverse Change has occurred solely under paragraph (b) above.

MBC BidCo means MBC BidCo Pty Ltd ACN 658 690 343.

MBC HoldCo means MBC HoldCo Pty Ltd ACN 658 690 254.

MCo IP means The Morrison & Co Infrastructure Partnership Master Fund SCSp.

Meeting Record Date is currently expected to be 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022, or such other date as may be agreed in writing between Uniti and MBC BidCo or as may be required by ASIC or ASX.

MLAUBs has the meaning given in Section 10.4a).

Morrison & Co means H.R.L Morrison & Co Group Limited Partnership and, where appropriate, also includes entities controlled by it.

NBN SAU Review means the ACCC's review of NBN Co Limited's Special Access Undertaking with the ACCC in relation to price terms and conditions (but for the avoidance of doubt, not non-price terms and conditions) relating to access to NBN Co Limited's fibre, fixed wireless and satellite networks and other related services as at the date of the Scheme Implementation Deed.

Ordinary Management Shares has the meaning given in Section 10.8b).

Permitted Dividend has the meaning given to the term in clause 4.8 of the Scheme Implementation Deed.

Permitted Dividend Record Date means Friday, 22 July 2022.

Permitted Encumbrance means any Encumbrance granted by any member of the Uniti Group in the ordinary course of business:

- (a) in respect of assets having a value not exceeding \$5 million;
- (b) under any retention of title, hire purchase or conditional sale arrangement or arrangement having similar effect in respect of goods supplied to the Uniti Group on the supplier's standard or usual terms (or terms more favourable to the Uniti Group) or arising by operation of law in the ordinary course of trading, so long as in case, the debt it secures is paid when due or contested in good faith and appropriately provisioned; or
- (c) which is permitted under the Debt Commitment Letter or the Debt Financing.

PPSA means the *Personal Property Securities Act 2009* (Cth).

14. GLOSSARY *continued*

Prescribed Occurrence means other than:

- (a) other than in respect of paragraph (h), that was Fairly Disclosed in:
 - (i) the Disclosure Materials; or
 - (ii) an announcement made by Uniti or a Uniti Group Member to ASX prior to the date of the Scheme Implementation Deed;
 - (b) which is required by any applicable law, regulation, or by a Government Agency;
 - (c) other than in respect of paragraph (h), which is within the actual knowledge of MBC BidCo before the date of the Scheme Implementation Deed;
 - (d) as required or expressly permitted to be done or procured by the Uniti Group in connection with the Scheme Implementation Deed or the Scheme;
 - (e) as agreed to, or requested, by MBC BidCo in writing,
- the occurrence of any of the following:
- (f) Uniti converting all or any of its securities (including the Uniti Shares) into a larger or smaller number;
 - (g) Uniti resolving to reduce its share capital in any way;
 - (h) Uniti commencing, continuing or implementing a buy-back (on-market or otherwise) of any of its shares, irrespective of whether such buy-back has been announced on ASX, Fairly Disclosed in the Disclosure Materials or within the actual knowledge of MBC BidCo prior to or as at the date of the Scheme Implementation Deed;
 - (i) a Uniti Group Member entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under the Corporations Act;
 - (j) a Uniti Group Member issuing shares (including Uniti 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:
 - (i) to a wholly owned Subsidiary of Uniti; or
 - (ii) in connection with any action which is undertaken or which otherwise occurs in accordance with clause 5.7 of the Scheme Implementation Deed;
 - (k) a Uniti 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);
 - (l) a Uniti Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares, other than in connection with any action which is undertaken or which otherwise occurs in accordance with clause with clause 5.7 of the Scheme Implementation Deed;
 - (m) a Uniti Group Member making any change to its constitution or constituent documents, other than where a Uniti Group Member that is not material in the context of the Uniti Group (taken as a whole) makes a change to its constitution that does not materially affect the Transaction or the Uniti Group (or its business);
 - (n) a Uniti Group Member disposing, or agreeing to dispose, of the whole, or a substantial or material part, of its business or property (whether by way of a single transaction or series of related transactions);
 - (o) a Uniti 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 Uniti Group, other than a lien securing an obligation that is not yet due which arises by operation of law or legislation and other than a Permitted Encumbrance;
 - (p) an Insolvency Event occurs in relation to a Uniti Group Member;
 - (q) any member of the Uniti Group agrees to pay, declares, determines, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital (whether in cash or in specie), other than:
 - (i) the declaration and payment by Uniti of any Permitted Dividend in accordance with clause 4.8 of the Scheme Implementation Deed; or
 - (ii) the declaration and payment by any Subsidiary of Uniti of a dividend, where the recipient of that dividend is Uniti or a wholly owned Subsidiary of Uniti.

Proposed Acquisition has the meaning given in the Disclosure Letter.

14. GLOSSARY *continued*

Proxy Form means the proxy form for the Scheme Meetings, a sample of which accompanies this Scheme Booklet or as the context requires, any replacement or substitute proxy form provided by or on behalf of Uniti.

Qualified Person has the meaning given to it in Section 12.

RBA means the Reserve Bank of Australia.

Recommendation has the meaning given to that term in clause 7.1(b) of the Scheme Implementation Deed.

Registered Address means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the Uniti Share Register.

Related Bodies Corporate has the meaning set out in section 50 of the Corporations Act, provided that, where, for the purposes of this definition, references to Subsidiary in section 50 of the Corporations Act is amended as necessary such that:

- (a) a body corporate or a trust will also be taken to be a subsidiary of an entity if it is controlled by that entity (as defined in section 50AA of the Corporations Act);
- (b) a trust, partnership or fund may be a subsidiary, for the purpose of which a unit, partnership interest or other beneficial interest in the trust, partnership or fund will be regarded as a share (ignoring the operation of section 48(2) of the Corporations Act); and
- (c) an entity may be a subsidiary of a trust, partnership or fund if it would have been a subsidiary if that trust, partnership or fund were a body corporate.

Related Person means:

- (a) in respect of Uniti:
 - (i) a director, officer, employee of Uniti or any its Related Bodies Corporate;
 - (ii) an adviser of Uniti or any its Related Bodies Corporate (and each director, officer, employee or contractor of that adviser);
 - (iii) an agent or representative of Uniti or any its Related Bodies Corporate; and
 - (iv) a Related Body Corporate of Uniti;
- (b) in respect of MBC BidCo:
 - (i) a director, officer, employee of MBC BidCo or any member of the Bidder Group;
 - (ii) an adviser of MBC BidCo or any member of the Bidder Group (and each director, officer, employee or contractor of that adviser);
 - (iii) a manager, agent or representative of MBC BidCo or any member of the Bidder Group (and each director, officer, employee or contractor of that manager, agent or representative); and
 - (iv) any member of the Bidder Group.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Relevant Managers means Michael John Simmons and Geoffrey William Aldridge and **Relevant Manager** means any one of them.

Relevant Searches has the meaning given to the term in the Scheme Implementation Deed.

Requisite Majorities means:

- (a) a majority in number (more than 50%) of Uniti Shareholders present and voting at the relevant Scheme Meeting (either in person or virtually (as applicable), or by proxy, corporate representative or attorney); and
- (b) at least 75% of the votes cast on the respective Scheme Resolution by Uniti Shareholders present and voting at the relevant Scheme Meeting (either in person or virtually (as applicable), or by proxy, corporate representative or attorney).

Reverse Break Fee means \$35,000,000.

14. GLOSSARY *continued*

RG 60 means Regulatory Guide 60 issued by ASIC in September 2020.

Rollover Shareholders means Michael John Simmons, Michael John Simmons as trustee for the Luab Unit Trust and Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust and **Rollover Shareholder** means any one of them.

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

Rollover Shareholders Scheme Resolution means the resolution to approve the Scheme to be voted on at the Rollover Shareholders Scheme Meeting, the form of which is set out in the Notice of Rollover Shareholders Scheme Meeting in Appendix B.

RPS Management Shares has the meaning given in Section 10.8b).

SBAS means any non-NBN superfast broadband Layer 2 bitstream service (including a lower speed service such as a 12Mbps service) supplied over a telecommunications network normally capable of supplying a 25Mbps service.

SBAS FAD Inquiry means the inquiry being undertaken by the ACCC as at the date of the Scheme Implementation Deed in relation to a final access determination in relation to SBAS.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Uniti and the Scheme Shareholders, the form of which is attached as Appendix D, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by MBC BidCo and Uniti.

Scheme Booklet means this document, including each appendix.

Scheme Consideration means the Cash Consideration and, if applicable, Scrip Consideration to be provided to each Scheme Shareholder for the transfer to MBC BidCo of each Scheme Share.

Scheme Implementation Deed means the Scheme Implementation Deed between Uniti and MBC BidCo, dated 13 April 2022. A summary is set out in Section 8.1, and a copy is attached in full to Uniti's ASX announcement on 14 April 2022, which is available on ASX's website at www2.asx.com.au or Uniti's website at <https://unitigrouplimited.com>.

Scheme Interest has the meaning given to it in Section 8.1c).

Scheme Meetings means both of the General Scheme Meeting and the Rollover Shareholders Scheme Meeting, and **Scheme Meeting** means either or both of them (as the context requires).

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date as Uniti and MBC BidCo agree in writing.

Scheme Resolutions means the General Scheme Resolution and the Rollover Scheme Resolution and **Scheme Resolution** means either one of them (as the context requires).

Scheme Shareholder means a Uniti Shareholder as at the Scheme Record Date.

Scheme Shares means all Uniti Shares held by the Scheme Shareholders as at the Scheme Record Date.

Scrip Consideration means, for each Scheme Share in respect of which a Rollover Shareholder has elected to receive Scrip Consideration:

- (a) such number of Ordinary Management Shares in TopCo as is equal to (Cash Consideration x 0.684406); *plus*
- (b) such number of RPS Management Shares in TopCo as is equal to (Cash Consideration x 0.315594).

Second Court Date means 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 is heard.

14. GLOSSARY *continued*

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or section 12(1) or (2) of the PPSA.

Share Rights means the 1,901,021 rights to Uniti Shares issued under Uniti's executive incentive plan.

STI means short term incentive.

Subsidiary has the meaning given in section 9 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the Uniti Board, acting in good faith, and after receiving advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being completed in accordance with its terms; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Uniti Shareholders than the Transaction (as the Transaction may be amended or varied following application of the matching right set out in clause 11.7 of the Scheme Implementation Deed),

taking into account all aspects of the Competing Proposal and the Transaction, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent, whether the person making the proposal holds an interest in, a competitor or a potential competitor of Uniti or other matters affecting the probability of the proposal being completed).

Takeovers Panel means the Australian Takeovers Panel.

Tax means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, stamp, transaction or registration duty or similar charge 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.

Taxation Report means the taxation report in Section 12.

Telstra Velocity Transaction has the meaning given in the Disclosure Letter.

Third Party means a person other than Uniti, MBC BidCo, Uniti's Related Bodies Corporate, any Bidder Group Member or MBC BidCo's Associates.

Timetable means the indicative timetable for the implementation of the Transaction set out in Section 1.

TopCo means MBC TopCo Pty Ltd ACN 658 690 101, the ultimate holding company of MBC BidCo.

TopCo Board means the board of directors of TopCo.

TopCo Constitution means the constitution of TopCo.

TopCo Securities means the securities in the capital of TopCo and **TopCo Security** means any one of them.

TopCo Shareholders' Agreement means the shareholders' agreement in relation to TopCo to be entered into by the Consortium Members and TopCo.

Transaction means the acquisition of the Scheme Shares by MBC BidCo through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.

Treasurer means the Treasurer of the Commonwealth of Australia.

Uniti means Uniti Group Limited ACN 158 957 889.

Uniti Board means the board of directors of Uniti.

Uniti Director means any director of Uniti comprising part of the Uniti Board.

14. GLOSSARY *continued*

Uniti Equity Incentive means the Share Rights, Legacy Options and Employee Options as listed in Schedule 3 of the Scheme Implementation Deed.

Uniti Group means Uniti and each of its Related Bodies Corporate, and a reference to a **'Uniti Group Member'** or a **'member of the Uniti Group'** is to Uniti or any of its Related Bodies Corporate.

Uniti Information means information regarding the Uniti Group prepared by Uniti for inclusion in this Scheme Booklet, which for the avoidance of doubt comprises the entirety of this Scheme Booklet other than the Bidder Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions), any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external advisor to Uniti and any other report or letter issued by a Third Party.

Uniti Registry means Boardroom Pty Limited ACN 003 209 836 of Level 12, 225 George Street, Sydney NSW 2000, Australia.

Uniti Representations and Warranties means the representations and warranties of Uniti set out in Schedule 1 of the Scheme Implementation Deed.

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

Uniti Shareholder means each person who is registered in the Uniti Share Register as a holder of a Uniti Share.

Uniti Shareholder Information Line means the Uniti shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), which is available between 9.00am and 5.00pm AEST (Sydney, Melbourne), Monday to Friday.

Uniti Share Register means the register of members of Uniti maintained by the Uniti Registry in accordance with the Corporations Act.

Voting and Rollover Agreements means the voting and rollover agreement between MBC BidCo, Michael John Simmons and Michael John Simmons as trustee for the Luab Unit Trust and the voting and rollover agreement between MBC BidCo and Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust, each dated 13 April 2022 and **Voting and Rollover Agreement** means any one of them.

VWAP means the volume weighted average price.

14.2 Interpretation

In this Scheme 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 Scheme 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 Scheme Booklet;
- (h) a reference to time is a reference to time in Melbourne, 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.

APPENDIX A – NOTICE OF GENERAL SCHEME MEETING

NOTICE OF GENERAL SCHEME MEETING

Notice is hereby given that, by an order of the Court made on Tuesday, 7 June 2022 pursuant to section 411(1) of the Corporations Act, a meeting of General Shareholders (being all Uniti Shareholders other than Rollover Shareholders) will be held at 9.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022 virtually through the online meeting platform at web.lumiagm.com/381-257-625 (**General Scheme Meeting**).

Business of the General Scheme Meeting

The purpose of the General Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which Uniti and MBC BidCo agree in writing) proposed to be entered into between Uniti and Uniti Shareholders, at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the General Scheme Resolution.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with this Notice of General Scheme Meeting, forms part of the Scheme Booklet.

Capitalised terms used in this Notice of General Scheme Meeting but not defined in it have the same meaning as set out in the Glossary in Section 14 of the Scheme Booklet.

Business of the General Scheme Meeting - General Scheme Resolution

To consider and, if thought fit, to pass the following General Scheme Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

‘That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of General Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which Uniti and MBC BidCo agree in writing) and the Uniti Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.’

Chairman

The Court has directed that Graeme Barclay is to act as Chairman of the General Scheme Meeting (and that, if Graeme Barclay is unable or unwilling to attend, John Lindsay is to act as Chair of the General Scheme Meeting) and has directed the Chair to report the result of the General Scheme Resolution to the Court.

Dated 7 June 2022

By order of the Court and the Uniti Board



Ashe-lee Jegathesan
Company Secretary

APPENDIX A – NOTICE OF GENERAL SCHEME MEETING continued

Explanatory notes for the General Scheme Meeting

These notes should be read in conjunction with the Notice of General Scheme Meeting and the information in the Scheme Booklet (of which the Notice of General Scheme Meeting forms part). The Scheme Booklet contains important information to assist you to decide how to vote at the General Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of General Scheme Meeting and in these notes have the same meaning as set out in the Glossary in Section 14 of the Scheme Booklet.

A copy of the Scheme is set out in Appendix D to the Scheme Booklet.

1. Requisite majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the General Scheme Resolution must be passed by:

- ▶ unless the Court orders otherwise, a majority in number (i.e. more than 50%) of General Shareholders present and voting at the General Scheme Meeting (whether virtually or by proxy, attorney or, in the case of a body corporate, corporate representative); and
- ▶ at least 75% of the votes cast on the General Scheme Resolution by General Shareholders present and voting at the General Scheme Meeting (whether virtually or by proxy, attorney or, in the case of a body corporate, corporate representative).

2. Court approval

If the General Scheme Resolution (set out in the Notice of General Scheme Meeting) and the Rollover Shareholders Scheme Resolution (set out in the Notice of Rollover Shareholders Scheme Meeting) are approved at the relevant Scheme Meetings by the Requisite Majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, Uniti intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the General Scheme Resolution to be put to the General Scheme Meeting are set out in the Scheme Booklet.

3. Entitlement to vote

The Court has ordered that, for the purposes of the General Scheme Meeting, the time for determining eligibility to vote at the meeting is 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022. This means that any General Shareholders entered on the Uniti Share Register at that time will be entitled to attend and vote at the General Scheme Meeting. Voting will be conducted by poll. Every General Shareholder who is present virtually or by proxy, representative or attorney will have one vote for each Uniti Share held by that General Shareholder.

Both MBC BidCo and its associates (as defined in section 12 of the Corporations Act) are excluded from voting on the Scheme Resolutions, unless:

- ▶ the vote is cast by the associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- ▶ the associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an associate of MBC BidCo.

4. Voting

You may vote virtually online at the General Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Participating in the General Scheme Meeting online

The Uniti Directors encourage General Shareholders to participate in the General Scheme Meeting virtually via the online meeting platform at web.lumiagm.com/381-257-625. While General Shareholders will be able to vote on the General Scheme Resolution online during the General Scheme Meeting in real time, General Shareholders are encouraged to lodge a proxy ahead of the General Scheme Meeting. If you are unable to attend, please lodge your vote online at <https://www.votingonline.com.au/uwlsm2022>.

General Shareholders participating in the General Scheme Meeting using the online meeting platform at web.lumiagm.com/381-257-625 will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chair during the meeting.

APPENDIX A – NOTICE OF GENERAL SCHEME MEETING continued

By participating in the General Scheme Meeting online you will be able to:

- ▶ hear and view meeting slides;
- ▶ submit questions at the appropriate time while the meeting is in progress; and
- ▶ vote during the meeting.

If you choose to participate in the General Scheme Meeting online, registration will open at 8.30am AEST (Sydney, Melbourne) on Friday, 15 July 2022. To participate in the General Scheme Meeting online, you can log in to the meeting by entering the URL web.lumiagm.com/381-257-625 into a web browser on your computer, tablet or smart phone.

Once on the URL, General Shareholders will need the following information to participate in the General Scheme Meeting in real-time:

1. Your postcode registered to your holding if you are an Australian General Shareholder.
2. Overseas General Shareholders should select the country of domicile.
3. The VAC (Voter Access Code) for the General Scheme Meeting, this will be printed on the Proxy Form or provided in the Scheme Meeting email communication.

Instructions on how to log on to ask questions during the General Scheme Meeting are outlined below and available here www.unitigrouplimited.com/SchemeMeeting. Please note, only General Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. General Shareholders are therefore encouraged to lodge questions prior to the General Scheme Meeting at <https://www.votingonline.com.au/uwlsm2022> by 9.30am AEST (Sydney, Melbourne), Wednesday, 13 July 2022.

Further information regarding participating in the General Scheme Meeting online, including browser requirements, is detailed in the Online Meeting Guide available here: www.unitigrouplimited.com/SchemeMeeting.

Voting by proxy

A General Shareholder entitled to attend and vote at the General Scheme Meeting can vote by proxy. The Proxy Form is enclosed with the Scheme Booklet. A proxy need not be a General Shareholder.

Instructions on how to complete and lodge the Proxy Form are included on the form. Please note that the Proxy Form must be received by the Uniti Registry, whose details are listed below, by no later than 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the Uniti Registry at the same time as the Proxy Form (unless previously provided to the Uniti Registry).

A General Shareholder entitled to attend and cast two or more votes at the General Scheme Meeting is entitled to appoint no more than two proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the General Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the General Shareholder's votes.

If you do not instruct your proxy on how to vote, you will be taken (for all relevant purposes) to have given your proxy discretion as to how to vote and your proxy may vote as he or she sees fit at the General Scheme Meeting.

A General Shareholder may appoint the Chairman of the General Scheme Meeting as their proxy by nominating him in the Proxy Form. If a General Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairman of the General Scheme Meeting will automatically be their proxy. If a General Shareholder returns their Proxy Form but their nominated proxy does not attend the General Scheme Meeting, then their proxy will revert to the Chairman of the General Scheme Meeting. For resolutions determined on a poll, if a General Shareholder's nominated proxy is either not recorded as attending the General Shareholder Meeting or does not vote on the General Scheme Resolution in accordance with the General Shareholder's directions, the Chairman of the General Scheme Meeting is taken, before voting on the General Scheme Resolution closes, to have been appointed as the General Shareholder's proxy for the purposes of voting on the General Scheme Resolution.

The Chairman of the General Shareholder Meeting intends to vote all available proxies in favour of the General Scheme Resolution.

Voting by proxy through power of attorney

For persons voting by proxy through powers of attorney, a certified copy of the powers of attorney must be received by the Uniti Registry by no later than 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022.

APPENDIX A – NOTICE OF GENERAL SCHEME MEETING continued

A certified copy of a power of attorney may be submitted in the same manner as a completed Proxy Form as described above.

Voting by corporate representative

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case Uniti will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with Uniti before the General Scheme Meeting or at the registration desk on the day of the General Scheme Meeting.

Jointly held securities

If Uniti Shares are jointly held, either one of the joint General Shareholders is entitled to vote at the General Scheme Meeting. If more than one joint General Shareholder votes in respect of jointly held Uniti Shares, only the vote of the General Shareholder whose name appears first in the Uniti Share Register will be counted.

Lodgement of proxies

If you are entitled to attend and vote at the General Scheme Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a Uniti Shareholder and may be an individual or a body corporate. A personalised Proxy Form is enclosed with the Notice of General Scheme Meeting. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you appoint a proxy, Uniti encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

General Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the General Scheme Meeting online and to exercise your voting instructions. Appointed proxies will need to contact the Uniti Registry to obtain a username and password to vote online.

5. Technical difficulties

Technical difficulties may arise during the General Scheme Meeting. The Chairman has discretion as to whether and how the General Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of Uniti Shareholders impacted and the extent to which participation in the business of the General Scheme Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the General Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, General Shareholders are encouraged to lodge a proxy by 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022.

APPENDIX B – NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING

NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING

Notice is hereby given that, by an order of the Court made on Tuesday, 7 June 2022 pursuant to section 411(1) of the Corporations Act, a meeting of Rollover Shareholders (excluding all other Uniti Shareholders) will be held immediately following the General Scheme Meeting on Friday, 15 July 2022 in person 22 Salmon Street, Port Melbourne, Victoria 3207 (**Rollover Shareholders Scheme Meeting**).

Business of the Rollover Shareholders Scheme Meeting

The purpose of the Rollover Shareholders Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which Uniti and MBC BidCo agree in writing) proposed to be entered into between Uniti and Uniti Shareholders, at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the Rollover Shareholders Scheme Resolution.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with this Notice of Rollover Shareholders Scheme Meeting, forms part of the Scheme Booklet.

Capitalised terms used in this Notice of Rollover Shareholders Scheme Meeting but not defined in it have the same meaning as set out in the Glossary in Section 14 of the Scheme Booklet.

Business of the Rollover Shareholders Scheme Meeting - Rollover Shareholders Scheme Resolution

To consider and, if thought fit, to pass the following Rollover Shareholders Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of Rollover Shareholders Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which Uniti and MBC BidCo agree in writing) and the Uniti Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'

Chairman

The Court has directed that Graeme Barclay is to act as Chairman of the Rollover Shareholders Scheme Meeting (and that, if Graeme Barclay is unable or unwilling to attend, John Lindsay is to act as Chair of the Rollover Shareholders Scheme Meeting) and has directed the Chair to report the result of the Rollover Shareholders Scheme Resolution to the Court.

Dated 7 June 2022

By order of the Court and the Uniti Board



Ashe-lee Jegathesan
Company Secretary

APPENDIX B – NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING *continued*

Explanatory notes for the Rollover Shareholders Scheme Meeting

These notes should be read in conjunction with the Notice of Rollover Shareholders Scheme Meeting and the information in the Scheme Booklet (of which the Notice of Rollover Shareholders Scheme Meeting forms part). The Scheme Booklet contains important information to assist you to decide how to vote at the Rollover Shareholders Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of Rollover Shareholders Scheme Meeting and in these notes have the same meaning as set out in the Glossary in Section 14 of the Scheme Booklet.

A copy of the Scheme is set out in Appendix D to the Scheme Booklet.

1. Requisite majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Rollover Shareholders Scheme Resolution must be passed by:

- ▶ unless the Court orders otherwise, a majority in number (i.e. more than 50%) of Rollover Shareholders present and voting at the Rollover Shareholders Scheme Meeting (whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative); and
- ▶ at least 75% of the votes cast on the Rollover Shareholders Scheme Resolution by Rollover Shareholders present and voting at the Rollover Shareholders Scheme Meeting (whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative).

2. Court approval

If the Rollover Shareholders Scheme Resolution (set out in the Notice of Rollover Shareholders Scheme Meeting) and the General Scheme Resolution (set out in the Notice of General Scheme Meeting) are approved at the relevant Scheme Meetings by the Requisite Majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, Uniti intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the Rollover Shareholders Scheme Resolution to be put to the Rollover Shareholders Scheme Meeting are set out in the Scheme Booklet.

3. Entitlement to vote

The Court has ordered that, for the purposes of the Rollover Shareholders Scheme Meeting, the time for determining eligibility to vote at the meeting is 7.00pm AEST (Sydney, Melbourne) on Wednesday, 13 July 2022. This means that any Rollover Shareholders entered on the Uniti Share Register at that time will be entitled to attend and vote at the Rollover Shareholders Scheme Meeting. Voting will be conducted by poll. Every Rollover Shareholder who is present in person or by proxy, representative or attorney will have one vote for each Uniti Share held by that Rollover Shareholder.

Both MBC BidCo and its associates (as defined in section 12 of the Corporations Act) are excluded from voting on the Scheme Resolutions, unless:

- ▶ the vote is cast by the associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- ▶ the associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an associate of MBC BidCo.

4. Voting

You may vote in person at the Rollover Shareholders Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Voting in person

To vote in person, attend the Rollover Shareholders Scheme Meeting on the date and place as set out above.

Due to the evolving COVID-19 circumstances, Uniti may be required to take extraordinary measures, including to limit or prohibit attendance after taking into account government advice and requirements and health concerns. Uniti will be observing social distancing rules, other government requirements that may apply and any restrictions imposed by the venue (at 22 Salmon Street, Port Melbourne, Victoria 3207), based on the COVID-19 situation at the time of the Rollover Shareholders Scheme Meeting.

Voting by proxy

A Rollover Shareholder entitled to attend and vote at the Rollover Shareholders Scheme Meeting can vote by proxy. The Proxy Form is enclosed with the Scheme Booklet. A proxy need not be a Rollover Shareholder.

Instructions on how to complete and lodge the Proxy Form are included on the form. Please note that the Proxy Form must be received by the Uniti Registry, whose details are listed below, by no later than 9.30am AEST (Sydney,

APPENDIX B – NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING continued

Melbourne) on Wednesday, 13 July 2022. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the Uniti Registry at the same time as the Proxy Form (unless previously provided to the Uniti Registry).

A proxy will be admitted to the Rollover Shareholders Scheme Meeting upon providing evidence of their name and address at the point of entry to the meeting.

A Rollover Shareholder entitled to attend and cast two or more votes at the Rollover Shareholders Scheme Meeting is entitled to appoint no more than two proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the Rollover Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the Rollover Shareholder's votes.

If you do not instruct your proxy on how to vote, you will be taken (for all relevant purposes) to have given your proxy discretion as to how to vote and your proxy may vote as he or she sees fit at the Rollover Shareholders Scheme Meeting.

A Rollover Shareholder may appoint the Chairman of the Rollover Shareholders Scheme Meeting as their proxy by nominating him in the Proxy Form. If a Rollover Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairman of the Rollover Shareholders Scheme Meeting will automatically be their proxy. If a Rollover Shareholder returns their Proxy Form but their nominated proxy does not attend the Rollover Shareholders Scheme Meeting, then their proxy will revert to the Chairman of the Rollover Shareholders Scheme Meeting. For resolutions determined on a poll, if a Rollover Shareholder's nominated proxy is either not recorded as attending the Rollover Shareholders Scheme Meeting or does not vote on the Rollover Shareholders Resolution in accordance with the Rollover Shareholder's directions, the Chairman of the Rollover Shareholders Scheme Meeting is taken, before voting on the Rollover Shareholders Resolution closes, to have been appointed as the Rollover Shareholder's proxy for the purposes of voting on the Rollover Shareholders Resolution.

The Chairman of the Rollover Shareholders Scheme Meeting intends to vote all available proxies in favour of the Rollover Shareholders Scheme Resolution.

Voting by proxy through power of attorney

For persons voting by proxy through powers of attorney, the powers of attorney must be received by the Uniti Registry by no later than 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022.

Persons attending the Rollover Shareholders Scheme Meeting as an attorney should bring to the Rollover Shareholders

Scheme Meeting the original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Rollover Shareholders Scheme Meeting.

Voting by corporate representative

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case Uniti will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with Uniti before the Rollover Shareholders Scheme Meeting or at the registration desk on the day of the Rollover Shareholders Scheme Meeting.

Jointly held securities

If Uniti Shares are jointly held, either one of the joint Rollover Shareholders is entitled to vote at the Rollover Shareholders Scheme Meeting. If more than one joint Rollover Shareholder votes in respect of jointly held Uniti Shares, only the vote of the Rollover Shareholder whose name appears first in the Uniti Share Register will be counted.

Lodgement of proxies

If you are entitled to attend and vote at the Rollover Shareholders Scheme Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a Uniti Shareholder and may be an individual or a body corporate. A personalised Proxy Form is enclosed with the Notice of Rollover Shareholders Scheme Meeting. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you appoint a proxy, Uniti encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

5. Technical difficulties

Technical difficulties may arise during the Rollover Shareholders Scheme Meeting. The Chairman has discretion as to whether and how the Rollover Shareholders Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of Uniti Shareholders impacted and the extent to which participation in the business of the Rollover Shareholders Scheme Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Rollover Shareholders Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Rollover Shareholders are encouraged to lodge a proxy by 9.30am AEST (Sydney, Melbourne) on Wednesday, 13 July 2022.

APPENDIX C – INDEPENDENT EXPERT’S REPORT

LONERGAN EDWARDS & ASSOCIATES LIMITED

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The Directors
Uniti Group Limited
Level 1, 44 Currie Street
Adelaide SA 5000

2 June 2022

Subject: Proposed acquisition by way of Scheme

Dear Directors

Introduction

- 1 On 14 April 2022, Uniti Group Limited (Uniti or the Company) announced that it had entered into a Scheme Implementation Deed (the Agreement) with MBC BidCo Pty Ltd (MBC BidCo), an entity wholly owned by a consortium comprising The Morrison & Co Infrastructure Partnership Master Fund SCSp, Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust (CSC) and BIF IV One Holdings LP (the Consortium), pursuant to which MBC BidCo will acquire all the fully paid ordinary shares on issue in Uniti.
- 2 The proposed acquisition of the Uniti shares is to be implemented via a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) between Uniti and its shareholders (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I, paragraph 44).
- 3 If the Scheme is approved and implemented:
 - (a) **Uniti Shareholders** – Uniti shareholders, excluding the Rollover Shareholders (Uniti Shareholders), will receive \$5.00 cash (Cash Scheme Consideration) for each Uniti share held on the Scheme Record Date¹, less the cash amount of any Permitted Dividend (refer to paragraph 4) which Uniti announces before the Scheme Record Date
 - (b) **Rollover Shareholders** – Uniti Managing Director and Chief Executive Officer (CEO) Mr Michael Simmons and Chief Infrastructure Networks & Technology Officer Mr Geoffrey Aldridge² (the Rollover Shareholders) have elected to receive some of their Scheme consideration as shares in MBC TopCo Pty Ltd (TopCo), the ultimate

¹ The Scheme Record Date is presently expected to be 7:00pm on the fifth business day after the Scheme becomes effective.

² And certain entities controlled by them respectively, where applicable.

Authorised Representatives:

Wayne Lonergan • Craig Edwards* • Hung Chu • Martin Hall • Martin Holt* • Grant Kepler* • Julie Planinic* • Nathan Toscan • Jorge Resende

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
Liability limited by a scheme approved under Professional Standards Legislation



holding company of MBC BidCo (Scrip Consideration)³, for a proportion of the Uniti shares they hold on the Scheme Record Date.

- 4 In addition, the Uniti Board may decide to pay a fully franked special dividend of up to \$0.11 per Uniti share (Permitted Dividend) held by a Uniti shareholder on the Permitted Dividend Record Date⁴. The Permitted Dividend is conditional on the Scheme becoming effective. If the Uniti Board decides to pay the Permitted Dividend, the Cash Scheme Consideration paid to Uniti Shareholders will be reduced from \$5.00 by the cash amount of the Permitted Dividend per Uniti share held by a Uniti shareholder on the Scheme Record Date.
- 5 As the Rollover Shareholders are being offered a form of consideration under the Scheme which is different to the consideration offered to other Uniti shareholders, they will constitute a separate class of members for the purposes of the voting on the Scheme. Accordingly, Uniti will request that the court convene separate Scheme meetings (which are collectively referred to as the Scheme Meetings), being:
 - (a) the Scheme Meeting of Uniti Shareholders generally, excluding the Rollover Shareholders (General Scheme Meeting)
 - (b) the Scheme Meeting of the Rollover Shareholders only (Rollover Shareholders Scheme Meeting).
- 6 Under the Corporations Act, the Scheme is approved if the resolutions approving the Scheme are passed by:
 - (a) a majority in number (more than 50%) of the Uniti Shareholders present and voting at the General Scheme Meeting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting
 - (b) a majority in number of the Rollover Shareholders present and voting at the Rollover Shareholders Scheme Meeting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting (noting that Mr Simmons and Mr Aldridge are required, by contractual commitments with MBC BidCo, to vote in favour of the Scheme in the absence of a superior proposal which is recommended by the Uniti Directors).
- 7 If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Uniti shareholders who hold Uniti shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

Uniti

- 8 Uniti is a diversified telecommunications company and network infrastructure operator which primarily designs, builds, operates and maintains fixed line access, fibre based, telecommunications networks with a focus on new housing developments in broadacre residential estates and multi-dwelling units (MDU) throughout Australia. The Company also

³ Mr Simmons and Mr Aldridge have both entered into voting and rollover agreements to elect to receive the Scrip Consideration in respect of 2.0 million (Mr Simmons) and 0.56 million (Mr Aldridge) of the Uniti shares they own or control, and the Cash Scheme Consideration in respect of the remaining Uniti shares they own or control.

⁴ Which is 23 July 2022.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



provides speciality telecommunications services and operates as a retail services provider (RSP) to consumers and businesses across both its own and third party networks.

The Consortium

- 9 The Morrison & Co Infrastructure Partnership Master Fund SCSp is a Luxembourg domiciled open-ended global infrastructure fund with a global investment mandate, principally targeting assets in North America, the United Kingdom, Europe, Australia and New Zealand, with a focus on the energy sector, other utilities, and data infrastructure. The fund is managed by H.R.L Morrison & Co Limited Partnership (Morrison & Co), an investment manager founded in 1988 that currently manages multiple client mandates with total funds under management of over \$20 billion.
- 10 Commonwealth Superannuation Corporation⁵ (CSC) manages 11 government schemes including five regulated superannuation schemes and six unregulated public sector schemes that provide retirement, insurance and superannuation services to current and former Australian Government and Defence Force employees. The assets of CSC's five regulated superannuation schemes are invested through the ARIA Investments Trust, a pooled superannuation trust for which CSC is the trustee. CSC manages these assets through the appointment of a range of specialist investment managers (including Morrison & Co) across different asset classes, including investments through wholly owned entities and externally-managed investment vehicles. CSC held 2.96 million shares in Uniti as at the date of this report. CSC has appointed Morrison & Co as its investment manager in connection with the proposed acquisition of the shares in Uniti by the Consortium.
- 11 BIF IV One Holdings LP is a Bermudan limited partnership established for the purposes of holding interests in TopCo, and on implementation of the Scheme, the Uniti shares, on behalf of its ultimate investors (being those funds comprising the Brookfield Infrastructure Fund VI). It is managed by Brookfield Asset Management Inc (Brookfield), a leading global alternative asset manager with more than US\$690 billion of assets under management across the real estate, infrastructure, renewable power, private equity and credit sectors.

Purpose of report

- 12 Whilst there is no legal requirement under the Corporations Act or the *Corporations Regulations 2001* (Corporations Regulations) for Uniti to obtain an independent expert's report (IER), it is a condition precedent to the Scheme as well as a qualification to the Uniti Directors' recommendation of the Scheme that an independent expert concludes (and continues to conclude) that the Scheme is in the best interests of Uniti Shareholders (except as noted below in paragraph 15).
- 13 In addition, as the Scheme is considered a change of control transaction, the Australian Securities & Investments Commission's (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 14 Accordingly, the Directors of Uniti have requested that Lonergan Edwards & Associates Limited (LEA) prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Uniti Shareholders and the reasons for that opinion.

⁵ In its capacity as trustee of the ARIA Investments Trust, a pooled superannuation trust for which CSC is the trustee.



- 15 For the avoidance of doubt, this IER is limited to an assessment of the merits of the Scheme from the perspective of Uniti Shareholders only (i.e. Uniti shareholders generally, except for the Rollover Shareholders). We have not separately opined on whether the Scheme is fair and reasonable and in the best interests of the Rollover Shareholders, because:
- (a) subject only to the emergence of a superior proposal that is recommended by the Uniti Directors, each of the Rollover Shareholders has already made a binding contractual commitment in favour of MBC BidCo to:
 - (i) vote in favour of the Scheme; and
 - (ii) receive the Cash Scheme Consideration and the Scrip Consideration in prescribed proportions⁶.

Accordingly, in LEA’s view, the Rollover Shareholders have already formed their decision as to the merits of the Scheme as it applies to them
 - (b) the Rollover Shareholders are sophisticated or professional investors and/or are part of Uniti’s senior management team, each of whom has extensive knowledge and understanding of the Uniti business
 - (c) the merits of the Cash Scheme Consideration (which is the default form of consideration that the Rollover Shareholders would receive if they did not make an election to receive Scrip Consideration) are already assessed within this IER; and
 - (d) being sophisticated or professional investors, we consider the Rollover Shareholders to be capable of forming their own view as to the extent to which they have agreed to accept the Scrip Consideration (over the Cash Scheme Consideration).
- 16 LEA is independent of Uniti, the Consortium and the Rollover Shareholders and has no other involvement or interest in the proposed Scheme.

Summary of opinion

- 17 In our opinion, the Scheme is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of Uniti

- 18 We have assessed the value of Uniti shares on a 100% controlling interest basis at \$4.65 to \$5.20 per share (with a mid-point of \$4.93 per share), as shown below:

⁶ The Rollover Shareholders have entered into voting and rollover agreements to elect to receive the Cash Scheme Consideration and the Scrip Consideration in prescribed proportions (Mr Simmons and entities associated with him have elected to receive Scrip Consideration in respect of 28.3% of their Uniti shares (excluding options and performance rights) and entities associated with Mr Aldridge have elected to receive Scrip Consideration in respect of 35.5% of their Uniti shares (excluding options and performance rights)).

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Uniti – valuation summary				
	Paragraph	Low \$m	Mid-point \$m	High \$m
Value of core business	192	3,500	3,700	3,900
Net debt	210	(135)	(135)	(135)
Equity value – controlling interest basis		3,365	3,565	3,765
Fully diluted shares on issue (million)	214	723.4	723.4	723.4
Uniti value per share – controlling interest basis (\$)		\$4.65	\$4.93	\$5.20

Fair and reasonable opinion

- 19 Pursuant to RG 111 a scheme is “fair” if the value of the Cash Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme. This comparison for Uniti shares is shown below:

Position of Uniti Shareholders			
	Low \$ per share	Mid-point \$ per share	High \$ per share
Value of Cash Scheme Consideration	5.00	5.00	5.00
Value of 100% of Uniti	4.65	4.93	5.20
Extent to which the Cash Scheme Consideration exceeds (or is less than) the value of Uniti	0.35	0.07	(0.20)

- 20 As the Cash Scheme Consideration lies within our assessed valuation range for Uniti shares on a 100% controlling interest basis, in our opinion, the Cash Scheme Consideration is fair to Uniti Shareholders when assessed based on the guidelines set out in RG 111.
- 21 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is also “reasonable”.

In the best interests

- 22 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 23 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 24 We therefore consider that the Scheme is also “in the best interests” of Uniti Shareholders in the absence of a superior proposal.

Assessment of the Scheme

- 25 We summarise below the likely advantages and disadvantages of the Scheme for Uniti Shareholders.

Advantages

- 26 In our opinion, the Scheme has the following benefits for Uniti Shareholders:
- (a) the Cash Scheme Consideration of \$5.00 cash per Uniti share is consistent with our assessed value range for Uniti shares on a 100% controlling interest basis
 - (b) the Cash Scheme Consideration represents a significant premium to the recent market prices of Uniti shares prior to the announcement of the indicative proposal that was received from the Consortium on 15 March 2022 (Indicative Proposal)
 - (c) furthermore, the premium is consistent with observed premiums generally paid to target company shareholders in comparable circumstances
 - (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Uniti shares is likely to trade at a significant discount to our valuation and the Cash Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

- 27 Uniti Shareholders should note that if the Scheme is implemented they will no longer hold an interest in Uniti. Uniti Shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Cash Scheme Consideration.
- 28 However, as our assessed value of Uniti shares is consistent with the Cash Scheme Consideration, in our opinion, the present value of Uniti’s future potential is reflected in the Cash Scheme Consideration.

Likelihood of a superior offer

- 29 Uniti Shareholders should be aware that on 24 March 2022 (i.e. prior to the announcement of the Scheme) Uniti announced that it had received a competing non-binding, incomplete and indicative proposal from Macquarie Infrastructure and Real Assets Holdings Pty Limited⁷ and Public Sector Pension Investment Board (Connect Consortium) to acquire Uniti for cash consideration of \$5.00 per share. This indicative, non-binding offer price was the same as the Cash Scheme Consideration.
- 30 Following the announcement of a revised, matching indicative proposal from the Consortium on 29 March 2022, and as required by that revised, matching indicative proposal, Uniti ceased discussions with the Connect Consortium. However, it is possible that the Connect Consortium, or another third party, could submit a further proposal to acquire Uniti prior to the date of the meetings to approve the Scheme.

Conclusion

- 31 Given the above analysis, we consider the acquisition of Uniti shares under the Scheme is fair and reasonable and in the best interests of Uniti Shareholders in the absence of a superior proposal.

Other matters

- 32 Uniti Shareholders should be aware that the Rollover Shareholders are being provided with the opportunity to retain an interest in the Uniti business by receiving the Scrip Consideration. However, in our view, the market value of the TopCo shares to be issued to the Rollover

⁷ An entity within Macquarie Asset Management’s Real Assets division.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Shareholders as Scrip Consideration (immediately post implementation of the Scheme) is no greater than \$5.00 per Uniti share (on an equivalent basis) for the reasons set out at paragraphs 251 to 253, and therefore no net benefit is being received by the Rollover Shareholders.

General

- 33 In preparing this report we have considered the interests of Uniti Shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.
- 34 The impact of approving the Scheme on the tax position of Uniti Shareholders depends on the individual circumstances of each investor. Uniti Shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 35 The ultimate decision whether to approve the Scheme should be based on each Uniti Shareholder's assessment of their own circumstances. If Uniti Shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.
- 36 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that Uniti Shareholders read the remainder of our report.

Yours faithfully

Handwritten signature of Craig Edwards in black ink.

Craig Edwards
Authorised Representative

Handwritten signature of Jorge Resende in black ink.

Jorge Resende
Authorised Representative

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I Background, key terms and conditions of the Scheme

Background

- 37 On 24 January 2022, Uniti announced that it had received approaches from more than one party, indicating potential interest in an acquisition of the Company. We note that whilst the Uniti share price initially increased post this announcement, following announcement of the results for the six months to 31 December 2021 (1H22) on 22 February 2022, the Company’s share price subsequently fell to levels significantly lower than the levels prior to or around 24 January 2022.
- 38 In response to media speculation, on 15 March 2022, Uniti announced that it had entered into exclusive discussions (under an exclusivity deed) with Morrison & Co⁸ in relation to a non-binding, conditional and indicative proposal regarding a potential change of control transaction for Uniti at an indicative price of \$4.50 cash per share on a fully diluted basis (Indicative Proposal).
- 39 On 24 March 2022, following media speculation that resulted in the Uniti share price increasing significantly⁹, Uniti announced that it had received a competing non-binding, incomplete and indicative proposal from the Connect Consortium to acquire Uniti for cash consideration of \$5.00 per share, via a scheme of arrangement. On the same day, Uniti also announced that it had agreed to terminate the existing exclusivity deed it entered into with Morrison & Co, given the Company had entered into a new exclusivity deed with both Morrison & Co and Brookfield.
- 40 On 29 March 2022, Uniti announced it had received a revised indicative proposal from a consortium comprising Morrison & Co and Brookfield¹⁰ to acquire Uniti for cash consideration of \$5.00 per share, via a scheme of arrangement. The Uniti Board determined that it was in the best interests of Uniti Shareholders to engage with the Consortium on the revised terms. Uniti ceased discussions with the Connect Consortium at that time.

Key terms

- 41 On 14 April 2022, Uniti announced that it had entered into the Agreement with MBC BidCo, an entity wholly owned by the Consortium, pursuant to which MBC BidCo will acquire all the fully paid ordinary shares in Uniti. The proposed acquisition of the Uniti shares is to be implemented via the Scheme and is subject to a number of conditions precedent, as summarised in paragraph 44 below.
- 42 If the Scheme is approved and implemented:
- (a) **Uniti Shareholders** – Uniti shareholders, excluding the Rollover Shareholders (Uniti Shareholders), will receive \$5.00 cash (Cash Scheme Consideration) for each Uniti share held on the Scheme Record Date¹¹, less the cash amount of any Permitted Dividend which Uniti announces before the Scheme Record Date

⁸ On behalf of its managed funds and clients.

⁹ The Uniti share price increased by \$0.45 per share or 10.6% on 23 March 2022.

¹⁰ On behalf of Brookfield’s managed funds and clients respectively.

¹¹ The Scheme Record Date is presently expected to be 7:00pm on the fifth business day after the Scheme becomes effective.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



- (b) **Rollover Shareholders** – Uniti Managing Director and CEO Mr Michael Simmons and Chief Infrastructure Networks & Technology Officer Mr Geoffrey Aldridge¹² (the Rollover Shareholders) have elected to receive some of their Scheme consideration as shares in TopCo (Scrip Consideration)¹³, for a proportion of the Uniti shares they hold on the Scheme Record Date.
- 43 In addition, the Uniti Board may decide to pay a fully franked special dividend of up to \$0.11 per Uniti share (Permitted Dividend) held by a Uniti shareholder on the Permitted Dividend Record Date¹⁴. The Permitted Dividend is conditional on the Scheme becoming effective. If the Uniti Board decides to pay the Permitted Dividend, the Cash Scheme Consideration paid to Uniti Shareholders will be reduced from \$5.00 by the cash amount of the Permitted Dividend per Uniti share held by a Uniti shareholder on the Scheme Record Date.

Conditions

- 44 The Scheme is subject to the satisfaction of a number of conditions precedent, including the following which are outlined in the Agreement. These include:
- (a) regulatory approval from the Foreign Investment Review Board (FIRB)
 - (b) no law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by an Australian court of competent jurisdiction or Government Agency, which restrains, prohibits or impedes implementation of the Scheme, unless such order or injunction has been disposed of to the reasonable satisfaction of Uniti and MBC BidCo acting reasonably and in good faith, is in effect at 8.00am on the Second Court Date (as defined in clause 1.1 of the Agreement)
 - (c) Uniti shareholder approval by the requisite majorities at the Scheme Meetings under subparagraph 411(4)(a)(ii) of the Corporations Act
 - (d) an independent expert issues a report which concludes (and continues to conclude) that the Scheme is in the best interests of Uniti Shareholders and does not formally change its conclusion or withdraw its report before 8:00am on the Second Court Date
 - (e) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act
 - (f) no Prescribed Occurrence (as defined in clause 1.1 of the Agreement) occurs between (and including) the date of the Agreement (13 April 2022) and 8.00am on the Second Court Date, subject to clause 3.2(i) of the Agreement
 - (g) no Material Adverse Change (as defined in clause 1.1 of the Agreement) occurs between the date of the Agreement (13 April 2022) and 8:00am on the Second Court Date (subject to clause 3.2(i) of the Agreement).

¹² And certain entities controlled by them respectively, where applicable.

¹³ Mr Simmons and Mr Aldridge have both entered into voting and rollover agreement to elect to receive the Scrip Consideration in respect of 2.0 million (Mr Simmons) and 0.56 million (Mr Aldridge) of the Uniti shares they own or control, and the Cash Scheme Consideration in respect of the remaining Uniti shares they own or control.

¹⁴ Which is 23 July 2022.



- 45 In addition Uniti has agreed that it will not during the Exclusivity Period (as defined in clause 1.1 of the Agreement):
- (a) solicit, invite, encourage or initiate any competing transaction, or any enquiries, expressions of interest, offers, proposals, negotiations or discussions which may reasonably be expected to lead to a competing transaction
 - (b) enter into, participate in or continue any discussions or negotiations which may reasonably be expected to lead to a competing transaction
 - (c) enter into any agreement, arrangement or understanding in relation to a competing transaction or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a competing transaction
 - (d) provide any non-public information relating to the Uniti or provide access to any Uniti officers or employees to a third party for the purposes of enabling that party to table a competing transaction.
- 46 During the Exclusivity Period, Uniti agrees to notify MBC BidCo (or its related persons) of any approach or request for provision of material non-public information, or receipt of a proposal which could reasonably be expected to lead to a competing transaction.
- 47 The exclusivity obligations above (other than in paragraph 45(a)) do not apply if Uniti has complied with the various obligations set out in the Agreement and the Uniti Board determines:
- (a) the proposed competing transaction is a superior proposal or the steps which the Uniti Board proposes to take may reasonably be expected to lead to a competing transaction which is a superior proposal¹⁵; and
 - (b) based on written advice from its legal advisers, that compliance with exclusivity obligations would involve a breach of fiduciary duties or would otherwise be unlawful.
- 48 A break fee of \$35.0 million is payable by either Uniti to MBC BidCo or by MBC BidCo to Uniti in certain circumstances as specified in the Agreement.

Scheme resolutions

- 49 As the Rollover Shareholders are being offered a form of consideration under the Scheme which is different to the consideration offered to the Uniti Shareholders, they will constitute a separate class of members for the purposes of the voting on the Scheme. Accordingly, Uniti will request that the court convene separate Scheme meetings (which are collectively referred to as the Scheme Meetings), being:
- (a) the Scheme Meeting of Uniti Shareholders generally, excluding the Rollover Shareholders (General Scheme Meeting)
 - (b) the Scheme Meeting of the Rollover Shareholders only (Rollover Shareholders Scheme Meeting).

¹⁵ Subject to any potential breach of fiduciary duties, Uniti must notify MBC BidCo if it receives a superior competing proposal and give MBC BidCo five business days to match that competing proposal.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



- 50 Under the Corporations Act, the Scheme is approved if the resolutions approving the Scheme are passed by:
- (a) majority in number (more than 50%) of the Uniti Shareholders present and voting at the General Scheme Meeting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting
 - (b) a majority in number of the Rollover Shareholders present and voting at the Rollover Shareholders Scheme Meeting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting (noting that Mr Simmons and Mr Aldridge are required, by contractual commitments with MBC BidCo, to vote in favour of the Scheme in the absence of a superior proposal which is recommended by the Uniti Directors).
- 51 If the resolutions are passed by the requisite majorities, and the other conditions of Scheme are satisfied or waived, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Uniti shareholders who hold Uniti shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme)¹⁶.

¹⁶ As noted in paragraph 15, the Rollover Shareholders have contractually committed in favour of MBC BidCo to vote in favour of the Scheme.

II Scope of our report

Purpose

- 52 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.
- 53 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 54 MBC BidCo's voting power in Uniti is lower than 30% and MBC Bidco has no representation on the Uniti Board. Accordingly, there is no regulatory requirement for an IER to be prepared for Uniti Shareholders pursuant to the Corporations Act or the Australian Securities Exchange (ASX) Listing Rules.
- 55 However, it is a condition precedent to the Scheme as well as a qualification to the Uniti Directors' recommendation of the Scheme that an independent expert concludes (and continues to conclude) that the Scheme is in the best interests of Uniti Shareholders (except as noted below in paragraph 59).
- 56 In addition, as the Scheme is considered a change of control transaction, RG 111 also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 57 The Directors of Uniti have therefore requested LEA to prepare an IER stating whether the proposed acquisition of the shares in Uniti by the Consortium under the Scheme is fair and reasonable and in the best interests of Uniti Shareholders and the reasons for that opinion.
- 58 This report has been prepared by LEA for the benefit of Uniti Shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Notice of Meeting and Scheme Booklet to be sent to Uniti Shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Uniti Shareholders.
- 59 For the avoidance of doubt, this IER does not separately opine on whether the Scheme is fair and reasonable and in the best interests of the Rollover Shareholders. This is because:
- (a) subject only to the emergence of a superior proposal that is recommended by the Uniti Directors, each of the Rollover Shareholders has already made a binding contractual commitment in favour of MBC BidCo to:
 - (i) vote in favour of the Scheme; and

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



- (ii) receive the Cash Scheme Consideration and the Scrip Consideration in prescribed proportions¹⁷.

Accordingly, in LEA's view, the Rollover Shareholders have already formed their decision as to the merits of the Scheme as it applies to them

- (b) the Rollover Shareholders are sophisticated or professional investors and/or are part of Uniti's senior management team, each of whom has extensive knowledge and understanding of the Uniti business)
- (c) the merits of the Cash Scheme Consideration (which is the default form of consideration that the Rollover Shareholders would receive if they did not make an election to receive Scrip Consideration) are already assessed within this IER; and
- (d) being sophisticated or professional investors, we consider the Rollover Shareholders to be capable of forming their own view as to the extent to which they have agreed to accept the Scrip Consideration (over the Cash Scheme Consideration).
- 60 The ultimate decision whether to approve the Scheme should be based on each Uniti Shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

- 61 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which, inter alia, provides guidance as to how an expert should assess the merits of a transaction.
- 62 When an IER is prepared for a scheme that involves a change of control (like the proposed Scheme concerning Uniti)¹⁸, ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is "fair" and "reasonable" to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is "in the best interests" of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 63 Fairness involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme (assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length, noting that any special value that may be derived by a particular "bidder" should not be taken into account¹⁹). A scheme is "fair" if the value of the scheme consideration is equal to, or greater than the value of the shares that are the subject of the scheme. Fairness

¹⁷ The Rollover Shareholders have entered into voting and rollover agreements to elect to receive the Cash Scheme Consideration and the Scrip Consideration in prescribed proportions (Mr Simmons and entities associated with him has elected to receive Scrip Consideration in respect of 28.3% of their Uniti shares (excluding options and performance rights) and entities associated with Mr Aldridge have elected to receive Scrip Consideration in respect of 35.5% of their Uniti shares (excluding options and performance rights)).

¹⁸ A transaction where a person's voting power increases from below 20% to more than 20%, or from a starting point that is above 20% and below 90%.

¹⁹ For example, synergies that are not available to other bidders.



effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the change of “control” in ownership.

- 64 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal (e.g. the bidder’s existing shareholding in the company, the likely market price of the company’s shares if the scheme is unsuccessful, the likelihood of a superior alternative offer emerging etc.). A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 65 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 66 Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 67 Having regard to the above, our report therefore considers:

Fairness

- (a) the market value of 100% of the shares in Uniti
- (b) the value of the Cash Scheme Consideration offered by the Consortium
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

Reasonableness

- (d) the extent to which a control premium is being paid to Uniti Shareholders
- (e) the extent to which Uniti Shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (f) the listed market price of Uniti shares, both prior to and subsequent to the announcement of the proposed Scheme
- (g) the likely market price of Uniti shares if the Scheme is not approved
- (h) the value of Uniti to an alternative offeror and the likelihood of a higher alternative offer being made for Uniti prior to the date of the Scheme Meetings
- (i) the advantages and disadvantages of the Scheme from the perspective of Uniti Shareholders
- (j) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

- 68 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



- 69 Our report is also based upon financial and other information provided by Uniti and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 70 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of Uniti Shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 71 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 72 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 73 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 74 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.



III Profile of Uniti

Overview

- 75 Uniti is a diversified telecommunications company and network infrastructure operator which primarily designs, builds, operates and maintains fixed line access, fibre based, telecommunications networks with a focus on new housing developments in broadacre residential estates and MDU throughout Australia. The Company also provides speciality telecommunications services and operates as an RSP to consumers and businesses across both its own and third party networks.

History

- 76 Uniti was incorporated in June 2012 and raised seed capital in September 2013 to deliver fixed wireless broadband connections as an alternative to the National Broadband Network (NBN) and as a replacement for asymmetric digital subscriber line (ADSL) networks. The Company's network was launched in June 2014 in Adelaide, with its first customers connected the following month. Further capital was raised from early stage and cornerstone investors to accelerate growth in Adelaide, commence expansion into Melbourne and to invest in marketing to increase awareness of its service offering.
- 77 On 26 November 2018, Uniti executed a share sale and purchase agreement to acquire FuzeNet Pty Ltd (FuzeNet) for \$10.7 million subject to certain conditions precedent. FuzeNet was incorporated in 2007 and at the time of acquisition was an RSP providing high-speed broadband services to consumers and businesses across non-NBN fibre networks utilising the fibre infrastructure of alternate providers to the NBN. These alternate networks included LBNC Co Pty Ltd (LBNC Co)²⁰, OptiComm Ltd (OptiComm) and OPENetworks Pty Ltd (OPENetworks)²¹.
- 78 Uniti completed the acquisition of FuzeNet on 11 February 2019, and listed on the ASX on 13 February 2019. Since listing on the ASX, Uniti has grown both organically and through the acquisition of a number of complementary businesses. This has included the consolidation of a number of infrastructure owners and operators in the greenfield²² residential broadband networks market, which has positioned the Company as Australia's largest private fibre to the premises (FTTP) network infrastructure operator. A summary of those acquisitions with consideration greater than \$10 million²³ is set out below:

²⁰ FuzeNet's primary network supplier.

²¹ Since the acquisition, FuzeNet has expanded its service offering to include, inter alia, retail broadband services utilising the fibre network of NBN Co Limited (NBN Co).

²² Greenfield sites are undeveloped areas within or outside a city, typically on agricultural land that has been subdivided.

²³ During June 2019, Uniti also completed three acquisitions of modest size, including Fone Dynamics (for maximum consideration of \$8.4 million), Call Dynamics (\$2.0 million) and Pivit's fibre customer base (approximately \$0.5 million) and in November 2020, Uniti acquired Harbour ISP for maximum consideration of \$9.25 million (excluding options).

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Uniti – key acquisitions		
Date ⁽¹⁾	Acquisition	Business overview
19 Aug 19	LBNCo (\$100 million)	A builder and wholesale operator of private fibre networks, predominantly comprised of FTTP high speed data services to MDU and broadacre residential estates. At the time of acquisition, LBNCo had a fibre infrastructure footprint covering 65,000 premises located across 418 MDU and broadacre estates, with a further 22,000 premises contracted to be connected.
11 Oct 19	OPENetworks (\$27.5 million)	Established builder and wholesale operator of private fibre networks primarily comprising FTTP high speed data services to MDU. At the time of the acquisition, OPENetworks had some 6,000 active wholesale connections, with a further 11,000 premises contracted to be connected.
3 Dec 19	1300 Australia Pty Ltd (\$78 million)	The Australian market leading phone words company, with approximately 4,500 phone words and priority numbers (“1300”, “1800” and “13”) licensed to businesses and a further 7,000 phone words and priority numbers available to be licensed.
15 Jun 20	OptiComm (\$703 million)	Licensed carrier and wholesale network infrastructure operator which designs, builds, operates and maintains fixed line access fibre based telecommunications networks for new residential, commercial and retail developments. At the time of acquisition, OptiComm had deployed its network infrastructure ready to connect to some 120,000 lots across more than 291 estates throughout Australia (with approximately 90,000 connected premises and 70,500 active connections) and held contracted obligations to construct fibre infrastructure to approximately 150,000 additional premises.
16 Dec 20	Telstra Velocity Assets (\$140 million)	Acquired from Telstra Corporation Limited (Telstra), this included the Telstra Velocity estates and South Brisbane Exchange FTTP network assets (collectively defined as the Telstra Velocity Assets) and was Australia’s second largest private FTTP network in Australia, servicing 129 residential housing estates. At the time of the acquisition, the Telstra Velocity Assets had passed 68,000 premises, of which 65,000 were connected premises and 48,000 were active premises.

Note:

1 Date of acquisition announcement.

- 79 The above acquisitions increased Uniti’s scale, network, wholesale RSP customers, contracted order book and level of recurring revenue, noting in particular that:
- the purchase of LBNCo provided Uniti with a high growth, high margin annuity earnings stream. As regulations at the time of acquisition stipulated that operators could not own a FTTP network and sell retail services on that network, Uniti concurrently divested relevant FuzeNet customer contracts which were delivered on LBNCo’s network
 - the acquisition of OPENetworks was highly complementary to the LBNCo business, which combined the operations of two Australian private FTTP competitors
 - the addition of 1300 Australia Pty Ltd increased Uniti’s diversification and was also expected to be complementary to Uniti’s existing voice services, call tracking and SMS businesses. This acquisition was also highly cash generative and supported Uniti’s continued expansion
 - the acquisition of OptiComm was Uniti’s most significant transaction to date, transforming Uniti into Australia’s largest privately owned builder and wholesale



operator of FTTP networks. OptiComm’s network of connected premises and greenfield broadacre capabilities was highly complementary to Uniti’s existing MDU footprint, and significantly increased Uniti’s recurring revenue levels. The transaction also added approximately 150,000 contracted lots that were either under construction or contracted to be constructed

- (e) the purchase of the Telstra Velocity Assets added additional scale and national reach to Uniti’s FTTP networks, increasing active premises and future addressable premises. Under the terms of the transaction, Telstra also agreed to become an RSP on Uniti’s national FTTP network²⁴.
- 80 On 22 October 2020, Uniti announced that the functional separation undertaking it had submitted to the Australian Competition and Consumer Commission (ACCC) had been accepted. The terms of this undertaking are effective for an initial period of 10 years and enable Uniti to serve residential customers directly (i.e. operate as an RSP on its owned network) and operate fixed line broadband networks²⁵. Since 22 October 2020, Uniti has therefore been able to promote its retail brands that utilise the Company owned FTTP networks, whilst adhering to the requirements of its functional separation undertaking.
- 81 Uniti has integrated the majority of the businesses it has acquired and has selected the OptiComm core network and platform as the most suitable core infrastructure for its combined networks and technology infrastructure business. The Company commenced the integration and planned upgrade of the Telstra Velocity Assets into the OptiComm platform in 1H22 and is scheduled to undertake a soft launch of improved broadband services across these assets in July 2022.

Current operations

- 82 In 1H22 Uniti re-organised its operations from three into two business units to increase alignment to the Company’s core customer segments and operations and further simplify the business operations. These two business units are²⁶:
- (a) **Wholesale, Enterprise & Infrastructure (WEI)** – comprises the former W&I division in addition to the enterprise and wholesale customers and platform of the former CPaaS business²⁷ excluding Call Dynamics (which is more suited to the C&SB business unit addressable market)
 - (b) **Consumer & Small Business (C&SB)** – primarily relates to the former Consumer & Business Enablement business unit, which operates as a functionally separated business under the terms of the enforceable undertaking provided to the ACCC (as outlined above) retailing broadband services to consumers and small businesses. The C&SB business unit also includes the small business customers of the former CPaaS division.

²⁴ The existence of recognisable RSP providers (such as market leader Telstra) is an important factor for developers when choosing a FTTP network builder / operator.

²⁵ Which is provided through its Consumer and Small Business (C&SB) division.

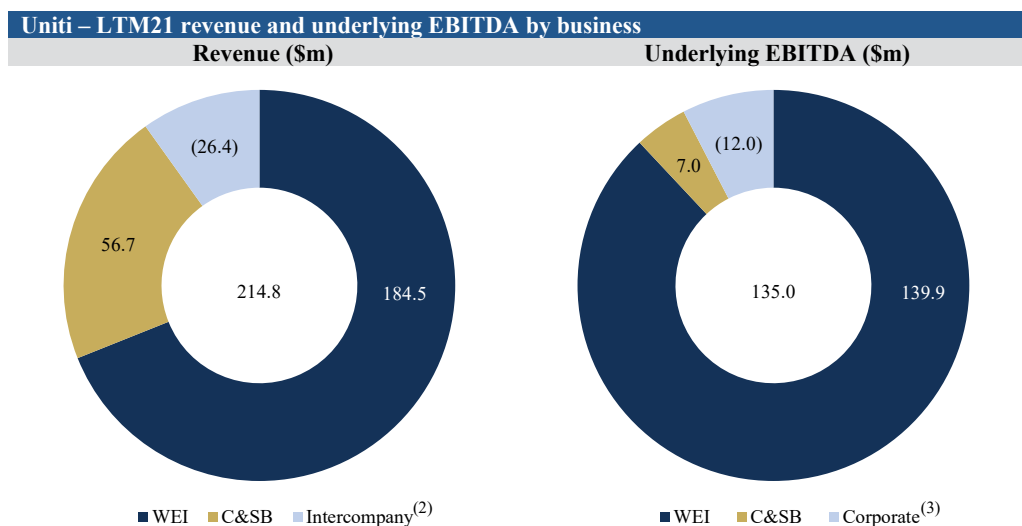
²⁶ Prior to the restructure, Uniti operated the Wholesale & Infrastructure (W&I), Consumer & Business Enablement (CBE) and Communications Platform as a Service (CPaaS) businesses.

²⁷ Based on Uniti’s restated segment results for the six months to 31 December 2020, approximately 95% of the revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) of the former CPaaS division was re-allocated to the WEI division. The remaining 5% was allocated to the C&SB division.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



83 The charts below set out a breakdown of Uniti’s revenue and underlying EBITDA by segment for the 12 months to 31 December 2021 (LTM21):



Note:

- 1 Rounding differences may exist.
- 2 Intercompany revenue is eliminated on consolidation and primarily relates to recurring charges paid by C&SB to WEI for the provision of wholesale telecommunications services.
- 3 Unallocated costs include corporate services and Board costs.

84 As indicated above, WEI is Uniti’s largest segment, accounting for approximately 76% of revenue (before intercompany eliminations) and 95% of underlying EBITDA (before corporate costs) over LTM21. Further details of the WEI and C&SB business units are set out below.

Wholesale, Enterprise & Infrastructure (WEI)

85 Uniti’s WEI division provides telecommunications infrastructure and related services, including the design, installation, operation and ownership of wholesale fibre network infrastructure, as well as the supply of premium voice services (including the licensing of phone words) over 13, 1300, 1800 calling numbers and SMS (which represents the majority of the former CPaaS business unit).

Telecommunications infrastructure

86 Uniti’s telecommunications infrastructure operations were established in 2019 following the completion of the LBNC and OPEN Networks acquisitions²⁸. The business has since expanded significantly through, inter alia, construction of its existing contracted book, expansion of the contracted book, as well as the acquisitions and subsequent integration of OptiComm and the Telstra Velocity Assets, which completed in November and December 2020 respectively²⁹. Uniti’s telecommunications infrastructure operations are

²⁸ At the time of these acquisitions, WEI was referred to as Wholesale & Infrastructure (W&I).

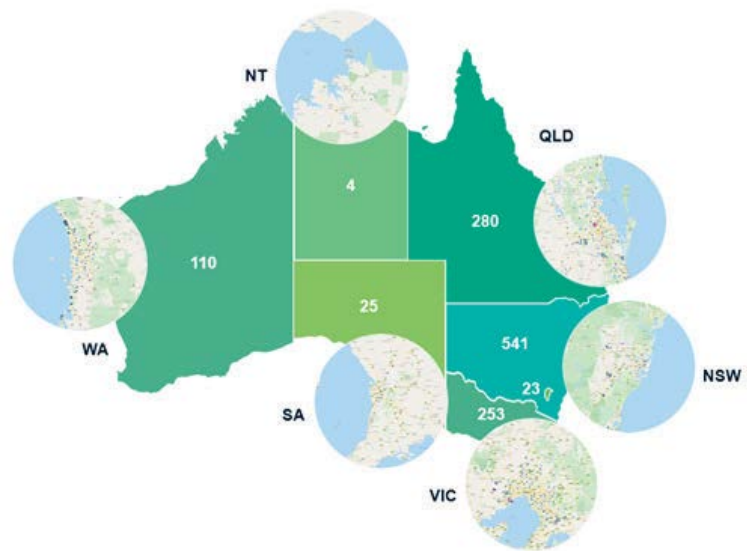
²⁹ Refer paragraphs 78 and 79 for further information on these acquisitions.



currently delivered under the OptiComm brand whilst the OPENetworks and LBNC Co brands and carrier licenses have been maintained³⁰.

- 87 Uniti is the second largest FTTP telecommunication network infrastructure operator in Australia, behind NBN Co. As at 31 December 2021, Uniti had deployed its network throughout 1,236 communities across Australia (excluding the Telstra Velocity Assets estates), as shown in the diagram below:

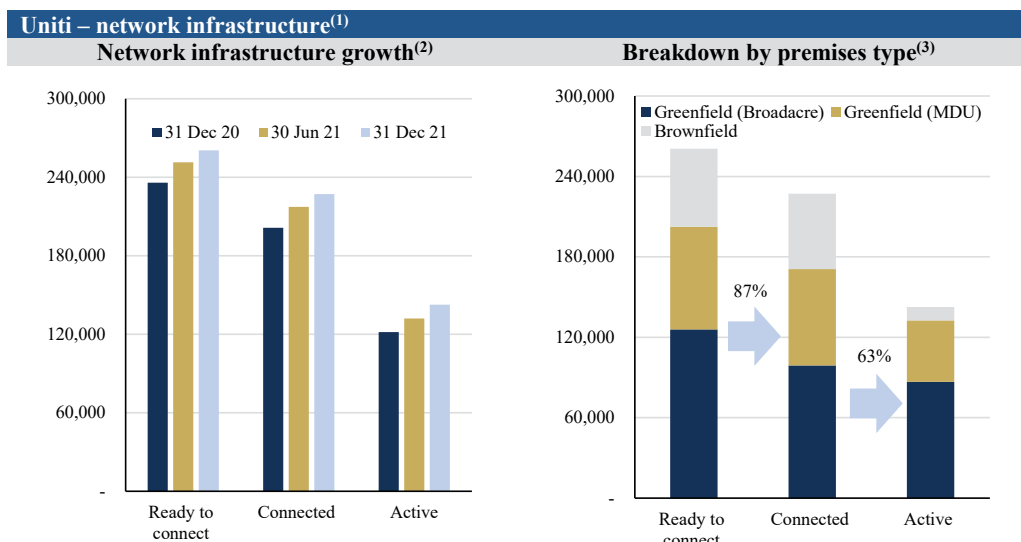
Uniti – network infrastructure footprint



- 88 As at 31 December 2021, Uniti had deployed its network infrastructure to some 260,600 premises and had approximately 142,600 active connections from 227,100 connected premises³¹. The charts below show both a summary of the recent growth in Uniti’s network infrastructure (by connection type) and a breakdown by premises type as at 31 December 2021:

³⁰ The Telstra Velocity Assets are in the process of being integrated into the OptiComm platform.
³¹ Excludes the Telstra Velocity Assets.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Note:
 1 Excludes the Telstra Velocity Assets, which include an additional 65,000 connected and approximately 48,000 active premises.
 2 Reflects the period post completion of the acquisition of OptiComm.
 3 As at 31 December 2021.

89 In respect of the above:

- (a) **Ready to connect** – refers to connections where Uniti’s network infrastructure has been installed into the premises, or in close proximity to, but is not yet connected to the network. These connections subsequently become:
 - (i) **Connected** – once a dwelling has been built on the premises and Uniti connects the dwelling to its network infrastructure
 - (ii) **Active** – connected lots are subsequently converted to active once internet and telephone services (provided by an RSP) are activated by the end user
- (b) Uniti’s Connection Rate³² for greenfield MDU and brownfield sites is relatively high due to the shorter lead times for the construction of dwellings on these sites in comparison to greenfield broadacre sites. However, the Activation Rate³³ for brownfield (and to a lesser extent greenfield MDU) sites at these connection types is typically lower than greenfield broadacre sites due to, inter alia, differences in end user demographics and consumer preferences and the prevalence of alternative technologies to fixed line fibre networks, which include fixed wireless and satellite services and mobile wireless solutions (such as 4G and 5G networks):

³² Connected as a percentage of ready to connect.

³³ Active as a percentage of connected.

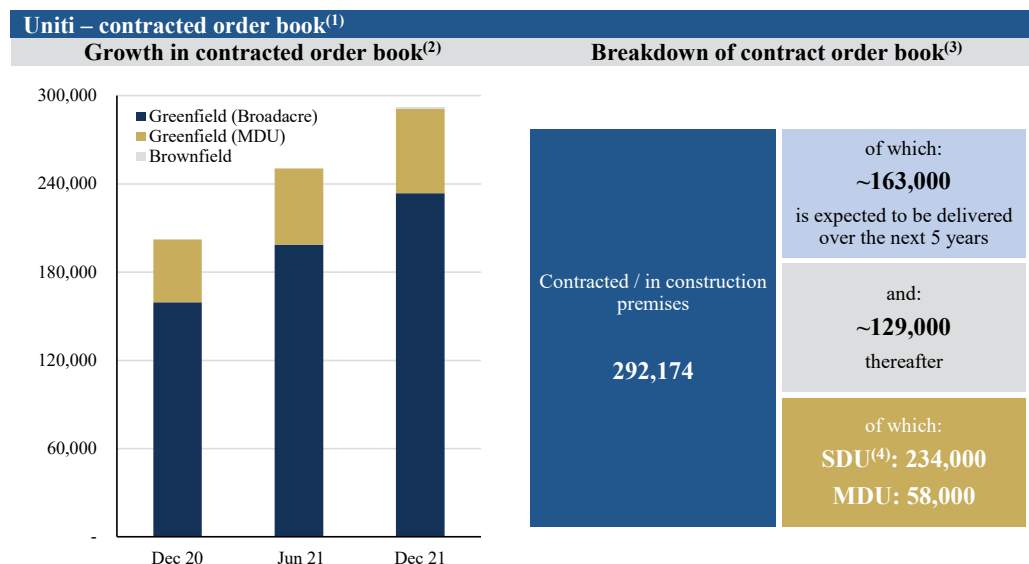
Uniti – Connect Rates and Activation Rates			
	Dec 20	Jun 21	Dec 21
	%	%	%
Connection Rate⁽¹⁾			
Greenfield - Broadacre	77	77	79
Greenfield - MDU	90	92	94
Brownfield	98	98	97
Total	85	86	87
Activation Rate⁽²⁾			
Greenfield - Broadacre	86	87	88
Greenfield - MDU	65	62	64
Brownfield	17	17	18
Total	60	61	63

Note:

- 1 Connected as a percentage of ready to connect premises.
- 2 Active as a percentage of connected premises.

(c) the proportion of greenfield broadacre sites (relative to greenfield MDU) increased significantly following the acquisition of OptiComm and currently accounts for more than 60% of Uniti’s active connections.

90 As at 31 December 2021, Uniti had been contracted to construct fibre infrastructure at an additional 292,174 premises for new projects, which is an increase of some 90,000 premises over the last 12 months. The majority of the contracted order book is greenfield broadacre (i.e. single dwelling) developments, as shown below³⁴:



³⁴ Noting that not all of these developments will proceed to completion, given potential delays or variations at the developer’s discretion.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued

**Note:**

- 1 Excludes the Telstra Velocity Assets.
- 2 Reflects the period post completion of the acquisition of OptiComm. As at 31 December 2020, 30 June 2021 and 31 December 2021 there were Nil, Nil and 1,078 brownfield premises contracted respectively.
- 3 As at 31 December 2021.
- 4 Single dwelling unit (SDU).

- 91 Uniti also works with a number of parties on an ongoing basis to assess future development plans to enable the Company to respond efficiently when new developments are approved.
- 92 Uniti’s WEI division generates income from its network infrastructure through three primary revenue sources:
- (a) **Construction** – property developers engage Uniti to design and construct network infrastructure for a range of greenfield and brownfield development types. Uniti receives a cash contribution from the developers for the design and delivery of the network infrastructure priced on a per lot or unit basis, plus in some cases a contribution to “headworks” infrastructure. Uniti subsequently owns the infrastructure and is the licensed carrier and Statutory Infrastructure Provider (SIP) in respect of the infrastructure. This non-refundable contribution is received progressively over the course of the network’s construction. Revenue generated from this activity is project based and one-off in nature, but re-occurs in line with the roll out of the contract book
 - (b) **Connection** – Uniti receives a one-off connection fee from either the occupier or the RSP servicing the end user when premises are first connected or reconnected to Uniti’s network
 - (c) **Network** – Uniti receives annuity style recurring revenue from providing wholesale network access to RSPs who access the Company’s networks (or to a lesser extent networks constructed by Uniti, owned by a third party and operated by Uniti) to provide services to their residential and commercial end users. The wholesale service fees levied on RSPs are a combination of, inter alia:
 - (i) **access fees** – determined by the speed and volume of data for the plan which each end user has signed up for
 - (ii) **capacity fees** – determined by the RSP, having regard to the bandwidth capacity it requires to service its customers.

Network revenue also includes one-off provisioning fees when an end user first connects with their RSP and may also include ongoing maintenance revenue from product support contracts included within Uniti’s integrated communications network³⁵ deployments as well as provision of WiFi and hotel style services.
- 93 Uniti’s network infrastructure has been designed with sufficient capacity to support current and projected bandwidth requirements and the Company has the ability to upgrade the active electronics at each connection without the need to replace the fibre infrastructure. The passive fibre infrastructure typically has an operating life of at least 40 years and the oldest fibre infrastructure installed by Uniti is 17 years old.

³⁵ An integrated communications network refers to a network installed within a multi-tenanted or commercial building that integrates communications and other services supplied within the building.

CPaaS

94 The WEI division also includes Uniti's CPaaS operations for the supply of premium voice services over 13, 1300 and 1800 calling numbers and SMS services to large enterprise and government organisations as well as the supply of licensed phone words. The CPaaS portfolio has infrastructure-like high margin characteristics and services customers across a number of different brands, including Fone Dynamics, Call Dynamics, Easy Inbound and 1300 Australia. These services include:

- (a) modern inbound voice, phone words, SIP, trunking and business-grade SMS services, differentiated by quality data and call tracking analytics
- (b) extensive intellectual property that provides advanced data analytics and third party platform integrations for greater data management and insights
- (c) call tracking, programmable communications APIs³⁶ and communications cloud platform.

Consumer & Small Business Enablement (C&SB)

95 Uniti's C&SB division delivers retail broadband services to residential, business and enterprise customers and includes the small business customers of the former Call Dynamics business from the CPaaS division. C&SB primarily operates under the Uniti, FuzeNet, Harbour ISP and Easy Inbound brands³⁷, with a summary of the services offered by each of these brands as follows:

- (a) **Uniti** – delivers fast, fixed wireless broadband connections to customers as a replacement for ADSL internet and an alternative to the NBN. It also resells a number of fixed fibre networks in Australia including those for the NBN. The business uses point-to-point and point-to-multipoint fixed wireless connections and does not rely on fixed line infrastructure to operate or reach its customers
- (b) **FuzeNet** – provides high speed broadband services as an RSP to consumers on fibre networks, as well as phone services, with specialist expertise across broadacre developments, commercial developments and MDU. FuzeNet resells and enables the resale of fibre infrastructure from wholesale network owners including from both its Company owned networks (OptiComm, LBNC Co, OPENetworks) and third party network operators such as Redtrain and the NBN
- (c) **Harbour ISP** – specialises in the delivery of superfast retail broadband services in greenfield developments. Harbour ISP is an RSP for Uniti's owned fibre networks³⁸ and is also a reseller of the NBN.

Financial performance

96 The financial performance of Uniti for the three years to 30 June 2021 (FY21) and LTM21 is set out below:

³⁶ Application programming interface.

³⁷ Excludes the brands which provide services to the small business customers of the former CPaaS division.

³⁸ OptiComm (incorporating LBNC Co and OPENetworks).

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Uniti – financial performance⁽¹⁾				
	FY19	FY20	FY21	LTM21
	\$m	\$m	\$m	\$m
Recurring network revenues	-	11.0	63.6	103.7
Broadband and fibre access networks	13.4	23.5	43.4	53.0
Telecommunications services	0.7	20.6	30.1	30.9
Construction revenues	-	2.2	21.1	25.3
Other revenue	0.2	1.0	1.7	1.9
Total revenue	14.3	58.2	159.9	214.8
Network and hardware expense	(6.6)	(13.8)	(34.4)	(43.5)
Gross profit	7.7	44.4	125.5	171.3
Employee benefits expense	(6.0)	(12.8)	(22.2)	(26.4)
Other expenses	(2.6)	(5.0)	(9.5)	(9.9)
Underlying EBITDA⁽²⁾⁽³⁾	(0.9)	26.5	93.7	135.0
Depreciation and amortisation ⁽⁴⁾	(5.2)	(4.3)	(9.5)	(12.3)
Underlying EBIT⁽³⁾	(6.1)	22.3	84.3	122.6
Significant items ⁽⁵⁾	(6.6)	(13.1)	(32.1)	(27.4)
Net finance costs	(0.9)	(0.6)	(8.0)	(12.6)
Net profit / (loss) before tax	(13.5)	8.6	44.2	82.6
Income tax benefit / (expense)	-	7.3	(15.0)	(28.0)
Net profit / (loss) after income tax	(13.5)	15.9	29.2	54.6
<i>Gross margin</i>	<i>53.8%</i>	<i>76.2%</i>	<i>78.5%</i>	<i>79.8%</i>
<i>Underlying EBITDA margin</i>	<i>(6.2%)</i>	<i>45.6%</i>	<i>58.6%</i>	<i>62.9%</i>
<i>Underlying EBIT margin</i>	<i>(42.5%)</i>	<i>38.2%</i>	<i>52.7%</i>	<i>57.1%</i>
<i>Active network connections at period end (000s)</i>	<i>21.4</i>	<i>40.2</i>	<i>132.0⁽⁶⁾</i>	<i>142.6⁽⁶⁾</i>

Note:

- 1 Rounding differences may exist.
- 2 Underlying EBITDA has not been adjusted to reverse the impact of Australian Accounting Standard AASB 16 – Leases (AASB 16), which essentially replaces rental expenses with depreciation of right of use assets and interest in respect of the lease liability recognised (both of which are below the EBITDA line).
- 3 Underlying EBITDA and EBIT is shown before significant items and share based expenses (consistent with Uniti's presentation of its results).
- 4 Excludes the amortisation of acquired customer intangible assets, which are included in significant items.
- 5 Significant items are set out as follows:

Acquisition and restructure costs	(0.2)	(5.9)	(14.0)	(1.6)
Share based expenses (non-cash)	(3.3)	(4.6)	(6.8)	(8.4)
Amortisation of acquired customer intangible assets	(0.5)	(2.6)	(12.0)	(17.5)
Initial public offering expenses	(1.1)	-	-	-
Impairment of right of use assets	(1.4)	-	-	-
Dividend income	-	-	0.6	-
Total significant items	(6.6)	(13.1)	(32.1)	(27.4)
- 6 Excludes the Telstra Velocity Assets.

97 Uniti derives revenue from:

(a) **recurring revenue:**

- (i) **recurring network revenue** – generated from providing wholesale network access in the form of a monthly wholesale charge to RSPs who access Uniti's networks to provide services to residential and commercial end users. As



indicated above, recurring network revenue also includes one-off provisioning fees when an end user first connects or reconnects an RSP (noting end users may change RSPs over time)

- (ii) **broadband and fibre access networks** – revenue from the delivery of wireless broadband (noting that the typical length of a wireless broadband services contract is around 20 months) and fibre communication services
 - (iii) **telecommunication services** – relates to the provision of SMS, voice services and 1300 number and phone words leasing
- (b) **construction revenue** – one-off contributions and revenue from designing and building FTTP telecommunications networks, including the connection of dwellings to the network.

Historical results commentary

- 98 Uniti’s core network platform operates with a high level of operating leverage, which has resulted in a significant expansion in gross and operating margins as the business has increased in scale. More recently, increased demand from customers for higher speed broadband services has resulted in an increase in the average revenue per user (ARPU), which has also contributed to higher gross margins.
- 99 Whilst Uniti has experienced general disruptions to operations due to COVID-19 (for example, delays in housing completions due to COVID-19 related lockdowns on the east coast of Australia in the last three months of 2021 impacted network construction activity and premises connection levels), the Company recently reported an increase in demand for its services and significantly higher data consumption across Australia, in part due to changes in the way people work and live as a result of the COVID-19 pandemic (this includes working from home, home schooling, contactless sales and online shopping, video calls and connections).
- 100 Given the materiality of the acquisitions of OptiComm and the Telstra Velocity Assets, which were completed in November and December 2020 respectively³⁹, the historical financial results for Uniti up to and including FY21 are not representative of the future financial performance of the Company. In addition, we note that the LTM21 result (which includes a 12 month contribution from the OptiComm and Telstra Velocity Asset acquisitions), does not include the full run rate of the \$10 million of synergies targeted from the acquisition of OptiComm, nor the expected benefits from migrating the Telstra Velocity Assets to the OptiComm network as well as the introduction of a wholesale service to these connected premises.

Outlook commentary

- 101 On 22 February 2022, as part of its 1H22 results presentation, Uniti confirmed that it was on track to achieve FY22 consensus underlying EBITDA of \$145 million, notwithstanding the delay in construction revenue as a result of COVID-19 during 1H22.
- 102 We also note that recurring revenue from Uniti’s network infrastructure is expected to grow significantly in future years as the Company builds out its network (as shown above, Uniti has contractual obligations to construct fibre infrastructure at an additional 292,174 premises as at

³⁹ Noting that the FY21 results only include an approximate half year contribution from these acquisitions.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



31 December 2021) and increases its active connections. This backlog currently represents approximately nine years of future network construction at the current build rate⁴⁰.

Financial position

103 The financial position of Uniti as at 30 June 2021 and 31 December 2021 is set out below:

Uniti – statement of financial position ⁽¹⁾	30 Jun 21	31 Dec 21
	\$m	\$m
Receivables, prepayments and current tax assets	20.5	27.6
Inventories	0.0	0.3
Payables, accruals and provisions	(39.9)	(33.5)
Net working capital	(19.3)	(5.6)
Plant and equipment	234.0	252.2
Intangible assets / goodwill	889.9	881.1
Net deferred tax liabilities	(25.4)	(41.7)
Other non-current liabilities	(1.9)	(0.1)
Net right of use assets / (liabilities)	(2.2)	(2.0)
Total funds employed	1,075.1	1,083.9
Cash and cash equivalents	57.3	50.9
Contingent consideration	(35.6)	(33.3)
Deferred consideration	(19.1)	(19.3)
Bank loans ⁽²⁾	(261.9)	(222.7)
Net cash / (borrowings)	(259.2)	(224.4)
Net assets attributable to Uniti shareholders	815.9	859.5

Note:

- 1 Rounding differences may exist.
- 2 Net of capitalised borrowing costs of \$3.7 million and \$2.9 million as at 30 June 2021 and 31 December 2021 respectively.

Working capital

104 Uniti's net working capital is negative (a not uncommon position in the telecommunications industry) and primarily reflects the reported level of creditors, accruals, provisions and expenditure related to work in progress network construction.

105 During the six months to 31 December 2021, Uniti's net working capital was impacted by a number of one off adjustments to payment terms including improved payment terms to suppliers to alleviate COVID-19 related pricing pressures.

Property, plant and equipment

106 The carrying value of Uniti's property, plant and equipment is as follows:

⁴⁰ Assuming average construction levels of around 32,600 lots per annum, which is based on 163,000 lots expected to be delivered over the next five years.

Uniti – property, plant and equipment⁽¹⁾		
	30 Jun 21	31 Dec 21
	\$m	\$m
Network infrastructure	231.1	249.4
Plant and equipment	1.8	1.9
Leasehold improvements	1.1	1.0
Property, plant and equipment	234.0	252.2

Note:

1 Rounding differences may exist.

- 107 Property, plant and equipment is reported at historical cost less accumulated depreciation and impairment. The majority of Uniti’s property, plant and equipment relates to its network infrastructure, a significant proportion of which was acquired following the acquisition of OptiComm. Costs incurred in constructing network infrastructure are capitalised and depreciated on a straight line basis over periods ranging from four to forty years.
- 108 A summary of Uniti’s capital expenditure in recent periods is set out below:

Uniti – capital expenditure⁽¹⁾				
	FY19	FY20	FY21	LTM21
	\$m	\$m	\$m	\$m
Maintenance capital expenditure	0.1	0.9	1.7	1.7
Growth capital expenditure	1.8	7.3	25.8	37.6
Velocity capital expenditure	-	-	-	3.5
Total capital expenditure	1.9	8.2	27.5	42.8
<i>Maintenance % of total capital expenditure</i>	<i>5.3%</i>	<i>11.0%</i>	<i>6.2%</i>	<i>4.0%</i>

Note:

1 Rounding differences may exist.

- 109 Capital expenditure is predominantly related to building network infrastructure, noting that Uniti receives construction revenue over the course of the network’s construction (subject to timing differences) and therefore a large proportion of this expenditure is offset progressively. Growth capital expenditure has increased in recent period as the Company has expanded the deployment of its FTTP networks, as well as increased its investment in backhaul capital expenditure⁴¹ for new and existing sites.
- 110 In addition, as part of the migration of the Telstra Velocity Assets to Uniti, the Company will undertake a technology refresh of the access network, with estimated committed capital expenditure of \$40 million in total.

Intangible assets

- 111 The carrying value of Uniti’s intangible assets is set out below:

⁴¹ Aggregation network capital expenditure (backhaul and head ends) contributes to reductions in future capital expenditure as scale increases in the deployed network.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Uniti – intangible assets		
	30 Jun 21	31 Dec 21
	\$m	\$m
Goodwill	808.6	808.6
Customer contracts	69.7	60.8
Brands	8.0	8.0
Software	2.5	2.6
Other intangibles	1.1	1.1
Total intangible assets	889.9	881.1

- 112 The majority of Uniti’s intangible assets relate to goodwill from acquisitions (and in particular the acquisition of OptiComm). Goodwill is tested annually for impairment using the value in use method. As at 30 June 2021, the following key assumptions were adopted for impairment testing purposes:

Uniti – impairment testing assumptions as at 30 June 2021 ⁽¹⁾			
	W&I	CPaaS	C&B
Segment	%	%	%
Discount rate (post-tax)	7.5	9.4	10.8
Terminal value growth rate	3.0	3.0	3.0

Note:

- 1 As indicated at paragraph 82, post reporting its FY21 results (which the above is based on) Uniti re-organised its operations into two business units, being WEI and C&SB.

Net debt

- 113 As at 30 June 2021 and 31 December 2021, Uniti’s net debt was as follows:

Uniti – net debt		
	30 Jun 21	31 Dec 21
	\$m	\$m
Cash and cash equivalents	57.3	50.9
Contingent consideration for LBNCo acquisition	(2.8)	-
Contingent consideration for Telstra Velocity Assets acquisition	(32.8)	(33.3)
Deferred consideration for Telstra Velocity Assets acquisition	(19.1)	(19.3)
Bank loans	(265.6)	(225.6)
Net debt (excluding capitalised borrowing costs)	(263.0)	(227.3)
Capitalised borrowing costs	3.7	2.9
Net debt	(259.2)	(224.4)

- 114 The acquisition of the Telstra Velocity Assets includes both deferred and contingent consideration, the carrying value of which has been calculated by Uniti based on the terms outlined in the sale agreement, discounted to net present value (NPV):

- (a) **deferred consideration** – Uniti is required to pay \$20 million to Telstra, which is to be split into three equal payments commencing 12 months after completion, and then on each of the second and third anniversaries



(b) **contingent consideration** – Uniti is required to pay a further \$35 million on completion of migration of the Telstra Velocity Assets and services, with the ability for Uniti to adjust the consideration amount based on the size of the active customer base at the time of migration.

115 Uniti’s bank loans relate to a \$290 million revolving syndicated facility agreement with Westpac Banking Corporation, Commonwealth Bank of Australia and Macquarie Bank Limited. The facility includes a \$285 million revolving loan facility and a \$5 million contingent instrument facility. As at 31 December 2021, \$225.6 million of the revolving loan facility and \$0.9 million of the contingent instrument facility were utilised. The facility is secured with first-ranking security over the Company’s assets and currently expires on 18 December 2023. The weighted average interest rate on the bank loans during FY21 was 3.09%.

Share capital and performance

116 As at 2 June 2022, Uniti had 684.8 million shares on issue. In addition, the Company had the following employee options and share rights on issue:

Uniti – options and share rights ⁽¹⁾	
	million
Employee options	36.6
Share rights	1.9
Total	38.5

Note:

1 Rounding differences may exist.

117 In respect of the above:

- (a) **employee options** – Uniti has issued options to a number of its key management personnel and employees pursuant to the Company’s Employee Share Option Plan. Each employee option (if vested) will convert into one ordinary share at exercise prices ranging from \$0.25 to \$4.19
- (b) **share rights** – have an exercise price of Nil and may be converted to one ordinary share following the vesting date provided the holder complies with the rules of the Uniti Executive Incentive Rights Plan.

118 Under certain change of control events for Uniti (subject to the terms of the relevant rules of the programs), the Uniti Board has discretion to waive any performance or service period conditions associated with unvested employee options and share rights. We understand that the Board intends to exercise this discretion if the Scheme is implemented, to allow all options and share rights to be exercised.

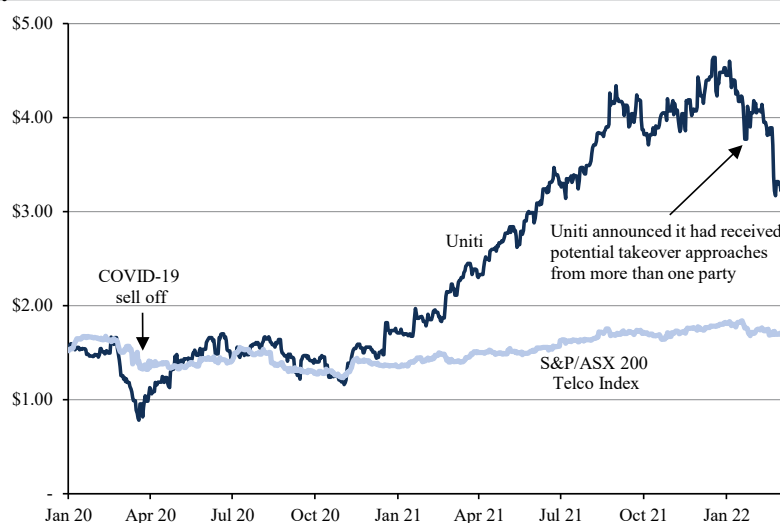
Significant shareholders

119 As at 16 May 2022 there were no significant shareholders in Uniti.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued


Share price performance

120 The following chart illustrates the movement in the share price of Uniti from 1 January 2020 to 14 March 2022⁴²:

Uniti – share price history⁽¹⁾
1 January 2020 to 14 March 2022

Note:

¹ Based on closing prices. The S&P/ASX 200 Telecommunications Index have been rebased to Uniti’s closing price on 1 January 2020.

Source: Bloomberg.

121 Following the COVID-19 related sell off in equities in Australia (and globally) in the first half of calendar 2020, which negatively impacted the Uniti share price, the Company’s share price has significantly outperformed the S&P/ASX200 Telecommunications Index. This reflects, inter alia, the strong growth and operating performance of the Company over the period.

Liquidity in Uniti shares

122 The liquidity in Uniti shares based on trading on the ASX over the 12 month period prior to 14 March 2022⁴² is set out below:

Uniti – liquidity in shares						
Period	Start date	End date	No of shares	WANOS ⁽¹⁾	Implied level of liquidity	
			traded	outstanding	Period ⁽²⁾	Annual ⁽³⁾
			000	000	%	%
1 month	15 Feb 22	14 Mar 22	129,882	687,977	18.9	226.5
3 months	15 Dec 21	14 Mar 22	240,147	688,122	34.9	139.6
6 months	15 Sep 21	14 Mar 22	464,106	687,942	67.5	134.9
1 year	15 Mar 21	14 Mar 22	940,393	683,684	137.5	137.5

⁴² Being the last trading day prior to the announcement of the Indicative Proposal from the Consortium.



Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
 - 2 Number of shares traded during the period divided by WANOS.
 - 3 Implied annualised figure based upon implied level of liquidity for the period.
-

- 123 In each of the periods above, total share turnover (on an annualised basis) has been over 100% of the total number of shares issued in Uniti, indicating that the Company's shares exhibit a high level of market liquidity.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



IV Industry overview

Overview

- 124 Uniti operates within the telecommunications sector, with the primary business activity and majority of earnings obtained through the design, build, operation and maintenance of FTTP infrastructure, with a focus on greenfield residential and commercial property precincts and buildings. The Company predominantly operates within the fixed line broadband segment of the Australian telecommunications industry as an infrastructure-based provider of broadband connectivity, and is primarily focused on greenfield developments for MDU and broadacre residential estates, generally located within Australia's major metropolitan cities. Uniti is therefore exposed to conditions in the Australian property market, in particular the residential building market (conditions for which influence the ability of the Company to grow its network infrastructure).
- 125 This section therefore primarily focuses on the Australian fixed line broadband sector, with the Australian residential housing construction market also considered.

Fixed line broadband internet services

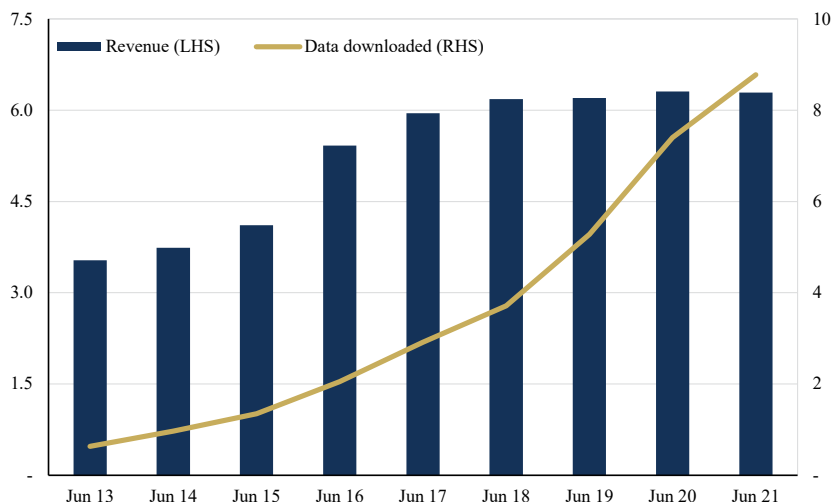
- 126 Increased connectivity has changed the way Australians and Australian businesses interact both personally and professionally. Broadband internet access has now become ingrained as an essential utility rather than a discretionary service, with users heavily reliant on the internet to carry out everyday activities and access basic services. This has increasingly been evident since the beginning of COVID-19 lockdowns and restrictions, which has accelerated demand for fast internet services given work from home and other requirements.
- 127 Due to ease of access and a generally cheaper price, digital subscriber line (DSL) was previously the most popular fixed line service. However, following the rollout and completion of the NBN (it was declared built and fully operational on 23 December 2020⁴³) the proportion of fibre connections⁴⁴ increased substantially. This resulted in a period of industry growth as consumers migrated from DSL to higher priced NBN plans. Following this however, fixed line retail internet turnover has been relatively constant, notwithstanding a significant increase in data downloaded, as shown in the following chart:

⁴³ Source: The Honourable Paul Fletcher MP, *Media release: NBN declared built and fully operational*, dated 23 December 2020.

⁴⁴ In a bid to reduce the time and cost of installation, NBN Co installed a mixture of FTTP, fibre to the node (FTTN) and fibre to the curb (FTTC) technologies.



Fixed line internet revenue
\$bn revenue and millions of terabytes⁽¹⁾ (year to 30 June)



Note:
 1 Includes total data downloaded for the three months preceding the end of each reported period.
Source: IBISWorld (2022) *Internet Services Providers in Australia*, Australian Bureau of Statistics (ABS), 8153.0, ACCC Internet Activity Record Keeping Report (RKR).

- 128 The NBN Co’s requirement to derive a return on assets of 3.2% per annum has resulted in higher wholesale and connectivity virtual circuit (CVC) charges to RSPs. Whilst this has compressed margins for RSPs it has effectively determined the wholesale price and resulted in increased revenue for infrastructure providers (such as Uniti).
- 129 A report by the Australian Communications and Media Authority (ACMA) estimated that the average Australian adult used four different devices to connect to the internet in 2021⁴⁵. As at June 2021, approximately 79% of Australian adults connected to the internet using a smart device (a device other than a mobile phone, computer, or tablet), with the most common device being the smart television⁴⁵.
- 130 As at 30 June 2021, there were 8.2 million fixed line and 4.6 million mobile internet subscribers in Australia⁴⁶. The number of fixed line broadband connections in Australia for the six years to 30 June 2021, incorporating both the type of connection and number of connections to the NBN, is shown in the chart below.

⁴⁵ Source: ACMA *Communications and media in Australia - How we use the internet*, December 2021.

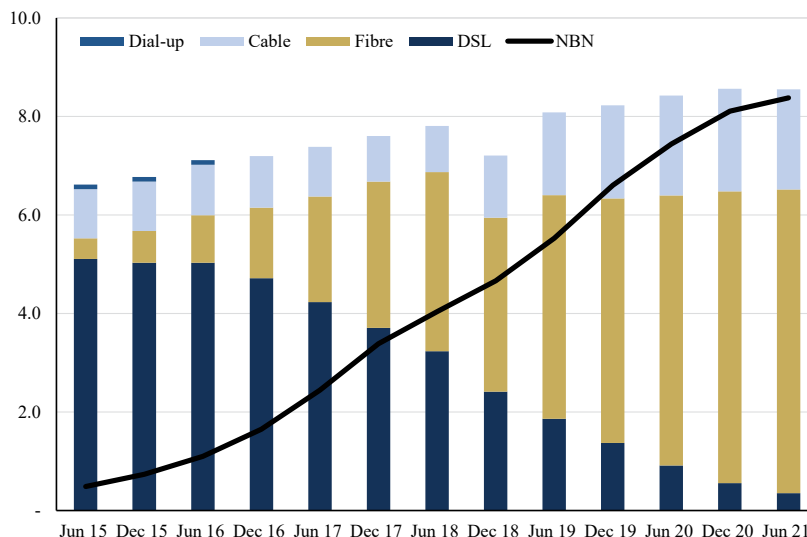
⁴⁶ Source: ACCC *Internet Activity Record Keeping Report*, June 2021.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Fixed line internet subscribers

Millions (half year to 30 June and 31 December)⁽¹⁾



Note:

¹ The NBN had 0.5 million wireless and satellite activated connections as at 30 June 2021 which are not included in the graph above.

Source: ABS, 8153.0, ACCC Internet Activity RKR, NBN Co. Given the change in data providers and methodology, the information from December 2018 and thereafter is not directly comparable to the previous periods.

National Broadband Network

131 On 7 April 2009, the Federal Labor Government announced the creation of a wholesale-only, open-access communications network aimed at delivering high-speed broadband and telephony services across Australia. The Government formed NBN Co to carry out the project and to provide services to wholesale customers, without directly servicing the end user. Originally, the plan was to build a 100 megabits per second (Mbps) FTTP network to cover 93% of the population, with the remaining 7% to be covered by satellite and wireless technology. However, a strategic review initiated by the newly elected Federal Coalition Government in late 2013 introduced a mix of technologies, a summary of which is shown in the table below (which also shows the expected progression of premises activated⁴⁷):

NBN rollout corporate plan (premises activated)⁽¹⁾

As at	30 Jun 20 (A)	30 Jun 21 (F)	30 Jun 22 (F)	30 Jun 23 (F)	30 Jun 24 (F)
Technology	m	m	m	m	m
FTTP ⁽²⁾	1.4	1.6	1.7	2.0	2.4
FTTN/B ⁽³⁾	3.1	3.2	3.2	3.2	3.0
FTTC	0.7	1.0	1.2	1.2	1.2
Hybrid fibre-coaxial (HFC)	1.7	2.0	2.0	2.0	2.0
Fixed wireless	0.3	0.3	0.3	0.3	0.3
Satellite	0.1	0.1	0.1	0.1	0.1
Total Australia	7.3	8.2	8.6	8.8	9.0

⁴⁷ As of 31 March 2022, there were 12.1 million ready to connect premises, with 8.5 million premises activated.



Note:

- 1 Rounding differences may exist.
- 2 The installation of optical fibre directly to individual buildings and businesses to provide high-speed internet access.
- 3 Fibre to the node / building, i.e. the installation of optical fibre to a junction box (i.e. a node) in a neighbourhood, a distribution point near the premises or the basement of the building to serve customers within a certain radius.

Source: *NBN Corporate Plan 2021*, released September 2020.

Key competitors

132 NBN Co is the primary wholesale provider for fixed line super-fast broadband access services, representing approximately 92% of the fixed line services in operation in Australia⁴⁸. There are also a number of other operators that compete with NBN Co and supply wholesale services, a summary of which is provided in the table below:

Wholesale providers			
Technology	Network operators	Wholesale services	RSPs / approximate number of RSPs
Legacy copper	Telstra	ULLS ⁽¹⁾ , LSS ⁽²⁾ , Wholesale ADSL	Telstra, Optus, TPG Telecom, Vocus Group
Legacy HFC	Telstra Optus	na na	Telstra (sold to NBN Co) Optus (sold to NBN Co)
NBN	NBN Co	NBN access services	Telstra, Optus, TPG Telecom, Vocus Group and some 190 additional RSPs
Non-NBN fibre / HFC / Very high speed DSL	OptiComm ⁽³⁾ OPENetworks ⁽³⁾ Fiber Corp RedTrain LBNCo ⁽³⁾ TPG Telecom	Wholesale access services	42 RSPs (primarily smaller RSPs) 25 RSPs (primarily smaller RSPs) 3 RSPs (primarily smaller RSPs) 7 RSPs (primarily smaller RSPs) 29 RSPs (primarily smaller RSPs) TPG Telecom

Note:

- 1 Unconditioned Local Loop Service.
 - 2 Line Sharing Service.
 - 3 OptiComm, OPENetworks and LBNCo were acquired by Uniti in November 2020, October 2019 and September 2019 respectively.
- na – not available.

Source: ACCC (2018) *Communications Market Study Report* and network operators’ websites.

Regulation and reform

133 Since the creation of NBN Co, the Federal Government has amended legislation and introduced new measures to address the structure and competition in the Australian telecommunications market. This includes policies that directly relate to infrastructure development and the provision of wholesale fixed broadband services, including:

- (a) the introduction of a legislated framework in late 2010 to address the infrastructure advantage held by Telstra, which at the time was both the owner and operator of

⁴⁸ ACCC *Internet Activity Record Keeping Report*, June 2021.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Australia’s largest fixed line network⁴⁹. The framework introduced structural separation into the industry, mandating that for all high-speed wholesale networks⁵⁰ developed after 1 January 2011, infrastructure ownership was required to be separated from the provision of retail telecommunication services to end consumers

- (b) the release of the Adequately Served Policy in April 2012, requiring all new housing developments established after September 2011 to provide the necessary infrastructure to provide fibre broadband prior to sale⁵¹. This was followed by the release of the Telecommunications Infrastructure in New Developments (TIND) Policy in March 2015. The TIND Policy allowed property developers to choose among competing companies (such as NBN Co and Uniti) to provide telecommunications infrastructure for development sites, with NBN Co as a provider of last resort for developments with over 100 lots and Telstra for less than 100 lots.
- 134 The Government subsequently announced two rounds of consultation for the TIND Policy, following concerns raised by NBN Co that it was unable to remain competitive under the original policy due to the inability to set its own prices and the requirement to impose upfront charges on RSPs and developers for infrastructure deployment and service connection. The policy updates, announced on 1 September 2020, implemented, inter alia, the following key changes:
- (a) the ability for NBN Co to charge developers and RSPs amounts below certain price caps, rather than fixed amounts; and
 - (b) the removal of special rules that previously restricted NBN Co from overbuilding a third party’s network with its own network infrastructure but only where it is commercially viable to do so.
- 135 These changes were intended to remove the commercial advantage held by alternative network providers for new developments and to enable NBN Co to become more competitive in the market for new developments. However, we understand that to date this has not eventuated, in part due to the NBN Co’s current focus on upgrading existing technology such as HFC, FTTC and FTTN to FTTP, which requires significant additional capital investment and is expected to increase NBN Co’s operating costs.
- 136 In October 2019, the ACCC announced an inquiry into NBN Co’s wholesale pricing for residential broadband, to investigate whether prices for its entry level broadband product were too high, resulting in unfair outcomes for consumers forced to transition from lower cost ADSL plans, notwithstanding having no want or need for higher speed internet⁵². The ACCC received submissions from a number of RSPs before releasing a position paper in April 2020, which put the inquiry on hold to allow stakeholders to focus on responding to the COVID-19

⁴⁹ Minister for Broadband, Communications and the Digital Economy, Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2010.

⁵⁰ Networks that are able to provide a download speed of more than 25 Mbps.

⁵¹ Under the policy that had been previously applied in new developments, networks needed to be FTTP, able to support voice, comply with Parts 7 and 8 of the *Telecommunications Act 1997* (Cth), be upgradeable over time, and operate on a “provider of last resort” basis.

⁵² The inquiry focused on basic speed products offering 12 Mbps to determine whether NBN Co’s current wholesaling pricing allows RSPs to provide retail plans at prices similar to ADSL plans.

pandemic. The ACCC released its final report on 4 November 2020, which set out the following access arrangements that should be made available to RSPs:

- (a) a reduction in the wholesale price of NBN Co's entry-level broadband access bundle from \$26.60 to \$22.50 for the period from May 2021 to November 2022
- (b) additional certainty over the access products and prices that will be available to RSPs over time through additional protections regarding the withdrawal of NBN Co's access bundles and price caps and CVC allowance floors to apply to these access bundles
- (c) service transfer charges and service reactivation charges should rebalance at \$5 per transfer or reactivation (previously \$22.50 and \$0 respectively when the inquiry commenced)
- (d) stronger and more effective wholesale service standards.

137 In January 2020, in response to industry concerns, NBN Co announced two major changes:

- (a) NBN Co revised its approach to providing fibre infrastructure to enterprise and government customers, proposing to utilise existing third party fibre instead of building its own infrastructure at specific locations. This would promote more efficient use of infrastructure by preventing overbuilding and allowing infrastructure operators with spare capacity to provide connectivity to the NBN at these locations; and
- (b) NBN Co announced it would cease negotiating contracts directly with enterprise customers and would re-establish itself as a wholesale-only broadband provider. Previously, NBN Co had engaged with enterprise customers to build connectivity prior to those customers engaging an RSP. RSPs will now own all contractual relationships with enterprise customers, whilst NBN Co will continue to engage with enterprise customers to understand their infrastructure requirements and to stimulate demand for NBN Co wholesale services.

138 In February 2020, the Federal Government announced the Regional Broadband Scheme⁵³, applicable to wholesale suppliers of residential broadband services on non-NBN fixed line networks, which came into effect in January 2021⁵⁴. Under the Regional Broadband Scheme, wholesale fixed line network owners (including Uniti) are charged a \$7.10 monthly fee for each active residential customer not using the NBN, the proceeds of which are to be used to fund future costs of commercially unviable portions of the NBN (and reduce NBN Co's reliance on the Federal Budget). However, the charge also contradicts a key recommendation provided in the Productivity Commission's 2017 Telecommunications Universal Service Obligation report, which recommended that such services should be funded through general government revenue, rather than an industry levy.

139 The Federal Government passed the Telecommunications Reform Package in May 2020, which aims to clarify and improve prior legislation surrounding structural separation, wholesale-only network requirements and the Regional Broadband Scheme. Key changes to legislation include:

⁵³ Passed in May 2020 as part of the Telecommunications Reform Package.

⁵⁴ Under the Telecommunications (Regional Broadband Scheme) Charge Bill 2019.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



- (a) the amendment of structural separation rules to allow network providers to run separate wholesale and retail businesses on a functionally separate basis, subject to approval from the ACCC
 - (b) the introduction of clear legal obligations for SIPs to ensure access to high-speed internet is available for all Australian premises. NBN Co remains the default SIP, however other network operators can be designated SIPs for areas where the operator has already built or is contracted to build its network in a development
 - (c) clarification of the reporting and record keeping requirements for network carriers subject to the Regional Broadband Scheme.
- 140 On 18 June 2021, the ACCC hosted an industry roundtable to commence a process to consider the regulatory framework for the NBN, and on 22 December 2021 it published a report summarising the matters discussed in the working groups and the positions reached, which stated that:
- (a) the NBN should move to a similar regulatory framework used in established utility businesses now that it had completed its rollout and was fully operational
 - (b) NBN access seekers require greater certainty over the costs that they will face when using the NBN
 - (c) the use of volumetric charges such as CVC should be reformed, however agreement was not reached on the nature and form of those changes
 - (d) a clear and robust quality of service framework should exist so access seekers and end users know what to expect from NBN services, including a review mechanism so that service standards remain fit for purpose
 - (e) after a period of transition, the level of pricing should be informed by the outputs of a building block model⁵⁵.

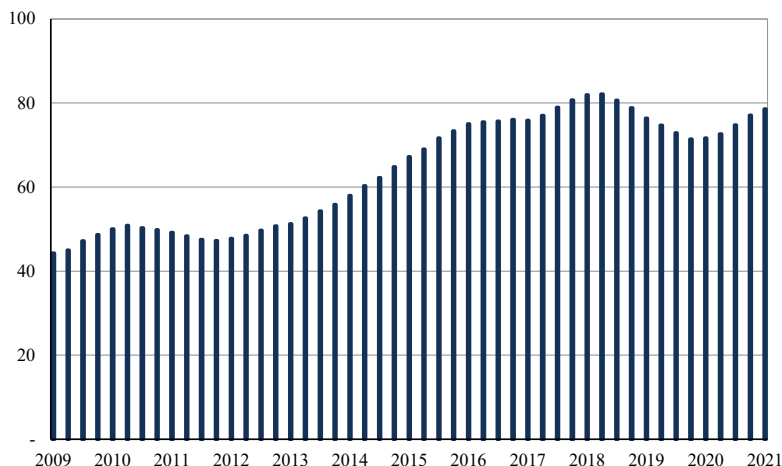
Residential building activity

- 141 The residential housing market is cyclical in nature and experiences peaks and troughs that are driven by a number of external factors, including dwelling prices, population growth, employment growth, government policy, credit availability and interest rates. The value of residential building construction peaked in the March 2019 quarter, following a relatively long period of growth dating back to 2012, as shown in the following chart:

⁵⁵ A building block model provides an allowance for operating expenditure, recovery of future capital investments over the effective economic life of the relevant assets, and an appropriate return on prior capital and operating investments. Once this cost base is established, appropriate allocations between different services are made and demand forecasts are considered. This then determines overall price levels or a price path over a regulatory period, forming the basis for setting prices for individual service components and price control.



**Value of residential building construction
\$bn (rolling quarters)**



Source: ABS, 8752.0, Building Activity report.

- 142 The value of turnover for the Australian residential building industry was \$78.6 billion in the year to 31 December 2021, with current activity supported by the Federal Government’s HomeBuilder support package. Homebuilder was introduced to protect jobs in the trade sector and support economic activity in the construction industry (particularly residential construction), in response to the downturn from the COVID-19 pandemic.
- 143 HomeBuilder provided eligible owner occupiers with a grant of \$25,000 to build a new home where the contract was signed between 4 June 2020 and 31 December 2020 and construction commenced within three months of the contract date. On 17 April 2021, the Federal Government announced it would extend the construction commencement requirement from six to eighteen months, i.e. for all contracts signed between 4 June 2020 to 31 March 2021. As at 11 February 2022, HomeBuilder had received over 113,000 applications for new builds⁵⁶ and Master Builders Australia estimated that the program had supported \$41.6 billion in building work⁵⁷. Given the \$750,000 cap on the cost of new builds (which was subsequently increased to \$950,000 in New South Wales and \$850,000 in Victoria), new broadacre developments have been a key beneficiary of the HomeBuilder support package.
- 144 Growth in residential construction has also been supported by the accommodative stance of monetary policy and historically low interest rates, with the Reserve Bank of Australia’s (RBA) official cash rate recently increased to 0.35% from record lows of 0.10%. This reduces borrowing costs for businesses and households which are both at record low levels, increasing demand for housing. However, both commentary from the RBA as well as interest rate forward markets indicate that rates are expected to be increased in the short term, hence signalling an end of this accommodative monetary policy stance.
- 145 In April 2022, the RBA released the results of modelling which showed that if interest rates increased by 2% house prices are expected to be 15% lower within two years. As the RBA

⁵⁶ And 24,642 applications for home renovations.

⁵⁷ Source: The Honourable Michael Sukkar MP, *Media release: Homebuilder is the economic gift that keeps on giving*, dated 27 December 2021.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued

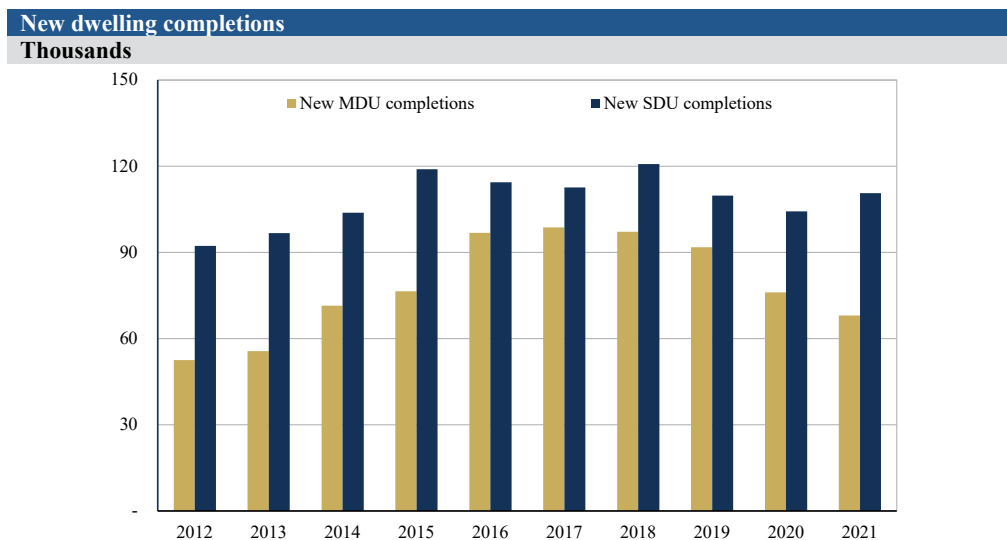


seeks to address inflation through interest rate increases and the removal of accommodative monetary policy, there is a risk that residential construction volumes will be adversely affected in an environment where house prices are decreasing.

- 146 The new residential housing market in Australia broadly comprises two main building types:
 - (a) single dwelling units (SDU) – refers to any detached building and includes residential houses, granny flats and other detached dwellings such as caretakers’ residences; and
 - (b) multi-dwelling units (MDU) – refers to a building other than a house that is primarily used for residential purposes and includes apartments, attached townhouses, duplexes and semi-detached houses.

- 147 New residential construction includes both the replacement of existing buildings, known as brownfield projects, and new developments that take place at sites that have not previously been used for housing, referred to as greenfield projects. Broadacre developments are a type of greenfield project that typically include multiple single dwelling houses within the same estate on a large parcel of land, which in most cases has limited or no existing infrastructure services⁵⁸.

- 148 The number of completions for new SDU and MDU over the 10 years to 31 December 2021 is set out in the chart below:



Source: ABS, 8752.0 Building Activity report.

- 149 Whilst the number of completions for SDU in 2021 has remained relatively stable, the number of completions for MDU has reduced by around 31% since reaching its highest level in 2017.

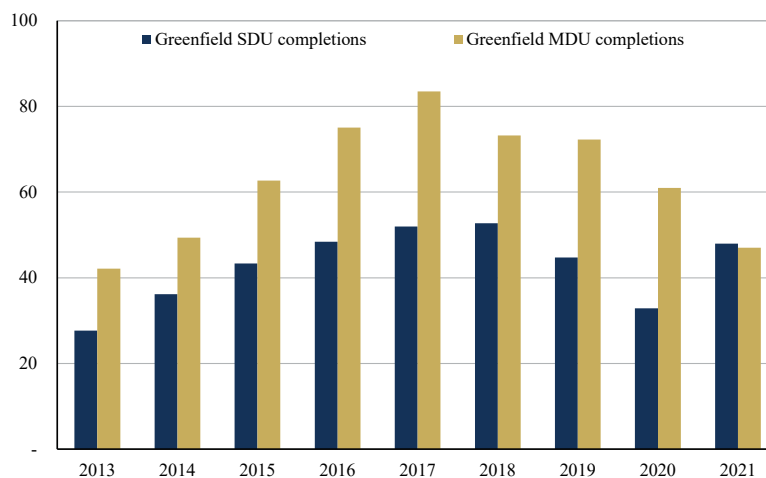
⁵⁸ Uniti primarily provides telecommunications infrastructure for broadacre developers, as well as new MDU buildings.



150 As shown below, completions for SDU in greenfield release areas and urban infill locations across the major Australian capital cities and fringes increased significantly during 2021 due to, inter alia, low interest rates, the HomeBuilder support package and a preference for SDU over MDU, whilst completions for MDU in greenfield release areas and urban infill locations continued to decline.

Greenfield housing and multi-unit completions in Australian capital cities

Thousands⁽¹⁾



Note:

1 New MDU completions data includes projects completed in urban infill locations across major capital cities in Australia only.

Source: Urban Development Institute of Australia *State of the Land 2020, 2021 and 2022* reports.

151 Over the nine years to 2021, the number of new dwelling completions in Uniti’s target market (i.e. greenfield SDU and MDU) has averaged around 105,000. However, the composition between MDU and SDU completions has recently switched to a higher proportion of SDU. There are a number of factors that have contributed to the increase in greenfield SDU completions and the decline in completions of MDU over the two years to 2021, including:

- (a) the imposition of a 50% cap on the sale of new apartments in a development to foreign purchasers on all New Dwelling Exemption Certificates issued by the FIRB in respect of which applications were made from 9 May 2017
- (b) the Federal Government’s HomeBuilder housing stimulus package, which increased confidence in the building industry and improved sales rates, particularly for detached housing
- (c) increased demand for rural or larger properties in regional markets including Geelong, Ballarat, and Bendigo in Victoria and Newcastle, Wollongong and the Central Coast in New South Wales, as a result of the “great COVID escape”
- (d) a significant reduction in net overseas migration (i.e. arrivals less departures) during FY21 due to the COVID-19 pandemic (which saw a net loss of 88,000 people, the first loss since 1946), given migrants are a key target demographic for MDU developments.

152 However, the reduction in net overseas migration is beginning to reverse with international borders open and immigration levels slowly increasing. Federal Government Budget papers

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



indicate that in FY22 net overseas migration is expected to return to positive levels, with a net increase of 41,300 people, followed by an increase to 180,000 in FY23, 213,000 in FY24 and 235,000 in FY25 and thereafter. This is positive for demand for greenfield SDU and MDU premises.

- 153 The Urban Development Institute of Australia recently reported that there had been unprecedented levels of demand for new greenfield land in 2021, with a record 76,100 lots sold across the combined capital cities, an increase of 33% over the previous year. However, the forward pipeline for new MDU across the combined capital cities reduced by 10% during 2021, with pipeline contraction recorded in every capital city. As immigration returns, however, demand for new MDU is expected to increase.⁵⁹
- 154 The Urban Development Institute of Australia's modelling of current and forward pipeline activity indicates there is expected to be a modest aggregate lift in overall combined capital city new residential supply to be delivered in 2022 (to total 99,200), remaining at a similar level in 2023 before declining slightly (to 94,600) in 2024⁵⁹.

⁵⁹ Urban Development Institute of Australia *State of the Land 2022* report.

V Valuation of Uniti

Overview

- 155 The market value of the shares in Uniti has been assessed by aggregating the market value of its business operations (on a “control” basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings. The valuation of Uniti’s business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.
- 156 An overview of valuation approaches is set out in Appendix C. The discounted cash flow (DCF) methodology has been adopted as the primary method to determine the market value of Uniti’s business operations. The key reasons for adopting this method are:
- (a) the DCF method is the superior valuation methodology given that:
 - (i) value is the net present value (NPV) of future cash flows (i.e. future years’ cash flows, net of outgoings, expressed in terms of today’s dollars)
 - (ii) it separately assesses key factors such as growth and risk rather than trying to capture them in a single factor (i.e. the capitalisation multiple)
 - (b) financial forecasts for a 20 year period have been prepared by Uniti management, which we have reviewed in detail and amended where appropriate (such that we consider them sufficiently reliable for valuation purposes)
 - (c) Uniti management have forecast considerable medium to long term growth in earnings stemming from, inter alia, the continued roll out and maturity of Uniti’s FTTP network infrastructure.
- 157 As a cross-check on our assessed value of Uniti’s business operations, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range.
- 158 We have also cross-checked our assessed value of Uniti (on a per share basis) by comparing our assessed value of the equity in Uniti (on a per share basis) with the listed market prices of Uniti shares on the ASX⁶⁰, adjusted for a premium for control.

DCF Valuation

- 159 Under the DCF methodology, the market value of Uniti’s business operations is equal to the NPV of the estimated future cash flows including a terminal value. In order to arrive at the NPV, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

Cash flow projections

- 160 Our DCF valuation is based upon a simplified, high level financial model of Uniti’s operations developed by LEA (DCF Model). In summary, the DCF Model:

⁶⁰ Prior to the receipt of the Indicative Proposal from the Consortium.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued

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- (a) allows the key drivers of revenue and earnings to be modelled and sensitised
 - (b) projects nominal operating cash flows on an ungeared basis (i.e. before interest)⁶¹ less taxation payments⁶², capital expenditure and working capital requirements. The cash flow projections cover the 19 year period from 1 July 2022 to 30 June 2041⁶³ (Forecast Period) and include a terminal value at the end of the Forecast Period; and
 - (c) considers a range of different cash flow scenarios (which are outlined below) that illustrate the sensitivity of the NPV outcome to changes in key assumptions.
- 161 The DCF Model was developed having regard to, inter alia, the cash flow projections prepared by Uniti and related discussions with Uniti management. Uniti's cash flow projections cover the period to 30 June 2041 and represent an amalgamation of the bottom up projections for each of Uniti's businesses and brands that operate within the Company's WEI and C&SB operating segments, together with estimates for other operating and corporate costs and capital expenditure requirements.
- 162 LEA has undertaken a detailed review of each of the individual components modelled by Uniti to satisfy itself that the forward looking information was prepared on a reasonable basis and therefore sufficiently reliable for the purposes of developing the DCF Model. Our review included (but was not limited to):
- (a) discussions with Uniti management regarding the business' financial performance, operating environment and prospects, as well as the financial modelling process adopted by the Company
 - (b) detailed analysis of the key assumptions which underpinned the cash flow projections prepared by Uniti and (where possible) comparison of the assumptions and projections against the historic performance achieved by Uniti. Examples of the level and type of work undertaken include:
 - (i) analysis of the historic rate of new constructed premises and level of connections and activations on these lots, including differences by premises type (i.e. SDU and MDU)
 - (ii) analysis and comparison of the gross margins generated by each operating division and the impact of scale and revenue growth rates on gross margins
 - (iii) comparison of ARPU estimates across the wholesale FTTP network relative to the historical prices achieved
 - (iv) review and enquiry as to the justification for estimated one off construction revenue and other one off items (i.e. connection and provisioning fees) on a per lot basis, including differences between SDU and MDU premises
 - (v) review of growth and maintenance capital expenditure estimates (both on an absolute and per lot basis) required to support the rollout of new SDU and MDU lots in addition to the migration of the Telstra Velocity Assets

⁶¹ Projecting cash flow on an ungeared basis is adopted to enable the value of the business operations to be determined irrespective of the level of debt funding employed.

⁶² Also calculated on an ungeared basis.

⁶³ Consistent with the period of financial performance projections prepared by Uniti management post our adopted valuation date of 30 June 2022.



- (vi) consideration of the level of operating, selling and general administration costs, and the variability of these expenses at a range of assumed rates of annual premises construction levels as well as various revenue levels
- (vii) analysis as to the impact of the composition of Uniti’s future development pipeline (i.e. proportion of SDU and MDU) and the impact of this mix on revenue and profitability
- (c) benchmarking of the aggregate level projections (e.g. whole of Company revenue, EBITDA etc.) against analyst forecasts (where available)
- (d) adjustment of the projections where considered necessary.

163 Whilst LEA believes that the assumptions underlying the DCF Model are reasonable, it should be noted in respect of these projections that:

- (a) the major assumptions underlying the projections were formulated in the context of current economic, financial and other conditions
- (b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions
- (c) future profits and cash flows are inherently uncertain
- (d) by their nature, the projections do not take into account the operational flexibility available to management to react to changes in the market conditions in which Uniti operates
- (e) the achievability of the projections is not warranted or guaranteed by Uniti or LEA, as they are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of Uniti and its management; and
- (f) actual results may be significantly more or less favourable.

164 As the detailed cash flow projections are commercially sensitive they have not been set out in this report. However, information on the key assumptions underlying the free cash flow projections implicit in the DCF Model is set out below.

Key assumptions

Growth in active connections

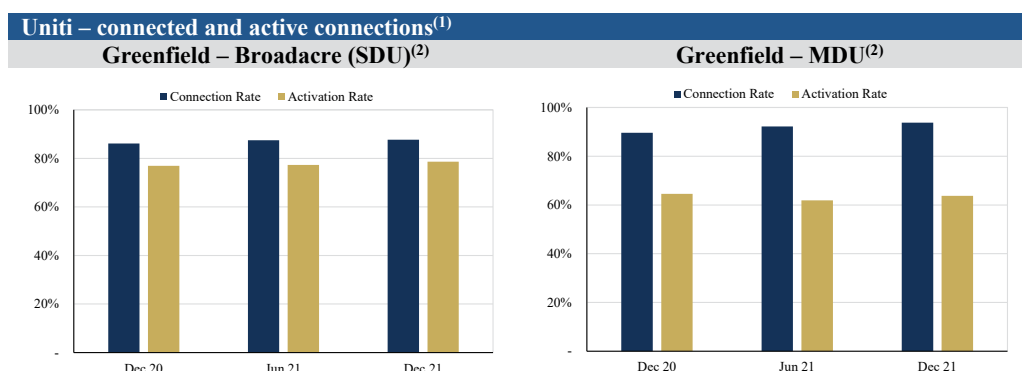
165 Growth in active connections is a key driver of Uniti’s future financial performance as these connections drive recurring network revenue, which is received in the form of monthly wholesale access and capacity charges from RSPs. The number of active connections for Uniti over the Forecast Period is primarily a function of, inter alia:

- (a) the Activation Rate of Uniti’s existing FTTP network premises; and
- (b) the size of Uniti’s FTTP network, which is dependent on the level of construction of new premises and the conversion of these to connected and active connections.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



166 As at 31 December 2021, Uniti had deployed its network infrastructure to some 260,600 premises (also referred to as “ready to connect”) and had approximately 142,600 active connections from 227,100 connected premises (excluding the Telstra Velocity Assets). Over the three half year periods to 1H22, the Connection Rates and Activations Rates on Uniti’s existing network infrastructure were as follows:



Note:

- 1 Excludes the Telstra Velocity Assets, which includes an additional 65,000 connected and approximately 48,000 active premises, and the 56,000 brownfield connections (of which only 10,000 were active as at 31 December 2021).
- 2 Reflects the period post completion of the acquisition of OptiComm.

167 Once a premises is ready to connect, there is a lag between the “ready to connect” stage (which is due to variables such as completion of construction of the end premises) and the “connection to the premises” stage (which requires a request by the owner of the dwelling). There is generally little to no lag in the period up to when the end user activates the service once the premises has been connected.

168 For the purposes of our DCF valuation, we have allowed for an increase in the number of connections on recently completed “ready to connect” premises attributable to the lags identified above. Activations on these additional connected lots have been assumed at Activation Rates consistent with the existing network.

Construction of additional ready to connect premises

169 In addition to greater utilisation of its existing network, Uniti’s future earnings growth is predominantly forecast to arise from the construction of the Company’s existing contracted book, as well as the expansion of this contracted book.

170 As indicated below, over LTM21 Uniti added some 24,853 premises to its network, representing an increase of more than 10% of its existing network⁶⁴:

⁶⁴ The historical level of constructed lots prior to this period is less meaningful due to the acquisition of OptiComm on 20 November 2020, which added a significant pipeline of approximately 150,000 contracted lots that were either under construction or contracted to be constructed.

Uniti – historical growth in ready to connect premises⁽¹⁾			
As at	31 Dec 20	30 Jun 21	31 Dec 21
Ready to connect premises			
Greenfield - Broadacre	114,508	118,815	125,803
Greenfield - MDU	62,818	73,427	76,712
Brownfield	58,474	59,216	58,138
Total	235,800	251,458	260,653
Half year increase in ready to connect premises			
Greenfield - Broadacre	nm	4,307	6,988
Greenfield - MDU	nm	10,609	3,285
Brownfield	nm	742	(1,078) ⁽²⁾
Total	nm	15,658	9,195

Note:

- 1 Reflects the three most recent half year periods following the acquisition of OptiComm completed on 20 November 2020.
- 2 The reduction in brownfield premises reflects a re-allocation of these premises to greenfield.
nm – not meaningful.

- 171 During 1H22 COVID-19 lockdowns on the east coast of Australia impacted the timing of completion for some construction contracts and this resulted in a lower level of constructed lots during this period. However, these contracts have generally been deferred and will be completed in future periods.
- 172 As at 31 December 2021, Uniti had been contracted to construct fibre infrastructure at an additional 292,174 premises for new projects. This level is significantly higher than 12 months earlier, with some 90,000 premises added to its contracted order book over this period. Of the contracted order book, the majority (some 234,000 premises) relates to greenfield broadacre (i.e. SDU) developments.
- 173 Whilst the exact timing of these new developments / networks is uncertain, Uniti management have engaged in detailed discussions with its developer network and have estimated that some 163,000 of these premises are expected to be delivered over the next five years, representing an average of 32,600 premises per annum. The construction of these lots is expected to peak in FY24 at around 40,000 premises and reduces thereafter.
- 174 Notwithstanding that the housing market is cyclical in nature and experiences peaks and troughs, over time there is a general expectation that a base level of dwellings will be constructed to meet demand from population growth (which is driven by, inter alia, both natural increases in population and population increases from net overseas migration). Accordingly, any reduction in dwelling construction levels in the short term is likely to be deferred to later periods (as opposed to cancelled altogether).
- 175 For the purposes of our valuation, we have adopted a development profile in the short term (i.e. FY23 and FY24) that is consistent with management’s estimated ramp-up for the existing contract book. Over the longer term (i.e. FY25 and beyond), we consider it appropriate to adopt a range of assumed annual lots constructed “through the cycle” of between 35,000 to 45,000 per annum, comprising a mix of SDU and MDU premises that is broadly consistent with the existing contracted book (which has a greater weighting towards SDU). This reflects, inter alia:

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



- (a) at the lower end, an annual level of constructed lots that is slightly higher than the proposed rollout of Uniti’s existing development pipeline over the five years to FY27, assuming Uniti is able to sustain this rate of construction over the long term by replacing existing contracted premises with new contract wins once existing projects are completed
- (b) at the higher end, an allowance for sustained new contract wins over and above the rollout of the existing contract book over the longer term, noting over the 12 months to 31 December 2021 Uniti added some 90,000 premises to its contracted order book⁶⁵.

176 We also consider the above assumptions to be reasonable in comparison to Uniti’s market position and the size of the potential market, noting that the number of new dwelling completions in Uniti’s target market has averaged around 105,000 over the nine years to 2021.

Connection Rate and Activation Rate on new premises

177 For the purposes of our DCF valuation, we have separately modelled the number of connections and activations on additional constructed premises by type, which appropriately allows for the difference in timing and connection and activation rates for these premises. A summary of our adopted Connection Rate and Activation Rates is set out below:

Adopted Connection and Activation Rates in DCF Model		
	Greenfield SDU (%)	Greenfield MDU (%)
Connection Rate	80.0	95.0
Activation Rate	88.0	65.0

178 We note that our assumed Connection Rate for Greenfield SDU and Greenfield MDU premises is marginally higher than Uniti’s existing network (primarily reflecting the timing lag impacts on the existing network) and an Activation Rate broadly consistent with the level of activations on Uniti’s network as at 31 December 2021 (refer paragraph 166 above).

179 It should be noted that the proportion of ready to connect premises that become active connections is not expected to reach 100% over the Forecast Period. This is because some dwellings:

- (a) will be vacant (e.g. available to rent), or be occupied as short term rentals without active connections
- (b) will not become “active” on Uniti’s FTTP fibre networks due to the availability of alternative technologies such as 4G and 5G wireless networks (particularly those in metropolitan areas).

Average revenue per user (ARPU)

180 To ensure that residents in developments with Uniti’s installed fibre networks are not disadvantaged relative to the NBN, Uniti’s wholesale access and capacity fees are broadly consistent with those charged by NBN Co. These wholesale charges are a combination of access fees (determined by the speed / volume of the plan which each end user has signed up

⁶⁵ Noting that the majority of these premises have long lead times and are not expected to be delivered within five years.



to) and capacity fees (determined by the RSP having regard to the bandwidth capacity it determines it needs to service its end users in each state and territory), less significant network to network interface charges and state based aggregation fees.

- 181 As set out in paragraph 136 (Section IV), in October 2019, the ACCC announced an inquiry into NBN Co’s wholesale pricing for residential broadband, to investigate whether prices for the NBN’s entry level broadband product were too high for consumers forced to transition from lower cost ADSL plans, despite having no want or need for higher speed internet⁶⁶. Following a delay due to the COVID-19 pandemic, the ACCC released its final report on 4 November 2020, which set out, inter alia, a reduction in the wholesale price of NBN Co’s entry-level broadband access bundle from \$26.60 to \$22.50 for the period from May 2021 to November 2022 and provided additional certainty over the access products and prices that will be available to RSPs over time through additional protections regarding the withdrawal of NBN Co’s access bundles and price caps and CVC allowance floors to apply to these access bundles.
- 182 Whilst there has been ongoing pressure from RSPs to lower (at least) wholesale prices for entry level broadband access on the NBN, there has also been higher demand for high-speed broadband services (with Access Virtual Circuit ARPU increasing 10% in LTM21), some of which has been accelerated by the COVID-19 pandemic due to working from home and home schooling requirements, contactless sales and online shopping, video calls and connections.
- 183 On balance, we have allowed for ARPU growth of 2.0% per annum over the Forecast Period from current pricing levels⁶⁷, which allows for increasing speed requirements over time as well as an allowance for general inflation.

Potential synergies

- 184 If the Scheme is approved and implemented, Uniti will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. listing fees, share registry fees, shareholder communication costs etc.). Uniti management have provided us with an estimate of these savings of approximately \$1 million per annum⁶⁸.

Scenario A and alternate scenario assumptions

- 185 A summary of the key assumptions outlined above and other material assumptions adopted in Scenario A are set out below:

Scenario A	
Driver	Assumption
Connection and Activation Rates	<ul style="list-style-type: none"> • Connection Rate of 80% for SDU and 95% for MDU premises, with an appropriate allowance for the delay in occupancy • Activation Rate for SDU and MDU premises of 88% and 65% respectively
Construction of additional premises	<ul style="list-style-type: none"> • Annual additions of some 40,000 ready to connect lots over the Forecast Period, comprising a mix between SDU and MDU premises broadly consistent with Uniti’s existing contract book
ARPU	<ul style="list-style-type: none"> • 2.0% per annum growth in ARPU over the Forecast Period

⁶⁶ The inquiry focused on basic speed products offering 12 Mbps to determine whether NBN Co’s current wholesaling pricing allows RSPs to provide retail plans at prices similar to ADSL plans.

⁶⁷ As Uniti’s ARPU is commercially sensitive, it has not been set out in our report.

⁶⁸ The implementation costs associated with achieving the synergies are considered immaterial.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Scenario A	
Driver	Assumption
CPaaS and C&SB revenue growth	<ul style="list-style-type: none"> CPaaS and C&SB revenue is assumed to grow at 4.0% for an initial five year period, before reverting to growth rates consistent with ARPU thereafter
One-off revenue	<ul style="list-style-type: none"> One off construction and connection revenue has been forecast based on the number of premises assumed to be constructed and connected Provisioning revenues (which are one off charges that may re-occur when customers switch between RSPs) has been estimated based on the number of active customers on the network assuming a level of ongoing customer churn consistent with recent experience
Cost of sales / Gross margin	<ul style="list-style-type: none"> Gross margins have been forecast at the segment level, noting the WEI division generates materially higher margins than the C&SB division Cost of sales for the WEI division comprises: <ul style="list-style-type: none"> the \$7.10 monthly fee per active customer under the Regional Broadband Scheme over the entire Forecast Period (subject to an exemption on the first 25,000 residential and small business premises on metropolitan networks and the first 55,000 recently connected greenfield premises up to FY26) a combination of fixed and variable backhaul, transmission, point of interface and rebate costs Our valuation of Uniti reflects an average gross margin for the entire business (as a percentage of revenue) of approximately 78% over the Forecast Period, which is consistent with recent experience
Remuneration and other selling, general and administration expenses	<ul style="list-style-type: none"> Remuneration expenses are estimated to increase at an average annual rate around 3.0% over the Forecast Period, while selling, general and other administrative costs are estimated to increase at a slighter higher rate around 4.0% per annum (with some of these costs variable and tied to the growth in Uniti’s FTTP network)
Public company cost savings	<ul style="list-style-type: none"> We have allowed for some \$1.0 million of public company cost savings which are escalated at 2.0% per annum
Telstra Velocity Assets	<ul style="list-style-type: none"> The majority of the approximate \$40 million capital expenditure required to refresh technology and migrate assets and customers to Uniti’s network is expected to be incurred in FY23 Migration of the Telstra Velocity Assets to the Uniti network is to commence in FY23 before ramping up to maximum utilisation by FY26
Capital expenditure	<ul style="list-style-type: none"> Capital expenditure for the construction / connection of new premises is based on cost per premises escalated over the Forecast Period Excluding construction costs associated with installing new fibre networks, maintenance and other capital expenditure in relation to the CPaaS and C&SB operations are relatively minor
Depreciation and tax	<ul style="list-style-type: none"> Depreciation of past and future capital expenditure has been estimated on a straight line basis using the useful lives adopted by Uniti. Company tax has been allowed for based on the level of projected taxable income at the corporate tax rate of 30%.
Working capital	<ul style="list-style-type: none"> As set out in Section III (paragraph 104) Uniti operates with a negative net working capital position. We have conservatively assumed no material movements in working capital over the Forecast Period

186 LEA has also considered the impact of alternative assumptions for the key business drivers to provide some indication of the sensitivity of the NPV outcome to changes in those assumptions (for instance, the NPV outcome is particularly sensitive to the assumed rate of growth in Uniti’s FTTP network and the rate of growth for active connections on these networks). It should be noted that the scenarios do not (nor do they purport to) represent the range of potential outcomes (i.e. there is a wide range of potential outcomes outside these



scenarios). They are simply theoretical indicators of the sensitivity of the NPV to the alternative assumptions adopted.

187 A description of each of the additional scenarios is outlined in the table below.

Uniti – DCF scenario assumptions	
Scenario	Description
Scenario A	As described above
Scenario A(i)	Scenario A except ARPU growth has been assumed at 1.5% per annum over the Forecast Period
Scenario A(ii)	Scenario A(i) except the assumed Activation Rates for Uniti’s FTTP networks and the migrated Telstra Velocity Assets are 2.5% higher as a result of lower ARPU charges
Scenario A(iii)	Scenario A except ARPU growth has been assumed at 2.5% per annum over the Forecast Period
Scenario A(iv)	Scenario A(iii) except the assumed Activation Rates for Uniti’s FTTP networks and the migrated Telstra Velocity Assets are 2.5% lower as a result of higher ARPU charges
Scenario A(v)	Scenario A except in the long term there is a greater risk of a market shift towards wireless or satellite broadband services due to alternate technology advances which could result in higher churn in the long term. We have reflected this longer term technological risk by applying a higher post-tax discount rate of 8.0% per annum from year 10 onwards (including in our terminal value calculation)
Scenarios B to B(iv)	Consistent with the corresponding Scenario A (and its sub-variants) except annual additions of new ready to connect lots is assumed at some 35,000 per annum over the Forecast Period
Scenarios C to C(iv)	Consistent with the corresponding Scenario A (and its sub-variants) except annual additions of new ready to connect lots is assumed at some 45,000 per annum over the Forecast Period

Discount rate

188 A post-tax discount rate of 7.7% per annum has been applied for the reasons set out in Appendix D. Discount rates of 7.4% to 8.0% have also been allowed for in the scenarios considered. These discount rates have been applied to determine the present value of the future cash flows in the Forecast Period and the present value of the terminal value at the end of the Forecast Period.

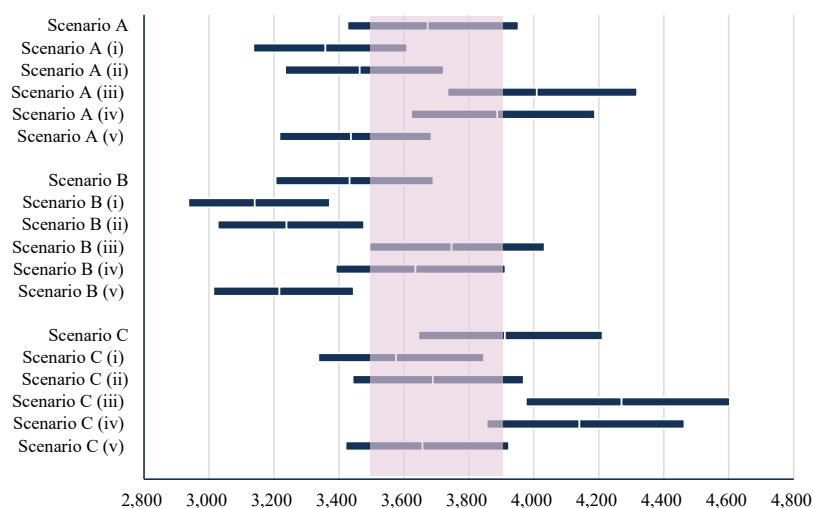
Terminal value

189 A terminal value growth rate of 2.5% per annum has been adopted at the end of the Forecast Period (i.e. as at 30 June 2041), broadly consistent with long term inflation expectations. The application of this terminal value growth rate and the discount rate implies a free cash flow multiple (on a controlling interest basis) of 19.2 times (which we consider reasonable relative to the then established nature of Uniti’s market position and service offering).

Valuation outcomes and value range adopted

190 The NPV outcomes of the scenarios are shown diagrammatically below relative to LEA’s assessed valuation range:

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued


Uniti – NPV outcomes by scenario (\$m)⁽¹⁾⁽²⁾

Note:

- 1 The low and high of our assessed valuation range is represented by the pink shaded area.
- 2 The low and high value range of each scenario reflects the adoption of a discount rate of 8.0% and 7.4% respectively. The white line represents the NPV outcome for each scenario based on the mid-point of our discount rate range.

191 In respect of the valuation outcomes above, we note that:

- (a) Scenarios A and C (and their variants) assume a sustained level of annual constructed lots over the Forecast Period that exceeds the ramp-up of the existing contract order book. These assumptions are supported by, inter alia, the recent expansion of the Company’s contracted book (which increased by some 90,000 over LTM21) as well as the Company’s success in securing new agreements with major developers
- (b) as indicated above in scenario variants (i) and (iii), given the level of operating leverage in the business, the NPV outcomes are highly sensitive to the assumed rate of ARPU growth over the Forecast Period
- (c) we have also considered the impact of changes to a range of other assumptions. While we have not set out the results of these other variations (due to their complexity), we note that the resultant range of values are broadly consistent with those (and our adopted valuation range) set out above.

Adopted DCF value

192 After considering the range of values from the sensitivity analysis, in LEA’s opinion, the DCF approach supports an enterprise value for Uniti’s business (i.e. prior to the allowance for net debt and any non-core or surplus assets / (liabilities)) of between **\$3,500 million to \$3,900 million** (which broadly corresponds with Scenario A (and its variants), the upper end of Scenario B (and its variants) and the lower end of Scenario C (and its variants)). This represents the value of the business on a 100% controlling interest basis.



Reasonableness of implied EBITDA multiples

193 As stated above, as a cross-check on our assessed value of Uniti’s business operations, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range. In undertaking our cross-check we have:

- (a) considered the earnings (EBITDA) forecasts of Uniti for FY22 and FY23
- (b) based on the forecasts earnings for those years and our assessed DCF valuation range, derived the EBITDA multiples implied by our valuation
- (c) considered the reasonableness of the implied EBITDA multiple range.

EBITDA adopted for valuation cross-check purposes

194 We set out below the current analyst EBITDA estimates for Uniti:

Consensus analyst EBITDA estimates for Uniti ⁽¹⁾⁽²⁾		
	EBITDA (\$m)	
	FY22F	FY23F
Average	140.9	160.5
Median	145.0	160.5
Min	127.0	154.0
Max	146.0	170.0
Number of analyst forecasts	8	8

Note:

- 1 Excludes outliers.
- 2 Uniti consensus analyst estimates have not been adjusted to remove the potential impact of AASB 16, noting that based on the historical results, this amount is likely to be immaterial.

195 For the purposes of our DCF cross check, we have adopted EBITDA \$145 million in FY22 (noting Uniti management have confirmed that the Company is track to achieve this level of EBITDA in FY22) and \$160 million in FY23. We note that the consensus analyst EBITDA estimates for FY23 for Uniti is broadly consistent with the cash flow projections contained in our DCF valuation for FY23.

Implied EBITDA multiples

196 As noted above, we have assessed the enterprise value of Uniti in the range of \$3,500 million to \$3,900 million based on the DCF methodology. Based on the level of EBITDA adopted for valuation cross-check purposes, this implies the following EBITDA multiples:

DCF valuation – implied EBITDA multiples			
	Paragraph	Low \$m	High \$m
Assessed enterprise value	192	3,500	3,900
FY22 forecast EBITDA (analyst estimates)	194		145
FY23 forecast EBITDA (analyst estimates)	194		160
FY22 forecast EBITDA multiple (times)		24.1x	26.9x
FY23 forecast EBITDA multiple (times)		21.9x	24.4x

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



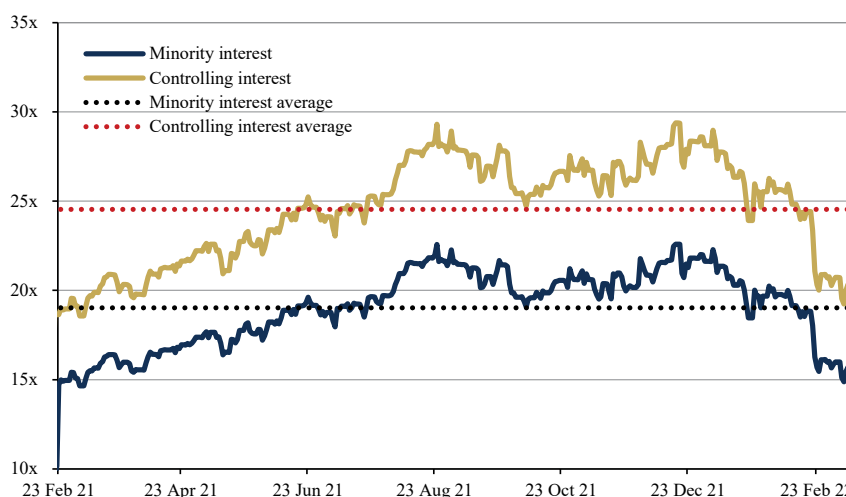
Reasonableness of implied EBITDA multiples

197 We discuss below the specific factors taken into consideration when assessing the reasonableness of the EBITDA multiples implied by our DCF valuation range.

Implied EBITDA multiples for Uniti

198 We have considered the observed trading multiples for Uniti over time and set out below the one year forecast EBITDA multiple⁶⁹ for the Company (based on consensus broker forecasts) from the release of the 1H21 results on 23 February 2021 (which is the first reporting date following completion of the acquisitions of OptiComm and the Telstra Velocity Assets) up to 14 March 2022 (being the last trading day prior to the announcement of the Indicative Proposal):

Uniti – implied EBITDA multiples⁽¹⁾
One year forecast EBITDA multiple



Note:
 1 Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). The above theoretical control premium is based on the mid-point of this range, i.e. 32.5%.

199 We note that the EBITDA multiples implied by our assessed enterprise value is consistent with the EBITDA multiples for Uniti adjusted for a theoretical control premium (of 32.5% on equity), which averaged 24.5 times EBITDA over the above period.

Trading evidence

200 We have considered the trading multiples of ASX and international listed companies primarily engaged in the provision of fixed line internet infrastructure or wireless infrastructure services. A summary of the implied EBITDA multiples for these companies is set out below (a brief description of the activities of these companies is set out in Appendix E):

⁶⁹ Being the enterprise value divided by EBITDA forecast for the subsequent 12 months.

Listed company trading multiples ⁽¹⁾				
Company	Enterprise value ⁽²⁾ A\$m	EBITDA multiple		EBITDA CAGR ⁽⁵⁾ %
		FY22 ⁽³⁾⁽⁴⁾ x	FY23 ⁽³⁾⁽⁴⁾ x	
Fixed line internet infrastructure providers				
Uniti Group Inc ⁽⁶⁾	11,329	9.0	8.8	2.1
Chorus	5,618	9.7	9.7	1.2
Cogent Communications Holdings	5,172	15.2	14.0	7.4
NetLink NBN Trust	4,425	16.2	15.7	0.4
Macquarie Telecom Group	1,641	21.4	16.7	19.5
Superloop	405	19.9	13.6	34.1
Wireless infrastructure providers				
American Tower Corp	220,442	23.7	22.3	7.3
Crown Castle International Corp	143,227	23.5	22.8	6.6
SBA Communications Corp	70,262	29.0	27.2	6.4

Note:

- 1 Enterprise value and earnings multiples calculated as at 30 April 2022.
- 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities and excludes surplus assets. Net debt excludes US GAAP / IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to Australian dollars at the exchange rate prevailing as at 30 April 2022.
- 3 Where possible, forecast earnings have been adjusted to remove the impact of AASB 16.
- 4 Forecast earnings is based on Bloomberg analyst forecasts (excluding outliers and outdated forecasts).
- 5 Compound annual growth rate covers a three year period including the latest historical period.
- 6 Uniti Group Inc is a US based telecommunications company that is different to Uniti.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

201 The above multiples are based on the listed market price of each company’s shares (and therefore exclude a premium for control). Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company.

202 In addition, we note that:

- (a) none of the above listed companies are directly comparable to Uniti, noting Uniti’s major competitor is NBN Co (which is owned by the Federal Government) or smaller privately held entities
- (b) the EBITDA multiples for the listed fixed line internet infrastructure providers vary widely, which reflects differences regarding, inter alia, perceived risks, expected earnings growth and EBITDA margins
- (c) the EBITDA multiples for fixed line internet infrastructure companies with higher growth expectations trade on higher implied EBITDA multiples than the remaining companies in this cohort
- (d) the EBITDA multiples for the wireless infrastructure providers are notably higher than those for the fixed line internet infrastructure providers, noting these companies are

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



substantially larger, have operations spanning multiple countries or jurisdictions and are fundamentally different businesses

- (e) the multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

Transaction evidence

203 We have considered transactions involving businesses operating in the Australasian communications infrastructure sector. The implied EBITDA multiples from these transactions is set out below (a brief description of the companies’ activities at the date of the acquisition is set out in Appendix F):

Fixed line internet infrastructure and wireless infrastructure transactions					
Date ⁽¹⁾	Target	Acquirer	Enterprise value ⁽²⁾	EBITDA multiples	
			\$m	Historical ⁽³⁾	Forecast ⁽³⁾
				x	x
May 22	TPG tower assets	OMERS Infrastructure Management	950	32.1	na
Apr 22	Axicom	Australian Tower Network ⁽⁴⁾	3,580	23.9	na
Oct 21	Optus mobile towers	Australian Super	2,300	28.0	na
Jun 21	Telstra mobile towers	Morrison & Co consortium ⁽⁵⁾	5,900	28.0	na
Feb 21	Vocus Network Services	MIRA / Aware Super	3,584 ⁽⁶⁾	na	14.9 ⁽⁶⁾
Dec 20	Telstra Velocity Assets	Uniti	180 ⁽⁷⁾	8.6	na
Jun 20	OptiComm	Uniti	703	17.9	17.2
May 20	UFF Fibre NZ ⁽⁸⁾	First Sentier	802	16.5	na
Oct 19	OPENetworks	Uniti	28	na	11.0
Aug 19	LBNC	Uniti	100	12.2	9.9
Jun 16	Nextgen Networks	Australian Super	700	na	10.7

Note:

- 1 Date of announcement.
- 2 100% basis. Transactions denoted in a foreign currency have been translated to Australian dollars at the exchange rate on the relevant transaction dates.
- 3 Where possible, historical and forecast earnings have been adjusted to remove the impact of AASB 16.
- 4 Morrison & Co managed the consortium, which included the Future Fund, CSC and Sunsuper.
- 5 Australian Tower Network is owned by Australian Super and Singtel.
- 6 Calculated based on the consideration paid for Vocus Group, less the value and EBITDA associated with the retail and New Zealand assets, having regard to the information provided in the independent expert’s report issued for this transaction.
- 7 Includes allowance for \$40 million in required capital expenditure for migration of these assets to Uniti.
- 8 First Sentier acquired respective stakes in UFF Fibre NZ of 85% and 15% from WEL Networks and Waipa Networks.

na – not available.

Source: LEA analysis using data from ASX announcements, analyst reports and company annual reports.

204 In relation to the transaction evidence it should be noted that:

- (a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of



the multiple which would be derived from an assessment of each target company’s “maintainable” earnings

- (c) as indicated above, Uniti has made a number of recent acquisitions which, in aggregate, account for a considerable proportion of the Company’s current operations. Of these transactions, the OptiComm business is the largest and most relevant to the valuation of Uniti (given this business represents a significant part of the current operations of Uniti), nevertheless, it should be noted that:
 - (i) as at the time of the various transactions, the acquired companies differed in terms of their size, level of diversification and nature of operations
 - (ii) larger and more diversified companies generally transact on higher multiples than smaller companies (assuming expected earnings growth is similar). Accordingly, in our view, the median or average multiples implied by these transactions are not necessarily representative of the multiples which should be applied to Uniti’s expanded business
- (d) the transactions involving the mobile tower assets generally include very long term contracts (of up to 20 years) for the use of these assets (generally from the telecommunications companies selling the assets). This increases the earnings certainty and hence attractiveness of such assets
- (e) the implied transaction multiples have increased in recent periods, which is attributable to, inter alia, the reduction in interest rates over recent years⁷⁰, which has reduced the cost of capital for assets generally and resulted in higher implied multiples (and in particular those for infrastructure assets).

Other factors

205 In assessing the reasonableness of the EBITDA multiples implied by our DCF valuation range we have also had regard to (inter alia):

- (a) **future growth** – Uniti’s earnings is expected to grow significantly from construction of its existing contracted book, expansion of its contracted book and growth in active connections
- (b) **infrastructure network** – the earnings contribution from Uniti’s higher margin WEI division has increased in recent years and is expected to continue to increase as a proportion of the Company’s total earnings, following the continued rollout of Uniti’s FTTP network infrastructure
- (c) **macroeconomic outlook** – the performance of the Uniti business is exposed to macroeconomic factors (e.g. population growth, the residential property market, interest rates etc.)
- (d) **impact of COVID-19** – Uniti has been a net beneficiary from the COVID-19 pandemic as more households sign up for reliable broadband connections with higher speeds. However, there have been other parts of the business that have been negatively impacted (e.g. construction of ready to connect premises was delayed in 1H22).

⁷⁰ Whilst interest rates have more recently increased from historic lows, they remain low in comparison with historical averages.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Conclusion on reasonableness of implied EBITDA multiples

- 206 In concluding on the reasonableness of the implied EBITDA multiples based on our assessed enterprise value of Uniti adopting the DCF methodology we note that:
- (a) in our opinion, the appropriate EBITDA multiple for Uniti on a 100% controlling interest basis should be higher than the multiple implied by the OptiComm transaction (of 17.2 times forecast EBITDA) as the current Uniti business is significantly larger and more diversified business than OptiComm at the time of acquisition (Uniti has grown both organically and through acquisition since the acquisition of OptiComm)
 - (b) recent transactions for communications tower infrastructure assets have been undertaken at 23.9 to 32.1 times EBITDA (with a median of 28.0 times EBITDA), indicating that these assets are highly sought after. Further, these assets are of a broadly similar size to Uniti
 - (c) the EBITDA multiples for fixed line internet infrastructure companies with higher growth expectations tend to trade on higher implied EBITDA multiples (noting that Uniti has relatively high expected growth rates)
 - (d) from the release of the 1H21 results on 23 February 2021 up to 14 March 2022 (being the last trading day prior to the announcement of the Indicative Proposal) the EBITDA multiples for Uniti adjusted for a theoretical control premium (of 32.5% on equity) are consistent with the EBITDA multiples implied by our valuation range.
- 207 Based on the above, in our opinion, the FY22 and FY23 EBITDA multiples for Uniti implied by our DCF valuation of Uniti appear reasonable.

Net debt

- 208 As at 31 December 2021, Uniti had net debt of \$227.3 million and including an allowance for the contingent and deferred consideration associated with the acquisition of the Telstra Velocity Assets (of some \$33.3 million and \$19.3 million respectively).
- 209 Further, as noted above, we have adopted a valuation date of 30 June 2022 and accordingly, the net debt adopted for valuation purposes should incorporate the free cash flow generated by the Uniti business over the six months to 30 June 2022. For the purposes of our valuation, we have therefore had regard to Uniti management's detailed monthly net debt forecast to 30 June 2022.
- 210 Having regard to the above, we have concluded that net debt of \$135 million is appropriate for valuation purposes. This figure includes an allowance of around \$90 million for the estimated cash that would be raised from the 38.5 million options and share rights on issue on the basis that these options are exercised and converted to ordinary shares⁷¹ as well as an allowance for unavoidable transaction costs associated with the Scheme.

⁷¹ Noting that the Uniti Board has discretion to waive any performance or service period conditions associated with unvested employee options and share rights and we understand that the Board intends to exercise this discretion if the Scheme is implemented and allow all options and share rights to be exercised.



Other assets / (liabilities)

- 211 We are not aware of any other assets which are surplus to the operations of Uniti, nor any other liabilities which should be deducted from our assessed business value.

Share capital outstanding

- 212 Uniti has some 684.8 million fully paid ordinary shares on issue. In addition, the Company has the following options and share rights on issue:

Uniti – options and share rights ⁽¹⁾	
	million
Employee options	36.6
Share rights	1.9
Total	38.5

Note:

- 1 Rounding differences may exist.

- 213 Pursuant to the terms of the Scheme, we understand that the Board will allow the share rights to vest. Consequently, the share rights will be converted into ordinary shares prior to the effective date of the Scheme. As indicated above, we have also assumed that the 36.6 million options which are all “in the money” would be exercised and converted into ordinary shares prior to the effective date of the Scheme.

- 214 Accordingly, for valuation purposes we have adopted 723.4 million fully diluted shares on issue.

Valuation summary

- 215 Given the above, we have assessed the value of 100% of the equity in Uniti on a controlling interest basis as follows:

Uniti – valuation summary				
	Paragraph	Low \$m	Mid-point \$m	High \$m
Value of core business	192	3,500	3,700	3,900
Net debt	210	(135)	(135)	(135)
Equity value – controlling interest basis		3,365	3,565	3,765
Fully diluted shares on issue (million)	214	723.4	723.4	723.4
Uniti value per share – controlling interest basis (\$)		\$4.65	\$4.93	\$5.20

Cross-check to pre-announcement share trading range

- 216 We have also cross-checked our assessed value of the equity in Uniti by reference to the listed market prices of Uniti shares (as traded on the ASX) for periods up to and including 14 March 2022⁷² (being the last trading day prior to the announcement of the Indicative Proposal from the Consortium). A summary of this share trading is shown below:

⁷² As noted in Section I, on 24 January 2022, Uniti announced that it had received approaches from more than one party, indicating potential interest in an acquisition of the Company. Whilst the Uniti share price initially increased post this announcement, following the announcement of Uniti’s results for 1H22 on 22 February 2022, the

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



Uniti – share trading					
Period	Low \$	High \$	Close \$	VWAP ⁽¹⁾ \$	Value traded \$m
1 month to 14 March 2022 ⁽²⁾	2.99	4.00	3.15	3.33	440
3 months to 14 March 2022 ⁽²⁾	2.99	4.69	3.15	3.74	907
6 months to 14 March 2022 ⁽²⁾	2.99	4.69	3.15	3.88	1,800

Note:

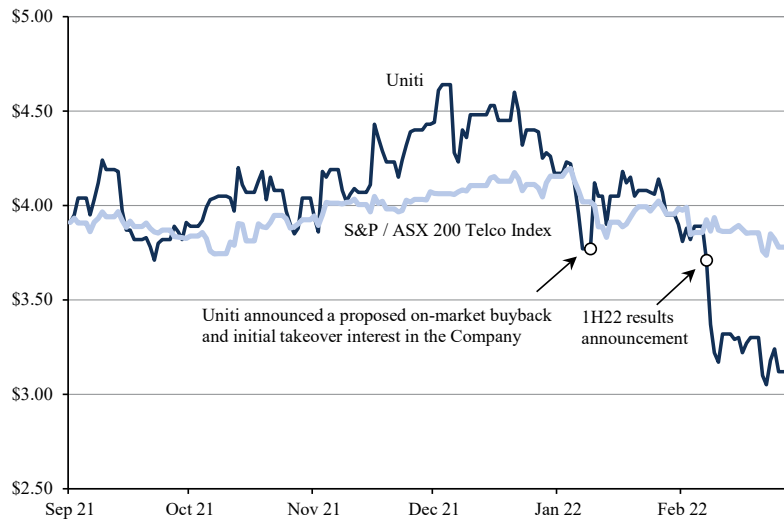
- 1 Volume weighted average price (VWAP).
- 2 Being the last trading day prior to the receipt of the Indicative Proposal from the Consortium.

- 217 As indicated above, Uniti shares are reasonably liquid, with over \$440 million and \$907 million of shares traded respectively in the one and three month periods to 14 March 2022. Given this level of share trading, we consider the price at which Uniti shares have traded over the abovementioned periods to be an appropriate reference point for the pre-announcement portfolio value of Uniti shares.
- 218 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover).
- 219 Adding a 30% to 35% premium for control to the Uniti share prices up to 14 March 2022 would therefore result in a “theoretical control” value of \$4.33 to \$5.24 per share (based on the range of VWAPs set out above).
- 220 Our assessed valuation range is therefore toward the high end of this range, which we consider appropriate given that the one month VWAP for Uniti shares shown above (which implies a “theoretical control” value of \$4.33) reflects what appears (based on our review of analyst reports) to be an over-reaction to Uniti’s 1H22 results announcement, as shown below:

Company’s share price subsequently fell to levels significantly lower than the levels prior to or around 24 January 2022. For the purposes of calculating the implied control premium we have therefore considered the Uniti share prices in the period up to the last trading day prior to the announcement of the Indicative Proposal from the Consortium on 15 March 2022.



Uniti – share trading⁽¹⁾
15 September 2021 to 14 March 2022



Note:

1 Based on closing prices. The S&P/ASX 200 Telecommunications Index have been rebased to Uniti’s closing price on 15 September 2021.

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



VI Evaluation of the Scheme

221 In our opinion, the Scheme is fair and reasonable and in the best interests of Uniti shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

Assessment of fairness

Value of Uniti

222 As set out in Section V we have assessed the value of Uniti on a 100% controlling interest between \$4.65 and \$5.20 per share.

Scheme Consideration

223 If the Scheme is approved and implemented, Uniti Shareholders will receive \$5.00 cash for each Uniti share they hold on the Scheme Record Date, less the cash amount of any Permitted Dividend which Uniti announces before the Scheme Record Date.

224 As noted above, the Uniti Board may decide to declare and pay a fully franked special dividend of up to \$0.11 per Uniti share to Uniti Shareholders (the Permitted Dividend), on the Permitted Dividend Record Date⁷³. The Permitted Dividend is conditional on the Scheme becoming effective. If the Uniti Board decides to pay the Permitted Dividend, the Cash Scheme Consideration paid to Uniti Shareholders will be reduced from \$5.00 by the cash amount of the Permitted Dividend per Uniti share held by a Uniti shareholder on the Scheme Record Date.

225 Uniti Shareholders on the Scheme Record Date will therefore receive a total of \$5.00 cash per share if the Scheme is implemented regardless of whether a Permitted Dividend is paid. Accordingly, we have assessed the Cash Scheme Consideration at \$5.00 per Uniti share. However, due to the benefit of franking credits we note that the value of the Cash Scheme Consideration (and Permitted Dividend) to some Australian resident shareholders may be greater than \$5.00 per Uniti share if a Permitted Dividend is paid.

Fairness

226 Pursuant to RG 111 the Scheme is “fair” if the value of the Cash Scheme Consideration is equal to, or greater than the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Cash Scheme Consideration to value of Uniti			
	Low	Mid-point	High
	\$ per share	\$ per share	\$ per share
Value of Cash Scheme Consideration	5.00	5.00	5.00
Value of 100% of Uniti	4.65	4.93	5.20
Extent to which the Cash Scheme Consideration exceeds (or is less than) the value of Uniti	0.35	0.07	(0.20)

⁷³ Which is 23 July 2022.

227 As the Cash Scheme Consideration lies within our assessed valuation range for Uniti shares on a 100% controlling interest basis, in our opinion, the Cash Scheme Consideration is fair to Uniti Shareholders when assessed based on the guidelines set out in RG 111.

Assessment of “reasonableness” and “in the best interests”

228 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable”.

229 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.

230 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.

231 We therefore consider that the Scheme is also “in the best interests” of Uniti Shareholders in the absence of a superior proposal.

232 Accordingly, in our opinion, the Scheme is also “reasonable” and “in the best interests” of Uniti Shareholders in the absence of a superior proposal.

233 In assessing whether the Scheme is reasonable and in the best interests of Uniti Shareholders LEA has also considered, in particular:

- (a) the extent to which a control premium is being paid to Uniti Shareholders
- (b) the extent to which Uniti Shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (c) the listed market price of the shares in Uniti, both prior to and subsequent to the announcement of the proposed Scheme
- (d) the likely market price of Uniti securities if the proposed Scheme is not approved
- (e) the value of Uniti to an alternative offeror and the likelihood of a higher alternative offer being made for Uniti prior to the date of the Scheme Meetings
- (f) the advantages and disadvantages of the Scheme from the perspective of Uniti Shareholders
- (g) other qualitative and strategic issues associated with the Scheme.

234 These issues are discussed in detail below.

Extent to which a control premium is being paid

235 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target

APPENDIX C – INDEPENDENT EXPERT’S REPORT continued



company’s shares⁷⁴ three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)⁷⁵. This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

- 236 We have calculated the premium implied by the Cash Scheme Consideration by reference to the market prices of Uniti shares (as traded on the ASX) for periods up to and including 14 March 2022⁷⁶ (being the last trading day prior to the announcement of the Indicative Proposal from the Consortium).

Implied offer premium relative to recent Uniti share prices		
	Uniti share price	Implied offer premium ⁽¹⁾
	AS\$	%
Closing share price on 14 March 2022 ⁽¹⁾	3.15	58.7
1 month VWAP to 14 March 2022 ⁽¹⁾	3.33	50.2
3 month VWAP to 14 March 2022 ⁽¹⁾	3.74	33.7

Note:

- 1 Being the last trading day prior to the announcement of the Indicative Proposal from the Consortium.

- 237 Due to the volatility of the Uniti share price, in our opinion, more regard should be placed on the implied premiums based on the VWAPs rather than the closing share price on a specific day.
- 238 Having regard to the above (particularly the premiums based on the VWAPs), in our opinion, the Cash Scheme Consideration provides Uniti Shareholders with a premium that is consistent

⁷⁴ After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

⁷⁵ LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

⁷⁶ As noted in Section I, on 24 January 2022, Uniti announced that it had received approaches from more than one party, indicating potential interest in an acquisition of the Company. Whilst the Uniti share price initially increased post this announcement, following the announcement of Uniti’s results for 1H22 on 22 February 2022, the Company’s share price subsequently fell to levels significantly lower than the levels prior to or around 24 January 2022. For the purposes of calculating the implied control premium we have therefore considered the Uniti share prices in the period up to the last trading day prior to the announcement of the Indicative Proposal from the Consortium on 15 March 2022.



with observed premiums generally paid in comparable circumstances. Accordingly, in our opinion, Uniti Shareholders are being compensated for the fact that 100% control of Uniti will pass to the Consortium if the Scheme is approved.

Extent to which Uniti Shareholders are being paid a share of synergies

239 If the Scheme is approved by Uniti Shareholders, the Consortium will acquire a 100% interest in Uniti and the Company will be privatised. The Consortium has indicated an intention to retain the Uniti head office in Adelaide subsequent to completion of the Scheme.

Accordingly, Uniti management have estimated that any synergies associated with the Scheme are likely to be confined to cost savings resulting from the potential delisting of Uniti from the ASX and related regulatory matters no longer required.

240 In the circumstances, based on our understanding of the likely nature and quantum of potential synergies, in our opinion, the potential synergies arising from the transaction are unlikely to be material in the overall context of our assessed value of Uniti.

Recent share prices subsequent to the announcement of the Scheme

241 Shareholders should note that Uniti shares have traded on the ASX in the range of \$4.845 to \$5.02 per share in the period since the Scheme was announced on 14 April 2022 up to 1 June 2022. These share prices have generally been lower than the Cash Scheme Consideration, however, Uniti Shareholders should note that Uniti shares have, on occasion, traded marginally above the Cash Scheme Consideration. In our view this suggests that:

- (a) in the absence of a superior proposal the consensus market view is that the Scheme is likely to be successful
- (b) some investors believe that there is some prospect of a higher offer.

242 Uniti Shareholders considering selling their Uniti shares on the ASX will need to consider brokerage costs and should note that:

- (a) the Uniti share price on the ASX is subject to daily fluctuation
- (b) Uniti Shareholders who sell their Uniti shares on the ASX will not obtain the benefit of any superior proposal should this eventuate.

Likely price of Uniti shares if the Scheme is not implemented

243 If the Scheme is not implemented (and in the absence of an alternative proposal) we expect that, at least in the short term, Uniti shares will trade at a significant discount to our valuation and the Cash Scheme Consideration due to the difference between the value of Uniti shares on a portfolio basis and the Company’s value on a 100% takeover basis. In this regard we note that the closing Uniti share price on 14 March 2022 (being the last trading day prior to the announcement of the Indicative Proposal from the Consortium) was \$3.15 per share.

244 If the Scheme is not implemented those Uniti Shareholders who wish to sell their Uniti shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Likelihood of an alternative offer

- 245 Uniti Shareholders should be aware that on 24 March 2022 (i.e. prior to the announcement of the Scheme) Uniti announced that it had received a competing non-binding, incomplete and indicative proposal from the Connect Consortium to acquire Uniti for cash consideration of \$5.00 per share. This indicative, non-binding offer price was the same as the Cash Scheme Consideration.
- 246 Following the announcement of a revised matching proposal from the Consortium on 29 March 2022, Uniti ceased discussions with the Connect Consortium as required by a condition of the revised matching proposal. However, it is possible that the Connect Consortium, or a third party, could submit a further proposal to acquire Uniti before the date of the meetings to approve the Scheme.

Summary of opinion on the Scheme

- 247 We summarise below the likely advantages and disadvantages for Uniti Shareholders if the Scheme proceeds.

Advantages

- 248 The Scheme has the following benefits for Uniti Shareholders:
- (a) the Cash Scheme Consideration of \$5.00 cash per share is consistent with our assessed value range for Uniti shares on a 100% controlling interest basis
 - (b) the Cash Scheme Consideration represents a significant premium to the recent market prices of Uniti shares prior to the announcement of the Indicative Proposal from the Consortium on 15 March 2022
 - (c) furthermore, the premium is consistent with observed premiums generally paid to target company shareholders in comparable circumstances
 - (d) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Uniti shares is likely to trade at a significant discount to our valuation and the Cash Scheme Consideration due to the portfolio nature of individual shareholdings.

Disadvantages

- 249 Uniti Shareholders should note that if the Scheme is implemented they will no longer hold an interest in Uniti. Uniti Shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Cash Scheme Consideration.
- 250 However, as our assessed value of Uniti shares is consistent with the Cash Scheme Consideration, in our opinion, the present value of Uniti's future potential is reflected in the Cash Scheme Consideration.

Other matters

- 251 Uniti Shareholders should be aware that the Rollover Shareholders are being provided with the opportunity to retain an interest in the Uniti business by receiving a proportion of the Uniti shares they hold as Scrip Consideration⁷⁷. In this regard it should be noted that:

⁷⁷ The Rollover Shareholders have entered into voting and rollover agreements to elect to receive the Cash Scheme Consideration and the Scrip Consideration in prescribed proportions (Mr Simmons and entities associated with him



- (a) their Uniti shares will be exchanged for shares in TopCo, the ultimate holding company of MBC BidCo at a deemed value of \$5.00 per share, which is consistent with the Cash Scheme Consideration (i.e. the economic substance is the same as receiving \$5.00 in cash per share and investing the proceeds in TopCo⁷⁸)
- (b) TopCo’s only asset will be the shares in Uniti. Therefore, the value of 100% of TopCo will be equal to our assessed value of Uniti⁷⁹, less the debt used to finance the acquisition of the Uniti shares and the transaction costs incurred. Accordingly, in our opinion, the market value of TopCo equity on a controlling interest basis (immediately post implementation of the Scheme, and prior to deducting transaction costs incurred by TopCo), is equivalent to \$4.65 to \$5.20 per Uniti share (being our assessed value range⁸⁰)
- (c) the TopCo shares to be issued to the Rollover Shareholders on implementation of the Scheme (Management Shares), comprising 68.4% ordinary shares (Ordinary Management Shares) and 31.6% redeemable preference shares (RPS Management Shares), will have a number of rights and obligations attaching to them and will be subject to a number of risk factors.

For example:

Ordinary Management Shares

- (i) Ordinary Management Shares will carry the same economic rights and entitlements as ordinary shares in TopCo and will entitle holders to the same entitlements to receive dividends⁸¹, and the same entitlements on liquidation, as holders of ordinary shares in TopCo
- (ii) Ordinary Management Shares will be non-voting shares and, as such, will not hold any voting rights or entitlements at or in respect of meetings or resolutions of TopCo shareholders
- (iii) Ordinary Management Shares will not grant its holders the right to appoint any directors to the board of TopCo, or any observers at TopCo board meetings
- (iv) given the Rollover Shareholders will hold less than 1.0% of TopCo (and the presence of the three entities that comprise the Consortium), the Rollover Shareholders will therefore be subject to the risks that are inherent in minority shareholdings. Given they have no voting rights and as such will not be able to affect the governance of TopCo, the Rollover Shareholders will have no influence over the decisions affecting TopCo (i.e. the Rollover Shareholders will have a minority rather than a controlling interest in TopCo)

have elected to receive Scrip Consideration in respect of 28.3% of his Uniti shares (excluding options and performance rights) and entities associated with Mr Aldridge have elected to receive Scrip Consideration in respect of 35.5% of his Uniti shares (excluding options and performance rights)).

⁷⁸ Ignoring any leakage that may occur due to, inter alia, taxation etc.

⁷⁹ As the Consortium has indicated an intention to retain the Uniti head office subsequent to completion of the Scheme, we do not expect the Consortium to generate any significant synergy benefits over and above those already reflected in our assessed market value of Uniti.

⁸⁰ Ignoring any transaction costs incurred in TopCo.

⁸¹ Whilst Ordinary Management Shares carry an entitlement to dividends, given the structure of the investment and the potential level of TopCo debt (the Consortium has obtained a debt facility for TopCo of no less than \$1.6 billion), the timing of the commencement of dividend payments (if any) is uncertain.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued

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& ASSOCIATES LIMITED

- (v) TopCo is an unlisted Australian proprietary company and there will be no public market for the trading of TopCo ordinary shares, nor is there expected to be any such market in the near future. The ability to dispose of Ordinary Management Shares is also significantly restricted⁸², which will result in these shares being substantially illiquid

RPS Management Shares

- (vi) RPS Management Shares will carry the same economic rights and entitlements as redeemable preference shares in TopCo, that is, they do not hold any voting rights or ability to appoint TopCo board members
- (vii) carry an entitlement to a dividend⁸³, which is payable at the Board of TopCo's discretion
- (viii) rank ahead of ordinary shares in the event of a liquidation
- (ix) at the election of TopCo, some or all of the RPS Management Shares may be redeemed at maturity (i.e. in seven years) and otherwise, the ability of the holder to dispose or transfer RPS Management Shares will be subject to the same restrictions applied to Ordinary Management Shares (i.e. the ability to dispose or transfer will be significantly restricted).

252 Given the factors outlined above, in our view, the TopCo shares to be issued to the Rollover Shareholders as Scrip Consideration (immediately post implementation of the Scheme) should prima facie reflect both minority and lack of marketability discounts, albeit the discounts applicable to the individual components (i.e. ordinary and preference shares) will differ⁸⁴. Even assuming no discount is applied to the RPS Management Shares⁸⁵, the discount attributable to the Ordinary Management Shares can be no greater than 5.5% in order for the Scrip Consideration to have an aggregate value (at the high end of our range) of at least \$5.00 per Uniti share (on an equivalent basis). This is demonstrated as follows:

⁸² The Ordinary Management Shares cannot be transferred other than with the consent of the Consortium for a period of three years following implementation of the Scheme and then only one third of this holding is permitted to be transferred in any 12 month period, or in connection with other customary transfer provisions (such as the drag-along and tag-along provisions).

⁸³ Which is proposed to be a margin above the interest rate applying to TopCo's senior debt.

⁸⁴ The key material differences between the RPS Management Shares and Ordinary Management Shares are that the preference shares rank ahead of ordinary shares on a liquidation.

⁸⁵ Which, in our view, represents the best case scenario as the RPS Management Shares could be considered to be quasi equity (for which a discount would ordinarily apply).

Theoretical example of value of Scrip Consideration given specific assumptions⁽¹⁾			
	Paragraph	Low \$	High \$
Ordinary Management Shares			
Uniti value per share – controlling interest basis ⁽²⁾	215	4.65	5.20
Multiplied by % issued as Ordinary Management Shares ⁽³⁾	251(c)	68.4%	68.4%
Value of Ordinary Management Shares (in total) – controlling interest basis ⁽⁴⁾		3.18	3.56
5.5% discount for lack of control and lack of marketability		(0.17)	(0.20)
Value of Ordinary Management Shares (in total) – minority interest basis	A	3.01	3.36
RPS Management Shares			
Uniti value per share – controlling interest basis ⁽²⁾	215	4.65	5.20
Multiplied by % issued as RPS Management Shares ⁽³⁾	251(c)	31.6%	31.6%
Value of RPS Management Shares (in total) – no assumed discounts ⁽⁵⁾⁽⁶⁾	B	1.47	1.64
Aggregate value of Scrip Consideration⁽²⁾	A + B	4.48	5.00

Note:

- 1 Calculated on a Uniti share equivalent basis, assuming a discount for minority and lack of marketability of no more than 5.5% is applied to the Ordinary Management Shares and no discount is applied to the RPS Management Shares.
- 2 Prior to deducting transaction costs incurred by TopCo.
- 3 The Rollover Shareholders will collectively receive 68.4% of their TopCo shares as Ordinary Management Shares with the remaining 31.6% being RPS Management Shares.
- 4 The Rollover Shareholders will receive 3.422 Ordinary Management Shares for every Uniti share. Our value of the Ordinary Management Shares to be received in total implies a value of \$0.93 to \$1.04 (mid-point of \$0.985) per Ordinary Management Share.
- 5 In our view, this represents the best case scenario as the RPS Management Shares could be considered to be quasi equity (for which a discount would ordinarily apply).
- 6 The Rollover Shareholders will receive 1.578 RPS Management Shares for every Uniti share. Our value of the RPS Management Shares to be received in total implies a value of \$0.93 to \$1.04 (mid-point of \$0.985) per RPS Management Share.

253 The discount applied to the Ordinary Management Shares in the table above is well below the combined level of discounts generally applied to minority interests in privately held (i.e. unlisted) entities⁸⁶. Accordingly, in our view, the market value of the TopCo shares to be issued to the Rollover Shareholders as Scrip Consideration (on implementation of the Scheme) is no greater than \$5.00 per Uniti share (on an equivalent basis) and therefore no net benefit is being received by the Rollover Shareholders.

Conclusion

254 Given the above analysis, we consider the acquisition of Uniti shares under the Scheme is fair and reasonable and in the best interests of Uniti Shareholders (other than the Rollover Shareholders) in the absence of a superior proposal.

⁸⁶ The minority interest discount associated with an assumed control premium of 30% to 35% is in the order of 23% to 26% (before the addition of any lack of marketability discount).

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix A

Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to Uniti Shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$275,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.



Appendix A

- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm’s profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Contact details

- 14 LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)



Appendix B

Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Mr Jorge Resende, who are each authorised representatives of LEA. Mr Edwards and Mr Resende have over 28 years and 20 years experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of Uniti to accompany the Scheme Booklet to be sent to Uniti Shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of Uniti Shareholders.

Interests

- 4 At the date of this report, neither LEA, Mr Edwards nor Mr Resende have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

Indemnification

- 6 As a condition of LEA's agreement to prepare this report, Uniti agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of Uniti which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

Valuation approaches

- 1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
 - (a) the DCF methodology
 - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
 - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
 - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
 - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 2 Under the DCF methodology the value of the business is equal to the NPV of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, EBITA, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued

**Appendix C**

- 5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

Appendix D

Assessment of discount rate

Principles

- 1 The determination of the discount rate or cost of capital for an asset requires identification and consideration of the factors that affect the returns and risks of that asset, together with the application of widely accepted methodologies for determining the returns demanded by the debt and equity providers of the capital employed in the asset.
- 2 The discount rate applied to the projected cash flows from an asset or business represents the financial return that will be demanded before an investor would be prepared to acquire (or invest in) the asset or business. Discount rates for assets or businesses are frequently evaluated using the weighted average cost of capital (WACC) which is a function of the cost of equity and the cost of debt (and related debt to equity levels).

WACC

- 3 The generally accepted WACC formula is the post-tax WACC (without adjustment for dividend imputation), as shown below:

WACC formula

$$WACC = R_e \frac{E}{V} + R_d(1 - t) \frac{D}{V}$$

where:

- R_e = expected equity investment return or cost of equity in nominal terms
- R_d = interest rate on debt (pre-tax)
- t = corporate tax rate
- E = market value of equity
- D = market value of debt
- V = market value of debt plus equity

- 4 We have used the capital asset pricing model to derive the cost of equity for Uniti. The formula for deriving the cost of equity using the capital asset pricing model is as follows:

Cost of equity calculation

$$R_e = R_f + \beta_e [E(R_m) - R_f]$$

where:

- R_e = expected equity investment return or cost of equity in nominal terms
- R_f = risk-free rate of return
- $E(R_m)$ = expected market return
- $E(R_m) - R_f$ = market risk premium (MRP)
- β_e = equity beta

- 5 It is appropriate to use a debt cost equivalent to that likely to be incurred by Uniti assuming it were to raise debt finance in the capital market on the valuation date. Since interest costs are tax deductible we have made an adjustment to reduce the debt cost by its tax rate.
- 6 The elements adopted in the calculation of the discount rate for Uniti using the WACC are detailed as follows.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix D

Discount rate for Uniti**Risk-free rate**

- 7 For the purpose of our valuation of Uniti we have adopted a long-term risk-free rate of 3.75% per annum, which is broadly consistent with the yield on the 29-year Australian Commonwealth Government Bond as at 13 May 2022 (note, this is the longest term Australian Commonwealth Government Bond on issue).

Market risk premium

- 8 The MRP represents the additional return above the risk-free rate that investors require in order to invest in a well-diversified portfolio of equity securities (i.e. the equity market as a whole). Having regard to academic studies and empirical evidence, as well as the average MRP calculated over the longer term, we have adopted a long-term MRP of 6.5%.

Equity beta

- 9 In determining the appropriate equity beta for Uniti, we have considered (inter alia):
- (a) the risks associated with the business of Uniti
 - (b) the beta estimates for Uniti and other listed companies operating in the communications infrastructure sector; and
 - (c) industry betas for the communications infrastructure and telecommunications sectors.

Risk factors of Uniti

- 10 We have considered the key business risks associated with Uniti which are summarised below:
- (a) **future growth** – Uniti's earnings growth is expected to predominantly arise from construction of its existing contracted book, expansion of its contracted book and growth in active connections. Whilst the exact timing of the new networks is uncertain, we note that as at 31 December 2021 Uniti had 292,174 contracted / in construction premises, 163,000 of which are expected to be constructed in the next five years
 - (b) **regulatory risks** – Uniti operates in a highly regulated environment, with penalties for non-compliance, including undertakings or the imposition of substantial civil and criminal penalties. Uniti also utilises class license spectrum and is subject to and must comply with laws, regulations and government policies in relation to that use. Possible changes to existing regulations may from time to time result in increased compliance costs for different parts of Uniti's business as well as impose substantial risks
 - (c) **residential market conditions** – the growth and performance of Uniti is influenced by the overall housing market and general economic conditions in Australia. A downturn in the Australian housing market may result in cancellation or deferral of housing projects which may adversely impact Uniti's financial performance as it would reduce construction revenue and slow down expansion of the fibre network (with resulting impacts on network revenue and profitability)



Appendix D

- (d) **competition** – Uniti faces competition from other private fibre network owners and operators including NBN Co. NBN Co is the most significant competitor to Uniti in the Australian greenfield broadacre market segment. If there was a change to NBN Co’s technology solutions or pricing strategies that made the NBN more competitive, this could have a materially adverse impact on Uniti’s business.

In the MDU market segment there is increased competition among network infrastructure operators, primarily due to the location of MDU in existing urban areas where there is more readily available existing backhaul infrastructure.

Uniti’s C&SB business unit also faces competition for customers from other retailers of broadband internet connectivity services, including other resellers of NBN, private fibre broadband services, and mobile 4G and 5G cellular services

- (e) **substitution risk** – whilst the fixed line network infrastructure available within the Company’s connected estates is owned by Uniti, the Company potentially faces substitution risk from competing or alternative technologies for broadband connectivity including fixed wireless access / cellular technology (such as 5G and, when developed, potentially 6G services⁸⁷) and satellite broadband technology (such as Starlink), which has the potential to result in higher churn in the longer term.

Summary of business risks

- 11 In summary, after considering all of the above factors, in our opinion, the level of systematic risk associated with Uniti’s operations in Australia is lower than the level of systematic risk of the market as a whole. This implies that a beta of less than 1.0 is appropriate.

Betas of comparable companies

- 12 In order to assess the appropriate equity beta for Uniti, we have also had regard to the equity betas of listed companies which own and operate communications infrastructure as well as relevant sector betas, as shown below:

Listed company betas				
Company	Market value⁽¹⁾ A\$m	Gearing⁽²⁾ %	Bloomberg beta⁽³⁾	RSQ⁽⁴⁾
Uniti	2,141	9.5	1.45	0.05
Fixed line internet infrastructure providers				
Uniti Group Inc	4,147	63.2	1.13	0.12
NetLink NBN Trust	3,990	9.8	0.25	0.14
Cogent Communications	3,971	23.2	0.32	0.04
Chorus	3,000	46.6	0.06	0.00
Macquarie Telecom Group	1,513	7.8	0.76	0.14
Superloop	459	(13.4)	1.50	0.22
	Average	22.9	0.67	
	Median	16.5	0.54	

⁸⁷ 6G is the planned next generation of mobile or cellular services currently in development, which has the potential to offer significantly faster services and download capabilities than 5G networks.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix D

Listed company betas				
Company	Market value ⁽¹⁾ A\$m	Gearing ⁽²⁾ %	Bloomberg beta ⁽³⁾	Bloomberg RSQ ⁽⁴⁾
Wireless infrastructure providers				
American Tower	155,747	26.9	0.49	0.17
Crown Castle International	113,584	20.7	0.54	0.23
SBA Communications	53,007	24.5	0.38	0.09
	Average	24.0	0.47	
	Median	24.5	0.49	
Infrastructure / telecommunications indices				
Dow Jones Brookfield Communications Infrastructure Index			0.49	0.22
FTSE All World Fixed Line Telco Index			0.58	0.65
S&P/ASX 300 Telecommunications Service Index			0.67	0.30

Note:

- 1 Market capitalisation calculated as at 30 April 2022 (excluding Uniti which is as at 14 March 2022, being the last trading day prior to announcement of the Indicative Proposal).
- 2 Gearing equals net debt divided by enterprise value. Negative figures indicate a net cash position.
- 3 Based on four years of monthly returns to 30 April 2022 (excluding Uniti which is based on four years of monthly returns to 14 March 2022, being the last trading day prior to announcement of the Indicative Proposal).
- 4 R-squared (RSQ) measures the reliability of the beta estimate. Industry sector betas generally have a higher RSQ value and are typically more reliable.

- 13 The above betas vary widely which reflects, inter alia, differences in size, leverage, stage of development and operational risks. None of the other listed companies are directly comparable to Uniti, and some of the listed companies are significantly larger than Uniti. Further, it should be noted that the RSQ values (which measure the reliability of the beta estimate) for the listed companies are generally very low and the betas for the listed companies are therefore of limited reliability.
- 14 Accordingly, in our opinion, more reliance should be placed on the beta estimates for the Dow Jones Brookfield Communications Infrastructure Index, the FTSE All World Fixed Line Telco Index and the S&P/ASX 300 Telecommunications Services Index, noting that the latter of these indices includes a range of telecommunications companies, including those with predominantly retail offerings.
- 15 It should also be noted that as the equity beta is a function of both business risk and financial risk (being the level of financial leverage or gearing), the above equity betas are levered betas and theoretically would need to be adjusted to reflect the different levels of gearing. However, this adjustment is subject to considerable estimation error. For example, gearing ratios are normally calculated at a point in time and therefore may not reflect the target or optimal capital structures of comparable companies in the long run. In addition, gearing ratios typically change over time. Further, the practice of adjusting equity betas for the difference in financial leverage also gives a misleading impression that the process provides precise comparable beta estimates.
- 16 Nevertheless, we have considered the following in determining the appropriate equity betas for:

Appendix D

- (a) the difference in gearing levels of the listed companies; and
- (b) the current gearing level of Uniti and the long-term gearing levels that we consider appropriate.

Conclusion

17 Having regard to the above, and in particular the reliability of the beta estimates, the long-term beta estimates of relevant industry sectors, the level of growth reflected in the cash flow forecasts for Uniti and the relative weighting of its operations between the WEI and C&SB business units (noting the WEI division produces the vast majority of earnings for the Company), we have adopted an equity beta of 0.7 to 0.8 for Uniti.

Cost of debt

18 A long term cost of debt of 5.75% per annum has been adopted. This reflects a borrowing margin of 2.0% above the risk-free rate. In forming this opinion, we have also considered the terms of Uniti’s current debt facilities, which comprises a mixture of bank loans (for which Uniti pays a weighted average variable interest rate of 3.1% per annum). However, we do not consider that the current weighted average borrowing rate is a reliable estimate of long term borrowing costs.

Debt to debt plus equity ratio

19 We have assumed that over the long term the business operations of Uniti are financed by a combination of 80% equity and 20% debt, which is higher than the Company’s existing funding mix of the business (which appears modest for a company of its size and operation) and broadly consistent with the listed companies shown in the table at paragraph 12 to this Appendix.

Calculation of nominal WACC

20 Based on the above, the discount rate range for Uniti is as follows:

Uniti – assessment of discount rate			
Parameters	Low %	Mid %	High %
Beta	0.7	0.75	0.8
MRP	6.5	6.5	6.5
Risk-free rate	3.75	3.75	3.75
Cost of equity	8.3	8.6	9.0
Cost of pre-tax debt	5.75	5.75	5.75
Tax rate	30.0	30.0	30.0
Cost of post-tax debt	4.0	4.0	4.0
Proportion of equity funding (%)	80.0	80.0	80.0
Proportion of debt funding (%)	20.0	20.0	20.0
WACC / discount rate (after tax)	7.4	7.7	8.0

21 Accordingly, for the purposes of our calculations we have adopted a discount rate of 7.7% per annum (with sensitives for higher and lower discount rates). This discount rate has been

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix D

applied to determine the present value of the future cash flows in the Forecast Period and the present value of the terminal value at the end of the Forecast Period.

- 22 We note that our assessed discount rate range is slightly higher than the discount rates applied by investment analysts in recent valuations (i.e. those issued post the 1H22 results release) of Uniti, which we consider reasonable given the increase in long term Australian Government bond rates since these reports were released:

Discount rates applied by investment analysts in valuations of Uniti		
Analyst	Date of report	%
Analyst 1	24 March 2022	5.5
Analyst 2	23 March 2022	7.5
Analyst 3	23 March 2022	8.7
Analyst 4	16 March 2022	7.4
Analyst 5	22 February 2022	8.2
Analyst 6	22 February 2022	7.0
Average		<u>7.4</u>
Median		<u>7.5</u>

Listed company descriptions

Fixed line internet infrastructure providers

Uniti Group Inc

- Uniti Group is an independent, internally managed real estate investment trust engaged in the acquisition, construction and leasing of mission critical infrastructure in the communications industry (including cell site backhaul and dark fibre) in the United States of America (US). The company is principally focused on acquiring and constructing fibre optic, copper and coaxial broadband networks and data centres. As of 31 December 2021, Uniti owned beneficial rights to permits, pole agreements and easements, as well as approximately 206,000 fibre network route kilometres and over 370,000 route kilometres of copper cable lines.

Chorus Ltd

- Chorus is New Zealand’s largest fixed line telecommunications infrastructure provider. It was previously a part of Telecom Corporation of New Zealand before its demerger in 2011. The company provides wholesale access to its copper and fibre network infrastructure, in addition to providing backhaul services to RSPs. Chorus is also involved in the New Zealand Government’s rollout of an ultra-high-speed broadband network. As at 31 December 2021, the rollout was 97% complete (with approximately 30,000 premises remaining to pass), with over 918,000 connections and a fibre uptake of 67% in completed areas.

Cogent Communications Holding Inc

- Cogent Communications Holdings is a facilities based provider of internet access, private network services and data centre colocation space. The company’s network is designed and optimised to transmit packet switched data. Cogent Communications Holding primarily services small and medium-sized businesses, communications service providers and other bandwidth-intensive organisations in 50 countries around the world. The company offers on-net internet access services exclusively through its own facilities, which run from its network to customers’ premises.

NetLink NBN Trust

- Established in 2017, NetLink NBN Trust’s fibre network provides ultra-high speed internet access to residential homes and non-residential premises throughout mainland Singapore and its connected islands. The company designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and central offices) of Singapore’s next generation NBN. The company primarily provides end user fibre connections for broadband, internet protocol television and voice over internet protocol services. NetLink NBN Trust also provides fibre ancillary services and fibre connections through other passive infrastructure.

Macquarie Telecom Group Ltd

- Macquarie Telecom Group provides telecommunication, cloud computing, cybersecurity and data centre services to corporate and government customers within Australia. For business customers, the company is a full service provider of data, voice, mobile and colocation services, as well as hybrid IT services that integrate cloud, data centres and dedicated servers.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix E

Macquarie Telecom Group provides cyber security, secure and data centre services to 42% of Federal Government agencies, including Australian defence and intelligence agencies.

Superloop Ltd

- 6 Superloop is an independent provider of connectivity services designing, constructing and operating networks for metropolitan areas throughout the Asia Pacific region. The company invests in fibre optic telecommunications infrastructure between locations of high interconnection density within markets. Superloop owns and operates over 894 kilometres of carrier-grade metropolitan fibre networks in Australia, Singapore and Hong Kong, connecting more than 390 of the region's data centres and commercial buildings. Recent acquisitions, including SubPartners, have transformed Superloop into an end-to-end provider of connectivity and cloud services.

Wireless infrastructure providers

American Tower Corporation

- 7 American Tower is a global real estate investment trust and a leading independent owner, operator and developer of multitenant communications real estate. The company primarily leases space on communications sites to wireless service providers, radio and television broadcast companies, wireless data providers and government agencies and municipalities. American Tower's portfolio primarily consists of towers it owns and operates pursuant to long-term lease arrangements, as well as distributed antenna system networks. The company also offers tower-related services in the US, which include site application, zoning and permitting and structural analysis.

Crown Castle International Corp

- 8 Crown Castle International owns, operates and leases shared communications infrastructure throughout the US, including over 40,000 towers (and other structures such as rooftops) and approximately 130,000 kilometres of fibre primarily supporting small cell networks and fibre solutions. Approximately 67% of Crown Castle's revenue is derived from towers located on land it owns or land it leases, subleases, manages or licenses, with the remaining 33% derived from deploying fibre for both small cells and tenants. The company's largest tenants are T-Mobile, AT&T and Verizon Wireless, which collectively account for approximately 75% of 2021 consolidated site rental revenues.

SBA Communications Corp

- 9 SBA Communications is an independent owner and operator of wireless communications infrastructure, including tower structures, rooftops, and other structures that support antennas used for wireless communications. As of 31 December 2021, the company owned 34,177 towers. SBA Communications is predominantly focused on the US, with other operations in South America, Central America, Canada, South Africa, the Philippines and Tanzania. Leasing antennae space to wireless services providers on towers it owns or operates, and managing rooftop and tower sites for property owners under various contractual arrangements, accounts for around 97% of operating profit.

Appendix F

Descriptions of transactions

TPG tower assets

- 1 On 9 May 2022, TPG Telecom announced that it had entered a binding agreement to sell its passive mobile tower and rooftop infrastructure for \$950 million. The 1,237 tower sites include 428 towers and 809 rooftops which represents approximately 21% of TPG Telecom's total mobile network footprint (the remainder of which is already owned and operated by other tower companies). The portfolio includes 120 sites in non-metropolitan locations at which TPG Telecom intends to decommission its active equipment.

Axicom

- 2 On 1 April 2022, Macquarie Asset Management announced it had entered into binding agreements with Australian Tower Network (owned by Australian Super and Singtel) for the sale of 100% of Axicom for approximately \$3.6 billion. Axicom is Australia's largest independent mobile towers owner, operating approximately 2,000 telecommunication sites in metro and outer-metro locations across Australia. Approximately 97% of Axicom's portfolio is represented by its mobile telecommunications towers, and the company had 174 new sites under contract.

Optus mobile towers

- 3 During October 2021, Singtel (the parent company of Optus) entered into an agreement to sell a 70% interest in Australian Tower Network to Australian Super, valuing the company at \$2.3 billion. Australian Tower Network operates the Optus passive telecommunications tower infrastructure, comprising 2,312 mobile network towers and rooftop sites. Under the terms of the transaction, Optus will have continued access to the sites through a long-term lease agreement with Australian Tower Network.

Telstra mobile towers

- 4 On 30 June 2021, Telstra announced a consortium managed by Morrison & Co had acquired a 49% interest in Telstra InfraCo Towers, valuing 100% of the business at \$5.9 billion. The towers business is the largest mobile tower infrastructure provider in Australia with approximately 8,200 physical towers, mast, large pole and antenna mount structures. Telstra will retain a 51% interest in the business and has entered into long-term service agreements with Telstra InfraCo Towers to secure continued access to services to support its mobile and data services.

Vocus Network Services

- 5 Macquarie Infrastructure and Real Assets and Aware Super announced the acquisition of Vocus Group for \$4.6 billion on 8 February 2021. Established in 2008, the company is a vertically integrated telecommunications service provider of fibre, ethernet, internet, data centres, energy and unified communications services across Australia and New Zealand. The primary business operation of Vocus Group is its Network Services division, which owns and operates a 30,000 kilometre national fibre network, connecting all capital cities (except for Hobart) and most regional centres across Australia and New Zealand. The company's fibre network is the second largest private network in Australia, behind Telstra.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued



Appendix F

Telstra Velocity Assets

- 6 On 16 December 2020, Uniti acquired the Telstra Velocity Assets, which included the Telstra Velocity estates and South Brisbane Exchange FTTP network assets, from Telstra for \$180 million (including required migration capital expenditure of approximately \$40 million). The Telstra Velocity Assets are Australia's second largest private FTTP network in Australia, servicing 129 residential housing estates. At the time of the acquisition, the Telstra Velocity Assets had passed 68,000 premises, of which 65,000 were connected premises and 48,000 were active premises.

OptiComm

- 7 Uniti acquired OptiComm for \$703 million in November 2020. OptiComm is a licensed carrier and wholesale network infrastructure operator which designs, builds, operates and maintains fixed line access, fibre based, telecommunications networks servicing new residential, commercial and retail developments within Australia. At the time of acquisition, OptiComm had deployed its network infrastructure ready to connect to some 120,000 lots across more than 291 estates throughout Australia (with approximately 90,000 connected premises and 70,500 active connections) and held contracted obligations to construct fibre infrastructure to around 150,000 additional premises.

UFF Fibre NZ

- 8 On 12 May 2020, WEL Networks and Waipa Networks announced they had agreed to sell their respective 85% and 15% shareholdings in UFF Holdings (the holding company of fibre business Ultrafast Fibre) to First Sentier Investors for NZ\$854 million. At the time of the acquisition, the Ultrafast Fibre network represented approximately 14% of the national New Zealand ultra-fast broadband network, and included a 3,500 kilometre fibre network across Hamilton, Tauranga, New Plymouth and Whanganui.

OPENetworks

- 9 On 11 October 2019, Uniti announced it had entered into a binding agreement to acquire 100% of OPENetworks for \$27.5 million. OPENetworks is an established builder and wholesale operator of private fibre networks, primarily comprising FTTP high speed data services to MDU. At the time of the acquisition, OPENetworks had some 6,000 active wholesale connections, with a further 11,000 premises contracted to be connected.

LBNC Co

- 10 On 19 August 2019, Uniti announced it had entered into an agreement to acquire 100% of LBNC Co for \$100 million. LBNC Co is a builder and wholesale operator of private fibre networks, predominantly comprised of FTTP high speed data services to MDU and broadacre residential estates. At the time of acquisition, LBNC Co had a fibre infrastructure footprint covering 65,000 premises located across 418 MDU and broadacre estates, with a further 22,000 premises contracted to be connected.

Appendix F

Nextgen Networks

- 11 During June 2016, Vocus Group announced the acquisition of Nextgen Networks and North West Cable System for \$700 million. Nextgen Networks is a telecommunications company that provides transmission links, switched data services and high-speed internet to corporate, wholesale, business and government customers. It owns a fibre backhaul network that was deployed over more than a decade and represents in excess of \$1 billion of investment. The network covers some 17,000 kilometres, connecting capital cities to regional and remote areas.

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued

LONERGAN EDWARDS
& ASSOCIATES LIMITED

Appendix G

Glossary

Term	Meaning
1H21	The six months to 31 December 2020
1H22	The six months to 31 December 2021
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
Activation Rate	Active premises as a percentage of connected premises
Active	When internet and telephone services (provided by an RSP) are activated by the end user
ADSL	Asymmetric digital subscriber line
AFCA	Australian Financial Complaints Authority
Agreement	Scheme Implementation Deed between Uniti and MBC BidCo dated 13 April 2022
ARPU	Average revenue per user
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Brookfield	Brookfield Asset Management Inc
C&SB	Consumer and Small Business
CAGR	Compound annual growth rate
Cash Scheme Consideration	\$5.00 cash per Uniti share less the cash amount of any Permitted Dividend
CEO	Chief Executive Officer
Connect Consortium	Macquarie Infrastructure and Real Assets Holdings Pty Limited and Public Sector Pension Investment Board
Connected	When a dwelling has been built on the premises and Uniti connects the dwelling to its network infrastructure
Connection Rate	Connected premises as a percentage of ready to connect premises
Consortium	The Morrison & Co Infrastructure Partnership, Commonwealth Superannuation Corporation and Brookfield
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	<i>Corporations Regulations 2001</i>
CPaaS	Communications Platform as a Service
CSC	Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust
CVC	Connectivity virtual circuit
DCF	Discounted cash flow
DCF Model	A simplified, high level financial model of Uniti's operations developed by LEA
DSL	Digital subscriber line
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation of acquired intangibles
EBITDA	Earnings before interest, tax depreciation and amortisation
FIRB	Foreign Investment Review Board
Forecast Period	The 19 year period from 1 July 2022 to 30 June 2041
FSG	Financial Services Guide
FTTC	Fibre to the curb
FTTN	Fibre to the node
FTTP	Fibre to the premises
FuzeNet	FuzeNet Pty Ltd
FY	Financial year

Appendix G

Term	Meaning
General Scheme Meeting	The Scheme Meeting of Uniti Shareholders generally, excluding the Rollover Shareholders
HFC	Hybrid fibre-coaxial
IER	Independent expert’s report
Indicative Proposal	Indicative proposal received by Uniti from the Consortium on 15 March 2021
LBNCo	LBNCo Pty Ltd
LEA	LonerGAN Edwards & Associates Limited
LSS	Line Sharing Service
LTM21	The 12 months to 31 December 2021
MBC BidCo	MBC BidCo Pty Ltd
Mbps	Megabits per second
MDU	Multi-dwelling units
Morrison & Co	H.R.L Morrison & Co Limited Partnership and, where appropriate, also includes entities controlled by it
MRP	Market risk premium
NBN	National Broadband Network
NBN Co	NBN Co Limited
NPV	Net present value
OPENetworks	OPENetworks Pty Ltd
OptiComm	OptiComm Ltd
Ordinary Management Shares	The TopCo shares to be issued to the Rollover Shareholders on implementation of the Scheme
Permitted Dividend	Fully franked special dividend of up to \$0.11 per Unit share
RBA	Reserve Bank of Australia
Ready to connect	Connections where Uniti’s network infrastructure has been installed into the premises, or in close proximity to, but is not yet connected to the network
RPS Management Shares	The redeemable preference shares in TopCo to be issued to the Rollover Shareholders
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
RKR	ACCC Internet Activity Record Keeping Report
Rollover Shareholders	Mr Michael Simmons, Mr Michael Simmons as trustee for the Luab Unit Trust and Mr Geoffrey Aldridge as trustee for the Arsenal Aldridge Trust
Rollover Shareholders Scheme Meeting	The Scheme Meeting of the Rollover Shareholders only
RSP	Retail services provider
RSQ	R-squared
Scheme	Scheme of arrangement between Uniti and its shareholders to implement the Agreement
Scheme Meetings	The General Scheme Meeting and the Rollover Shareholders Scheme Meeting
Scrip Consideration	The Rollover Shareholders have elected to receive Scheme consideration as scrip in TopCo for a proportion of their Uniti shares held
SDU	Single dwelling unit
SIP	Statutory Infrastructure Provider
Telstra	Telstra Corporation Limited
Telstra Velocity Assets	Collectively, the Telstra Velocity estates and South Brisbane Exchange FTTP network assets
TIND	Telecommunications Infrastructure in New Developments
TopCo	MBC TopCo Pty Ltd
ULLS	Unconditional Local Loop Service
Uniti / the Company	Uniti Group Limited
Uniti Shareholders	Uniti shareholders excluding the Rollover Shareholders
US	United States of America

APPENDIX C – INDEPENDENT EXPERT'S REPORT continued

**Appendix G**

Term	Meaning
VWAP	Volume weighted average price
W&I	Wholesale & Infrastructure
WACC	Weighted average cost of capital
WANOS	Weighted average number of shares outstanding
WEI	Wholesale, Enterprise & Infrastructure

APPENDIX D – SCHEME

CLAYTON UTZ

Scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

Parties **Uniti Group Limited ACN 158 957 889** of Level 1, 44 Currie Street, Adelaide, South Australia 5000 (**Target**)

Each holder of Target Shares recorded in the Target Share Register on the Scheme Record Date.

Background

- A. Target and Bidder have entered into the Implementation Deed, pursuant to which, amongst other things, Target agreed to propose this Scheme to Target Shareholders and each of Target and Bidder agreed to take certain steps to give effect to this Scheme and the Deed Poll.
- B. If the Scheme becomes Effective, Bidder will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Scheme and the Deed Poll, Bidder will acquire all Scheme Shares and all of the rights and entitlements attaching to them as at the Implementation Date and Target will enter Bidder in Target Share Register as the holder of the Scheme Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

Unless the context requires otherwise, in this Scheme:

Affiliate means, in respect of a person (the primary person), a person:

- (a) Controlled directly or indirectly by the primary person;
- (b) Controlling directly or indirectly the primary person; or
- (c) who is Controlled, directly or indirectly, by a person or persons who Control the primary person,

where **Control** means, with respect to any person (other than an individual) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person whether through the ownership of voting securities, by agreement or otherwise, and for the avoidance of doubt, a general partner is deemed to Control a limited partnership of which it is the general partner and, solely for the purposes of this deed, a fund advised or managed directly or indirectly by a person will also be deemed to be Controlled by such person.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

Bidder means MBC Bidco Pty Ltd ACN 658 690 343.

APPENDIX D – SCHEME continued

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

Cash Consideration means \$5.00 for each Target Share, subject to and as adjusted in accordance with clause 4.8 of the Implementation Deed.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

CHESS Holding has the meaning given in the Settlement Rules.

Condition means each condition specified in clause 3.1 of the Implementation Deed.

Consortium Members means:

- (a) BIF IV One Holdings LP;
- (b) The Morrison & Co Infrastructure Partnership Master Fund SCSp;
- (c) Commonwealth Superannuation Corporation in its capacity as trustee of the ARIA Investments Trust; and
- (d) any new Consortium Member permitted by clause 4.10 of the Implementation Deed.

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

Court means the Victoria Registry of the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Target and Bidder.

Deed Poll means a deed poll to be entered into by Bidder and TopCo substantially in the form of Attachment 3 to the Implementation Deed under which Bidder and TopCo covenant in favour of the Scheme Shareholders to perform their obligations under the Scheme.

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

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

Election means an election by a Relevant Shareholder to receive their Scheme Consideration partly in the form of Scrip Consideration and partly in the form of Cash Consideration, made in accordance with clause 4.4 of the Implementation Deed.

Election Form means a form issued by or on behalf of the Target for the purposes of a Relevant Shareholder making an Election in a form agreed to by Target and Bidder.

Election Time means 5.00pm on 2 June 2022.

Employee Options means the options to acquire Target Shares issued under the Target's employee share option plan and the Target's employee retention option plan as listed in Schedule 3 of the Implementation Deed.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date that is 8 months from the date of the Implementation Deed, or such other date as agreed in writing by Target and Bidder.

APPENDIX D – SCHEME continued

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

Implementation Date means 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 means the scheme implementation deed between Target and Bidder dated 13 April 2022.

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

Legacy Options means the options to acquire Target Shares (ASX Security Code: UWLAAB), granted by the Target on 29 June 2021 as listed in Schedule 3 of the Implementation Deed.

Listing Rules means the official listing rules of the ASX.

Manager Shareholders Agreement means the manager shareholders agreement to be entered into by the Relevant Shareholders, the Consortium Members and TopCo.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Ordinary Management Shares means non-voting fully paid ordinary shares in the capital of TopCo, having the rights and obligations as set out in the constitution of TopCo and the Manager Shareholders Agreement.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Registered Addresses means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in Target Share Register.

Related Bodies Corporate has the meaning set out in section 50 of the Corporations Act, provided that, where, for the purposes of this definition, the reference to 'subsidiary' in section 50 of the Corporations Act is amended as necessary such that:

- (a) a body corporate or a trust will also be taken to be a subsidiary of an entity if it is controlled by that entity (as defined in section 50AA of the Corporations Act);
- (b) a trust, partnership or fund may be a subsidiary, for the purpose of which a unit, partnership interest or other beneficial interest in the trust, partnership or fund will be regarded as a share (ignoring the operation of section 48(2) of the Corporations Act); and
- (c) an entity may be a subsidiary of a trust, partnership or fund if it would have been a subsidiary if that trust, partnership or fund were a body corporate.

Relevant Shareholder means:

- (a) Michael John Simmons;
- (b) Michael John Simmons as trustee for the Luab Unit Trust; and
- (c) Geoffrey William Aldridge as trustee for the Arsenal Aldridge Trust.

RPS Management Shares means non-voting redeemable preference shares in the capital of TopCo, having the rights and obligations as set out in the constitution of TopCo and the Manager Shareholders Agreement.

APPENDIX D – SCHEME continued

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder 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 agreed to in writing by Bidder and Target.

Scheme Consideration means the Cash Consideration and, if applicable, Scrip Consideration to be provided to each Scheme Shareholder for the transfer to Bidder of each Scheme Share.

Scheme Meetings means the meetings of Target Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of those meetings.

Scheme Record Date means 7.00 pm on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

Scheme Shareholder means a person registered in the Target Share Register as a holder of a Scheme Share as at the Scheme Record Date.

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

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

Scrip Consideration means for each Scheme Share in respect of which a Relevant Shareholder has elected to receive Scrip Consideration:

- (a) such number of Ordinary Management Shares in TopCo as is equal to (Cash Consideration x 0.684406); *plus*
- (b) such number of RPS Management Shares in TopCo as is equal to (Cash Consideration x 0.315594).

Second Court Date means 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 is heard.

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Share Rights means the rights to Target Shares issued under the Target's executive incentive plan as listed in Schedule 3 of the Implementation Deed.

Target Equity Incentive means the Share Rights, Legacy Options and Employee Options.

Target Registry means Boardroom Pty Limited of Level 12, 225 George St Sydney, NSW 2000.

Target Share Register means the register of members of Target maintained by or on behalf of Target in accordance with the Corporations Act.

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

APPENDIX D – SCHEME continued

Target Shareholder means each person who is registered in the Target Share Register as a holder of a Target Share.

TopCo means MBC TopCo Pty Ltd ACN 658 690 101, the ultimate holding company of the Bidder.

TopCo Securities means the Ordinary Management Shares and RPS Management Shares in TopCo and **TopCo Security** means any one of them.

Trust Account means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by or on behalf of Target as trustee for the Scheme Shareholders (except that any interest on the amount deposited, less bank fees and other charges, will accrue for the benefit of Bidder), details of which Target must notify to Bidder no later than 5 Business Days before the Implementation Date.

Unclaimed Money Legislation has the meaning given in clause 5.8(c).

1.2 Business Day

If the day on which any act to be done under this Scheme is a day other than a Business Day, that act must be done on or by the next Business Day except where this Scheme expressly specifies otherwise.

1.3 Listing rules are law

A Listing Rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this Scheme.

1.4 Interpretation

In this Scheme headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this Scheme, and a reference to this Scheme includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed

APPENDIX D – SCHEME continued

(obsolete body), means the agency or body which performs most closely the functions of the obsolete body;

- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to **\$** or **dollar** is to Australian currency;
- (k) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (l) a reference to a date or time is to that date or time in Melbourne, Australia; and
- (m) this Scheme (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

2. Preliminary matters

2.1 Target

- (a) Target is a public company limited by shares, incorporated in Australia and registered in the State of South Australia, Australia.
- (b) Target is admitted to the official list of ASX and Target Shares are officially quoted on the ASX.
- (c) As at the date of the Implementation Deed, 679,836,786 Target Shares were on issue.

2.2 Bidder

Bidder is a proprietary company limited by shares, incorporated and registered in Victoria, Australia.

2.3 Implementation Deed

Bidder and Target have agreed, by executing the Implementation Deed, to implement this Scheme (among other things).

2.4 Deed Poll

The Scheme attributes actions to Bidder and TopCo but does not itself impose an obligation on either or both of them to perform any of those actions. Bidder and TopCo have agreed, by executing the Deed Poll, to perform the obligations attributed to them under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

3. Conditions precedent

3.1 Conditions

- (a) The Scheme is conditional on and will have no force or effect (and will not become Effective) unless and until each of the following conditions precedent is satisfied:
 - (i) all of the Conditions in clause 3.1 of the Implementation Deed (other than the Condition in clause 3.1(e) of the Implementation Deed relating

APPENDIX D – SCHEME continued

to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;

- (ii) neither the Implementation Deed nor Deed Poll is terminated in accordance with their terms before 8.00am on the Second Court Date;
- (iii) this Scheme is approved by the Court under section 411(4)(b) of the Corporations Act, including with such alterations or other conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Target and Bidder (each acting reasonably);
- (iv) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Target and Bidder (each acting reasonably) are satisfied or waived; and
- (v) the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date Target and Bidder agree in writing).

3.2 Certificate

- (a) Target and Bidder must provide to the Court on the Second Court Date a certificate (signed for and on behalf of Target and Bidder respectively), or such other evidence as the Court may require or request, confirming (in respect of matters within their knowledge) whether or not as at 8.00am on the Second Court Date the conditions in clauses 3.1(a)(i) and 3.1(a)(ii) have been satisfied or waived in accordance with the Implementation Deed.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

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 Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

4. Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

For the purposes of section 411(10) of the Corporations Act, Target must lodge with ASIC an office copy of the orders made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible following such approval and, in any event, by no later than 5.00pm on the Business Day following the day on which the Court approves this Scheme (or such later date as is agreed between Target and Bidder in writing).

APPENDIX D – SCHEME continued

4.2 Consequences of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) in consideration for the transfer of each Scheme Share to Bidder, Bidder will provide or procure the provision of the Cash Consideration to Scheme Shareholders in accordance with clause 5.4(a) and the Deed Poll and, if applicable, TopCo will issue the Scrip Consideration in accordance with clause 5.5 and the Deed Poll;
- (b) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder; and
- (c) Target will enter the name and address of Bidder in the Target Share Register in respect of all the Scheme Shares.

4.3 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to Bidder providing or procuring the provision of the Scheme Consideration in the manner contemplated by clause 5.4(a) and the Deed Poll, and, if applicable, TopCo issuing the Scrip Consideration in accordance with clause 5.5 and the Deed Poll, the Scheme Shares, together with all rights and entitlements attaching to them at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target or its officers as agent and attorney of the Scheme Shareholders under clause 8.5) by:
 - (i) Target delivering to Bidder a duly completed and executed Scheme Transfer to transfer all of the Scheme Shares to Bidder, executed on behalf of the Scheme Shareholders by Target as their agent and attorney; and
 - (ii) Bidder duly executing such Scheme Transfer and delivering the executed and, if necessary, stamped, Scheme Transfer to Target for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.3(a)(ii), but subject to stamping of the Scheme Transfer (if necessary), Target must enter or procure the entry of, the name of Bidder in the Target Share Register in respect of all the Scheme Shares transferred to Bidder in accordance with this Scheme.

5. Scheme Consideration**5.1 Entitlement to Scheme Consideration**

Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder in accordance with this clause 5 and the Deed Poll.

5.2 Election procedure

- (a) The Target must provide or procure the provision of an Election Form to each Relevant Shareholder.
- (b) Subject to clauses 5.2(c), 5.2(d) and 5.2(e), each of the Relevant Shareholders will be entitled to make an Election. All Elections will take effect in accordance with the

APPENDIX D – SCHEME continued

Scheme (provided that any Relevant Shareholder who makes an Election is also a Scheme Shareholder).

- (c) For an Election to be valid:
- (i) the Relevant Shareholder must complete and sign the Election Form in accordance with the terms and conditions of the Election Form, the Scheme and this clause 5.2; and
 - (ii) the Election Form must be received by the Target Registry at the address specified on the Election Form before the Election Time, unless Bidder and Target agree otherwise, in their absolute discretion.
- (d) If a Relevant Shareholder makes an Election, that Election will apply in respect of that percentage (as specified in the Election Form) of the Relevant Shareholder's entire registered holding of Target Shares at the Scheme Record Date, regardless of whether the Relevant Shareholder's holding at the Scheme Record Date is greater or less than the Relevant Shareholder's holding at the time it made its Election, unless Bidder and Target agree otherwise, in their absolute discretion.
- (e) A Relevant Shareholder who makes a valid Election may vary, withdraw or revoke that Election by lodging a replacement Election Form so that it is received by the Target Registry at the address specified on the Election Form before the Election Time. After the Election Time, a valid Election made by a Relevant Shareholder will be irrevocable unless Bidder and Target agree, in their absolute discretion, to the revocation of the Election.
- (f) The Election Form must include the relevant matters set out in the Scheme and must otherwise be in a form agreed by Bidder and Target in writing.

5.3 Determination of Scheme Consideration

- (a) If a Scheme Shareholder is not a Relevant Shareholder, then the Scheme Consideration applicable for that Scheme Shareholder is the Cash Consideration for each Scheme Share held by the Scheme Shareholder.
- (b) If a Scheme Shareholder is a Relevant Shareholder who has not made a valid Election before the Election Time, then the Scheme Consideration applicable for that Scheme Shareholder is the Cash Consideration per Scheme Share in respect of 100% of the Scheme Shares held by the Relevant Shareholder on the Record Date.
- (c) If the Scheme Shareholder is a Relevant Shareholder who has made a valid Election before the Election Time, then the Scheme Consideration applicable for that Scheme Shareholder for the Scheme Shares held by the Scheme Shareholder is:
- (i) the Scrip Consideration per Scheme Share in respect of the Scheme Shares held by the Relevant Shareholder for which the Relevant Shareholder has elected (in the Election Form) to receive the Scrip Consideration; *plus*
 - (ii) the Cash Consideration per Scheme Share in respect of the Scheme Shares held by the Relevant Shareholder for which the Relevant Shareholder has elected (in the Election Form) to receive the Cash Consideration.

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5.4 Provision of Cash Consideration

- (a) The obligation of Bidder to provide, or procure the provision of, the Cash Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll will be satisfied by Bidder by depositing, or procuring the deposit, into the Trust Account, of an amount in cleared funds equal to the aggregate amount of the Cash Consideration payable to all Scheme Shareholders by no later than one Business Day before the Implementation Date to be held by or on behalf of Target on trust for the purpose of paying the Cash Consideration to Scheme Shareholders who are entitled to receive it pursuant to clause 5.4(b) (provided that any interest on the amount so deposited, less bank fees and other charges, will accrue for the benefit of Bidder).
- (b) Subject to Bidder complying with its obligations under clause 5.4(a), Target must on the Implementation Date pay, or procure the payment, from the Trust Account to each Scheme Shareholder an amount equal to the applicable amount of Cash Consideration that the Scheme Shareholder is entitled to pursuant to clause 5.3 in respect of each Scheme Share held by that Scheme Shareholder as set out in the Target Share Register on the Scheme Record Date.
- (c) Target's obligations under clause 5.4(b) will be satisfied by Target (in its absolute discretion, and despite any election referred to in clause 5.4(c)(i) or authority referred to in 5.4(c)(ii) made or given by the Scheme Shareholder):
- (i) where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;
 - (ii) 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 Target; or
 - (iii) dispatching, or procuring the dispatch of, a cheque in Australian currency for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder (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 clause 5.5).

5.5 Provision of Scrip Consideration

- (a) TopCo must, by no later than 12:00 noon (or such later time as Bidder and Target may agree in writing) on the Implementation Date:
- (i) issue the number of TopCo Securities to each Scheme Shareholder that is a Relevant Shareholder in accordance with clause 5.3; and
 - (ii) procure that the name and address of such Scheme Shareholder is entered in TopCo's register of members as the holder of those TopCo Securities (and in relation to TopCo Securities issued to such Scheme Shareholder, having the same holding name and address and other details as recorded in the Target Register as at the Scheme Record Date).

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- (b) A Scheme Shareholder that is a Relevant Shareholder that is entitled to be issued TopCo Securities under this Scheme may, in the Election Form, direct that the TopCo Securities to which they are entitled be issued to a Related Body Corporate of the Scheme Shareholder (in which case such Related Body Corporate's name and details will be entered into TopCo's register of members).
- (c) On the Implementation Date, TopCo must send or procure the sending of a certificate to each Scheme Shareholder to whom TopCo Securities are issued under this Scheme, reflecting the issue of such TopCo Securities.

5.6 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.4(c), any cheque required to be sent under this Scheme will be made payable to the joint holders and sent at the sole discretion of Target, either to the holder whose name appears first in the Target Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 5.4(c)(i) or 5.4(c)(ii), 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 at the sole discretion of Target, either to the holder whose name appears first in Target Share Register as at the Scheme Record Date or to the joint holders.

5.7 Fractional entitlements and share splitting or division

- (a) 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, or a fractional entitlement to a TopCo Security, the fractional entitlement will:
 - (i) in the case of TopCo Security, be rounded down to the nearest whole number of TopCo Security; and
 - (ii) in the case of Cash Consideration, be rounded up to the nearest whole cent.
- (b) If Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.7(a)) have, before the Scheme Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, then Bidder may direct Target to give notice to those Scheme Shareholders:
 - (i) setting out their names and registered addresses as shown in the Target Share Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice of the Scheme Shares held by all of them

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the provisions of the Scheme, be taken to hold no Scheme Shares. Bidder and TopCo, in complying with the provisions of the Scheme relating to them in respect of the

APPENDIX D – SCHEME continued

Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged their obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.8 Unclaimed monies

- (a) Target may cancel a cheque issued under clause 5 if the cheque:
 - (i) is returned to Target; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 5.8(a) must be reissued by Target.
- (c) The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of *Unclaimed Money Act 2008* (Vic)).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Bidder.

5.9 TopCo Securities

Each TopCo Security issued as Scrip Consideration will, on issue:

- (a) rank equally in all respects with all other TopCo Securities in the same class; and
- (b) be fully paid and free from any Encumbrance and third party rights or interests of any kind, whether legal or otherwise.

5.10 Treatment of surplus amounts

To the extent that there is a surplus in the amount held by Target as the trustee for the Scheme Shareholders in the Trust Account, that surplus will, at the election of Bidder, either remain with Target or be paid by Target as trustee for the Scheme Shareholders to Bidder following the satisfaction of Target's obligation as the trustee for the Scheme Shareholders under clause 5.4.

5.11 Amounts to be withheld or retained

- (a) If written notice is given to Target (or the Target Registry) or Bidder of an order or direction made by a court of competent jurisdiction or another Government Agency that:
 - (i) 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 amount would otherwise be payable or required to be issued to that Scheme Shareholder by Target in accordance with clause 5, then Target will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Target from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or

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issuance of such consideration is otherwise prohibited by applicable law, Target will be entitled to (as applicable):

- A. retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; and
- B. direct TopCo not to issue, or to issue to a trustee or nominee, any Scrip Consideration that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as the provision of Scheme Consideration in accordance with this clause 5.11(a)(ii) 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 5.11(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 Target Shares

6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transmission applications or transfers 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 Target Share Register is kept,

and for the purpose of establishing the persons who are Scheme Shareholders, Target will not accept for registration nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title) any transfer or transmission application or other request received after the Scheme Record Date or received prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

6.2 Target Share Register

- (a) For the purposes of determining entitlements to the Scheme Consideration, Target must maintain the Target Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders in accordance with clauses 5.4(b), 5.4(c) and 5.5. The Target Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) Target must register, or cause to be registered, valid registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) by no later than the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 6.2(b) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a Marketable Parcel).
- (c) Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after the Scheme

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Record Date, other than to Bidder in accordance with this Scheme and any subsequent transfer by Bidder or its successors in title.

- (d) 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 Target shall be entitled to disregard any such disposal, purported disposal, agreement or other dealing.

6.3 Information made available to Bidder

As soon as possible after the Scheme Record Date and in any event within 2 Business Days after the Scheme Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Share Register as at the Scheme Record Date are available to Bidder in the form Bidder reasonably requires.

6.4 Effect of share certificates and holding statements

- (a) Each entry which is current on the Target Share Register as at the Scheme Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (b) All certificates and statements of holding for Target Shares (other than statements of holding in favour of Bidder and its successors in title) will cease to have effect after the Scheme Record Date as documents of title (or evidence thereof) in respect of those shares and, as from that date, each entry current at that date on the Target Share Register (other than entries in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.

7. Quotation of Target Shares

7.1 Suspension of trading

Subject to the Scheme becoming Effective, Target will apply to the ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date.

7.2 Removal of Target from official list of ASX

On a date after the Implementation Date to be determined by Bidder, Target will apply:

- (a) for termination of the official quotation of Target Shares on the ASX; and
- (b) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

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

- (a) Target may, by its counsel or solicitors, 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 Target, by its counsel or solicitors, has consented to in accordance with clause 8.1(a).

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8.2 Binding effect of the scheme

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

8.3 Agreement of Scheme Shareholders

- (a) Each Scheme Shareholder:
- (i) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, in accordance with terms of this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees to, on the direction of Bidder, destroy any share certificates or holding statements relating to their Scheme Shares;
 - (iv) agrees that after the transfer of the Scheme Shares to Bidder, any share certificate relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares;
 - (v) who holds their Target Shares in a CHES Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
 - (vi) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who did not attend the relevant Scheme Meeting, those who did not vote at the relevant Scheme Meeting, or voted against this Scheme at the relevant Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target to the extent of any inconsistency; and
 - (vii) irrevocably consents to Bidder and Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,
- without the need for any further act by the Scheme Shareholder.
- (b) Each Scheme Shareholder that is a Relevant Shareholder that is issued TopCo Securities under this Scheme agrees to become a shareholder of TopCo in respect of those TopCo Securities and to be bound by the TopCo constitution and each other agreement governing the TopCo Securities or TopCo, in each case substantially in the form provided to each Relevant Shareholder with the Election Form or such later time as agreed with the Relevant Shareholder(s).

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Target and Bidder on the Implementation Date, and appointed and authorised Target as its attorney and agent to warrant to Bidder on the Implementation Date that:
- (i) all Scheme Shares held by that Scheme Shareholder, together all rights and entitlements attaching to those Scheme Shares, which are

APPENDIX D – SCHEME continued

transferred to Bidder under this Scheme will, at the time of transfer to Bidder, be:

- A. fully paid;
 - B. free from all Encumbrances and third party rights or interests of any kind, whether legal or otherwise; and
 - C. free from all restrictions on transfer of any kind;
- (ii) it has full power and capacity to sell and to transfer their Scheme Shares, together with all rights and entitlements attaching to their Scheme Shares, to Bidder; and
 - (iii) it has no existing right to be issued any Target Shares, Target Equity Incentive, or any other Target equity securities.
- (b) Target undertakes that it will provide the warranty in clause 8.4(a) to Bidder as agent and attorney for each Scheme Shareholder.

8.5 Authority given to Target

Upon this Scheme becoming Effective, each Scheme Shareholder without the need for any further act:

- (a) irrevocably appoints Target and each of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
 - (i) enforcing the Deed Poll against Bidder and TopCo;
 - (ii) doing and/or executing all acts, matters, things and documents necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer,

and Target accepts such appointment; and
- (b) will be deemed to have authorised Target to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer as agent and attorney of each Scheme Shareholder.

Target 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 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to the Scheme Shareholders and until Target registers Bidder as the holder of all Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder as its attorney and agent (and directed Bidder in such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Target, exercise the votes attaching to the Scheme Shares registered in their name and sign any Target shareholders' resolution or document whether in person, by proxy or by corporate representative;

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- (b) must not attend or vote at any of those meetings or sign or vote on any resolutions, whether in person, by proxy or by corporate representative, other than as pursuant to clause 8.6(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), Bidder and any director, officer, secretary or agent nominated by Bidder under clause 8.6(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.7 Title to Target 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 will, at the time of transfer of them to Bidder, vest in Bidder:
 - (i) free from all Encumbrances and third party rights or interests of any kind, whether legal or otherwise; and
 - (ii) free from all restrictions of transfer of any kind.
- (b) Upon the Scheme Consideration being provided to the Scheme Shareholders and until Target registers Bidder as the holder of all Scheme Shares in the Target Share Register, Bidder will be beneficially entitled to all of the Scheme Shares. Bidder's entitlement to be registered in the Target Share Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.3.

9. General

9.1 Stamp duties

Bidder:

- (a) must pay all stamp duties (if any) and any related fines and penalties in respect of the transfer of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnifies each Scheme Shareholder against any liability from a failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Target 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 Target, 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 the office of the Target Registry.
- (b) The accidental omission to give notice of the Scheme Meetings or the non-receipt of such a notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meetings or the proceedings of the Scheme Meetings.

APPENDIX D – SCHEME continued

9.4 Further acts and documents

Target must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.5 No liability when acting in good faith

Each Scheme Shareholders agrees that neither Target or Bidder, nor any of their respective directors, officers, secretaries, employees or Related Bodies Corporate, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10. Governing law and jurisdiction**10.1 Governing law**

This Scheme is governed by the law applying in Victoria, Australia.

10.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

APPENDIX E – DEED POLL

CLAYTON UTZ

Deed poll dated 3 June 2022

- By** MBC Bidco Pty Ltd ACN 658 690 343 (**Bidder**)
MBC TopCo Pty Ltd ACN 658 690 101 (**TopCo**)
- In favour of** Each person registered as a holder of fully paid ordinary shares in the capital Uniti Group Limited ACN 158 957 889 (**Target**) in the Target Share Register as at the Scheme Record Date (**Scheme Shareholders**)

Background

- A. Target and Bidder have entered into the Implementation Deed, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, amongst other things, Bidder:
- (i) is to pay the Scheme Consideration to each Scheme Shareholder and acquire all Scheme Shares held by Scheme Shareholders under the Scheme; and
 - (ii) agreed to enter into this deed poll.
- B. Bidder and TopCo are each making this deed poll for the purposes of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to Bidder and TopCo under the Implementation Deed and the Scheme.

It is declared as follows

1. Definitions and interpretation

1.1 Definitions

Unless the context requires otherwise, in this deed poll:

Dividend Funds has the meaning given to the term in the Implementation Deed.

Implementation Deed means the scheme implementation deed between Target and Bidder dated 13 April 2022.

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.

Scheme means the proposed members' scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in substantially the same form as set out in Attachment 2 to the Implementation Deed, subject to any alterations or conditions made or required by Court under section 411(6) of the Corporations Act and agreed to by Bidder and Target in writing.

Subsidiary has the meaning given in section 9 of the Corporations Act.

1.2 Terms defined in the Scheme

Capitalised words and phrases used but not defined in this deed poll have the meaning given to them in the Scheme, unless the context requires otherwise.

APPENDIX E – DEED POLL continued

CLAYTON UTZ

1.3 Interpretation

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme form part of this deed poll as if set out in full in this deed poll, except that references to "Scheme" in those clauses will be taken to be references to "deed poll".

1.4 Nature of this deed poll

Bidder and TopCo each acknowledge and agree 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 a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and all of its directors, secretaries and officers (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder and TopCo.

2. Condition Precedent**2.1 Condition**

This deed poll and the obligations of Bidder and TopCo under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder and TopCo under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will 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 is terminated in accordance with its terms,

unless Target and Bidder 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 to and without prejudice to any other rights, powers or remedies available to it:

- (a) each of Bidder and TopCo are released from its obligations to further perform this deed poll except those obligations under clause 8.5; and
- (b) each Scheme Shareholder retains the rights it has against Bidder and TopCo in respect of any breach of this deed poll which occurs before it was terminated.

3. Scheme Obligations**3.1 Undertaking to be bound by the Scheme**

Subject to clause 2, each of Bidder and TopCo covenants in favour of each Scheme Shareholder that it will be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations and actions attributed to it under the Scheme, subject to and in accordance with the Scheme.

3.2 Undertaking to pay Scheme Consideration

Subject to clause 2, each of Bidder and TopCo undertakes in favour of each Scheme Shareholder to:

- (c) provide or procure the provision of the Scheme Consideration payable to all Scheme Shareholders; and
- (d) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

in each case subject to and in accordance with the terms of the Scheme.

4. Dividend Funds

4.1 Undertaking to pay Dividend Funds

Bidder undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Dividend Funds to the Target in accordance with clause 4.9 of the Implementation Deed.

5. Warranties

Each of Bidder and TopCo represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (b) it has the legal right and full corporate power 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 constitutes (or will when executed constitute) valid legal and binding obligations on it and is enforceable against it in accordance with its terms;
- (e) this deed poll does not conflict with or result in a breach of or default under:
 - (i) its constitution or equivalent constituent documents; or
 - (ii) any writ, order or injunction, judgment, law, rule, obligation or regulation to which it is a party or by which it is bound.

6. Continuing obligations

This deed poll is irrevocable and subject to clause 2 remains in full force and effect, until the earlier of:

- (a) the time at which Bidder and TopCo have fully performed their respective obligations under this deed poll; and
- (b) the termination of this deed poll under clause 2.

APPENDIX E – DEED POLL continued

CLAYTON UTZ

7. Notices**7.1 How notice to be given**

Each communication (including each notice, consent, approval, request and demand) under or in connection with this deed poll:

- (a) must be given to a party:
- (i) by hand delivery, courier service, prepaid express post or email; and
 - (ii) using the address or other details for the party set out in the below table (or as otherwise notified by that party to each other party from time to time under this clause 7):

Party name	Attention	Address	Email address
Target	Ashe-Lee Jegathesan, Chief Corporate Services Officer & Company Secretary	Level 1, 44 Currie Street, Adelaide, South Australia 5000	ashe-lee.jegathesan@unitigrouplimited.com
	With a copy to Clayton Utz: Rory Moriarty, Kimberley Grellinger and Katherine Silvers	Level 15, 1 Bligh Street, Sydney NSW 2000	rmoriarty@claytonutz.com; kgrellinger@claytonutz.com; ksilvers@claytonutz.com
Bidder and TopCo	Head of Legal at (Morrison & Co)	Level 28, 126 Phillip St, Sydney NSW 2000	legal@hrlmorrison.com
	Udhay Mathialagan; Michael Ryan	Level 28, 126 Phillip St, Sydney NSW 2000	Udhay.Mathialagan@brookfield.com ; Michael.Ryan@brookfield.com
	With a copy to Allens: Tom Story; Emin Altiparmak		Tom.Story@allens.com.au; Emin.Altiparmak@allens.com.au

- (b) must be in legible writing and in English;
- (c) (in the case of communications other than email) must be signed by the sending party or by a person duly authorised by the sending party;
- (d) (in the case of email) must:

APPENDIX E – DEED POLL *continued*

CLAYTON UTZ

- (i) state the name of the sending party or a person duly authorised by the sending party and state that the email is a communication under or in connection with this deed poll; and
- (ii) if the email contains attachments, ensure the attachments are in PDF or other non-modifiable format the receiving party can open, view and download at no additional cost,

and communications sent by email are taken to be signed by the named sender.

7.2 When notice taken to be received

Without limiting the ability of a party to prove that a notice has been given and received at an earlier time, each communication (including each notice, consent, approval, request and demand) under or in connection with this deed is taken to be given by the sender and received by the recipient:

- (a) (in the case of delivery by hand or courier service) on delivery;
- (b) (in the case of prepaid express post sent to an address in the same country) on the second Business Day after the date of posting;
- (c) (in the case of prepaid express post sent to an address in another country) on the fourth Business Day after the date of posting;
- (d) (in the case of email, whether or not containing attachments) the earlier of:
 - (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
 - (ii) receipt by the sender of an automated message confirming delivery; and
 - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing),

provided that:

- (e) the communication will be taken to be so given by the sender and received by the recipient regardless of whether:
 - (i) the recipient is absent from the place at which the communication is delivered or sent;
 - (ii) the communication is returned unclaimed; and
 - (iii) (in the case of email) the email or any of its attachments is opened by the recipient;
- (f) if the communication specifies a later time as the time of delivery then that later time will be taken to be the time of delivery of the communication; and
- (g) if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is delivered or sent).

APPENDIX E – DEED POLL continued

CLAYTON UTZ

7.3 Notices sent by more than one method of communication

If a communication delivered or sent under this clause 7 is delivered or sent by more than one method, the communication is taken to be given by the sender and received by the recipient whenever it is taken to be first received in accordance with clause 7.2.

8. General**8.1 Amendments**

This deed poll may only be amended by another deed poll entered into by Bidder and TopCo and then only:

- (a) if before the First Court Date, if the amendment is agreed to by Target, Bidder and TopCo in writing (and such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); and
- (b) if on or after the First Court Date, if the amendment is agreed to by Target, Bidder and TopCo in writing (and such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and the Court indicates that the amendment would not preclude approval of the Scheme.

8.2 Assignment

- (a) The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, novated, transferred or otherwise dealt with without the prior written consent of the Bidder and TopCo.
- (b) Any purported assignment, novation, transfer or other dealing in contravention of clause 8.2(a) of this deed poll is invalid.

8.3 Cumulative rights

The rights, powers and remedies of the Bidder, TopCo and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law or equity or by any agreement independently of this deed poll.

8.4 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

8.5 Stamp Duty

Bidder:

- (a) must pay all stamp duties and any related fines and penalties on or in connection with the Scheme and this deed poll and the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to the Scheme; and

APPENDIX E – DEED POLL continued

CLAYTON UTZ

- (b) indemnifies each Scheme Shareholder against any liability from a failure to comply with clause 8.5(a) of this deed poll.

8.6 Further assurances

Each of Bidder and TopCo must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

8.7 Counterparts

This deed poll maybe executed in counterparts, all of which taken together constitute one document.

9. Governing law and jurisdiction**9.1 Governing law**

This deed poll is governed by the law applying in Victoria, Australia.

9.2 Jurisdiction

Each of Bidder and TopCo irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waive any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 9.2(a).

CLAYTON UTZ

APPENDIX E – DEED POLL continued

Executed and delivered as a deed poll.

Executed by MBC BidCo Pty Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:
Geoff Hutchinson
93E3E0486E7E4FD...

Signature of director

Geoff Hutchinson

Full name of director who states that they are a director of **MBC BidCo Pty Ltd**

DocuSigned by:
Felix Chan
CFA87AE8C8254E4...

Signature of ~~company secretary~~/director

Felix Chan

Full name of ~~company secretary~~/director who states that they are a ~~company secretary~~/director of **MBC BidCo Pty Ltd**

APPENDIX E – DEED POLL continued

CLAYTON UTZ

Executed by **MBC TopCo Pty Ltd** in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:

93E3E0486E7E4FD...

Signature of director

Geoff Hutchinson

Full name of director who states that they are a director of **MBC TopCo Pty Ltd**

DocuSigned by:

CFA87AE8C8254E4...

Signature of ~~company secretary~~/director

Felix Chan

Full name of ~~company secretary~~/director who states that they are a ~~company secretary~~/director of **MBC TopCo Pty Ltd**

CORPORATE DIRECTORY

Uniti Group Limited

Uniti Group Limited
ACN 158 957 889
Level 1, 44 Currie Street
Adelaide, SA 5000

Uniti Directors

Graeme Barclay - Independent Non-Executive Chairman
Michael Simmons - Managing Director & CEO
Vaughan Bowen - Executive Director
John Lindsay - Independent Non-Executive Director
Kathryn Gramp - Independent Non-Executive Director

Uniti Registry

Boardroom Pty Limited
Level 12, 225 George St
Sydney NSW 2000

Legal Adviser

Clayton Utz
Level 15, 1 Bligh Street
Sydney NSW 2000

Independent Expert

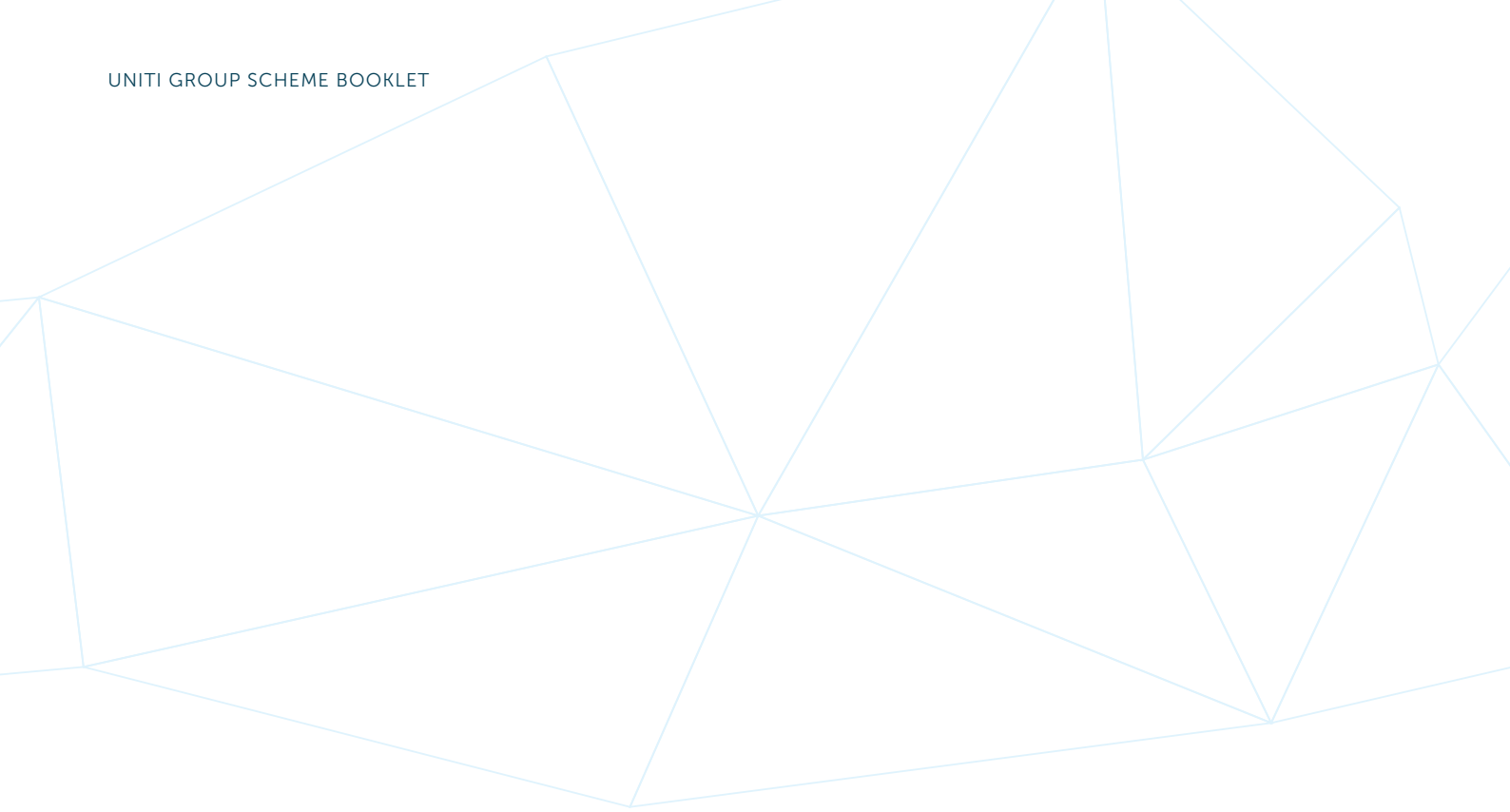
Lonergan Edwards & Associates Limited
Level 7, 64 Castlereagh Street
Sydney NSW 2000

Tax Adviser

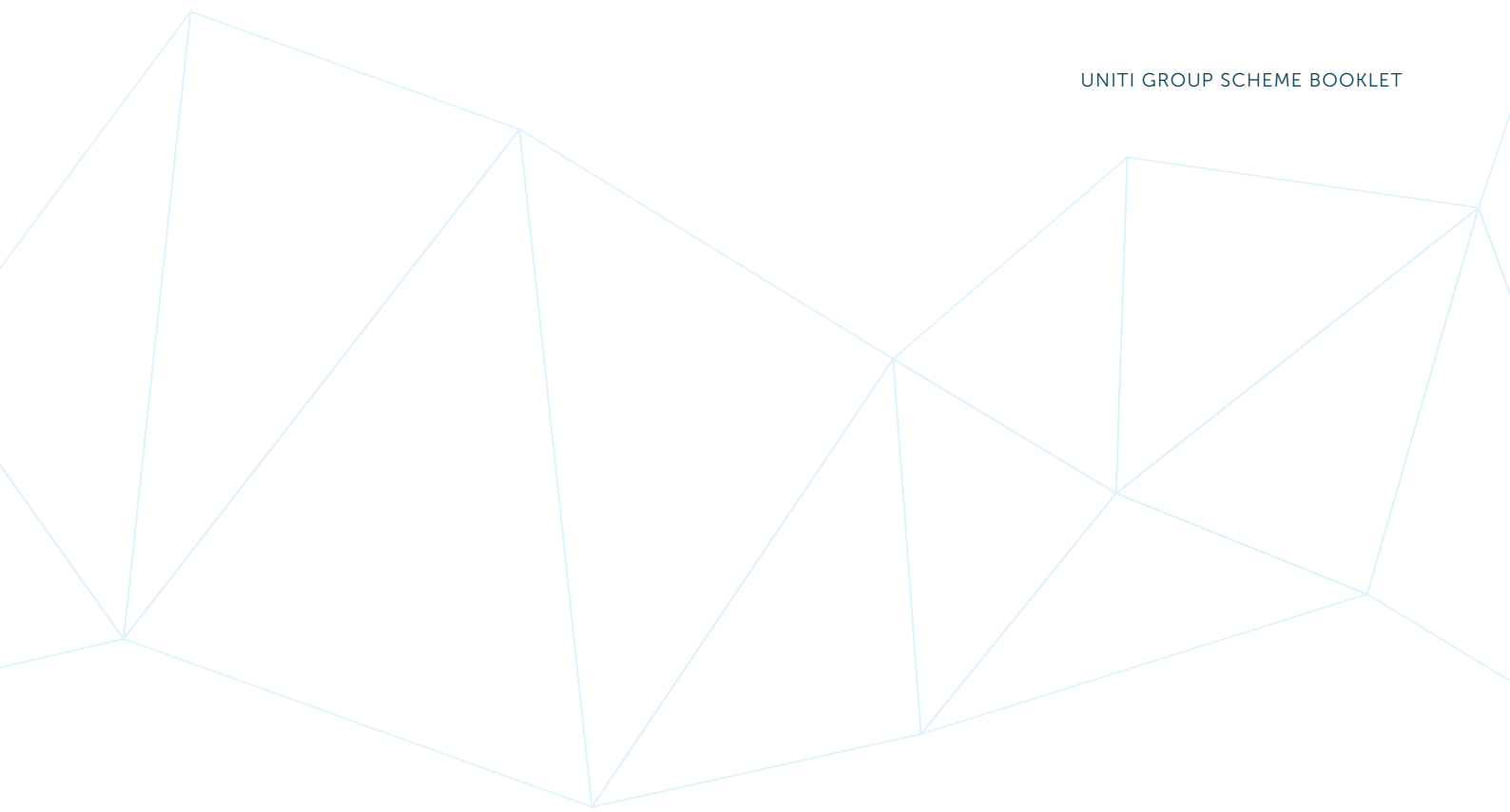
Grant Thornton
Level 17, 383 Kent Street
Sydney NSW 2000

Uniti Shareholder Information Line

1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)
Operating hours: on Business Days between 9.00am and
5.00pm AEST (Sydney, Melbourne), Monday to Friday



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