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Company Announcements Office
ASX Limited
Level 4
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Sydney NSW 2000

Your reference

Our reference

AVY/AVY/359371/10/
AUM/1214669051

20 January 2017

Dear Sir/Madam

**TAKEOVER BID BY WHSP HUNTER HALL PTY LTD FOR HUNTER HALL
INTERNATIONAL LIMITED**

On behalf of WHSP Hunter Hall Pty Ltd ACN 616 648 241 ("**Bidder**") (a wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited ACN 000 002 728 ("**WHSP**")), we give notice that the Bidder has today commenced sending its Bidder's Statement (including an offer in relation to its takeover bid to acquire all of the ordinary shares in Hunter Hall International Limited ACN 059 300 426 ("**HHL**") which WHSP does not already own ("**Offer**")) to HHL shareholders, as required by item 6 of section 633(1) of the *Corporations Act 2001* (Cth). The Offer is dated 20 January 2017.

HHL has given its consent to the early dispatch of the Bidder's Statement and Offer in accordance with item 6 of section 633(1) of the *Corporations Act 2001* (Cth).

We **enclose** a copy of the Bidder's Statement.

Yours sincerely

DAVID RYAN
Partner
DLA PIPER AUSTRALIA

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Enc.

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DLA Piper, a global law firm,
operating through various
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entities.

A list of offices and regulatory
information can be found at
www.dlapiper.com



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

It contains an offer by the Bidder to purchase all of your shares in Hunter Hall International Limited. If you are in any doubt as to how to deal with this document, you should consult your financial, legal, taxation or other professional adviser as soon as possible.

Bidder's Statement

CASH OFFER

by

WHSP Hunter Hall Pty Ltd ACN 616 648 241
(a directly wholly owned subsidiary of Washington H. Soul
Pattinson and Company Limited ACN 000 002 728)

to purchase **ALL OF YOUR SHARES** in

Hunter Hall International Limited ACN 059 300 426

for

\$1.00 cash per share

For more information or assistance, please call 1300 652 821
(within Australia) or +61 3 9415 4104 (from outside Australia)

Financial Adviser:



Legal Adviser:



Important Information

Bidder's Statement

This Bidder's Statement is dated 11 January 2017 and is given by WHSP Hunter Hall Pty Ltd ACN 616 648 241, a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited ACN 000 002 728 to Hunter Hall International Limited ACN 059 300 426 under Part 6.5 of the Corporations Act and relates to the Offer. This Bidder's Statement includes an Offer dated 20 January 2017 to acquire your HHL Shares, the terms of which are set out in Section 8, and also sets out certain disclosures required by the Corporations Act. You should read this Bidder's Statement in its entirety.

ASIC and ASX disclaimer

A copy of this Bidder's Statement was lodged with ASIC and provided to ASX on 11 January 2017. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Bidder's Statement or the merits of the Offer.

Investment decisions

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should consider seeking independent financial, legal or taxation advice before deciding whether or not to accept the Offer.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are defined in Section 9.

Forward-looking statements

This Bidder's Statement contains forward-looking statements, including statements of current intentions, statements of opinion and predictions as to possible future events. Forward-looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward-looking statements. While the Bidder believes that the expectations reflected in the forward-looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. Matters as yet not known to the Bidder or not currently considered material by the Bidder may cause actual results or events to be materially different from those expressed, implied or projected in any forward-looking statements. Any forward-looking statement contained in this document is qualified by this cautionary statement.

None of the Bidder, any WHSP Group Member, nor their respective officers, persons named in this Bidder's Statement with their consent or any other person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or outcomes expressed or implied in any forward-looking statement and any statements in the nature of a forward-looking statement having regard to the fact that the outcome may not be achieved, except to the extent required by law. The forward-looking statements and statements in the nature of forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Information regarding HHL

All information in this Bidder's Statement relating to HHL has been prepared by or on behalf of the Bidder using publicly available information. None of that information has been commented on or verified by HHL or the HHL Board, and has not been independently verified by the Bidder or its officers for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information relating to HHL in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of HHL to provide a Target's Statement to HHL Shareholders in response to this Bidder's Statement, setting out certain material information concerning HHL.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Bidder's Statement. Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

Internet

References in this Bidder's Statement to WHSP's website (www.whsp.com.au) and to HHL's website (www.hunterhall.com.au) are for your reference only. Information contained in or otherwise accessible from those websites are not part of this Bidder's Statement.

Notice to foreign shareholders

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to which, it would not be lawful to make such an offer.

Privacy statement

The Bidder has collected your information from the HHL register of members for the purpose of making the Offer and, if accepted, administering your holding of HHL Shares. The type of information the Bidder has collected about you includes your name, address, contact details and information on your shareholding in HHL. Without this information, the Bidder will be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to other members of the WHSP Group and external service providers (such as providers of print and mail services), and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by the Bidder please contact it at the address set out in the corporate directory or call the Offer Information Line.

Offer Information Line

For information regarding your HHL Shares, the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact the Offer Information Line on:

Within Australia: 1300 652 821

Outside Australia: +61 3 9415 4104

The Offer Information Line is open between 9:00am and 5:00pm (Sydney time) during the Offer Period.



Table of Contents

| | |
|--|------------|
| Important Information | i |
| Table of Contents | iii |
| Key Dates | 1 |
| How to accept | 1 |
| Letter from the Chairman of WHSP | 3 |
| Why you may wish to accept the Offer | 4 |
| Frequently Asked Questions | 7 |
| 1. Summary of the Offer | 9 |
| 2. Profile of the Bidder and WHSP | 11 |
| 3. Profile of HHL | 13 |
| 4. The Bidder's intentions | 16 |
| 5. Sources of cash consideration | 19 |
| 6. Taxation considerations | 20 |
| 7. Other material information | 23 |
| 8. The Offer terms | 26 |
| 9. Definitions and interpretation | 36 |
| 10. Approval of Bidder's Statement | 40 |
| Annexure A: Announcement by WHSP in relation to the Offer | 41 |
| Annexure B: Share Acquisition Agreement | 45 |
| Annexure C: HHL Announcements | 52 |
| Corporate Directory | 54 |

Key Dates

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| Date Offer announced | 30 December 2016 |
| Bidder's Statement lodged with ASIC, ASX and served on HHL | 11 January 2017 |
| Offer opens | 20 January 2017 |
| Offer closes (unless extended)* | 7:00pm (Sydney time) on 20 February 2017 |

* The closing date for the Offer may be extended as permitted by the Corporations Act.

How to accept

You may only accept the Offer in respect of all your HHL Shares. To accept the Offer, you should proceed as set out below. Full details on how to accept the Offer are set out in Section 8.3.

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| Step 1 Read | Carefully read the entire Bidder's Statement. You should also read the Target's Statement prepared by HHL. |
| Step 2 Consult | Consult your financial, legal, taxation or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer. |
| Step 3 Complete or instruct | <p>CHESS Holdings</p> <p>If your HHL Shares are in a CHESS Holding (Holder Identification Number is prefixed with 'X'), to accept you must either:</p> <ul style="list-style-type: none">• instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf, so as to be effective before the end of the Offer Period. However, if you are the Controlling Participant in respect of your HHL Shares, to accept the HHL Offer you must initiate acceptance of the Offer before the end of the Offer Period; or• complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it (using the enclosed pre-addressed envelope if you wish) together with all other documents required by those instructions on it, so that they are received at the address given on the Acceptance Form in sufficient time for your Controlling Participant to act on your instruction before the end of the Offer Period. <p>Issuer Sponsored Holding</p> <p>If your HHL Shares are held in an Issuer Sponsored Holding (Securityholder Reference Number is prefixed with 'I') or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your HHL Shares, to accept the Offer in respect of those HHL Shares, you must complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it (using the enclosed pre-addressed envelope if you wish) together with all documents required by the instructions on it, so that they are received at the address given on the Acceptance Form before the end of the Offer Period.</p> |

How to accept continued

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| Step 3 continued Complete or instruct | Participants If you are a Participant (typically, a Broker), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules. Institutional Acceptance Facility If you are unable to accept the Offer, for example by reason of your investment mandates, until the Offer becomes or is declared unconditional, you may be able to indicate your intention to accept the Offer if the Bidder decides to establish an institutional acceptance facility (Facility). The Bidder will inform HHL Shareholders if it decides to establish the Facility. |
| Step 4 Post | Post your completed Acceptance Form in the enclosed pre-addressed envelope to: Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia |

To be effective, Acceptance Forms must be received in sufficient time for your instruction to be processed by 7:00pm (Sydney time) on 20 February 2017, unless the Offer is extended or withdrawn as permitted by the Corporations Act.

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to six Business Days, or longer from regional areas. HHL Shareholders should bear this in mind when returning Acceptance Forms using Australia Post.

Letter from the Chairman of WHSP

11 January 2017

Dear HHL Shareholder

The Bidder, a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (**WHSP**), is pleased to present you with an offer to acquire all of your ordinary shares in Hunter Hall International Limited (**HHL**) for \$1.00 per HHL Share. WHSP is a patient and value oriented investment house with investments in a diverse portfolio of assets across a range of industries.

The Offer Price of \$1.00 for each HHL Share represents a discount to the recent market price of HHL Shares as follows:

- a **discount of 69%** to the closing price of HHL Shares on 23 December 2016 of \$3.25 (being the last day on which HHL Shares traded on ASX before the Announcement Date and HHL's announcement of Mr Peter Hall AM having tendered his resignation as Chief Investment Officer of HHL;¹ and
- a **discount of 59%** to the closing price of HHL Shares on ASX on 10 January 2017 of \$2.42, being the last Trading Day prior to the date of this Bidder's Statement.

If you choose to accept the Offer, your acceptance will provide you with certainty about the value of consideration being offered (subject to the Conditions being satisfied or waived) in contrast to the uncertain future value of HHL Shares. By accepting the Offer you will no longer have exposure to the risks and uncertainty associated with an investment in HHL.

On the date of this Bidder's Statement, the WHSP Group has a relevant interest in 19.9% of the issued share capital of HHL. Mr Peter Hall AM, who together with his controlled entities, has a relevant interest in 24.05% of the issued capital of HHL has informed WHSP that he intends to accept the Offer in respect of these shares in the absence of a superior proposal. At the date of this Bidder's Statement, the Offer is the only takeover offer available to HHL Shareholders. The Bidder is not aware of any other party intending to make an offer.

The Offer is subject to limited conditions, being no prescribed occurrences occurring in relation to HHL, no actions affecting the business of HHL being undertaken by, or occurring in relation to, HHL and no existence of certain rights triggered by a change of control of HHL. Further details of the conditions can be found in Section 8.7.

HHL Shareholders who accept the Offer will be paid by the earlier of the day that is one month after the Offer becomes, or is declared, unconditional or 21 days after the end of the Offer Period.

Detailed information in respect of the Offer is set out in this Bidder's Statement. I encourage you to read the entirety of this Bidder's Statement carefully and then accept the Offer as soon as possible. The Offer is open for acceptance until 7:00pm (Sydney time) on 20 February 2017, unless extended.

To accept the Offer you should follow the instructions on the enclosed Acceptance Form and in this Bidder's Statement.

If you have any questions, please contact the Offer Information Line on 1300 652 821 (from within Australia) or +61 3 9415 4104 (from outside Australia), or consult your financial, legal, taxation or other professional adviser.

Yours sincerely



Robert D. Millner

Chairman

Washington H. Soul Pattinson and Company Limited

1 HHL's announcement titled "Hunter Hall International Limited (HHL) Resignation of Chief Investment Officer (CIO)" lodged with ASX on 30 December 2016.

Why you may wish to accept the Offer

The Offer Price of \$1.00 for each HHL Share represents a discount to the recent market price of HHL Shares as follows:

- a **discount of 69%** to the closing price of HHL Shares on 23 December 2016 of \$3.25 (being the last day on which HHL Shares traded on ASX before the Announcement Date and HHL's announcement of Mr Peter Hall AM having tendered his resignation as Chief Investment Officer of HHL;² and
- a **discount of 59%** to the closing price of HHL Shares on ASX on 10 January 2017 of \$2.42, being the last Trading Day prior to the date of this Bidder's Statement.

During the three months ended 10 January 2017 (being the last Trading Day prior to the date of this Bidder's Statement):

- the highest recorded sale price for HHL Shares on ASX was \$3.70 on 25 October 2016; and
- the lowest recorded sale price for HHL Shares on ASX was \$2.05 on 3 January 2017.³

However, even though the Offer Price is below the recent market price of HHL Shares, the reasons why you may wish to accept the Offer are as follows:

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|-----------|---|
| 1. | The Offer is a simple all cash offer |
| 2. | The Offer provides all HHL Shareholders with access to full liquidity |
| 3. | You will be paid certain value for your HHL Shares and your exposure to the risks and uncertainties associated with a continued investment in HHL will be removed |
| 4. | The Offer is the only takeover offer presently available for your HHL Shares |
| 5. | If you do not accept and the Offer proceeds, you may be exposed to a number of risks |
| 6. | You will not pay brokerage by accepting the Offer |

Further details on each of these reasons for ACCEPTING the Offer are set out commencing on the following page of this Bidder's Statement.

You should read this entire Bidder's Statement and HHL's Target's Statement before deciding whether to accept the Offer.

2 HHL's announcement titled "Hunter Hall International Limited (HHL) Resignation of Chief Investment Officer (CIO)" lodged with ASX on 30 December 2016.
 3 The lowest recorded sale price for HHL Shares does not include the price WHSP acquired HHL Shares from Mr Peter Hall AM as described in Section 3.13.

1. The Offer is a simple all cash offer

Being an 'all cash' offer, the Offer provides you with an opportunity to realise certain value for your entire HHL shareholding, with no exposure to the potential risks associated with a continuing investment in HHL.

HHL Shareholders who accept the Offer will be paid by the earlier of one month after the Offer becomes or is declared unconditional and within 21 days after the end of the Offer Period.

The Offer is subject to limited conditions, being no prescribed occurrences occurring in relation to HHL, no actions affecting the business of HHL being undertaken by, or occurring in relation to, HHL and no existence of certain rights triggered by a change of control of HHL. The Offer is not subject to a financing condition, minimum acceptance condition or any regulatory approval conditions. The conditions to the Offer are set out in full in Section 8.7. The status of these conditions as at the date of this Bidder's Statement is set out in Section 7.2.

2. The Offer provides all HHL Shareholders with access to full liquidity

HHL Shares currently trade at low volumes on ASX. The average daily trading volume for HHL Shares in the last 12 months prior to the Announcement Date (being the period between 30 December 2015 to 29 December 2016 inclusive of those dates) was approximately 12,602 HHL Shares,⁴ representing approximately 0.05% of the total number of HHL Shares on issue.

Consequently, some larger HHL Shareholders face limited opportunities to achieve full liquidity in respect of their HHL Shares at the prevailing market price. The Offer provides HHL Shareholders with access to full liquidity.

3. You will be paid certain value for your HHL Shares and your exposure to the risks and uncertainties associated with a continued investment in HHL will be removed

The choice for HHL Shareholders is between an all cash offer of certain value, selling your HHL Shares on-market at the prevailing market price⁵ or an alternative uncertain future value of HHL Shares.

The Offer gives you certainty about the value of consideration being offered (subject to the Conditions being satisfied or waived) and removes your exposure to any risk associated with continuing to hold HHL Shares. See reason 5 on page 6 of this Bidder's Statement for further information.

4. The Offer is the only takeover offer presently available for your HHL Shares

The Offer is the only takeover offer presently available for all your HHL Shares as at the date of this Bidder's Statement. The Offer represents a liquidity opportunity for HHL Shareholders to sell all their HHL Shares for a certain value. As at the date of this Bidder's Statement, the Bidder is not aware of any other party intending to make a takeover offer for HHL Shares.

⁴ Trading data prepared by Bloomberg and published on 9 January 2017. Bloomberg has not consented to the use of the reference in this Bidder's Statement.

⁵ The closing price of HHL Shares on ASX on 10 January 2017, being the last Trading Day prior to the date of this Bidder's Statement, was \$2.42.



5. If you do not accept and the Offer proceeds, you may be exposed to a number of risks

At the Announcement Date, the WHSP Group had a relevant interest in 19.9% of HHL Shares. Mr Peter Hall AM, who together with his controlled entities, has a relevant interest in 24.05% of the issued capital of HHL has informed WHSP that he intends to accept the Offer in respect of these shares in the absence of a superior proposal.

If you do not accept the Offer and the WHSP Group acquires control of HHL but does not achieve compulsory acquisition, you will be a minority shareholder in HHL with limited influence in the running of the business.

Decisions made in respect of the business of HHL under the control of the WHSP Group may, therefore, have an impact on those HHL Shareholders who do not accept the Offer.

The WHSP Group's majority holding in HHL Shares and its control over the company may affect the liquidity of minority shareholders' HHL Shares. This may make it more difficult for minority shareholders to sell their HHL Shares.

The Bidder does not currently intend to arrange for HHL to be removed from the official list of ASX unless it acquires 90% or more of all HHL Shares. However, if ASX forms the view that HHL has not maintained a sufficient spread of shareholders to ensure there is an orderly and liquid market in HHL's shares, ASX has the power to suspend HHL Shares from quotation or to remove HHL from the official list of ASX.

There is no certainty as to HHL's future performance or the payment of dividends, and minority shareholders will be subject to these risks.

6. You will not pay brokerage by accepting the Offer

By accepting the Offer, you will not pay any brokerage. You may incur brokerage costs if you choose to sell your HHL Shares on-market or instruct your Broker to accept the Offer on your behalf.

You should read the entire Bidder's Statement and HHL's Target's Statement before deciding whether to accept the Offer.

Frequently Asked Questions

This Section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement. You should read the entire Bidder's Statement before deciding whether or not to accept the Offer.

The terms of the Offer are contained in Section 8.

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|---|--|
| 1. What is the Offer? | The Bidder is offering to purchase all of your HHL Shares. The Offer consideration is \$1.00 cash for each HHL Share. |
| 2. Who is making the Offer? | The Bidder, a directly wholly owned subsidiary of WHSP, is offering to acquire all of your HHL Shares. WHSP is a patient and value oriented investment house with investments in a diverse portfolio of assets across a range of industries. More information about the Bidder and WHSP is set out in Section 2. |
| 3. What is this Bidder's Statement? | The Bidder's Statement was prepared by the Bidder for distribution to HHL Shareholders. This Bidder's Statement sets out the terms of the Offer for your HHL Shares and information relevant to your decision whether or not to accept the Offer. This Bidder's Statement is an important document, which you should read in full. If you are in any doubt about how to deal with this document, you should consult your financial, legal, taxation or other professional adviser. |
| 4. What is the Offer Price? | The Bidder is offering to acquire all of your HHL Shares for \$1.00 cash per HHL Share, on the terms and conditions set out in Section 8. The closing price of HHL Shares on ASX on 10 January 2017, being the last Trading Day prior to the date of this Bidder's Statement, was \$2.42. |
| 5. What choices do I have? | As a HHL Shareholder, you have the following choices: <ul style="list-style-type: none"> • accept the Offer for all of your HHL Shares and receive cash consideration; • sell your HHL Shares on-market at the prevailing market price (unless you have previously accepted the Offer); or • do nothing. The closing price of HHL Shares on ASX on 10 January 2017, being the last Trading Day prior to the date of this Bidder's Statement, was \$2.42. |
| 6. When does the Offer open and close? | The Offer is scheduled to open on 20 January 2017 and close at 7:00pm (Sydney time) on 20 February 2017 unless the Offer is withdrawn or the Offer Period is extended as permitted by the Corporations Act. |
| 7. What are the intentions of the HHL Directors in relation to their own HHL Shares? | Mr Peter Hall AM (Chief Executive Officer and Managing Director of HHL) has informed WHSP that he intends to accept the Offer in respect of the HHL Shares he controls (which represents 24.05% of the issued capital of HHL), in the absence of a superior proposal. As far as the Bidder is aware, no other HHL Director has expressed any intention in relation to HHL Shares he or she controls. |
| 8. What are the Conditions of the Offer? | The Offer is subject to the Conditions which are set out in full in Section 8.7. In summary, those Conditions are: <ul style="list-style-type: none"> • no prescribed occurrences occurring in relation to HHL; • no actions affecting the business of HHL being undertaken by, or occurring in relation to, HHL; and • no existence of certain rights triggered by a change of control of HHL. The status of each of the Conditions as at the date of this Bidder's Statement is discussed in Section 7.2. If the Conditions are not satisfied or waived, then the Offer will not proceed. |

Frequently Asked Questions *continued*

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| 9. How do I accept the Offer? | To accept the Offer you must follow the instructions set out in Section 8.3 and on the Acceptance Form accompanying this Bidder's Statement. |
| 10. Can I accept the Offer for part of my holding? | No, you can only accept for all of your holding. Your acceptance will be treated as being for all your HHL Shares plus any additional HHL Shares registered as held by you at the date your acceptance is processed. |
| 11. If I accept the Offer, when will I be paid? | <p>If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form and the Offer becomes or is declared unconditional, you will be sent payment by the earlier of:</p> <ul style="list-style-type: none"> • One month after the date of your acceptance or, if at the time of your acceptance the Offer is subject to a Condition, one month after the Offer becomes, or is declared, unconditional; and • 21 days after the end of the Offer Period. <p>Full details of when you will be paid are set out in Section 8.9.</p> |
| 12. Can I sell my HHL Shares on-market? | Yes, but you may incur brokerage and other transaction costs if you do. However, if you accept the Offer, you agree not to sell your HHL Shares to anyone else. So if you accept the Offer and then seek to sell your HHL Shares on-market you will be unable to settle that on-market trade. |
| 13. What if I am a foreign HHL Shareholder? | Foreign HHL Shareholders will be paid the same cash consideration as all other HHL Shareholders under the Offer. You will be paid in Australian dollars by cheque drawn on an Australian bank branch. |
| 14. What happens if I do not accept? | <p>You will remain a HHL Shareholder and will not receive the consideration offered by the Bidder. However, if the Bidder becomes entitled to compulsorily acquire your HHL Shares, it intends to do so. If your HHL Shares are compulsorily acquired by the Bidder, it will be on the same terms (including the same consideration for each HHL Share acquired) as the Offer. However, you will receive the money later than the HHL Shareholders who choose to accept the Offer.</p> <p>If the Bidder does not become entitled to compulsorily acquire your HHL Shares, you will remain a HHL Shareholder.</p> |
| 15. What are the tax implications of acceptance? | The tax consequences of accepting the Offer will depend on your own individual circumstances and you should consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of certain of the major likely Australian tax consequences of the Offer for HHL Shareholders is set out in Section 6. |
| 16. Do I pay brokerage or stamp duty if I accept? | <p>You will not pay stamp duty on the disposal of your HHL Shares if you accept the Offer.</p> <p>If your HHL Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your HHL Shares are registered in a CHESS Holding, or if you are a beneficial owner whose HHL Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p> |
| 17. What if I require further information? | <p>If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia).</p> <p>The Offer Information Line is open between 9:00 am and 5:00 pm (Sydney time) during the Offer Period.</p> |

1. Summary of the Offer

Set out below is a summary of the Offer. This information is a summary only and should be read together with all Sections of this Bidder's Statement and HHL's Target's Statement.

Capitalised terms not otherwise defined have the meanings given in Section 9.

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| The Bidder | The Bidder is a directly wholly owned subsidiary of WHSP. WHSP is a patient and value oriented investment house with investments in a diverse portfolio of assets across a range of industries. For more information about the Bidder and WHSP, please refer to Section 2. |
| The Offer | The Bidder is offering to acquire all of your HHL Shares. |
| Offer Price | The Bidder is offering \$1.00 cash for each HHL Share you hold. |
| Closing date | The Offer is scheduled to close at 7:00pm (Sydney time) on 20 February 2017, unless the Offer is extended or withdrawn. |
| Payment date | <p>If you accept this Offer and the Conditions are fulfilled or waived, the Bidder will pay you the consideration for your HHL Shares under this Offer by the earlier of:</p> <ul style="list-style-type: none">• the day that is 1 month after the date you accept this Offer or, if at the time of your acceptance this Offer is subject to a Condition, 1 month after any contract resulting from your acceptance of this Offer becomes unconditional; and• the day that is 21 days after the end of the Offer Period. |
| Conditions to the Offer | <p>The Offer is subject to the Conditions set out in Section 8.7. These are summarised as follows:</p> <ul style="list-style-type: none">• no prescribed occurrences occurring in relation to HHL;• no actions affecting the business of HHL being undertaken by, or occurring in relation to, HHL; and• no existence of certain rights triggered by a change of control of HHL. <p>The status of these Conditions as at the date of this Bidder's Statement is set out in Section 7.2.</p> |
| How to accept the Offer | <p>You should read section 8.3 of this Bidder's Statement for full details on how to accept the Offer.</p> <p>CHESS Holdings</p> <p>If your HHL Shares are in a CHESS Holding (Holder Identification Number is prefixed with 'X'), to accept you must either:</p> <ul style="list-style-type: none">• instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf, so as to be effective before the end of the Offer Period. However, if you are the Controlling Participant in respect of your HHL Shares, to accept the HHL Offer you must initiate acceptance of the Offer before the end of the Offer Period; or• complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it (using the enclosed pre-addressed envelope if you wish) together with all other documents required by those instructions on it, so that they are received at the address given on the Acceptance Form in sufficient time for your Controlling Participant to act on your instruction before the end of the Offer Period. |

1. Summary of the Offer *continued*

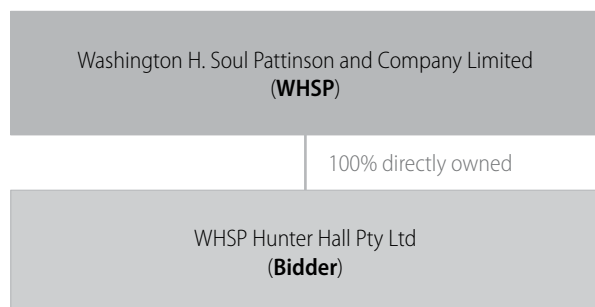
| | |
|--|---|
| <p>How to accept the Offer <i>continued</i></p> | <p>Issuer Sponsored Holding</p> <p>If your HHL Shares are held in an Issuer Sponsored Holding (Securityholder Reference Number is prefixed with 'I') or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your HHL Shares, to accept the Offer in respect of those HHL Shares, you must complete and sign the enclosed Acceptance Form in accordance with the instructions on it and return it (using the enclosed pre-addressed envelope if you wish) together with all documents required by the instructions on it, so that they are received at the address given on the Acceptance Form before the end of the Offer Period.</p> <p>Participants</p> <p>If you are a Participant (typically, a Broker), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.</p> <p>Institutional Acceptance Facility</p> <p>If you are unable to accept the Offer, for example by reason of your investment mandates, until the Offer becomes or is declared unconditional, you may be able to indicate your intention to accept the Offer if the Bidder decides to establish an institutional acceptance facility (Facility). The Bidder will inform HHL Shareholders if it decides to establish the Facility.</p> <p>Post</p> <p>Post your completed Acceptance Form in the enclosed pre-addressed envelope to:</p> <p>Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia</p> |
| <p>No stamp duty</p> | <p>You will not pay any stamp duty in connection with your acceptance of the Offer.</p> |

2. Profile of the Bidder and WHSP

2.1 The Bidder

The Bidder is a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (**WHSP**). The Bidder was incorporated in New South Wales, Australia, on 3 January 2017 for the purpose of making the Offer.

Set out below is a simplified structure of WHSP's ownership of the Bidder.



2.2 Directors of the Bidder

The directors of the Bidder are:

- Robert Dobson Millner;
- Todd James Barlow; and
- Thomas Charles Dobson Millner.

2.3 Overview of WHSP

WHSP is a diversified investment company incorporated in Australia and is Australia's second oldest publicly listed company, having listed on the Sydney Stock Exchange (as the ASX was then known) on 21 January 1903.

WHSP is a conservative and value driven investor focussed on delivering returns over the long term. WHSP has a significant investment portfolio encompassing many industries including its traditional field of pharmaceuticals, as well as telecommunications, coal mining, building materials, copper and gold exploration, equity investments, property investment and corporate consulting. As at 31 July 2016, the pre-tax net asset value of WHSP's portfolio was \$4.9 billion.

WHSP seeks to be a supportive shareholder working with its investee companies to create value. Through this approach, over the last 40 years to 31 July 2016, WHSP has been able to deliver a total shareholder return of 16.6% per annum.⁶

Further information about WHSP can be found at www.whsp.com.au.

6 WHSP's announcement titled 'Chairman's Address to Shareholders' lodged with ASX on 9 December 2016.



2.4 Directors of WHSP

As at the date of this Bidder's Statement, the directors of WHSP are:

| Name | Position |
|-------------------------------|---|
| Robert Dobson Millner | Chairman and Non-executive Director |
| Todd James Barlow | Chief Executive Officer and Managing Director |
| Michael John Hawker | Non-executive Director |
| Thomas Charles Dobson Millner | Non-executive Director |
| Warwick Martin Negus | Non-executive Director |
| Melinda Rose Roderick | Finance Director |
| Robert Gordon Westphal | Non-executive Director |
| David Edward Wills | Non-executive Director |

2.5 Announcement by WHSP in relation to the Offer

On 30 December 2016, WHSP made an announcement to ASX in relation to the Offer. A copy of the announcement is set out in Annexure A.

2.6 Rationale for the Offer

WHSP seeks to acquire businesses in industries with attractive fundamentals and has a history of investing in and managing funds management businesses and equities portfolios. WHSP is a long term investor that seeks to acquire HHL, through the Bidder, to assist it in creating value.

2.7 Publicly available information about WHSP

WHSP is a listed disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, WHSP is subject to the ASX Listing Rules, which require continuous disclosure of any information WHSP has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The ASX website lists all of the announcements issued by WHSP. These documents are available in electronic form at www.asx.com.au.

In addition, WHSP is required to lodge certain documents with ASIC. Copies of the documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. A substantial amount of publicly available information about WHSP is also available on WHSP's website at www.whsp.com.au.

3. Profile of HHL

3.1 Disclaimer

The information in this Section 3 (other than Sections 3.9 to 3.16) concerning HHL has been prepared by the Bidder based on a review of publicly available information (which has not been independently verified), including the HHL 2016 Annual Report. Accordingly, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information, other than as required by the Corporations Act.

The information relating to HHL in this Bidder's Statement should not be considered comprehensive.

Further information relating to HHL may be included in HHL's Target's Statement in relation to the Offer, which will be sent to you directly by HHL.

3.2 Overview of HHL

HHL is a specialist global and Australian equity investment manager incorporated in Australia on 3 March 1993 and listed on ASX on 28 February 2001.

HHL's funds management business is built on superior long term investment performance with an ethical investment overlay. HHL's objective is to provide investors with superior returns over the medium to long term by investing in stocks that are in HHL's opinion undervalued.

3.3 Historical financial information on HHL

HHL's last published financial statements are for the financial year ended 30 June 2016, as lodged with ASX on 6 October 2016.

The Bidder is not aware of any changes to HHL's financial position since the release of these results other than announcements made by HHL up to the day before the date of this Bidder's Statement.

Being a company listed on ASX, HHL is subject to periodic and continuous disclosure requirements under the Corporations Act and ASX Listing Rules. For more information concerning the financial position and the affairs of HHL, you should refer to the full range of information that has been disclosed by HHL pursuant to those obligations.

3.4 Directors of HHL

As at the date of this Bidder's Statement, based on HHL's public disclosures, the directors of HHL are:

| Name | Position |
|----------------------|---|
| Kevin Eley | Chairman and Non-executive Director |
| Peter Hall AM | Chief Executive Officer and Managing Director |
| Wayne Hawkins | Non-executive Director |
| David Groves | Non-executive Director |

3.5 Substantial shareholders of HHL

Based on documents lodged with ASX up until 10 January 2017, being the last trading day prior to the date of this Bidder's Statement, the following persons and entities were substantial holders of HHL Shares:⁷

| HHL Shareholder | Number of HHL Shares | Interest (%) |
|--|----------------------|--------------|
| Hampshire Assets and Services Pty Ltd, Peter Hall and associates | 6,567,617 | 24.05% |
| Washington H. Soul Pattinson and Company Limited* | 5,434,653 | 19.90% |
| Microequities Asset Management Pty Ltd | 1,360,028 | 5.00% |

* On 30 December 2016, WHSP acquired a relevant interest in 19.9% of HHL's issued capital under the Share Acquisition Agreement referred to in Section 3.13.

3.6 HHL securities on issue

According to documents lodged with ASX, HHL has 27,309,816 HHL Shares on issue.⁸ HHL Shares are quoted on ASX and may be freely traded.

3.7 HHL employee share plans

Based on documents lodged by HHL with ASX, the Bidder understands that, whilst HHL has adopted employee share plans, as at the date of this Bidder's Statement, there were no outstanding securities convertible into, or rights entitling a person to be issued, HHL Shares under these plans.

3.8 Recent share price performance

During the three months ended 10 January 2017 (being the last Trading Day prior to the date of this Bidder's Statement):

- the highest recorded sale price for HHL Shares on ASX was \$3.70 on 25 October 2016; and
- the lowest recorded sale price for HHL Shares on ASX was \$2.05 on 3 January 2017.⁹

3.9 Offer extends to new HHL Shares

The Offer extends to HHL Shares that are issued or otherwise come into existence during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, other securities convertible into HHL Shares that are on issue at the Register Date. As at the date of this Bidder's Statement, the Bidder is not aware of any such securities being on issue.

3.10 The Bidder's relevant interest in HHL Shares

The percentage of the total number of HHL Shares that the Bidder had a relevant interest in (as at the dates specified) is shown below:

| | At date of this Bidder's Statement | At date first Offer is sent |
|------------|------------------------------------|-----------------------------|
| HHL Shares | 19.9% | 19.9% |

⁷ Hunter Hall International Limited – FY16 Annual Report, WHSP Form 603: Notice of initial substantial holder dated 3 January 2017, Mr Peter Hall's Form 603: Notice of initial substantial holder dated 24 December 2014, HHL's Appendix 3B dated 20 September 2016, Mr Peter Hall's Appendix 3Y dated 10 January 2017 and Hampshire Asset and Services Pty Ltd, Peter Hall and associates' Form 604: Notice of change of interests of substantial holder dated 10 January 2017.

⁸ Hunter Hall International Limited Appendix 3B dated 20 September 2016.

⁹ The lowest recorded sale price for HHL Shares does not include the price WHSP acquired HHL Shares from Mr Peter Hall AM as described in Section 3.13.

3.11 The Bidder's voting power in HHL

The Bidder's voting power in HHL (as at the dates specified) is shown below:

| | At date of this Bidder's Statement | At date first Offer is sent |
|---------------------|------------------------------------|-----------------------------|
| Voting power in HHL | 19.9% | 19.9% |

3.12 Relevant interest and voting power of the Bidder's directors

As at the date of this Bidder's Statement, none of the directors of the Bidder have a relevant interest in any HHL Shares.

As at the date of this Bidder's Statement and immediately before the first Offer was sent, each director of the Bidder had 0% voting power in HHL.

3.13 The Bidder's dealings in HHL Shares during previous 4 months

During the period beginning 4 months before each of the date of this Bidder's Statement and the Offer Date, neither the Bidder nor any associate of the Bidder has provided, or agreed to provide, consideration for a HHL Share other than as described below.

Under a share sale and purchase agreement dated 30 December 2016 between WHSP and the Selling Shareholder, which is controlled by HHL Director Mr Peter Hall AM, WHSP agreed to purchase a total of 5,434,653 HHL Shares from the Selling Shareholder for the consideration of \$1.00 cash for every HHL Share (**Share Acquisition Agreement**). WHSP acquired these HHL Shares from the Selling Shareholder on 30 December 2016. A copy of the Share Acquisition Agreement is set out in Annexure B.

Subsequent to the Share Acquisition Agreement being signed, WHSP announced on 30 December 2016 that Mr Peter Hall AM had informed it that he intended to accept the Offer in respect of the remaining HHL Shares he controls (which represents 24.05% of the issued capital of HHL), in the absence of a superior proposal.

3.14 No agreements with HHL Directors

There is no agreement between the Bidder or its associates and a HHL Director or another officer of HHL in connection with or conditional on the outcome of the Offer other than as disclosed in this Bidder's Statement.

3.15 No escalation agreements

Neither the Bidder, WHSP nor any of their associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

3.16 No collateral benefits

During the period beginning 4 months before each of the date of this Bidder's Statement and the Offer Date, neither the Bidder nor any associate of the Bidder, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to accept an Offer, or dispose of HHL Shares.

3.17 Publicly available information

HHL is a listed disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, HHL is subject to the ASX Listing Rules, which require continuous disclosure of any information HHL has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The ASX website lists all of the announcements issued by HHL. These documents are available in electronic form at www.asx.com.au.

The ASX announcements made in relation to HHL between 6 October 2016 (being the date on which HHL released its most recent annual report) and 10 January 2017 (being the last Trading Day prior to the date of this Bidder's Statement) are listed in Annexure C.

In addition, HHL is required to lodge certain documents with ASIC. Copies of the documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. A substantial amount of publicly available information about HHL is also available on HHL's website at www.hunterhall.com.au.

You should consider publicly available information regarding HHL including information available on its website, announcements made to ASX by HHL and the Target's Statement that HHL is required to provide to you under the Corporations Act.

4. The Bidder's intentions

4.1 Introduction

This Section sets out the rationale for the Offer and the Bidder's intentions in relation to:

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

These intentions are based on the information concerning HHL, its business and the general business environment that is known to the Bidder at the time of preparation of this Bidder's Statement.

The Bidder's intentions concerning the businesses, assets and employees of, and securities in, HHL set out in this Section 4 are the same as the intentions of WHSP.

4.2 Review of HHL

The Bidder and its advisers have reviewed information that has been publically released on HHL, its current activities and its plans for the future. However, the Bidder does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

Following the close of the Offer, the Bidder will, to the extent that the information is available to it, conduct a review of the operations, assets, structure and employees of HHL in light of that information. Final decisions will only be reached after that review and in light of all material facts and circumstances. As such, statements set out in this Section 4 are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this Section 4 should be read in this context.

4.3 Intentions upon acquiring not more than 50% of HHL Shares

This Section 4.3 sets out the Bidder's and WHSP's current intentions if it acquires not more than 50% of HHL Shares. In those circumstances, the Bidder's current intentions are as follows:

Corporate matters

- (a) It is intended that the Bidder would:
- (i) assist HHL in maintaining the investment style and philosophy, culture and practices that have led to its success to date and assist, where possible, to grow the business;
 - (ii) maintain HHL's listing on ASX, subject to the requirements for listing (including a sufficient spread of investors) continuing to be satisfied. However, ASX may itself decide to remove HHL from the official list depending upon factors such as spread of HHL Shareholders at that time, the level of liquidity in HHL Shares and the listing requirements of ASX; and
 - (iii) subject to the Corporations Act and HHL's constitution, seek to appoint nominees to the HHL Board. The proportion of WHSP's nominees of the total number of directors on the HHL Board will not exceed the WHSP Group's proportionate ownership interest in HHL. WHSP and the Bidder have not made any decision as to who would be nominated for appointment to the HHL Board in this case.

General operational review

- (b) The Bidder's current intentions if it does not acquire control of HHL is to seek to gain a more detailed understanding of the operations of HHL to evaluate performance, profitability and prospects of HHL in light of the information then available to the Bidder. The Bidder does not have any specific intentions in relation to this review or its outcomes.
- (c) At the present time, it is the Bidder's intention, where possible, to assist the HHL Board in the appointment of a new permanent Chief Investment Officer and to ensure a smooth transition of management following the impending retirement of Mr Peter Hall AM as Chief Investment Officer of HHL.

Further acquisition of HHL Shares

- (d) The Bidder may, at some later time, acquire further HHL Shares in a manner consistent with the Corporations Act.

Compulsory acquisition at a later time

- (e) If the Bidder becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.

4.4 Intentions upon acquiring more than 50% but less than 90% of HHL Shares

This Section 4.4 sets out the Bidder's and WHSP's current intentions if it acquires more than 50% but less than 90% of all HHL Shares. In those circumstances, the Bidder's current intentions are as follows:

Corporate matters

- (a) It is intended that the Bidder would:
 - (i) assist HHL in maintaining the investment style and philosophy, culture and practices that have led to its success to date and assist, where possible, to grow the business;
 - (ii) maintain HHL's listing on ASX, subject to the requirements for listing (including a sufficient spread of investors) continuing to be satisfied. However, ASX may itself decide to remove HHL from the official list depending upon factors such as spread of HHL Shareholders at that time, the level of liquidity in HHL Shares and the listing requirements of ASX; and
 - (iii) subject to the Corporations Act and HHL's constitution, seek to appoint nominees to the HHL Board. The proportion of WHSP's nominees of the total number of directors on the HHL Board will not exceed the WHSP Group's proportionate ownership interest in HHL. In this scenario, the Bidder may, in its discretion, seek to retain one or more of the existing directors of HHL on the HHL Board. WHSP and the Bidder have not made any decision as to who would be nominated for appointment to the HHL Board in this case.

General operational review

- (b) The Bidder's current intentions if it acquires more than 50% but less than 90% of all HHL Shares are to seek to gain a more detailed understanding of the operations of HHL to evaluate performance, profitability and prospects of HHL in light of the information then available to the Bidder. The Bidder does not have any specific intentions in relation to this review or its outcomes.
- (c) At the present time, it is the Bidder's intention, where possible, to assist the HHL Board in the appointment of a new permanent Chief Investment Officer and to ensure a smooth transition of management following the impending retirement of Mr Peter Hall AM as Chief Investment Officer of HHL.

Further acquisition of HHL Shares

- (d) The Bidder may, at some later time, acquire further HHL Shares in a manner consistent with the Corporations Act.

Compulsory acquisition at a later time

- (e) If the Bidder becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.

4.5 Intentions upon acquiring 90% or more of all HHL Shares

This Section 4.5 sets out the Bidder's and WHSP's current intentions if it acquires a relevant interest in 90% or more of all HHL Shares and is entitled to proceed to compulsory acquisition of the remaining HHL Shares under the Corporations Act.

Corporate matters

- (a) It is intended that the Bidder would:
 - (i) proceed with compulsory acquisition of the outstanding HHL Shares in accordance with the provisions of Chapter 6A of the Corporations Act;
 - (ii) arrange for HHL to be removed from the official list of ASX; and
 - (iii) replace the HHL Board with WHSP nominees (although the Bidder may, in its discretion, seek to retain one or more of the existing HHL Directors). WHSP and the Bidder have not made any decision as to who would be nominated for appointment to the HHL Board in this case.

Employees

- (b) As outlined in Section 4.2, the Bidder will conduct a review of HHL. The Bidder considers HHL's employees to be an integral part of HHL's operations. However, the Bidder and WHSP will seek to integrate certain functions of HHL with those of WHSP's investee entities to take advantage of costs savings from eliminating duplication of functions. In these circumstances, some positions may become redundant. It is also possible that certain positions may become redundant if HHL is removed from the official list of ASX or due to the cessation of duplicated functions. If the Bidder and WHSP do not consider it feasible to redeploy employees whose positions have become redundant, it is envisaged that they would be made redundant in compliance with any applicable legislative or contractual requirements and be paid their full legal entitlements.

General operational review

- (c) The Bidder's review described in Section 4.2 will focus on and have as its objectives:
 - (i) integrating management operating systems and platforms, administrative procedures, systems and reporting lines;
 - (ii) reviewing management, employees and operations;
 - (iii) identifying potential synergies and cost savings, including rent, professional advisory fees and other synergistic operational costs; and
 - (iv) appointing a new permanent Chief Investment Officer and ensuring a smooth transition of management following the impending retirement of Mr Peter Hall AM as Chief Investment Officer.

4.6 Other intentions

Other than as set out in this Section 4, it is the current intention of WHSP and the Bidder to support HHL to:

- (a) generally continue the business of HHL;
- (b) not make any major changes to the business of HHL;
- (c) continue the employment of HHL's present employees; and
- (d) continue the current investment style and philosophy of HHL.

4.7 Limitations on intentions

The intentions and statements of future conduct set out in this Section 4 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions given that, if the WHSP Group obtains control of HHL but does not acquire all of the HHL Shares, it and WHSP will be treated as related parties of HHL for these purposes;
- (b) the legal obligation of the HHL Directors at the time, including any nominees of the Bidder or WHSP, to act in good faith in the best interests of HHL and for proper purposes and to have regard to the interests of all HHL Shareholders; and
- (c) the outcome of the reviews referred to in Sections 4.2, 4.3(b), 4.4(b) and 4.5(c).

5. Sources of cash consideration

5.1 Maximum amount payable

The consideration for the acquisition of the HHL Shares to which the Offer relates will be satisfied by the payment of cash (in Australian dollars). The consideration offered for each of your HHL Shares is \$1.00, subject to Section 8.9(e).

As at the date of this Bidder's Statement, there are 27,309,816 HHL Shares on issue, 5,434,653 of which are already held by the WHSP Group. As at the date of this Bidder's Statement, the Bidder is not aware of any other securities on issue including any outstanding securities convertible into, or rights entitling a person to be issued, HHL Shares. Consequently, the maximum number of HHL Shares which could be acquired by the Bidder under the Offer is 21,875,163.

Accordingly, the maximum amount of cash which may be required by the Bidder to settle acceptances under the Offer is \$21,875,163 (**Maximum Offer Consideration**).

5.2 Source of funding

The Offer is not subject to any financing condition.

WHSP has undertaken to the Bidder to provide, or procure the provision of funds to the Bidder to satisfy the Maximum Offer Consideration and all costs associated with the Offer. That undertaking is not subject to any conditions and no demand for repayment of any funds provided may be made during the period in which the Bidder has an outstanding obligation to make payment under the Offer.

WHSP will ensure the necessary funds are made available to the Bidder to pay the Offer consideration (and costs associated with the Offer). Whilst WHSP has not specifically set aside any cash amounts in its own reserves to satisfy the consideration under the Offer, it has ample uncommitted funds available for that purpose.

The funds WHSP will provide to the Bidder to enable the Bidder to pay the Maximum Offer Consideration and all costs associated with the Offer will be obtained from WHSP's existing uncommitted cash reserves and invested funds at call. In aggregate, the funds available from such sources materially exceeds the Maximum Offer Consideration and all costs associated with the Offer.

5.3 Provision of consideration

Having regard to the matters set out in this Section 5, the Bidder is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Offer.

6. Taxation considerations

6.1 Australian tax implications for HHL Shareholders

The following is a general description of the Australian income, capital gains tax, GST and stamp duty consequences for HHL Shareholders on disposing of their HHL Shares, in return for cash.

The information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions.

You are recommended to seek independent professional advice regarding the Australian tax consequences of disposing of your HHL Shares according to your own particular circumstances.

The Australian tax consequences of disposing of your HHL Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non resident for tax purposes;
- (b) whether you hold your HHL Shares on capital or revenue account or as trading stock;
- (c) when you acquired your HHL Shares for tax purposes; and
- (d) whether you are an individual, a company or a trustee of a complying superannuation entity.

6.2 Shareholders who are Australian residents for tax purposes

Disposal of shares held as trading stock

- (a) If you hold your HHL Shares as trading stock (eg, as a share trader) you will be required to include the value of the consideration from the disposal of your HHL Shares (i.e., the cash received) in your assessable income.

Disposal of shares held on revenue account

- (b) If you hold your HHL Shares on revenue account (eg, you acquired your HHL Shares for the main purpose of reselling them at a profit, such as if you are a bank or insurance company) then you will be required to treat any gain or loss arising on the disposal of your HHL Shares as either assessable income or an allowable deduction.

The calculation of the gain or loss will include the following:

- (i) the value of the consideration (the cash received); and
- (ii) the cost of acquiring your HHL Shares.

Disposal of shares held on capital account

- (c) If you hold your HHL Shares on capital account (broadly, as a passive investment with a view to generating dividend income) the disposal of HHL Shares will generally have Australian capital gains tax (**CGT**) consequences. The disposal of such HHL Shares pursuant to acceptance of the Offer or the compulsory acquisition of your HHL Shares will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your HHL Shares will depend upon a number of factors, including:

- the date your HHL Shares were acquired for CGT purposes;
- your taxpayer status; and
- the length of time you have held your HHL Shares.

Shares acquired, or taken to be acquired, before 11.45am on 21 September 1999

- (i) A capital gain or loss will arise depending on the difference between:
- the value of the capital proceeds (the cash received); and
 - the cost base of the HHL Shares (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition, eg brokerage fees and stamp duty).

If your HHL Shares were acquired before 11.45 am by legal time in the Australian Capital Territory (ACT time) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the shares were acquired prior to 1 July 1999).

Alternatively, provided you have held your HHL Shares for at least 12 months, and you do not choose to apply indexation, the discount capital gain provisions may apply. This means that:

- if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) after offsetting any applicable capital losses will be taxable; or
- if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) after offsetting any applicable capital losses will be taxable.

If you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies). You should seek advice from your professional tax adviser in this regard.

Note that the discount capital gain provisions do not apply to shareholders and trust beneficiaries that are companies.

The “choice” to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs. The manner in which you complete your income tax return is generally sufficient evidence of your making of a choice.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the capital gain that is assessable. Alternatively, if you choose the indexation option, capital losses are applied after calculating the capital gain using the indexed cost base.

Shares acquired after 11.45 am on 21 September 1999

- (ii) If you acquired your HHL Shares after 11.45 am (ACT time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your HHL Shares for 12 months or longer at the time the Offer is accepted, the discount capital gain provisions described above will automatically apply in calculating any capital gain on disposal.

As explained above, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your HHL Shares have been held for less than 12 months or you are another category of shareholder (for example, a company), the discount capital gain method is not available. A capital gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

6.3 Shareholders who are not Australian residents for tax purposes

Disposal of shares held as trading stock or on revenue account

- (a) If you are not a resident of Australia for tax purposes and your HHL Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice. The Australian tax treatment will depend on the source of any gain and whether a double tax agreement exists between your country of residence and Australia.

Disposal of shares held on capital account

- (b) If you are not a resident of Australia for tax purposes and hold your HHL Shares on capital account you will generally not be subject to CGT on the disposal of your HHL Shares unless:
- (i) both of these conditions apply to you:
 - you (and your associates) owned at least 10% of HHL either at the time you sold your HHL Shares or for at least 12 months during the 24 months before you sold your HHL Shares; and
 - 50% or more of the value of HHL is represented by real property in Australia (which for these purposes includes mining, quarrying or prospecting rights if the minerals, petroleum or quarry materials are located in Australia); or
 - (ii) you used your HHL Shares at any time in carrying on a business through a permanent establishment in Australia.

6.4 Taxation of Financial Arrangements (TOFA)

The TOFA Act made amendments to the tax legislation that operate to tax gains and losses arising from certain “financial arrangements” on revenue account. The amendments generally apply to financial arrangements entered into on or after 1 July 2010 (unless a taxpayer elects to apply the amendments to tax years from 1 July 2009 or elects to apply the amendments to existing financial arrangements held at the relevant start date).

The TOFA Act generally should not apply to the HHL Shares unless either a “fair value method” election or a “reliance on financial reports” election has been made under the TOFA Act. Certain types of HHL Shareholders such as individuals, superannuation funds, managed investment schemes and financial entities may be exempt from the application of the TOFA Act unless they make an election for it to apply to them. Other entities which are considered small may also qualify for an exemption. HHL Shareholders should obtain their own advice in relation to the applicability of the amendments in light of their own individual facts and circumstances.

6.5 GST

No Australian GST should be payable on the transfer of HHL Shares in return for the Offer price. GST may be payable by you on any brokerage charged by your Controlling Participant for carrying out your instructions and, depending on your circumstances, you may not be entitled to any input tax credit (or only a reduced input tax credit of 75%) for that GST.

6.6 Stamp Duty

No applicable marketable securities duty should be payable on the transfer of your HHL Shares.

7. Other material information

7.1 Potential for waiver of Conditions

The Offer is subject to a number of Conditions, which are set out in full in Section 8.7. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by the Bidder.

If an event occurs which results (or would result) in the breach or non-fulfilment of a Condition, the Bidder might not make a decision as to whether it will either rely on that occurrence, or instead waive the relevant Condition in respect of that occurrence, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act (see Section 8.8(e)). If the Bidder decides that it will waive a Condition it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are breached or not fulfilled, and the Bidder decides to rely on that breach or non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant HHL Shares will be returned to the holder.

7.2 Status and effect of Conditions

This Section 7.2 describes the status of the Conditions of the Offer. As at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions.

In particular, in relation to the Condition in Section 8.7(c)(viii), the Bidder is not aware, as at the date of this Bidder's Statement, of any decision, action or investigation which would result in the non-fulfilment of that condition, nor has the Bidder identified, as at the date of this Bidder's Statement, any particular actions which could lead to that condition being triggered or which would be relevant to that condition. However, it should be noted that it is not feasible for the Bidder to identify in advance all such actions, as the Bidder has not had access to detailed information regarding HHL's operations and assets.

7.3 ASIC Modifications and exemptions

The Bidder has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapters 6 and 6A of the Corporations Act.

Amongst others, the Bidder has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 'Takeover bids' to include references to certain statements by HHL and the HHL Directors in this Bidder's Statement without obtaining the consent of those persons. The relevant statements were taken from certain HHL ASX announcements as listed in Annexure C.

As required by ASIC Class Order 13/521. The Bidder will make available a copy of these documents (or relevant extracts from these documents), free of charge, to HHL Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), HHL Shareholders may telephone the Offer Information Line on 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia).

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement contains trading data sourced from Bloomberg without its consent.

7.4 Consents

This Bidder's Statement contains statements made by, or statements based on statements made by, WHSP. WHSP has consented to being named in this Bidder's Statement and has consented to the inclusion of:

- each statement it has made; and
- each statement which is said in this Bidder's Statement to be based on a statement it has made,

in the form and context in which the statements have been included, and has not withdrawn that consent.

The following persons have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement and to the inclusion of the following information in the form and context in which it is included. None of the persons has caused or authorised the issue of this Bidder's Statement or has in any way been involved in the making of the Offer. The Offer is made by WHSP.

- WHSP and its subsidiaries have given written consent to be named in this Bidder's Statement in the form and context in which they are so named and have not withdrawn that consent as at the date of this Bidder's Statement;
- Pitt Capital Partners (financial adviser to the Bidder) has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement;
- DLA Piper Australia (legal adviser to the Bidder) has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement;
- Computershare Investor Services Pty Limited (the Bidder's share registry provider) has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement; and
- Mr Peter Hall AM has given written consent to be named in this Bidder's Statement in the form and context in which he is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement. See Section 7.3.

7.5 Broker commission

As at the date of this Bidder's Statement, the Bidder has not made a decision as to whether to offer to pay a commission to brokers who solicit acceptances of the Offer by a HHL Shareholder. However, the Bidder reserves the right to introduce such an arrangement.

7.6 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, HHL Shareholders should seek specialist advice before accepting the Offer.

7.7 Approvals for payment of consideration

The Bidder is not aware of any HHL Shareholders who require any approval referred to in Section 8.9(f) in order to be entitled to receive any consideration under the Offer.

7.8 On-market acquisitions

Subject to the requirements of the Corporations Act, the Bidder may acquire HHL Shares on-market at prices up to the Offer Price during normal trading on ASX. HHL Shareholders who sell their HHL Shares on ASX will receive payment on a T+2 basis (being two Trading Days after the date of the transaction).

HHL Shareholders who sell their HHL Shares on ASX cannot subsequently accept the Offer in respect of HHL Shares sold on ASX. Additionally, HHL Shareholders who sell their HHL Shares on ASX may incur brokerage fees which they would not incur if they accepted the Offer.

7.9 Withholding of consideration

Under Australian tax law, a bidder in an off-market takeover bid has an obligation, subject to certain exceptions, to pay an amount equal to 10% of the offer consideration to the Australian Taxation Office (**ATO**) if the shares acquired from a target shareholder qualify as *indirect Australian real property interests* and the bidder either:

- a) knows that the target shareholder is a foreign resident; or
- b) reasonably believes that the target shareholder is a foreign resident; or
- c) does not reasonably believe that the target shareholder is an Australian resident and either:
 - i. the target shareholder has an address outside Australia; or
 - ii. the bidder is authorised to make payment of the offer consideration to a place outside Australia (whether to the target shareholder or to anyone else).

If the bidder considers that it has an obligation to make the above payment to the ATO, it may withhold the applicable amount from the consideration to be paid to the relevant target shareholder. Where the bidder pays the withheld amount to the ATO, the bidder will be discharged of any liability to pay that amount of the offer consideration to the target shareholder.

However, in relation to the Offer, based on the Bidder's review of publicly available information on HHL, as at the date of this Bidder's Statement, the Bidder is of the opinion that the HHL Shares are not *indirect Australian real property interests*. Accordingly, the Bidder does not consider that it has an obligation to make the above payment to the ATO and so will not withhold consideration under Section 8.9(g), in accordance with these tax law changes, any amount from the consideration payable to any HHL Shareholder who accepts the Offer.

7.10 No other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

- is material to the making of a decision by a HHL Shareholder whether or not to accept the Offer; and
- is known to the Bidder,

which has not previously been disclosed to HHL Shareholders.

8. The Offer terms

8.1 The Offer

Offer for your HHL Shares

- (a) The Bidder offers to acquire all of your HHL Shares on the terms and subject to the conditions set out in this Section 8.

Consideration

- (b) The consideration offered for each of your HHL Shares is \$1.00 in cash.

Offer includes Rights

- (c) If the Bidder acquires your HHL Shares under this Offer, it will also be entitled to all Rights in respect of your HHL Shares.

Date of Offer

- (d) This Offer is dated 20 January 2017.

8.2 Offer Period

Offer Period

Unless withdrawn, this Offer is open for acceptance during the period that begins on the date of this Offer (20 January 2017), and ends at 7:00pm (Sydney time) on:

- (a) 20 February 2017; or
(b) any date to which the Offer Period is extended under this Section 8.2.

Extension of Offer Period by the Bidder

The Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

Automatic extension of Offer Period

If, within the last 7 days of the Offer Period, any of the following occurs, the Offer Period will be automatically extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after that event:

- (a) the Offer is varied to improve the consideration offered; or
(b) the Bidder's voting power in HHL increases to more than 50%.

8.3 How to accept this Offer

General

Sections 8.3(c) and 8.3(d) refer, among other things, to the different Acceptance Forms for use to accept this Offer depending on the nature of your HHL shareholding. The manner in which you accept this Offer will depend on whether your HHL Shares are in a CHESS Holding (see Section 8.3(c)) or in an Issuer Sponsored Holding (see Section 8.3(d)). You will only be sent one type of Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your HHL Shares. If some of your HHL Shares are in an Issuer Sponsored Holding, and some of your HHL Shares are in a CHESS Holding, your acceptance of this Offer will require separate action in relation to the separate portions of your HHL Shares.

Accept for all your HHL Shares

- (a) You can only accept this Offer during the Offer Period and for all your HHL Shares.
- (b) You will be taken to have accepted the Offer for all your HHL Shares plus any additional HHL Shares held by you at the date your acceptance is processed (despite any difference between that number and the number of HHL Shares specified on your Acceptance Form when you accept this Offer).

CHESS Holdings

- (c) If your HHL Shares are held in a CHESS Holding (in which case your Holder Identification Number is prefixed with 'X'), to accept this Offer in respect of those HHL Shares, you must either:
 - (i) **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it. Once completed and signed, you need to **return** the Acceptance Form (using the enclosed reply paid envelope if you wish) together with all other documents required by those instructions so that they are **received** at the address given on the Acceptance Form before the end of the Offer Period. This will authorise the Bidder to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for the Bidder to give instructions to your Controlling Participant, and for your Controlling Participant, to carry out those instructions, before the end of the Offer Period; or
 - (ii) **instruct** your Controlling Participant (usually your Broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period.

However, if you are the Controlling Participant in respect of your HHL Shares, to accept this Offer you must yourself initiate acceptance of this Offer under rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.

Issuer Sponsored Holdings and other holdings

- (d) If your HHL Shares are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number is prefixed with 'I'), to accept this Offer in respect of those HHL Shares, you must:
 - (i) **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it; and
 - (ii) **return** the Acceptance Form (using the enclosed reply paid envelope if you wish) together with all other documents required by the instructions on it to the address specified on the Acceptance Form so that they are received before the end of the Offer Period.

Institutional Acceptance Facility

- (e) The Bidder recognises that some of the HHL Shareholders may be unable to accept the Offer, for example by reason of their investment mandates, until the Offer becomes or is declared unconditional. Accordingly, the Bidder is considering establishing an institutional acceptance facility (**Facility**) in relation to the Offer. The Facility would only be open to professional investors under the Corporations Act (**Eligible HHL Shareholders**). The Facility would enable Eligible HHL Shareholders to indicate their intention to accept the Offer.

If the Bidder decides to establish the Facility, it will inform HHL Shareholders once the Facility is established.

8.4 Foreign Laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

8.5 Status and effect of Acceptance Form

Status of Acceptance Form

- (a) By completing, signing and returning the Acceptance Form in accordance with Section 8.3(c) or Section 8.3(d) as applicable, you irrevocably authorise the Bidder, its nominees and each of their respective officers and agents:
 - (i) to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of your HHL Shares to the Bidder; and
 - (ii) if any of your HHL Shares are in a CHESS Holding, to:
 - (A) initiate, or alternatively instruct your Controlling Participant to initiate, acceptance of this Offer in respect of all such HHL Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules; and
 - (B) give any other instructions concerning those HHL Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by the Bidder acting in its own interests as a beneficial owner and intended registered holder of your HHL Shares.

Validation of otherwise ineffective acceptances

- (b) Subject to paragraphs (c) to (f) in this Section 8.5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in Section 8.3.
- (c) The Bidder will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. The Bidder is not required to communicate with you prior to making this determination. This determination of the Bidder will be final and binding on all parties.
- (d) Notwithstanding any other term or condition to the contrary and except for HHL Shares in a CHESS Holding, the Bidder may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If the Bidder does treat such an Acceptance Form as valid, subject to Section 8.9, the Bidder will not be obliged to give the consideration to you until the Bidder receives all those documents and all of the requirements for acceptance referred to in Section 8.3 and in the Acceptance Form have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period).
- (e) Where you have satisfied the requirements for acceptance in respect of some of your HHL Shares, the Bidder may, in its sole discretion, regard the Offer to be accepted in respect of those of your HHL Shares but not the remainder.
- (f) The Bidder will provide the consideration to you in accordance with Section 8.9, in respect of any part of an acceptance determined by the Bidder to be valid.

Risk in Acceptance Form

- (g) The transmission by you of the Acceptance Form and any other documents in accordance with Section 8.3 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of the Bidder.

Revocation of acceptance

- (h) Once you have accepted this Offer, you will be unable to revoke your acceptance other than as follows and the contract resulting from your acceptance will be binding on you:
 - (i) if a Condition, as set out in Section 8.7, is not fulfilled or waived, then this Offer will automatically terminate and your HHL Shares will be returned to you; or
 - (ii) if the Offer Period is extended for more than a month and, at the time, this Offer is subject to one or more Conditions, as set out in Section 8.7, then you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.

Powers of attorney

- (i) If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under Section 8.5 and paragraphs (e) and (h) of Section 8.6.

8.6 Your agreement

By signing and returning the Acceptance Form or initiating or causing acceptance of this Offer under the ASX Settlement Operating Rules in accordance with Section 8.3:

- (a) you accept this Offer in respect of all your HHL Shares registered as held by you at the date your acceptance is processed despite any difference between that number and the number of HHL Shares specified in the Acceptance Form and agree to the terms and conditions of this Offer;
- (b) subject to all of the Conditions being fulfilled or waived, you transfer, and consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of your HHL Shares to the Bidder in accordance with this Offer and subject to the conditions of the constitution of HHL on which they were held immediately before your acceptance of this Offer (and the Bidder agrees to take those HHL Shares subject to those conditions);
- (c) you represent and warrant to the Bidder that, at the time of your acceptance of this Offer and at the time the transfer of your HHL Shares to the Bidder is registered:
 - (i) all of your HHL Shares are and will be fully paid up;
 - (ii) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your HHL Shares to the Bidder; and
 - (iii) the Bidder will acquire good title to your HHL Shares and beneficial ownership of those shares free from all Encumbrances, interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer;
- (d) you irrevocably authorise the Bidder to notify HHL on your behalf that your place of address for the purpose of serving notices upon you in respect of your HHL Shares is the address specified by the Bidder in the notification;
- (e) if and when the contract resulting from your acceptance of this Offer becomes unconditional, you irrevocably appoint the Bidder and each director of, and any nominee of, the Bidder severally as your attorney to exercise all powers and rights that you have as the registered holder of your HHL Shares, including:
 - (i) attending any meeting of HHL, and voting in respect of your HHL Shares, proposing or seconding any motion, and demanding a poll for any vote at, any such meeting;
 - (ii) requisitioning the convening of any general meeting of HHL and convening a general meeting pursuant to any such requisition; and
 - (iii) executing any and all forms, notices, instruments, documents (including any proxy appointment) relating to your HHL Shares,and such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer in accordance with its terms and the end of the Offer Period, or if all Conditions of the Offer have been fulfilled or waived, the registration of the Bidder as the holder of your HHL Shares;
- (f) you agree that, in exercising the powers and rights conferred by the power of attorney in Section 8.6(e) of this Bidder's Statement, each attorney is entitled to act in the interests of the Bidder as the intended registered holder and beneficial owner of your HHL Shares;
- (g) except as contemplated by Section 8.6 (e) and while the appointment in that Section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of HHL, or to exercise, or to purport to exercise (in person, by proxy, attorney or corporate representative or otherwise) any of the powers conferred by the power of attorney in Section 8.6(e);
- (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though the Bidder has not yet paid or provided the consideration due to you), you irrevocably authorise the Bidder and its nominees to do all things necessary to transfer your HHL Shares to the Bidder (including to cause a message to be transmitted in accordance with rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer your HHL Shares, if held in a CHESS Holding, to the Bidder's Takeover Transferee Holding and to enter those of your HHL Shares which are in an Issuer Sponsored Holding into the Bidder's name);

- (i) you agree to do all such acts, matters and things that the Bidder may require to give effect to the matters the subject of this Section 8.6 (including the execution of a written form of proxy to the same effect as this Section 8.6 which complies in all respects with the requirements of the constitution of HHL) if requested by the Bidder;
- (j) you agree to indemnify the Bidder and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your HHL Shares to the Bidder being registered by HHL without production of your Holder Identification Number or Securityholder Reference Number;
- (k) you irrevocably authorise and direct HHL to pay to the Bidder, or to account to the Bidder, for all Rights in respect of your HHL Shares (except to the extent the Bidder elects to waive its entitlement to those Rights). This is subject to any such Rights received by the Bidder being accounted for by the Bidder to you, in the event that this Offer is rescinded or rendered void;
- (l) except where Rights have been paid or accounted for under Section 8.6(k), or the Bidder has waived its entitlement as permitted by Section 8.9(e), you irrevocably authorise the Bidder to deduct from the consideration payable in respect of your HHL Shares, the value of any Rights paid to you in respect of your HHL Shares which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Bidder; and
- (m) you represent and warrant to the Bidder that, unless you have notified it in accordance with Sections 8.10(c) and 8.10(d), your HHL Shares do not consist of separate parcels of HHL Shares.

The representations, warranties, authorities and indemnity referred to in this Section 8.6 will (unless otherwise stated) remain in force after you receive the Offer consideration for your HHL Shares and after the Bidder becomes the registered holder of those shares.

8.7 Conditions

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Conditions:

No prescribed occurrences

- (a) None of the following events occurs during the period beginning on the date this Bidder's Statement is given to HHL and ending at the end of the Offer Period:
 - (i) HHL converts all or any of its shares into a larger or smaller number of shares;
 - (ii) HHL or a subsidiary of HHL resolves to reduce its share capital in any way;
 - (iii) HHL or a subsidiary of HHL:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under sub-section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) HHL or a subsidiary of HHL issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) HHL or a subsidiary of HHL issues, or agrees to issue, convertible notes;
 - (vi) HHL or a subsidiary of HHL disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) HHL or a subsidiary of HHL grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) HHL or a subsidiary of HHL resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of HHL or of a subsidiary of HHL is appointed;
 - (x) a court makes an order for the winding up of HHL or of a subsidiary of HHL;
 - (xi) an administrator of HHL, or of a subsidiary of HHL, is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) HHL or a subsidiary of HHL executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of HHL or of a subsidiary of HHL.

No prescribed occurrences between announcement and service

- (b) None of the events listed in sub-paragraphs (i) to (xiii) of paragraph 8.7(a) happens during the period beginning on the Announcement Date and ending at the end of the day before this Bidder's Statement is given to HHL.

Conduct of business

- (c) During the Condition Period, neither HHL nor a subsidiary of HHL undertakes any of the following, without the written consent of the Bidder:
 - (i) declares, pays or distributes any dividend, bonus or other share of its profits or assets;
 - (ii) makes any changes in its constitution or passes any special resolution;
 - (iii) gives or agrees to give any Encumbrance over any of its assets other than in the ordinary course of business;
 - (iv) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
 - (v) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
 - (vi) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director, manager or fund manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect prior to the Announcement Date);
 - (vii) conducts its business otherwise than in the ordinary course; or
 - (viii) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager) other than proceedings before the Takeovers Panel.

No existence of certain rights

- (d) No person has any right (whether subject to conditions or not) as a result of the Bidder acquiring HHL Shares to:
 - (i) acquire, or require HHL or a subsidiary of HHL to dispose of, or offer to dispose of, any material asset of HHL or a subsidiary of HHL; or
 - (ii) terminate or vary any material agreement with HHL or a subsidiary of HHL.

8.8 Nature and operation of Conditions

Separate Conditions for benefit of the Bidder

- (a) Each paragraph and sub-paragraph of Section 8.7 constitutes, and is to be construed as, a separate, several and distinct Condition. No Condition will be taken to limit the meaning or effect of any other Condition.
- (b) Subject to the Corporations Act, each Condition operates only for the benefit of the Bidder and any breach or non-fulfilment of such condition may be relied upon only by the Bidder which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

Nature of Conditions

- (c) The Conditions contained in Section 8.7 are conditions subsequent to the formation of a binding contract upon your acceptance of this Offer. None of those Conditions prevent a contract to sell your HHL Shares resulting from your acceptance of this Offer, but:
 - (i) breach of any of the Conditions entitles the Bidder to rescind that contract by written notice to you; and
 - (ii) non fulfilment of any of the Conditions at the end of the Offer Period will have the consequences set out in Section 8.8(f).

Notice declaring Offers free of Conditions

- (d) Subject to the Corporations Act, the Bidder may free this Offer and any contract resulting from your acceptance of this Offer from all or any of the Conditions generally or in relation to a specific occurrence by giving written notice to HHL:
 - (i) in the case of the Conditions in Section 8.7(a) of this Bidder's Statement, not later than 3 Business Days after the end of the Offer Period; and
 - (ii) in the case of all other Conditions, not less than 7 Business Days before the last day of the Offer Period.

Notice of status of Conditions

- (e) The date for giving the notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 10 February 2017 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

Contract void if Conditions not fulfilled

- (f) Your acceptance of this Offer, and any contract resulting from your acceptance of this Offer, will be automatically void if:
 - (i) at the end of the Offer Period, any of the Conditions is not fulfilled; and
 - (ii) the Bidder has not declared this Offer and any contract resulting from your acceptance of it free from that Condition in accordance with Section 8.8(d).

8.9 Payment of consideration

When will the Bidder pay you?

- (a) Subject to this Section 8.9 and the Corporations Act, if you accept this Offer and the Conditions are fulfilled or waived, the Bidder will pay you the consideration for your HHL Shares under this Offer by the earlier of:
 - (i) the day that is 1 month after the date you accept this Offer or, if at the time of your acceptance this Offer is subject to a Condition, 1 month after any contract resulting from your acceptance of this Offer becomes unconditional; and
 - (ii) the day that is 21 days after the end of the Offer Period.

Payment where additional documents required

- (b) Where additional documents are required, either by the Acceptance Form or otherwise, to be given to the Bidder with your acceptance to enable the Bidder to become the holder of your HHL Shares (such as a power of attorney) then, subject to Sections 8.9(c) to 8.9(g) and the Corporations Act:
 - (i) if those documents are given to the Bidder with your acceptance, the Bidder will pay you the consideration for your HHL Shares in accordance with Section 8.9(a);
 - (ii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while the Offer is subject to a Condition, the Bidder will pay you the consideration for your HHL Shares by the earlier of:
 - (A) 1 month after any contract resulting from your acceptance of this Offer becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
 - (iii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while the Offer is no longer subject to a Condition, the Bidder will pay you the consideration for your HHL Shares by the earlier of:
 - (A) 1 month after the Bidder is given those documents; and
 - (B) 21 days after the end of the Offer Period; or
 - (iv) if those documents are given to the Bidder after the end of the Offer Period, the Bidder will pay you the consideration for your HHL Shares within 21 days after those documents are given. However, if at the time those documents are given to the Bidder, the contract resulting from your acceptance of this Offer is still subject to a Condition in Section 8.7, the Bidder will pay you the consideration for your HHL Shares within 21 days after the contract becomes unconditional.

Delivery of consideration

- (c) Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of HHL Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the address for you last notified to the Bidder by HHL. Payment will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box.

Return of documents

- (d) If this Offer does not become unconditional or any contract arising from this Offer is rescinded by the Bidder on the grounds of a breach of a condition of that contract, the Bidder will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

Rights

- (e) If the Bidder becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to the Bidder all documents necessary to vest title to those Rights in the Bidder, or otherwise to give the Bidder the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your HHL Shares has received or is entitled to receive) the benefit of those Rights, the Bidder may deduct the amount (or an amount equal to the value as reasonably assessed by the Bidder) of those Rights together with an amount equal to 100% of the face value of any franking credits attached to those Rights, from any consideration otherwise payable to you under this Offer. If the Bidder does not, or cannot, make such a deduction, you must pay that amount to the Bidder, except to the extent the Bidder elects to waive its entitlement to those Rights.

Non-Australian residents

- (f) If, at the time you accept this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are a resident of a place to which, or you are a person to whom any law (including any regulations) of Australia that would make it unlawful for the Bidder to provide consideration for your HHL Shares (eg, The Banking (Foreign Exchange) Regulations 1959 (Cth) and Part 4 of the Charter of the United Nations Act 1945 (Cth) and any regulations under that act), then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been received by the Bidder. See Section 7.7 for information known to the Bidder as to whether this restriction may apply to you.

Withholding of consideration by the Bidder

- (g) If any amount (**withholding amount**) is required, under any Australian law or by any Public Authority, to be:
 - (i) withheld from any consideration otherwise payable to you under this Offer and paid to a Public Authority; or
 - (ii) retained by the Bidder out of any consideration otherwise payable to you under this Offer,

the payment or retention by the Bidder of the withholding amount (as applicable) will constitute full discharge of the Bidder's obligation to pay the consideration to you to the extent of the withholding amount.

8.10 Offerees

Registered holders

- (a) The Bidder is making an offer in the form of this Offer to:
 - (i) each person registered as the holder of HHL Shares in the register of members of HHL as at the Register Date; and
 - (ii) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of HHL Shares (whether or not they are registered or entitled to be registered as the holder of other HHL Shares) due to the conversion of, or exercise of rights attached to, other securities convertible into HHL Shares that are on issue at the Register Date.

Transferees

- (b) If at any time during the Offer Period, another person is able to give good title to some or all of your HHL Shares, and that person has not already accepted an offer in the form of this Offer for those HHL Shares, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those HHL Shares.

Trustees and nominees

- (c) If at any time during the Offer Period and before you accept this Offer your HHL Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your HHL Shares as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer has been made in relation to each separate parcel of HHL Shares (including any parcel you hold in your own right). Acceptance for any parcel of HHL Shares (including any parcel consisting of 2 or more parcels) is ineffective unless:
 - (i) you give the Bidder notice stating that the HHL Shares consist of separate and distinct parcels, such notice being:
 - (A) in the case of HHL Shares not in a CHESS Holding, in writing; or
 - (B) in the case of HHL Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; and
 - (ii) your acceptance specifies the number of HHL Shares in each separate and distinct parcel to which the acceptance relates.

HHL Shares subject to transfer restrictions

- (d) If at any time during the Offer Period, some of your HHL Shares are subject to transfer restrictions imposed by HHL (for example, because you hold some of your HHL Shares under an employee incentive plan), then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your HHL Shares. Acceptance for the balance of your HHL Shares is ineffective unless you give the Bidder notice stating the number of your HHL Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your HHL Shares.

8.11 Variation and withdrawal of Offer

Variation

- (a) The Bidder may vary this Offer in accordance with the Corporations Act.

Withdrawal

- (b) This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If so, the Bidder will give notice of the withdrawal to ASX and to HHL and will comply with any other conditions imposed by ASIC.

8.12 Additional copies of Offer documents

If, for the purpose of accepting the Offer, you require additional copies of this Bidder's Statement and the Acceptance Form, please call the Offer Information Line on 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia) to request those additional copies.

8.13 Costs and stamp duty

- (a) The Bidder will pay all costs and expenses of the preparation and circulation of this Offer and any potential Australian stamp duty payable on the transfer of any HHL Shares to the Bidder under this Offer.
- (b) If you hold your HHL Shares through an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage fees in connection with your acceptance of this Offer.
- (c) If you hold your HHL Shares through a CHESS Holding or you hold your HHL Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of this Offer.

8.14 Notices

Any notice to be given by the Bidder to you in connection with this Offer may be given to you by leaving it at or sending it by pre-paid ordinary mail, or in the case of any address outside Australia, by pre-paid airmail to you at your address as recorded in the register of members of HHL on the Register Date or the address shown in the Acceptance Form or the address for you last notified to the Bidder by HHL.

8.15 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of New South Wales. In relation to them and related non-contractual matters, each party submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue or any ground.

9. Definitions and interpretation

9.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

| Term | Meaning |
|---------------------------------------|--|
| ACCC | means the Australian Competition & Consumer Commission. |
| Acceptance Form | means the form of acceptance that accompanies this Bidder's Statement or, as the context permits, any additional, replacement, substitute or other acceptance form provided by or on behalf of the Bidder in respect of the Offer. |
| Announcement Date | means 30 December 2016, being the date of announcement of the Offer. |
| ASIC | means the Australian Securities and Investments Commission. |
| ASX | means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it. |
| ASX Listing Rules | means the official listing rules of ASX. |
| ASX Settlement | means ASX Settlement Pty Ltd ACN 008 504 532. |
| ASX Settlement Operating Rules | means the ASX Settlement Operating Rules made by ASX Settlement. |
| Bidder | means WHSP Hunter Hall Pty Ltd ACN 616 648 241, a directly wholly owned subsidiary of WHSP. |
| Bidder's Statement | means this document, being the statement of the Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer. |
| Broker | means a person who is a share broker and a Participant. |
| Business Day | means a day other than Saturday or Sunday, a public or a bank holiday in Sydney, Australia. |
| CGT | means Australian capital gains tax. |
| CHESS | means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities. |
| CHESS Holding | means a holding of HHL Shares on the CHESS Subregister of HHL. |
| CHESS Subregister | has the meaning given in the ASX Settlement Operating Rules. |
| Condition | means each condition set out in Section 8.7. |
| Condition Period | means the period beginning on the Announcement Date and ending at the end of the Offer Period. |
| Controlling Participant | has the meaning given in the ASX Settlement Operating Rules. Usually, your Controlling Participant is a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules). |

| Term | Meaning |
|-------------------------------------|---|
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC. |
| Encumbrance | means: <ul style="list-style-type: none"> (a) a security interest; (b) an easement, restrictive covenant, caveat or similar restriction over property; (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money); (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase); (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or (f) an agreement to create anything referred to above or to allow any of them to exist. |
| Foreign Law | means a law of a jurisdiction other than an Australian jurisdiction. |
| GST | has the same meaning as in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| HHL | means Hunter Hall International Limited ACN 059 300 426. |
| HHL Board | means the board of directors of HHL. |
| HHL Director | means a director on the HHL Board. |
| HHL Shareholder | means a person registered in the register of members of HHL as a holder of HHL Shares. |
| HHL Shares | means fully paid ordinary shares in HHL. |
| Holder Identification Number | means the number used to identify a HHL Shareholder on the CHESS Subregister of HHL. |
| Issuer Sponsored Holding | means a holding of HHL Shares on Issuer Sponsored Subregister or HHL. |
| Issuer Sponsored Subregister | has the meaning given in the ASX Settlement Operating Rules. |
| Offer | means, as the context requires, the offer for HHL Shares as set out in Section 8, or the off-market takeover bid constituted by that offer and each other offer by the Bidder for HHL Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act. |
| Offer Date | means 20 January 2017, being the date on which the first of the Offers was sent to each holder of HHL Shares registered in the HHL register of members at the Register Date. |
| Offer Information Line | means the information line set up for the purpose of answering queries from HHL Shareholders in relation to the Offer, being 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia). |
| Offer Period | means the period during which the Offer will remain open for acceptance in accordance with Section 8.2. |
| Offer Price | means the consideration offered for each HHL Share pursuant to the terms of the Offer. |
| Participant | means an entity admitted to participate in CHESS. |

| Term | Meaning |
|--|---|
| Public Authority | means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G of the Corporations Act or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange. |
| Register Date | means 7:00pm (Sydney time) on 12 January 2017, being the date set by the Bidder under section 633(2) of the Corporations Act. |
| Related Bodies Corporate | has the meaning given in the Corporations Act. |
| Rights | means all accretions, rights or benefits of whatever kind attaching to or arising from the HHL Shares directly or indirectly after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, notes, bonds, options or other securities or entitlements, declared, paid, issued or made by HHL or any of its subsidiaries). |
| Securityholder Reference Number | means the number allocated by HHL to identify an HHL Shareholder on the Issuer Sponsored Subregister of HHL. |
| Selling Shareholder | means Hampshire Assets and Services Pty Ltd ACN 059 790 395. |
| Share Acquisition Agreement | means the share sale and purchase agreement described in Section 3.13. |
| Takeover Bid | means the takeover bid constituted by the Offers. |
| Takeover Transferee Holding | has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which HHL Shares are to be transferred pursuant to acceptances of the Offer. |
| Takeovers Panel | means the body called the Takeovers Panel continuing in existence under section 261 of the Australian Securities and Investments Commission Act and given various powers under Part 6.10 of the Corporations Act. |
| Target's Statement | means the target's statement to be prepared by HHL in response to this Bidder's Statement. |
| TOFA Act | means the <i>Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009</i> . |
| Trading Day | has the meaning given in the ASX Listing Rules. |
| WHSP | means Washington H. Soul Pattinson and Company Limited ACN 000 002 728. |
| WHSP Group | means WHSP and its Related Bodies Corporate as at the date of this Bidder's Statement, and a reference to a WHSP Group Member is a reference to WHSP or any of its Related Bodies Corporate. |
| your HHL Shares | means, subject to section 8.10 of this Bidder's Statement, the HHL Shares: <ul style="list-style-type: none"> (a) of which you are registered or entitled to be registered as the holder in the register of members of HHL at the Register Date; and (b) any other HHL Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period (including any HHL Shares in respect of which you become registered or entitled to be registered as a holder due to the conversion of, or exercise of rights attached to, other securities convertible into HHL Shares that are on issue at the Register Date). |

9.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (d) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests one gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs, sub-paragraphs and annexures are to sections, paragraphs, and sub-paragraphs of and annexures to this Bidder's Statement;
 - (v) a reference to a person, corporation, trust, partnership, unincorporated body or association or other entity includes any of them;
 - (vi) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
 - (vii) a reference to any legislation or to any provisions of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
 - (viii) a reference to any instrument or document includes any variation or replacement of it;
 - (ix) a reference to time is a reference to Sydney time;
 - (x) a reference to \$ is to the lawful currency in Australia unless otherwise stated;
 - (xi) appendices to this Bidder's Statement form part of it; and
 - (xii) a reference to you is to a person to whom the Offer under Section 8 is (or is deemed to be) made.



10. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of WHSP Hunter Hall Pty Ltd ACN 616 648 241 in accordance with section 637(1)(a)(i) of the Corporations Act.

Dated 11 January 2017

Signed on behalf of WHSP Hunter Hall Pty Ltd ACN 616 648 241:

Todd Barlow
Director

WHSP Hunter Hall Pty Ltd

Annexure A:

Announcement by WHSP in relation to the Offer



WASHINGTON H SOUL PATTINSON
AND COMPANY LIMITED

ABN: 49 000 002 728

Level 1, 160 Pitt Street Mall Sydney NSW 2000 Australia

GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

ASX Announcement – 30 December 2016

WHSP announces proposal to acquire Hunter Hall International Limited

- WHSP has entered into an agreement to acquire 19.9% of the shares in Hunter Hall International Limited from Peter Hall
- Peter Hall is Hunter Hall International Limited's largest shareholder controlling 43.95% of the company
- Peter Hall has informed WHSP that he intends to accept WHSP's offer for his remaining shareholding of 24.05% in the absence of a superior proposal
- WHSP will provide a sound management solution and stability for investors in funds managed by Hunter Hall
- The proposal is to be effected by way of an off-market takeover offer and is subject only to limited conditions

Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL) announces a proposal to acquire all of the outstanding Hunter Hall International Limited (Hunter Hall, ASX: HHL) shares not already owned by WHSP for \$1.00/share (**Offer**).

The proposal is to be effected by way of an all cash off-market takeover bid. The cash consideration will be funded from WHSP's existing cash reserves. The conditions of the offer are detailed in Annexure A.

WHSP's Managing Director Todd Barlow said: "Following the acquisition of 19.9% from Peter Hall and if the Offer is successful, WHSP will be pleased to be the next custodian of Hunter Hall. We believe that WHSP can work

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with the board and management of Hunter Hall to provide a sound management solution and minimal disruption for investors in funds managed by Hunter Hall. WHSP has a long and impressive history in generating positive investment returns and will apply these skills and experience for investors in funds managed by Hunter Hall.”

WHSP will retain all rights to any dividend or other distribution payable after the date of this announcement and may deduct the value of any such dividend or distribution from the Offer price.

WHSP's bidder's statement is expected to be lodged with ASIC within two weeks and will be sent to Hunter Hall shareholders as soon as practicable after that time.

About WHSP

WHSP is an Australian public company that listed on the Australian Stock Exchange in 1903 and has a market capitalisation of \$3.6 billion. WHSP is a patient and value oriented investment house with investments in a diverse portfolio of assets across a range of industries. Further information on WHSP can be found at www.whsp.com.au

For further information contact:

Todd Barlow (02) 9232 7166

ANNEXURE A

1. OFFER PRICE

The Purchaser intends to offer A\$1.00 for each fully paid ordinary share (**Share**) in Hunter Hall International Limited (**Target**)

2. CONDITIONS

The Offer will be subject to the following conditions:

- (a) **(No Prescribed Occurrences)** None of the following events occurs (each a '**Prescribed Occurrence**') during the period beginning on the date the bidder's statement is given to the Target and ending at the end of the offer period under the Takeover Bid:
 - (i) the Target converts all or any of its Shares into a larger or smaller number of shares;
 - (ii) the Target or a subsidiary of the Target resolves to reduce its share capital in any way;
 - (iii) the Target or a subsidiary of the Target:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the *Corporations Act 2001* (Cth);
 - (iv) the Target or a subsidiary of the Target issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of announcement of the bid;
 - (v) the Target or a subsidiary of the Target issues, or agrees to issue, convertible notes;
 - (vi) the Target or a subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) the Target or a subsidiary of the Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (viii) the Target or a subsidiary of the Target resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of the Target or of a subsidiary of the Target is appointed;
 - (x) a court makes an order for the winding up of the Target or of a subsidiary of the Target;
 - (xi) an administrator of the Target, or of a subsidiary of the Target, is appointed under section 436A, 436B or 436C of the *Corporations Act 2001* (Cth);

- (xii) the Target or a subsidiary of the Target executes a deed of company arrangement; or
 - (xiii) a receiver, a receiver and manager, or other controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in relation to the whole, or a substantial part, of the property of the Target or of a subsidiary of the Target.
- (b) **(No prescribed occurrences between announcement and service)** None of the events listed in sub-paragraphs (i) to (xiii) of paragraph (a) happens during the period beginning on the date of the announcement of the Offer (**Announcement Date**) and ending at the end of the day before the bidder's statement is given to the Target.
- (c) **(Conduct of business)** Neither the Target nor a subsidiary of the Target undertaking any of the following, without the written consent of the bidder:
- (i) declaring, or distributing any dividend, bonus or other share of its profits or assets;
 - (ii) making any changes in its constitution or passing any special resolution;
 - (iii) giving or agreeing to give any encumbrance over any of its assets other than in the ordinary course of business;
 - (iv) borrowing or agreeing to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
 - (v) releasing, discharging or modifying any substantial obligation to it of any person, firm or corporation or agreeing to do so;
 - (vi) entering or agreeing to enter into any contract of service or varying or agreeing to vary any existing contract of service with any director, manager or fund manager, or paying or agreeing to pay any retirement benefit or allowance to any director, manager or employee, or making or agreeing to make any substantial change in the basis or amount of remuneration of any director, manager or employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect prior to the date of this announcement);
 - (vii) conducting its business other than in the ordinary course; or
 - (viii) having threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager) other than proceedings before the Takeovers Panel.
- No person has any right (whether subject to conditions or not) as a result of the bidder acquiring Target Shares to:
- (i) acquire, or require the Target or a subsidiary of the Target to dispose of, or offer to dispose of, any material asset of the Target or a subsidiary of the Target; or
 - (ii) terminate or vary any material agreement with the Target or a subsidiary of the Target.

Annexure B:

Share Acquisition Agreement



WASHINGTON H SOUL PATTINSON
AND COMPANY LIMITED

ABN: 49 000 002 728
Level 1, 160 Pitt Street Mail Sydney NSW 2000 Australia
GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

STRICTLY CONFIDENTIAL

30 December 2016

Mr Peter Hall
Hampshire Assets and Services Pty Ltd
Level 2
56 Pitt Street
Sydney NSW 2000

Dear Peter

Hunter Hall International Limited - Share Sale and Purchase Agreement

Hampshire Assets and Services Pty Ltd ACN 059 790 395 (**Seller**) holds 11,654,998 fully paid ordinary shares in Hunter Hall International Limited ACN 059 300 426 (**Target**), which represents as at the date of this deed an amount equal to 42.68% of the issued share capital of the Target.

Washington H. Soul Pattinson and Company Limited ACN 000 002 738 or its nominee (**Purchaser**) proposes to acquire, and the Seller proposes sell, 5,434,653 fully paid ordinary shares in the Target, representing an amount equal to 19.9% of the issued share capital of the Target as at the date of this agreement (**Sale Shares**).

Expressions used or defined in the ASX Settlement Operating Rules have the same meaning in this agreement.

1. Sale and purchase

- (a) The Seller must sell, and the Purchaser must buy, the Sale Shares for the amount of A\$1.00 cash per Sale Share (which amounts to A\$5,434,653 in aggregate) (**Purchase Price**) free and clear of all encumbrances on the terms of this agreement.
- (b) The Purchaser is not obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously.

2. Completion

- (a) Completion of the sale and purchase of the Sale Shares (**Completion**) will take place by 4:00 pm on 30 December 2016 (or at such other time or place as the Purchaser and the Seller may agree in writing).
- (b) At Completion:
 - (i) the Seller must deliver to the Purchaser:

- (A) a duly executed share transfer form or a Registrable Transfer Document in respect of the Sale Shares as requested by the Purchaser; and
- (B) any other document reasonably required by the Purchaser to effect the transfer to it of the Sale Shares including any documents necessary to effect a conversion from the CHES sub-register to the issuer sponsored sub-register; and
- (ii) the Purchaser must pay the Purchase Price in cleared funds as directed by the Seller.

3. Agreement to announce takeover bid

Within 10 business days of the date of this agreement, or such longer period as the Purchaser and the Seller may agree in writing, the Purchaser must make a public announcement to ASX stating that it intends to make a takeover bid under Chapter 6 of the *Corporations Act 2001 (Cth)* (**Corporations Act**) for all of the issued shares in the Target:

- (a) for at least A\$1.00 per Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
- (b) on conditions not less favourable than those set out in **Annexure A**, (**Takeover Bid**).

4. ASX Announcement

We agree that Hunter Hall International Limited may make an Australian Securities Exchange announcement that attaches this agreement.

5. Warranty of the Seller

The Seller warrants to the Purchaser that it is the registered legal holder of the Sale Shares, that there are no encumbrances over or affecting the Sale Shares and has the power to enter into and to perform its obligations under this agreement in respect of the Sale Shares.

6. Further assurances by the Seller

The Seller must do all things (including executing any document) that the Purchaser may reasonably require to give full effect to its obligations under this agreement in respect of the Sale Shares.

7. Uncommitted Shares

- (a) The Seller makes no promise that it will procure acceptance of any offer by the Purchaser to acquire any shares in the Target other than the Sale Shares (**Uncommitted Shares**).
- (b) The Purchaser and the Seller agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Seller's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares or otherwise deal with the Uncommitted Shares.

8. Exclusivity

- (a) The Seller represents and warrants that, other than the discussions with the Purchaser in connection with this agreement, the Seller:

- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than the Purchaser acquiring shares in the Target (**Competing Proposal**); or
 - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the offer period under the Takeover Bid, the Seller must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offer period under the Takeover Bid, the Seller must promptly inform the Purchaser if it is approached by any person with or in respect of a Competing Proposal and provide in writing to the Purchaser:
- (i) the identity of that person; and
 - (ii) details of:
 - (A) the Competing Proposal made by the person making the approach; and
 - (B) any discussions between such person and the Seller (or its representatives).

9. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
 - (ii) hand delivered or sent by prepaid post or email to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

Purchaser

Address: Level 1, 160 Pitt Street, Sydney NSW 2000
 Email: TBarlow@whsp.com.au
 Attention: Mr Todd Barlow

Seller

Address: Level 2, 56 Pitt Street, Sydney NSW 2000
 Email : phall@hunterhall.com.au
 Attention: Mr Peter Hall

- (b) A Notice given in accordance with this section 9 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, on the third business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
 - (iii) if sent by email, immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

For personal use only

9. **Miscellaneous**

This agreement is governed by the laws of New South Wales and the Seller and the Purchaser agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in New South Wales. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Sydney time.

10. **Acceptance**

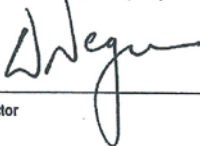
Please indicate the Seller's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by email, to the offices of the Purchaser.

Yours faithfully



Todd Barlow
Managing Director

EXECUTED by Washington H. Soul
Pattinson and Company Limited ACN
000 002 738 in accordance with section 127
of the Corporations Act 2001 (Cth):



Signature of director

WARWICK NEGUS
Name (please print) **DIRECTOR**



Signature of Director / Company secretary

TODD BARLOW
Name (please print)

For personal use only

EXECUTED by Hampshire Assets and
Services Pty Ltd ACN 059 790 395 in
accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

LENN HALL

Name (please print)



Signature of Director / Company secretary

LENN HALL

Name (please print)

ANNEXURE A

1. OFFER PRICE

Where the Purchaser determines to proceed to make offers under the Takeover Bid (**Offer**) for all of the issued shares in the Target (**Shares**), the Purchaser intends to offer at least A\$1.00 per Share.

2. CONDITIONS

The Offer will be subject to the following conditions:

- (a) **(No Prescribed Occurrences)** None of the following events occurs (each a 'Prescribed Occurrence') during the period beginning on the date the Bidder's Statement is given to the Target and ending at the end of the offer period under the Takeover Bid:
 - (i) the Target converts all or any of its Shares into a larger or smaller number of shares;
 - (ii) the Target or a subsidiary of the Target resolves to reduce its share capital in any way;
 - (iii) the Target or a subsidiary of the Target:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the *Corporations Act 2001* (Cth);
 - (iv) the Target or a subsidiary of the Target issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of announcement of the bid;
 - (v) the Target or a subsidiary of the Target issues, or agrees to issue, convertible notes;
 - (vi) the Target or a subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) the Target or a subsidiary of the Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (viii) the Target or a subsidiary of the Target resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of the Target or of a subsidiary of the Target is appointed;
 - (x) a court makes an order for the winding up of the Target or of a subsidiary of the Target;
 - (xi) an administrator of the Target, or of a subsidiary of the Target, is appointed under section 436A, 436B or 436C of the *Corporations Act 2001* (Cth);
 - (xii) the Target or a subsidiary of the Target executes a deed of company arrangement; or

- (xiii) a receiver, a receiver and manager, or other controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in relation to the whole, or a substantial part, of the property of the Target or of a subsidiary of the Target.
- (b) **(No prescribed occurrences between announcement and service)** None of the events listed in sub-paragraphs (i) to (xiii) of paragraph (a) happens during the period beginning on the date of the announcement of the Takeover Bid (**Announcement Date**) and ending at the end of the day before the Bidder's Statement is given to the Target.
- (c) **(Conduct of business)** Neither the Target nor a subsidiary of the Target undertaking any of the following, without the written consent of the Purchaser:
 - (i) declaring, or distributing any dividend, bonus or other share of its profits or assets;
 - (ii) making any changes in its constitution or passing any special resolution;
 - (iii) giving or agreeing to give any encumbrance over any of its assets other than in the ordinary course of business;
 - (iv) borrowing or agreeing to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
 - (v) releasing, discharging or modifying any substantial obligation to it of any person, firm or corporation or agreeing to do so;
 - (vi) entering or agreeing to enter into any contract of service or varying or agreeing to vary any existing contract of service with any director, manager or fund manager, or paying or agreeing to pay any retirement benefit or allowance to any director, manager or employee, or making or agreeing to make any substantial change in the basis or amount of remuneration of any director, manager or employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect prior to the Announcement Date);
 - (vii) conducting its business other than in the ordinary course; or
 - (viii) having threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager) other than proceedings before the Takeovers Panel.

No person has any right (whether subject to conditions or not) as a result of the Purchaser acquiring Target Shares to:

- (i) acquire, or require the Target or a subsidiary of the Target to dispose of, or offer to dispose of, any material asset of the Target or a subsidiary of the Target; or
- (ii) terminate or vary any material agreement with the Target or a subsidiary of the Target.

Annexure C:

HHL Announcements

Below is a list of the announcements which have been made by HHL to ASX between 6 October 2016 (being the date on which HHL released its most recent annual report) and 10 January 2017 (being the last Trading Day prior to the date of this Bidder's Statement).

| Date | Announcement Headline |
|------------|---|
| 10/01/2017 | Change in substantial holding – HHL |
| 10/01/2017 | Change in Director's Interest Notice |
| 10/01/2017 | Change in substantial holding – DRM |
| 9/01/2017 | Change in substantial holding for BSE |
| 9/01/2017 | Appointment of interim CEO and CIO |
| 5/01/2017 | Response to ASX Aware Letter |
| 4/01/2017 | Company Secretary Appointment/Resignation |
| 4/01/2017 | Change in substantial holding for BLK |
| 4/01/2017 | Notice of initial substantial holder from BKW |
| 4/01/2017 | MARKET UPDATE |
| 3/01/2017 | Becoming a substantial holder from SOL |
| 30/12/2016 | Change in substantial holding - BLK |
| 30/12/2016 | PETER HALL SELLS 19.9% OF HHL TO WHSP |
| 30/12/2016 | Proposal to acquire Hunter Hall International Limited |
| 30/12/2016 | Resignation of Chief Investment Officer |
| 28/12/2016 | Ceasing to be a substantial holder for SBM |
| 28/12/2016 | Trading Halt |
| 22/12/2016 | Ceasing to be a substantial holder for BDR |
| 22/12/2016 | Change in substantial holding - GID |
| 14/12/2016 | Becoming a substantial holder for FBR |
| 13/12/2016 | Change in substantial holding for SRX |
| 29/11/2016 | Becoming a substantial holder for EGH |
| 25/11/2016 | Change in substantial holding for BFG |
| 23/11/2016 | Change in substantial holding for BLK |
| 21/11/2016 | Becoming a substantial holder for M7T |
| 16/11/2016 | Results of Meeting |

| Date | Announcement Headline |
|------------|--|
| 16/11/2016 | Chairman's Address to Shareholders |
| 15/11/2016 | Change in substantial holding for BLK |
| 7/11/2016 | Change in substantial holding for TLM |
| 7/11/2016 | Change in substantial holding for OTR |
| 4/11/2016 | Change in substantial holding for OTR |
| 1/11/2016 | Change in substantial holding for BLK |
| 27/10/2016 | Change in substantial holding for TLM |
| 17/10/2016 | Notice of Meeting and Proxy AGM 2016 |
| 14/10/2016 | Ceasing to be a substantial holder - BFG |
| 11/10/2016 | Change in substantial holding for BLK |
| 6/10/2016 | Appendix 4G Corporate Governance disclosures |
| 6/10/2016 | Annual Report to shareholders |



Corporate Directory

WHSP

Washington H. Soul Pattinson and Company Limited

Level 1, 160 Pitt Street Mall
Sydney NSW 2000
Australia

The Bidder

WHSP Hunter Hall Pty Ltd

Level 1, 160 Pitt Street Mall
Sydney NSW 2000
Australia

Directors

Robert D. Millner

Chairman and Non-executive Director

Todd J. Barlow

Chief Executive Officer and Managing Director

Michael J. Hawker

Non-executive Director

Thomas C. D. Millner

Non-executive Director

Warwick M. Negus

Non-executive Director

Melinda R. Roderick

Finance Director

Robert G. Westphal

Non-executive Director

David E. Wills

Non-executive Director

Company Secretary

Ian D. Bloodworth

Offer Information Line

Within Australia: 1300 652 821
Outside Australia: +61 3 9415 4104

Registry for the Offer

Computershare Investor Services Pty Limited

Level 4, 60 Carrington Street
Sydney NSW 2000
Australia

Financial adviser

Pitt Capital Partners

Level 2, 160 Pitt Street Mall
Sydney NSW 2000
Australia

Legal adviser

DLA Piper Australia

Level 22, No. 1 Martin Place
Sydney NSW 2000
Australia



Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728

Level 1, 160 Pitt Street, Sydney NSW 2000
www.whsp.com.au

WHSP Hunter Hall Pty Ltd

ACN 616 648 241

HHLTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



(within Australia) 1300 652 821
(outside Australia) +61 3 9415 4104

Takeover Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by WHSP Hunter Hall Pty Ltd (ACN 616 648 241) ("Bidder"), a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (ABN 49 000 002 728) ("WHSP") to acquire all of your fully paid ordinary shares in Hunter Hall International Limited (ABN 43 059 300 426) ("Hunter Hall") the terms of which are set out in the Bidder's Statement from the Bidder dated 11 January 2017 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Hunter Hall register, as provided to the Bidder.

The current address recorded by the Bidder is printed above and overleaf. If you have recently bought or sold HHL Shares, your holding may differ from that shown. If you have already sold all your HHL Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your HHL Shares. You cannot accept the Offer for only some of your HHL Shares.

As your HHL Shares are in a CHESS holding, you may contact your Controlling Participant directly (usually your Broker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want the Bidder to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the Bidder and your Controlling Participant before the end of the Offer Period. This will authorise the Bidder and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that all of your HHL Shares are and will be fully paid and you have full legal and beneficial ownership of the HHL Shares to which this form relates and that the Bidder will acquire them free from all Encumbrances, interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer.

You should allow sufficient time for your Controlling Participant or the Bidder to initiate the acceptance of the Bidder's Offer on your behalf. Neither the Bidder or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and company secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of probate or letters of administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.


Turn over to complete the form →



Takeover Acceptance Form

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STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

XX

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at the Register Date:

2000

By accepting the Offer for ALL of your HHL Shares, you are accepting the Offer for ALL the HHL Shares as recorded by the Bidder as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your HHL Shares. The consideration applicable is set out in the terms of the Bidder's Offer.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by the Bidder for HHL Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our HHL Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact Name _____

Contact
Daytime
Telephone

_____ Date ____ / ____ / ____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by the Bidder. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Bidder or to third parties upon direction by the Bidder where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

WHSP Hunter Hall Pty Ltd

ACN 616 648 241

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



(within Australia) 1300 652 821
(outside Australia) +61 3 9415 4104

HHLTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

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If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

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Your consideration will be issued to the name(s) as they appear on the latest copy of the Hunter Hall register, as provided to the Bidder. The current address recorded by the Bidder is printed above and overleaf. If you have recently bought or sold HHL Shares, your holding may differ from that shown. If you have already sold all your HHL Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your HHL Shares. You cannot accept the Offer for only some of your HHL Shares.

By signing this form, you warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that all of your HHL Shares are and will be fully paid and you have full legal and beneficial ownership of the HHL Shares to which this form relates and that the Bidder will acquire them free from all Encumbrances, interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

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- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and company secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of probate or letters of administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



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Takeover Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

XX

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at the Register Date:

2000

By accepting the Offer for ALL of your HHL Shares, you are accepting the Offer for ALL the HHL Shares as recorded by the Bidder as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your HHL Shares. The consideration applicable is set out in the terms of the Bidder's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by the Bidder for HHL Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our HHL Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date

 / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by the Bidder. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Bidder or to third parties upon direction by the Bidder where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



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