

Via ASX Online**ASX ANNOUNCEMENT – 21 December 2020**ASX Market Announcements Office
ASX Limited**Update on HUB24's Proposed Investment in Easton**

The Directors of Easton Investments Limited (**Easton** or **the Company**) refer to Easton's announcement to the ASX on 28 October 2020 regarding the proposed investment by HUB24 Limited (**HUB24**) of up to 40% of Easton.

The Directors are pleased to advise that following completion of due diligence and discussions with HUB24, the parties have entered into a transaction implementation deed under which HUB24 will make a recommended proportional takeover offer (**the Offer**) at a price of \$1.20 per share for 1 in every 3 shares held in Easton (being substantially the same in terms of price and proportion as previously announced¹).

The Offer represents a variation of the arrangements previously announced¹, whilst retaining the key features of the proposed investment in Easton and with comparable financial outcomes for HUB24 and Easton shareholders.

The previously announced¹ transaction included Easton making a share placement to HUB24 to raise \$14.05m in cash, with Easton then undertaking an equal access, off-market buy-back which would result in HUB24 having a shareholding of up to 40% of Easton, depending on the level of shareholder acceptances of the buy-back offer. These arrangements are in effect replaced by the Offer.

Importantly, the revised form of Offer will eliminate the need for Easton to make a share placement to HUB24, the related requirement to convene a special (extraordinary general) meeting of Easton shareholders and the uncertainty associated with the off-market buy-back offer in terms of Easton's share capital and cash position at the completion of the buy-back.

To give effect to the current arrangements between Easton and HUB24, the parties have entered into:

- A Transaction Implementation Deed (**TID**), attached as Annexure A, under which it is agreed that HUB24 will make a recommended proportional takeover offer for 1 in every 3 fully paid ordinary shares in Easton held by shareholders other than HUB24. The TID also provides for the special, fully franked dividend of \$0.05 per share to eligible Easton Shareholders, details of which were announced to the ASX on 14 December 2020, and the issuance of 1.7 million options to HUB24 over Easton shares for nil issue price, exercisable within three years at an exercise price of \$1.20 per option. HUB24 will also have the right to appoint two nominee directors to Easton's Board;
- A Technology Partnership and Distribution Agreement which serves as a framework under which (and subject to more detailed agreement on a project by project basis), HUB24 will provide innovative technology and data solutions to Easton in consideration for the issue by Easton of 1.7 million options on the terms noted above;
- A Share Sale Agreement (**SSA**) on terms comparable to those previously disclosed¹ to the market, under which Easton will issue approximately 3.3m shares to HUB24 (**Paragem Shares**) in consideration for the transfer by HUB24 of all the shares in Paragem Pty Ltd (**Paragem**) to Easton. It is expected that the transaction will be effective in early February 2021, while the Paragem Shares will be issued on 4 January 2021 and will be subject to a holding lock until completion. On completion of the Paragem transaction, Nathan Jacobsen will be appointed as Managing Director of Easton; and

¹ Reference to 'previously announced' or 'previously disclosed' means the ASX announcement made by the Company on 28 October 2020 headed 'Important Strategic Partnership with HUB24'.



- A Transitional Services Agreement under which HUB24 will provide certain services to Paragem on a transitional basis for a period of 3 months following completion of the SSA.

If all Easton shareholders accept the Offer, HUB24 would be entitled, on completion of the Offer, to approximately 39.2% of the total fully paid ordinary shares in Easton.

The Easton Board regards the Offer and related arrangements with HUB24 as a transformational opportunity for Easton, with clear and compelling benefits for Easton shareholders (the key features and benefits of the arrangements with HUB24 are as set out in the Company's announcement to the ASX on 28 October 2020). The Easton Board intends to recommend that shareholders accept the Offer from HUB24 in the absence of a superior offer.

Easton Directors and their associates intend to accept the Offer and have entered into Pre-Bid Acceptance Agreements in respect of 1 in every 3 shares in Easton held or controlled by each of them. These arrangements in aggregate represent 3.41 million shares or 9.9% of Easton's issued capital.

Transaction Timetable and Next Steps

Easton shareholders do not need to take any action in relation to the Offer at this stage. A Bidder's Statement from HUB24 and a Target Statement from Easton will be sent to Easton shareholders in the coming weeks, which will contain important information in relation to the Offer, including how to accept the Offer, information about HUB24 and reasons for and against why Easton shareholders should accept the Offer.

An indicative timeline and next steps are set out below:

| | |
|--------------------|---|
| • 21 December 2020 | Today's ASX announcement |
| • 23 December 2020 | Special Dividend Record Date |
| • 4 January 2021 | Paragem Shares are issued to HUB24 |
| • 5 January 2021 | Bidder's Statement lodged with ASIC, ASX and Easton |
| • 20 January 2021 | Bidder's Statement is despatched to Easton shareholders The Offer opens (minimum offer period of 1 month) |
| • 21 January 2021 | Special Dividend Payment Date |
| • 25 January 2021 | Target's Statement lodged with ASIC, ASX and HUB24 Target's Statement is despatched to Easton shareholders |
| • 1 February 2021 | Acquisition of Paragem completed Options issued to HUB24. |

Authorised for release by Kevin White, Executive Chairman.

Kevin White
Executive Chairman

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ANNEXURE A

Transaction Implementation Deed





Transaction Implementation Deed

—

Easton Investments Limited
(ABN 48 111 695 357)
(Target)

HUB24 Limited
(ABN 87 124 891 685)
(Bidder)

—

Transaction Implementation Deed

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Details

Date 20 December 2020

Parties

Name HUB24 Limited
ABN 87 124 891 685
Short form name **Bidder**
Notice details Level 2
7 Macquarie Place
Sydney NSW 2000
Email: aalcock@hub24.com.au
Attention: The Directors
Copied to:
Address: Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000
Attention: Glen Sauer and Michael Scarf
Email: Glen.Sauer@minterellison.com; Michael.Scarf@minterellison.com

Name **Easton Investments Limited**
ABN 48 111 695 357
Short form name **Target**
Notice details Level 2
115 Pitt Street
Sydney NSW 2000
Email: kevin.white1202@gmail.com
Attention: Kevin White
Copied to:
David Kennedy
Colin Biggers Paisley
david.kennedy@cpb.com.au

Background

- A Bidder and Target are parties to the Heads of Agreement.
- B Bidder proposes to make the Takeover Bid on the terms set out in this Deed.
- C Bidder and Target have agreed to terminate the Heads of Agreement, and propose to enter into various arrangements and cooperate with each other in the manner set out in this Deed.
- D Target and its directors believe that significant benefits will flow to Target and its shareholders if Bidder makes the Takeover Bid and the Target Directors have agreed to unanimously recommend the Takeover Bid, subject to the terms of this Deed.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Deed:

Announcement Date means the date on which the Announcements are made.

Announcements means the announcements made by each of Bidder and Target in respect of the transaction the subject of this Deed.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

Bidder Group means Bidder and each of its Related Entities.

Bidder Indemnified Parties means Bidder, its Related Entities and each of their respective Representatives.

Bidder's Statement means the bidder's statement prepared and issued by Bidder in respect of the Offer.

Break Fee means \$140,000 (excluding GST).

Business means the business conducted by Target and its Related Entities.

Business Day means:

- (a) for receiving a notice under clause 16, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is sent; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.

Claim includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this Deed.

Competing Proposal means any proposal, offer or transaction by a third party (other than Bidder or its Related Entities) that, if completed, would mean:

- (a) a person would acquire a relevant interest or voting power in 10% or more of Target Shares or of the securities of any member of the Target Group;
- (b) a person would enter into, buy, Dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 10% or more of Target Shares or of the securities of any member of the Target Group;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or substantially all of the business conducted by, or assets or property of, Target or the Target Group;
- (d) a person would acquire Control of Target or the Target Group; or
- (e) a person may otherwise acquire, or merge with, Target (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership),

and for the avoidance of doubt, each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Condition means the condition precedent to the Offer which is described in Schedule 2.

Consequential Loss means:

- (a) in the case of loss or damage resulting from a breach of contract, by virtue of any breach of any fiduciary obligation, by virtue of any actionable wrongful act, or under any other principle of equity, by virtue of any breach of any statutory duty, or under any other legal doctrine, principle or theory all:
 - (i) loss of revenue;
 - (ii) loss of profit;
 - (iii) loss or denial of opportunity;
 - (iv) loss of access to markets;
 - (v) loss of goodwill;
 - (vi) loss of business reputation;
 - (vii) increased overhead costs; and
 - (viii) all other loss which is indirect, remote or unforeseeable loss or loss resulting from some supervening event or special circumstance, whether or not in the reasonable contemplation of the parties at the time of execution of this Deed as being a probable result of the relevant breach; and
- (b) in the case of loss or damage arising from any tort (which expression, for the purposes of this definition, includes any breach of a contractual duty of care and also negligence) - all loss of the kind described in paragraph (a) of this definition, all other loss which is indirect, remote or unforeseeable loss and all pure economic loss of any kind not flowing directly from the commission of the tort,

but excluding loss arising from liability which, by law, the parties cannot exclude by contract.

Control has the meaning given under section 50AA of the Corporations Act. **Controlled** has the same meaning.

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

Costs is defined in clause 9.2(a).

Counter Proposal is defined in clause 8.6(b).

Details means, in respect of a recipient, the notice details for the recipient set out at the start of this Deed under the heading 'Details'.

Dispose means, in relation to an interest in any property or other asset, a sale, transfer, assignment, novation, disposal, waiver, relinquishment or other dealing or action of any kind by means of which a legal, beneficial, voting or economic interest of any kind in that property or other asset, whether absolute or by way of security and whether proprietary in nature or merely contractual, is, will or may be conferred on or transferred to another person or waived, relinquished or forfeited by a member of the Target Group. **Disposal** has a corresponding meaning.

Due Diligence Material means:

- (a) the written information and documents provided to Bidder or its Representatives by Target or its Representatives before the date of this Deed in the Data Room; and
- (b) the written responses given by Target or its Representatives in the Q&A process in the Data Room,

a copy of which is stored on the USB delivered to Bidder on the date of this Deed entitled '*Project Espresso – Due Diligence Material*'.

Executive Contract means an executive services employment agreement between Target and Nathan Jacobsen to engage Mr Jacobsen as managing director of Target.

End Date means the end of the Offer Period.

Heads of Agreement means the heads of agreement dated 27 October 2020 between Bidder and Target.

Insolvency Event means and event where a party:

- (a) informs the other party or any of its creditors that it is insolvent or unable to pay its debts as they fall due or if that other party on reasonable grounds suspects that the first mentioned party is insolvent or unable to pay its debts as they fall due;
- (b) enters into a composition or arrangement with its creditors or calls a meeting of creditors with a view to entering into a composition or arrangement;
- (c) has a mortgagee seek to exercise a right of possession or control over the whole or a part of its property;
- (d) takes or has instituted against it any action or proceedings whether voluntary or compulsory which has the object of, or which may result in, it being wound-up;
- (e) has a winding-up order made against it or passes a resolution for winding-up; or
- (f) is a party to the appointment of or has an official manager, administrator, receiver, provisional liquidator or liquidator appointed to the whole or any part of its property or undertaking.

Law means any law, whether state or federal, and includes tax and stamp duty laws, the Listing Rules, and any directive or instruction by any Regulatory Authority.

Maximum Amount means the lesser of:

- (a) \$13,711,788; and
- (b) an amount calculated by multiplying the total number of Target Shares accepted into the Offer by \$1.20.

Listing Rules means the listing rules of ASX.

Material Subsidiary means a Subsidiary whose operations are material to the Target Group.

New Target Options means 1,700,000 options, each to subscribe for one Target Share with an issue price of zero and an exercise price of \$1.20 per option and otherwise on the terms set out in Schedule 3.

Notice is defined in clause 14.

Offer means each offer to acquire Target Shares to be made to each Target Shareholder under the Takeover Bid on terms consistent with this Deed.

Offer Period means the period during which the Offer is open for acceptance.

Paragem Agreement means a share sale agreement between Bidder and Target dated on or about the date of this Deed pursuant to which Target will acquire all of the issued shares in Paragem Pty Ltd (ABN 16 108 571 875).

Permitted Dividend means a fully franked dividend of \$0.05 per Target Share as announced by Target on 15 December 2020.

Pre-bid Agreements means the pre-bid agreements dated on or about the date of this Deed between Bidder and each of the following persons in relation to a portion of the Target Shares that they each own or control:

- (a) entity or entities controlled by Kevin White;
- (b) entity or entities controlled by Greg Hayes;
- (c) entity or entities controlled by Carl Scarcella; and
- (d) entity or entities controlled by Grahame Evans.

Prescribed Occurrence means the occurrence of any of the following events:

- (a) the Target converts all or any of its Target Shares into a larger or smaller number of Target Shares;
- (b) the Target or a Subsidiary resolves to reduce its capital in any way;
- (c) the Target or a Subsidiary:
 - (i) enters into a buyback agreement; or

- (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Target or a Subsidiary of the Target issues securities (including without limitation Target Shares) or grants an option over securities (including without limitation Target Shares), or agrees to make such an issue or grant such an option;
- (e) the Target or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) the Target or a Subsidiary disposes, or agrees to dispose, of the whole, or substantially all, of the business or property of the Target Group;
- (g) the Target or a Subsidiary grants, or agrees to grant, a security interest in the whole, or substantially all, of the business or property of the Target Group;
- (h) the Target or a Material Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Target or a Material Subsidiary is appointed;
- (j) a court makes an order of the winding up of the Target or a Material Subsidiary;
- (k) an administrator of the Target, or a Material Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Target or a Material Subsidiary executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Target or of a Material Subsidiary.

However, any of the events referred to in paragraphs (b), (c), (d), (e), (f) and (g) do not apply to:

- (a) reductions, issues, grants, disposals or other transactions (or agreements to reduce, issue, grant, dispose or otherwise transact) solely between members of the Target Group;
- (b) the vesting, conversion or exercise of performance rights that have been publicly disclosed to ASX prior to the date of this Deed in accordance with their terms of issue;
- (c) the issuance of the New Target Options; or
- (d) the issuance of the Target Shares pursuant to the Paragem Agreement.

Regulatory Approvals means such consents, approvals, instruments or other acts made or given by a Regulatory Authority required for the Takeover Bid.

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under a statute;
- (d) in particular, ASX and ASIC.

Related Entity means in relation to an entity, any entity that is related to that entity within the meaning of section 50 of the Corporations Act or which is an entity that is Controlled by that entity.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Notice is defined in clause 8.6(a)(iv)(B).

Representatives means, in relation to an entity, each of its directors, officers, employees and advisers.

Rights means all accretions, rights or benefits of whatever kind that accrue to or arise, directly or indirectly from Target Shares on or after the date of this Deed, including all rights to receive dividends, to receive or subscribe for shares, notes or other securities and all other distributions or entitlements declared, paid, made or issued by Target after that date, but excluding any franking credits or tax deferral rights attached to a distribution or dividend, and excluding the Permitted Dividend.

Rival Bidder is defined in clause 8.5(b)(i).

Subsidiary means any member of the Target Group other than the Target.

Superior Proposal means a written bona fide Competing Proposal which the Target Board acting in good faith and, after having first obtained written advice from its legal and financial advisers, determines is:

- (a) reasonably capable of being completed, taking into account all aspects of the Competing Proposal; and
- (b) more favourable to Target Shareholders than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal.

Takeover Bid means a proportional off-market takeover bid by Bidder (or a wholly-owned subsidiary of the Bidder) for one in every three of the Target Shares (rounded up to the nearest whole number) to be implemented in compliance with Chapter 6 of the Corporations Act.

Takeovers Panel means the Takeovers Panel established under section 171 of the Australian Securities and Investments Commission Act.

Target Board means the boards of directors of Target.

Target Director means a director of Target.

Target Group means Target and its Related Entities collectively, and **Target Group Member** means any member of the Target Group.

Target Indemnified Parties means Target, its Related Entities and each of their respective Representatives.

Target Share means one ASX-listed fully paid ordinary share in Target.

Target Shareholder means a holder of one or more Target Shares as at the date of the Offer.

Target's Statement means the target's statement to be prepared and issued by the Target in respect of the Offer.

Technology Partnership & Distribution Agreement means a technology partnership and distribution agreement between HUBconnect Pty Ltd ACN 140 899 252 and Easton Accounting & Tax Pty Ltd ACN 167 184 081 dated on or about the date of this Deed.

Transitional Services Agreement means the transitional services agreement entered into between HUB24 Management Services Pty Ltd ACN 135 332 320 and Paragem Pty Limited on or about the date of this Deed.

Timetable means the timetable in Schedule 1.

Warranty means each of the representations and warranties given in Schedule 4.

1.2 Interpretation

In this Deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Deed, and a reference to this Deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to New South Wales, Australia time;
- (g) a reference to a party is to a party to this Deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) any statement made by a party on the basis of its awareness, is made on the basis that the party has, in order to establish that the statement is true and not misleading in any respect:
 - (i) made all reasonable enquiries of the officers, managers, employees and other persons who could reasonably be expected to have information relevant to the matters to which the statement relates; and
 - (ii) where those enquiries would have prompted a reasonable person to make further enquiries, made those further enquiries,

and that, as a result of those enquiries, the party has no reason to doubt that the statement is true and not misleading in any respect;
- (o) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Deed or any part of it; and
- (p) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings and references to Bidder

- (a) Headings are for ease of reference only and do not affect interpretation.
- (b) Where a Related Entity of Bidder makes Offers to Target Shareholders, a reference to **Bidder** in this Deed is to be read as a reference to that Related Entity.

2. Announcement of Takeover Bid

2.1 Announcement of Takeover Bid

Promptly after the execution of this Deed, Bidder and Target must each make a public announcement concerning the Takeover Bid in a form to be agreed between the parties.

2.2 Public announcements

- (a) Subject to clause 2.2(b), Target must not make any public announcement or disclosure in relation to the Takeover Bid (excluding any announcements or presentations to staff, joint venture partners, commercial contractors, governments or regulatory authorities) other than in a form approved by Bidder (acting reasonably).
- (b) Where Target is required by law (including the Listing Rules) to make any announcement or make any disclosure in relation to the Takeover Bid, it may do so only after it has given as much notice as reasonably practicable to Bidder and has consulted, to the fullest extent reasonable in the circumstances, with Bidder.

3. Arrangements between parties

3.1 Agreements

On or before the Announcement Date, the parties will enter into, or procure entry into:

- (a) the Pre-Bid Agreements;
- (b) the Paragem Agreement;
- (c) the Technology Partnership & Distribution Agreement; and
- (d) the Transitional Services Agreement.

3.2 Options

On 1 February 2021 and as consideration for Bidder entering into the Technology Partnership & Distribution Agreement:

- (a) Bidder or its nominee that is a Related Body Corporate will subscribe for the New Target Options; and
- (b) Target will issue the New Target Options to Bidder on the terms and conditions set out in Schedule 3.

3.3 Heads of Agreement

With effect on and from the date of this Deed:

- (a) the Heads of Agreement is terminated; and
- (b) all rights and obligations of a party under the Heads of Agreement (despite any provisions expressed to survive termination) and all rights that have accrued, cease to apply.

4. Parties to co-operate

4.1 Co-operation and assistance

Without limiting their obligations under this Deed, the parties must, and must procure that their respective directors, senior executives and advisers engaged in relation to the Takeover Bid:

- (a) work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other parties, and provide assistance to each other, to complete the Takeover Bid on the terms set out in this Deed; and
- (b) use all reasonable endeavours to ensure that the Offer is made in accordance with the Timetable.

4.2 Timetable

Without limiting clause 4.1(b), the parties acknowledge that the Timetable is an indicative timetable and will consult with each other regularly in relation to:

- (a) performing their respective obligations within the framework established by the Timetable; and
- (b) the need to modify the Timetable.

5. Offer

5.1 Offer by Bidder

- (a) Bidder must make, or must procure that a wholly-owned subsidiary of the Bidder makes, Offers to all Target Shareholders to acquire one in every three of their Target Shares (rounded up to the nearest whole number) and all Rights attaching to those Target Shares.

- (b) The Offer will contain provisions to the effect that if any Rights are declared, paid, made, arise or accrue to a Target Shareholder, Bidder may reduce, or deduct from, any consideration payable to that Target Shareholder under the Offer the amount of the Rights, unless the benefit of the Rights is passed to Bidder.

5.2 Consideration

- (a) The consideration under the Offers will be \$1.20 cash for one in every three Target Shares, reduced by any dividends or distributions (except the Permitted Dividend) paid or payable by Target after the date of the Announcements and prior to the end of the Offer Period.
- (b) Nothing in this Deed in any way limits Bidder's ability to vary the consideration offered under the Offers in a way permitted by Law.

5.3 Condition of Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Condition.
- (b) Bidder is not obliged to but may waive the Condition.
- (c) To the extent that it is within its power to do so, each of the parties must use its best endeavours to procure that:
 - (i) the Condition is satisfied as soon as practicable after the date of this Deed or continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
 - (ii) there is no occurrence within the control of either of them (as the context requires) or their Related Entities that would prevent the Condition being satisfied,

provided that nothing in this clause 5.3 prevents any Target Group Member or its Representatives, or the Target Board, from taking, or failing to take, action where to do otherwise may, in the opinion of the Target Board (determined in good faith and acting reasonably after receiving written legal advice from external lawyers), constitute a breach of the Target Directors' fiduciary or statutory duties.

5.4 Offer Period

- (a) The Offer Period will be for a minimum of 1 month.
- (b) Nothing in this Deed in any way limits Bidder's ability to extend the Offer Period in a way permitted by Law.

5.5 Variation of Offer

Bidder may:

- (a) vary the terms and conditions of the Offer in any manner permitted by Law; or
- (b) waive the Condition, declare the Offer unconditional or extend it at any time.

6. Facilitation of the Offer

6.1 Promotion of Offer

Provided that a majority of the Target Directors is not recommending to Target Shareholders to reject the Offer at the relevant time, Target must participate in, and ensure the Target Board and senior executives of Target participate in, efforts reasonably requested by Bidder to promote the merits of the Offer, including meeting with key Target Shareholders and stakeholders of Target at the reasonable request of Bidder.

6.2 Target's Board recommendation

- (a) Target represents and warrants as at the date of this Deed to Bidder that it has been advised by each member of the Target Board that he or she will, and must procure that the Target Directors will:

- (i) recommend acceptance of the Takeover Bid and each Offer, in the absence of a Superior Proposal;
 - (ii) include in all public statements made after execution of this Deed and relating to the Takeover Bid or Offer a statement to the effect of clause 6.2(a)(i); and
 - (iii) not subsequently change, withdraw the recommendation in clause 6.2(a)(i), or make any public statement or take any other action that contradicts the recommendation of the Takeover Bid or Offer by the Target Directors, in the absence of a Superior Proposal.
- (b) Target represents and warrants to Bidder that it has been advised by each Target Director that he or she will not, and Target undertakes to Bidder that a Target Director will not, change, withdraw or modify his or her recommendation except where the Target Board determines, after all of Bidder's rights under clause 8.6 have been exhausted, that a Competing Proposal constitutes a Superior Proposal.

6.3 Bidder's obligations to prepare documentation

Bidder must prepare for the Takeover Bid:

- (a) a Bidder's Statement; and
- (b) an acceptance form and proxy form for the Offer,

in each case consistent with clause 5 and in accordance with the Corporations Act.

6.4 Target's obligations to prepare documentation

Target must prepare a Target's Statement in response to the Offer consistent with clauses 6.1 and 6.2 and in accordance with the Corporations Act, and which includes:

- (a) a unanimous recommendation by the Target Board to Target Shareholders to accept the Offer in respect of all of their Target Shares in the absence of a Superior Proposal; and
- (b) a statement by each member of the Target Board that that director will accept the Offer in respect of all Target Shares controlled or held by, or on behalf of, that director or any associate of that director, in the absence of a Superior Proposal.

6.5 Co-operation in relation to documentation

- (a) Bidder and Target must co-operate and provide assistance to each other (which includes providing to each other any information reasonably requested) in good faith and otherwise use all reasonable endeavours to ensure that the documents referred to in this clause 6 are completed and dispatched to Target Shareholders in accordance with the Timetable.
- (b) Without limiting its obligations under clause 6.5(a), each party must:
 - (i) provide the other with a copy of an advanced draft of the Bidder's Statement or Target's Statement prepared by them (as the case may be) as soon as reasonably practicable after its preparation, and allow a reasonable time from the time of receipt of the draft to provide comments on the draft document (including as to content and presentation);
 - (ii) inform the other if it has any reason to believe that any information in the document prepared by that party is, or becomes, misleading or deceptive in any material respect (whether by omission or otherwise), having regard to the form and context in which it appears, and provide to the other details of the relevant facts and circumstances of which they are aware;
 - (iii) identify to the other the sections of the document that they believe are misleading or deceptive; and
 - (iv) in finalising the draft Bidder's Statement or Target's Statement prepared by them (as the case may be), have reasonable regard to any comments provided to them by the other party.
- (c) Despite any comments or assistance provided by the parties under this Deed:

- (i) the Bidder's Statement will be the sole responsibility of Bidder (who will make the final determination as to the form and content of the Bidder's Statement), and none of the Target Indemnified Parties assumes any responsibility for the accuracy or completeness of the Bidder's Statement; and
- (ii) the Target's Statement will be the sole responsibility of Target (who will make the final determination as to the form and content of the Target's Statement), and none of the Bidder Indemnified Parties assumes any responsibility for the accuracy or completeness of the Target's Statement.

6.6 Early dispatch of offers

For the purposes of item 6 in section 633(1) of the Corporations Act, Target agrees that Offers under the Takeover Bid may be sent to Target Shareholders 5 days after the day on which the Bidder's Statement is sent to Target or within 28 days after that day.

6.7 Consultation

Target must, as far as reasonably practicable, consult with Bidder within a reasonable time in advance of any action which may cause a breach of the Condition.

6.8 Reasonable access

- (a) Subject to clause 6.8(b), from the date of this Deed until the end of the Offer Period, Target must:
 - (i) provide Bidder with reasonable access to the management, offices, books, records and Business operations of Target; and
 - (ii) answer Bidder's reasonable questions in relation to specific aspects of the Target Group and its business and operations.
- (b) Bidder must ensure that any access under clause 6.8(a) is exercised and conducted in a manner to avoid unreasonable disruption to the conduct of the Business and the activities and operations of the Target Group and its employees.

6.9 Implementation obligations of Target

Target must:

- (a) provide all reasonable and necessary information about the Target Share register and historic trading information to Bidder which Bidder requires in order to assist Bidder to solicit acceptances under the Offer;
- (b) provide all necessary directions to the Target Share registry promptly to provide any information that Bidder reasonably requests in relation to the securities register, including any sub-register, and, where requested by Bidder, Target must procure the information to be provided to Bidder in an electronic form as is reasonably requested by Bidder; and
- (c) undertake beneficial securityholder analysis at the request and cost of Bidder, and promptly exercise its powers under section 672A of the Corporations Act if requested to do so by Bidder, acting reasonably.

6.10 Appointment of Directors to Target Board

Target represents and warrants to Bidder that it has been advised by each Target Director who is a director of Target that he or she will, and Target must procure that the relevant Target Directors will:

- (a) take all actions necessary to ensure two nominees of Bidder are lawfully appointed as directors of Target on 1 February 2021; and
- (b) subject to satisfying any requirements imposed by Law, including ASX listing Rules, take all actions necessary to ensure Bidder will have and retain the right to have such additional number of nominees of Bidder lawfully appointed as directors of Target to represent a proportion of the Board of Target such that the Bidder's nominee directors of Target have voting power at meetings of the Board at least equal to the percentage shareholding in Target that Bidder holds from time to time.

6.11 Target to appoint Bidder nominees

If Bidder wishes to exercise its nominee rights set out in clause 6.10, then Target must, subject to receipt of a duly executed consent to act as a director of Target from each such nominee:

- (a) appoint each such nominee on the date set out in clause 6.10(a) or, in relation to nominees appointed pursuant to clause 6.10(b), as soon as practicable, to the Board to fill a casual vacancy; and
- (b) take all steps required to invite Target shareholders to confirm the appointment of the nominees as directors of Target by passing a resolution of shareholders at the next annual general meeting of Target, including by procuring that all Directors recommend that Target shareholders vote in favour of such resolutions,

provided that where the Target has complied with this clause 6.11 and Target shareholders decline to confirm the appointment of a nominee at the next annual general meeting, the Target will be taken for all purposes to have complied with its obligations under clause 6.11(b) in respect of the nominee whose appointment is not confirmed.

7. Conduct of Business

7.1 Business covenants by Target

- (a) From the date of this Deed up to and including the End Date, except with the prior written consent of Bidder or as required by Law or under this Deed, Target must and must procure that the Target Group:
 - (i) conducts its Business and operations in the ordinary and proper course consistently with the manner in which each such business has been conducted in the 12 month period before the date of this Deed, including making all reasonable efforts to:
 - (A) maintain the Business and assets of the Target Group;
 - (B) keep available the services of its officers, employees and contractors; and
 - (C) preserve its relationships with customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings,
 except:
 - (D) as may be required or contemplated by this Deed;
 - (E) as may be undertaken with the prior written approval of Bidder; or
 - (F) with the prior written consent of Bidder; and
 - (ii) immediately ceases or suspends any existing negotiations or discussions with any person or entity in connection with any alternate corporate transaction involving the Target Group and notify Bidder in relation to any approaches from or discussions with any third party in relation to any alternate corporate transaction involving the Target Group; and
 - (iii) does not implement or take any step to implement any Prescribed Occurrence;
 - (iv) does not:
 - (A) issue or enter into any negotiations (directly or indirectly) to issue any new shares, options or other securities in any Target Group entity;
 - (B) enter into, or extend, any debt financing facility or other financing arrangements;
 - (C) sell any material assets or business undertaking;
 - (D) initiate or take any action to facilitate an offer to acquire any interest in the Target Group entities or in any assets owned or business undertaken by a Target Group entity;

- (E) do not allow, facilitate or permit any person or entity (other than Bidder and its advisors) to conduct due diligence investigations in relation to the Target Group or in any assets owned or business undertaken by the Target Group;
- (F) increase the remuneration of, or pay any bonus (excluding sales commission under existing sales commission arrangements), or issue any securities or options or otherwise vary the employment agreements or retainers with, any of its directors, employees or consultants with an existing annual total fixed remuneration greater than \$150,000 (**Senior Executive**) without the prior written consent of the Bidder;
- (G) accelerate the rights of any of its directors or executives to benefits of any kind;
- (H) pay a director or executive a termination payment or place them on retainer or other arrangement under which they receive remuneration, other than as provided for in an existing employment contract in place as at the date of this Deed and a copy of which has previously been disclosed to Bidder;
- (I) enter or agree to enter into any agreement in respect of the employment or engagement of a person as an executive unless:
 - (I) the agreement does not include any change of control provision which would be triggered by the Takeover Bid; and
 - (II) Target takes into consideration any reasonable comments of the Bidder prior to determining whether to enter into such agreement;
- (J) permit any of its insurances to lapse or do anything that would make any policy of insurances void or voidable;
- (K) give or agree to give a financial benefit to a related party of Target;
- (L) amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this Deed;
- (M) pay any material fee to any adviser or consultant other than to the following advisers and consultants in accordance with the terms of their respective engagements disclosed to Bidder as at the Announcement Date:
 - (I) Colin Biggers & Paisley;
 - (II) Hayes Knight;
 - (III) Grant Samuel;
 - (IV) Greenwoods;
 - (V) Freehills;
- (N) modify the rules of any Target employee incentive plan;
- (O) exercise or waive any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised; or
- (P) agree to do any of the matters set out above.

8. Exclusivity

8.1 No existing discussions

Other than in relation to the discussions with Bidder in connection with the proposed Offer and this Deed, Target represents and warrants to Bidder that as at the date of this Deed:

- (a) neither itself, its Related Entities nor any of their respective Representatives is a party to any agreement with a third party entered into for the purpose of facilitating a Competing Proposal by that third party;
- (b) neither itself, its Related Entities nor any of their respective Representatives is participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
- (c) no third party currently has access to any data rooms established by Target; and
- (d) Target has instructed all third parties to whom such data room access was granted to return or destroy the confidential information they accessed through the data room. Target must not vary the terms of any confidentiality agreement entered into with it and must take such steps as is reasonably necessary to ensure that the terms of any such confidentiality agreement are complied with.

8.2 No-shop

Until the End Date, Target must ensure that neither itself, Target Group Members nor any of their respective Representatives, directly or indirectly solicits, invites, initiates or encourages any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that could reasonably be expected to lead to, a Competing Proposal or communicate any intention to do any of these things.

8.3 No-talk

Subject to clause 8.7, until the End Date, Target must ensure that neither itself, Target Group Members nor any of their respective Representatives, directly or indirectly:

- (a) negotiates or enters into or participates in negotiations or discussions with any person; or
- (b) communicates any intention to do any of these things,

in relation to, or which may reasonably be expected to lead to a Competing Proposal, even if that person's Competing Proposal was not solicited, encouraged or initiated by Target or any Target Group Members or the person has publicly announced the Competing Proposal.

8.4 No due diligence

Until the End Date:

- (a) Target must ensure that neither itself, Target Group Members nor any of their respective Representatives, directly or indirectly:
 - (i) solicits, invites, initiates, or encourages; or
 - (ii) subject to clause 8.7, facilitates or permits, any party other than Bidder to undertake due diligence investigations on Target; or
- (b) subject to clause 8.7, Target must ensure that neither it, its Related Entities nor any of their respective Representatives directly or indirectly makes available to any other person or permits any other person to receive any non-public information relating to Target, the Target Group, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal,

except with the prior written consent of Bidder.

8.5 Notification of approaches

- (a) Until the End Date, Target must promptly after becoming aware notify Bidder in writing of:
- (i) any approach, inquiry or proposal made to, and any attempt or any intention on the part of any person to initiate (or where such negotiations or discussions have ceased, reinstate) or continue any negotiations or discussions with, Target, any Target Group Member, or any of their respective Representatives with respect to, or that could reasonably be expected to lead to, any Competing Proposal (whether unsolicited or otherwise);
 - (ii) any request made by any person to Target, its Related Entities, or any of their respective Representatives, for information relating to Target or any of its Related Entities or any of their businesses or operations or any request for access to the books or records of Target or any of its Related Entities, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal;
 - (iii) any intention by Target, any Target Group Member, or any of their respective Representatives to provide any information relating to Target or any Target Group Member or any of their businesses or operations to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal in reliance on clause 8.7;
 - (iv) each and every successive material amendment, update or change to any matter referred to in clauses 8.5(a)(i) to 8.5(a)(iii) (inclusive); or
 - (v) any breach of this clause 8.5,
- even if the restrictions in clauses 8.3, 8.4(a)(ii) and 8.4(b) do not apply because of clause 8.7.
- (b) Subject to clause 8.7, a notice given under this clause 8.5 must be accompanied by all material details of the relevant event, including:
- (i) the identity of the person or persons taking any action referred to in clause 8.5(a)(i) or 8.5(a)(ii) or on whose behalf any such action was taken or any person to whom Target intends to provide information under clause 8.5(a)(ii) (**Rival Bidder**);
 - (ii) the material terms and conditions (including price, conditions precedent, timetable and break free (if any)) of any Competing Proposal or any proposed Competing Proposal (to the extent known);
 - (iii) in the case of written materials, a copy of, or in any other case, a written statement of any non-public information relating to the Target Group's operations made available or received by any person in connection with the formulation, development or finalisation of a Competing Proposal which has not previously been provided to Bidder; and
 - (iv) the circumstances in which any information is provided to the Rival Bidder.

8.6 Target's response to Rival Bidder and Bidder's right to respond

- (a) Without prejudice to Bidder's rights under this clause 8.6, if Target receives a Competing Proposal and as a result, a majority of the Target Directors propose to either:
- (i) change or withdraw their recommendation of the Offer; or
 - (ii) approve or recommend entry into any legally binding agreement, commitment, arrangement or understanding relating to the implementation of or giving effect to the Competing Proposal,
- Target must ensure that no Target Director does so:
- (iii) unless the Competing Proposal is bona fide in the reasonable opinion of the Target Directors; and

- (iv) until each of the following has occurred:
 - (A) the Target Directors have made the determination contemplated by clause 8.7(b) in respect of that Competing Proposal;
 - (B) Target has given Bidder notice (**Relevant Notice**) of the Target Director's proposal to take the action referred to in clauses 8.6(a)(i) or (ii) (subject to Bidder's rights under clause 8.6(b));
 - (C) Target has given Bidder all information that would be required by clause 8.5(b);
 - (D) Bidder's rights under clause 8.6(b) have been exhausted; and
 - (E) the Target Directors have made the determination contemplated by clause 8.7(b) in respect of that Competing Proposal after Bidder's rights under clause 8.6(b) have been exhausted and after evaluation of any Counter Proposal.
- (b) If Target gives a Relevant Notice to Bidder under clause 8.6(a)(iv)(B), Bidder will have the right, but not the obligation, at any time during the period of five Business Days following receipt of the Relevant Notice, to amend the terms of the Takeover Bid or Offers (as the case may be) including increasing the amount of consideration offered under the Takeover Bid or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the Target Directors must review the Counter Proposal in good faith. If the Target Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to Target and Target Shareholders than the Competing Proposal (having regard to the matters noted in clause 8.7(b)), then Target and Bidder must use their best endeavours to agree the amendments to this Deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and Target must use its best endeavours to procure that the Target Directors recommend the Counter Proposal to Target's Shareholders and not recommend the applicable Competing Proposal.
- (c) For the purposes of this clause 8.6, each successive material modification of any proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

8.7 Fiduciary out

The obligations in clauses 8.3, 8.4(a)(ii), 8.4(b) and 8.5 do not apply to the extent they restrict Target or the Target Board from taking or failing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 8) provided that:

- (a) the Competing Proposal is bona fide and is made in writing by or on behalf of a person that the Target Board considers is of reputable commercial standing;
- (b) the Target Board has determined in good faith after:
 - (i) consultation with Target's financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) receiving written advice from its external legal adviser practising in the area of corporate law,

that failing to take the action or refuse to take the action (as the case may be) with respect to the Competing Proposal would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Target Board.

9. Break Fee and Break Costs

9.1 Bidder declaration

Bidder represents and warrants to Target that it would not have entered into this Deed without the benefit of this clause 9 and it would not have entered into and continued the negotiations and conducted due diligence on Target leading up to this Deed unless Bidder had a reasonable expectation that Target would agree to enter into a clause of this kind.

9.2 Acknowledgments

- (a) Target acknowledges that Bidder has incurred:
- (i) significant external advisory costs;
 - (ii) some internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);
 - (iii) out-of-pocket expenses; and
 - (iv) reasonable opportunity costs incurred by Bidder in pursuing the Takeover Bid or in not pursuing other alternative acquisitions or strategic initiatives,
- in relation to the Takeover Bid and will incur further costs if the Takeover Bid is announced but is not successful (**Costs**).
- (b) Target represents and warrants that:
- (i) it has received legal advice on this Deed and the operation of this clause 9; and
 - (ii) it considers this clause 9 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 9 in order to secure the significant benefits to it (and Target Shareholders) resulting from the Takeover Bid.

9.3 Agreement on Costs

The parties acknowledge that the amount of the Costs is inherently unascertainable and that, even after termination of this Deed, the Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the Costs that Bidder will suffer if the Takeover Bid does not proceed, the parties agree that the Costs will be the sum of \$250,000 (**Break Costs**).

9.4 Break Fee

- (a) Target agrees to pay to Bidder the Break Fee if at any time after the making of the Announcements and before the End Date, any of the following events occur:
- (i) the majority of the Target Board fails to recommend as described in clause 6.2 or recommends against, qualifies their support of or withdraws their recommendation or approval of the Takeover Bid;
 - (ii) a Competing Proposal is announced before the End Date and:
 - (A) within 12 months of the Competing Proposal being announced, the Competing Proposal results in a person or persons, other than a member of the Bidder Group, obtaining Control of Target, or merging or amalgamating with Target, or acquiring directly or indirectly (including by way of joint venture or dual listed company structure) an interest in all or a substantial part of the Business or assets of the Target Group; or
 - (B) within three months of that Competing Proposal being announced, a majority of the Target Directors recommend it (whether or not in the absence of a Superior Proposal) and no Superior Proposal is subsequently announced by Bidder (or its nominee); or
 - (iii) a Competing Proposal is entered into by Target within six months after the End Date.

9.5 Break Costs

- (a) Target agrees to pay to Bidder the Break Costs if at any time after the making of the Announcement and before the End Date, any of the following events occur:
- (i) an event outlined in the Condition occurs and Bidder does not waive the breach of that Condition before the End Date; or
 - (ii) Target is in material breach of a warranty or of any other material obligation of this Deed, including any obligation set out in clause 7 or 8 of this Deed.

9.6 Payment of Break Fee or Break Costs

- (a) The payment of the Break Fee or Break Costs by Target to Bidder provided for in this clause 9 must be made within five Business Days of receipt of a written demand for payment by Bidder. The demand may only be made after the occurrence of an event referred to in clause 9.

10. Modification of Break Fee or Break Costs or exclusivity arrangements

10.1 Modifications following regulatory intervention

If any of the following occurs:

- (a) a Regulatory Authority finds that all or any part of the payment required to be made under clause 9 or an exclusivity arrangement under clause 8 is unacceptable or unenforceable by Bidder against Target; or
- (b) as a result of an application to the Takeovers Panel, the Takeovers Panel indicates that, in the absence of a written undertaking under section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) to modify the amount of the Break Fee or Break Costs or the circumstances in which it is to be paid or the circumstances in relation to an exclusivity arrangement under clause 8, it will make a declaration of unacceptable circumstances,

then, subject to clause 10.2:

- (c) the parties must amend clause 8 and/or 9 to the extent required to give effect to the requirements of the Regulatory Authority or the Takeovers Panel (as the case may be) and (in circumstances referred to in clause 10.1(b)) must give the required undertaking(s); and
- (d) neither the occurrence of any of the events referred to in clauses 10.1(a) or 10.1(b) nor the amendment of clause 8 and/or 9 will be taken to be a breach of, or permit any party to terminate, this Deed.

10.2 No requirement to act unless decision final

The parties are only required to take steps under clause 10.1(c) in relation to any requirement of a Regulatory Authority or the Takeovers Panel if:

- (a) no appeal or review proceeding is available from the decision to impose that requirement or the period for lodging an appeal or commencing review proceedings has expired without an appeal having been lodged or review proceedings commenced; or
- (b) Bidder and Target agree in writing not to appeal or seek review of the decision to impose that requirement.

11. Top up rights

11.1 Grant of right

Provided Target holds in excess of 20% of the total number of issued Target Shares and subject to the Corporations Act and ASX Listing Rules, Target will have a right to participate, on a pro rata basis and otherwise on terms no less favourable than those granted to other subscribers, in any future capital raisings of Target. To avoid doubt, issues of Target Shares as consideration for acquisitions of assets (including shares in companies) are excluded from this clause 11.

11.2 Exercise of right

Target is not required to give Bidder notice of any proposed equity capital raising that is not given to other proposed subscribers if the terms of the capital raising provide that Target's rights under

this clause 11 will be given effect through the allocation policy to be applied to subscriptions received pursuant to the capital raising.

11.3 ASX Listing Rules

- (a) Target must promptly take all steps and do all things required to obtain such waivers of the ASX Listing Rules that are necessary in order to give full effect to the Bidder's rights under this clause 11.
- (b) To the extent the Bidder is given a reasonable opportunity to provide input on an application by Target for such waivers and Bidder's input has been incorporated into the application, then should:
 - (i) ASX decline to provide the waiver; or
 - (ii) Target, after reasonable endeavours, be unable to satisfy any conditions imposed by ASX in relation to the waiver,

the parties will negotiate in good faith and if agreed, vary this clause 11 to the minimum extent required to eliminate ASX objections to its provisions or conditions that cannot be satisfied.

- (c) Should Target, having complied with sub-clause (b), be unable to overcome the issues giving rise to application of sub-clause (b), the parties will work collaboratively in good faith to resolve to give effect to the intent of this clause 11 to maximum extent permitted by Law, including the ASX Listing Rules.

12. Warranties and undertakings

12.1 Warranties by Target

Target represents and warrants to Bidder that each Warranty is true and accurate in all material respects.

12.2 Warranties by Bidder

Bidder represents and warrants to Target:

- (a) it is duly incorporated under the Laws of the place of its incorporation;
- (b) it has taken all necessary action to authorise the unconditional signing and delivery of and compliance with its obligations under this Deed;
- (c) this Deed has been duly executed and is enforceable against it in accordance with its terms and is not void or voidable;
- (d) it is not subject to an Insolvency Event; and
- (e) except as expressly disclosed in this Deed, it is not entering into this document as a trustee and to the extent so disclosed, it is authorised under the terms and conditions of the trust to enter into and perform this Deed and entitled to an indemnity from the trust assets.

12.3 Bidder – Due diligence

- (a) Bidder acknowledges and agrees that:
 - (i) it has had the opportunity to, and has, conducted due diligence investigations in relation to Target, Target Group Companies and the Business before the date of this Deed and has had the opportunity to raise such enquiries as it considered necessary;
 - (ii) Target has responded to each request by Bidder for information pertaining to the Bidder's due diligence enquiries;
 - (iii) the Warranties are the only warranties and representations that Bidder requires and on which Bidder has relied, in entering into and performing its obligations under this Deed;

- (iv) for the avoidance of doubt, no warranty or representation, expressed or implied, is given in relation to any information or expression of intention or expectation nor any forecast, budget or projection contained or referred to in the Due Diligence Material; and
 - (v) to the extent permitted by law, all other warranties, representations and undertakings (whether express or implied and whether oral or in writing) made or given by any entity which is a Target Group Company or Affiliates are expressly excluded.
 - (vi) Bidder does not rely on any statement, warranty or representation by any Target Director except in relation to clause 6.10 and in relation to the Pre-Bid Agreements.
- (b) Bidder acknowledges, and represents and warrants to Target, that:
- (i) at no time:
 - (A) has it or any person on their behalf made or given; or
 - (B) has Bidder relied on
any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of Target or any Target Group Company or otherwise (including in connection with any financial analysis or modelling conducted by Bidder or any of its representatives or advisers, whether or not contained in the Due Diligence Material) except those expressly set out in this Deed (including in the Warranties);
 - (ii) except for those expressly set out in this Deed (including in the Warranties) no representations, warranties, promises, undertakings, statements or conduct:
 - (A) have induced or influenced Bidder to enter into, or agree to any terms or conditions of, this Deed;
 - (B) have been relied on in any way as being accurate by Bidder;
 - (C) have been warranted to Bidder as being true; or
 - (D) have been taken into account by Bidder as being important to its decision to enter into, or agree to any or all of the terms of, this Deed,
and Bidder releases and discharges Target, the Target Group Companies and Affiliates from any Claim and waives any Claim it has or would, but for this provision, have or later obtain, against any of the foregoing in respect of any representations, warranties, promises, undertakings, statements or conduct not expressly the subject of a Warranty;
 - (iii) it has entered into this Deed after satisfactory inspection and investigation of the affairs of Target and the Target Group Companies, including a reasonable review of all the Due Diligence Material; and
 - (iv) it has made, and it relies upon, its own reasonable searches, enquiries and evaluations in respect of the Business (including in connection with any financial analysis or modelling conducted by Bidder or any of its representatives or advisers), except to the extent expressly set out in this Deed (including in the Warranties).
- (c) Bidder acknowledges and agrees that Target and the Target Group Companies are not under any obligation to provide Bidder or their advisers with any information (including financial information) on the future performance or prospects of Target or the Target Group Companies. If Bidder has received opinions, estimates, projections, business plans, budget information or forecasts in connection with Target or the Target Group Companies (including in connection with any financial analysis or modelling conducted by Bidder or any of its representatives or advisers), Bidder acknowledges and agrees that:
- (i) there are uncertainties inherent in attempting to make these opinions, estimates, projections, business plans, budgets and forecasts and Bidder is familiar with these uncertainties;

- (ii) Bidder is taking full responsibility for making its own evaluation of the adequacy and accuracy of all opinions, estimates, projections, business plans, budgets and forecasts furnished to it; and
 - (iii) Target Group Members are not liable for or under any Claim arising out of or relating to any opinions, estimates, projections, business plans, budgets or forecasts in connection with the Target Group Members.
- (d) Bidder acknowledges and agrees that the Warranties do not apply to any financial forecasts, projections, opinions of future performance or other statements relating to financial prospects of Target or any Target Group Company that have been provided by or on behalf of Target. No warranty is given or representation made that any such financial forecast, projection or opinion will be met or achieved. Any such information that has been provided to Bidder was provided for information purposes only.

12.4 Undertaking by Target

Target undertakes to Bidder that it will comply with applicable Law including its continuous disclosure obligations under the Corporations Act and the Listing Rules.

12.5 Acknowledgements

The Bidder and Target acknowledge that:

- (a) in entering into this Deed:
 - (i) Target has relied on the representations and warranties provided by Bidder in this Deed; and
 - (ii) Bidder has relied on the Warranties provided by Target in this Deed;
- (b) such representations and warranties are not extinguished or affected by any investigation into the affairs of the business of the Bidder or the Target or any of their related entities; and
- (c) each representation and warranty in this clause 12 is severable and survives termination of this Deed.

12.6 Qualifications and Limitations

- (a) Target is not liable and Bidder must not make a claim against Target for any breach of a Warranty, to the extent that:
 - (i) the subject matter of any claim is provided for in the financial statements or other material released by Target on the ASX; or
 - (ii) the claim has arisen directly and solely as a result of any voluntary act, omission, transaction or arrangement of or on behalf of Bidder after the date of this Deed; or
 - (iii) the claim is as a result of or in respect of, or where the claim arises from, any increase in the rate of tax liable to be paid or any imposition of tax not in effect at the date of this Deed; or
 - (iv) the claim occurs or is increased as a result of legislation not in force or in effect at the date of this Deed; or
 - (v) the claim occurs as a result of a change after the date of this Deed in any law; or
 - (vi) an amount for the claim has been recovered by Bidder from any other person or under any policy of insurance (provided that Bidder must take reasonable steps to make and prosecute a claim in good time under its insurance policy for the relevant loss and provided further that this clause does not limit Bidder's general duty to mitigate any loss it suffers or incurs); or
 - (vii) Bidder is aware of any fact, matter or thing that it should reasonably know constitutes, or would be reasonably expected with the lapse of time to constitute, a breach of that Warranty.
- (b) The Warranties are given subject to and qualified by and Bidder is not entitled to claim that any fact, matter or circumstance causes any of the Warranties to be breached if

and to the extent that the fact, matter or circumstance was fairly disclosed in this document, in the Due Diligence Material or released by Target on the ASX before the date of this Deed.

- (c) If Bidder becomes aware of anything which is or may be reasonably likely to give rise to a claim in relation to a Warranty, it must notify Target in writing within 30 Business Days after it has first come to the Bidder's attention (**Claim Notice**), setting out the act, matter or thing relied on as giving rise to the claim, the Warranty the subject of the claim and all relevant details of the claim in so far as they are available to the Bidder.

12.7 Benefits

If any payment in respect of a Claim under the Warranties is made to Bidder by or on behalf of a Group Company and after the payment is made, Bidder receives any benefit or credit in relation to the subject matter of the Claim (including payment under any insurance policy), then Bidder:

- (a) must immediately notify the Target of the benefit or credit; and
- (b) pay to Target an amount equal to the amount (net of expenses and tax) of the benefit or credit received by Bidder

12.8 Financial limits on Claims

Target has no liability for a Claim for a breach of any Warranty:

- (a) unless the amount of the Claim in respect of that breach is \$25,000 or more; and
- (b) until the aggregate of all Claims of \$25,000 or more for breach of the Warranties under this Deed exceeds \$100,000, in which event Bidder may claim the whole amount.

12.9 Time limits on Claims

Target has no liability for a Claim for a breach of any Warranty:

- (a) in the case of a Claim relating to any Warranty other than the Tax Warranty, Bidder has given written notice of the Claim to Target under clause 12.6(c) on or before the second anniversary of the date of this Deed;
- (b) in the case of a Claim relating to the Tax Warranty, Bidder has given written notice of the Claim to Target under clause 12.6(c) on or before the seventh anniversary of the date of this Deed;
- (c) in either case, unless the Claim has been settled or legal proceedings in a court of competent jurisdiction in respect of the Claim have been commenced by Bidder against Target within 12 months of the Claim being notice under clause 12.6(c).

12.10 Maximum aggregate liability for Claims

The maximum aggregate liability of Target:

- (a) for Claims for breach of Warranties 1 and 2 in Schedule 4, is limited to the Maximum Amount; and
- (b) for all other Claims for breach of Warranties is limited to 50% of the Maximum Amount, and Target's maximum aggregate liability for all Claims under this Deed will be limited to the Maximum Amount.

12.11 No consequential loss

To the maximum extent permitted by law no party to this Deed will be liable to the other for any Consequential Loss.

13. Termination

13.1 Bidder termination events

Bidder may terminate this Deed at any time by giving written notice to the Target if:

- (a) The Break Fee or Break Costs are paid in accordance with clause 9;

- (b) the Target Board (or a majority of the directors of Target) change or withdraw their recommendation that Target Shareholders accept the Offer made under the Takeover Bid in respect of all their Target Shares or make a public statement indicating that they no longer support the Offer made under the Takeover Bid or that they support a Competing Proposal; or
- (c) a Prescribed Occurrence eventuates.

13.2 Target termination events

Target may terminate this Deed at any time by giving written notice to the Bidder if the Target Board (or a majority of the directors of Target) change or withdraw their recommendation in accordance with clause 6.2, provided that Target has complied with its obligations under clause 8.

13.3 Other termination events

Either the Bidder or the Target may terminate this Deed by giving written notice to the other if during the Offer Period:

- (a) a Court or Authority issue a final and non-appealable order or ruling or taken action which permanently restrains or prohibits the Offer;
- (b) Bidder withdraws the Offer for any reason including non-satisfaction of the Condition; or
- (c) the Offer lapses without the Condition being satisfied or waived.

14. Releases

14.1 Target and Target directors and officers

- (a) Bidder:
 - (i) releases its rights; and
 - (ii) agrees with the Target that it will not make any claim, against any Target Indemnified Party (other than the Target) as at the date of this Deed and from time to time in connection with:
 - (iii) any breach of any representations and warranties of the Target or any other Target Group Member in this Deed or any breach of any covenant given by the Target in this Deed;
 - (iv) any disclosures containing any statement which is false or misleading whether in content or by omission; or
 - (v) any failure to provide information, whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Target Indemnified Party has not acted in good faith or has engaged in wilful misconduct, wilful concealment or fraud. For the avoidance of doubt, nothing in this clause 14.1(a) limits Bidder's rights to terminate this Deed.
- (b) Clause 14.1(a) is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Target receives and holds the benefit of this clause 14.1 to the extent it relates to each Target Indemnified Party as trustee for each of them.

14.2 Bidder and Bidder directors and officers

- (a) The Target releases its rights, and agrees with the Bidder that it will not make a claim, against any Bidder Indemnified Party (other than the Bidder) as at the date of this Deed and from time to time in connection with:
 - (i) any breach of any representations and warranties of the Bidder or any other Related Entity of the Bidder in this Deed or any breach of any covenant given by the Bidder in this Deed;

- (ii) any disclosure containing any statement which is false or misleading whether in content or by omission; or
 - (iii) any failure to provide information,
whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Bidder Indemnified Party has not acted in good faith or has engaged in wilful misconduct, wilful concealment or fraud.
- (b) Clause 14.2(a) is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Bidder receives and holds the benefit of this clause 14.2 to the extent it relates to each Bidder Indemnified Party as trustee for each of them.

15. GST

15.1 Interpretation

In this clause 15, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

15.2 GST gross up

- (a) Subject to clause 15.2(b), if a party makes a supply under or in connection with this Deed in respect of which GST is payable, the consideration for the supply but for the application of this clause 15.2 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 15.2(a) does not apply to any consideration that is expressed in this Deed to be inclusive of GST.

15.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 15.2.

15.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this Deed until it receives a tax invoice for the supply to which the payment relates.

16. Notices and other communications

16.1 Service of notices

A notice, demand, consent, approval or communication under this Deed (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or email to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

16.2 Effective on receipt

A Notice given in accordance with clause 16.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second 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); or

- (c) if sent by email, when the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

17. Miscellaneous

17.1 Alterations

This Deed may be altered only in writing signed by each party.

17.2 Approvals and consents

Except where this Deed expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this Deed.

17.3 Assignment

A party may not assign or attempt to assign this Deed or any right under this Deed without the prior written consent of the other party.

17.4 Costs

Each party must pay its own costs of preparing, negotiating, reviewing and executing the Transaction Documents.

17.5 Survival

Any indemnity or any obligation of confidence under this Deed is independent and survives termination of this Deed. Any other term by its nature intended to survive termination of this Deed survives termination of this Deed.

17.6 Counterparts

This Deed may be executed in counterparts. All executed counterparts constitute one document.

17.7 No merger

The rights and obligations of the parties under this Deed do not merge on completion of any transaction contemplated by this Deed.

17.8 Entire agreement

This Deed, including its schedules, exhibits and annexures:

- (a) constitute the entire agreement between the parties in connection with its subject matter; and
- (b) in relation to that subject matter, supersedes all previous agreements or understandings between the parties and all prior conditions, warranties, indemnities or representations imposed, given or made by a party.

17.9 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this Deed and the transactions contemplated by it.

17.10 Severability

A term or part of a term of this Deed that is illegal or unenforceable may be severed from this Deed and the remaining terms or parts of the term of this Deed continue in force.

17.11 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

17.12 Relationship

This Deed does not create a relationship of employment, trust, agency or partnership between the parties.

17.13 Governing law and jurisdiction

This Deed is governed by the Law of New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Schedule 1 - Timetable

| Day | Event |
|--|---|
| 21 December 2020 | Bidder and Target each make the Announcements. |
| 5 January 2021 | Bidder lodges its Bidder's Statement with ASIC, Target and ASX. |
| 20 January 2021 | The Bidder's Statement is despatched to Target Shareholders. The Offer Period commences. |
| No less than 48 hours prior to lodgement of Target Statement with ASIC | Target lodges draft Target's Statement with Bidder for review. |
| 25 January 2021 | Target despatches and lodges its Target's Statement with ASIC, Bidder and ASX. |

Schedule 2 - Condition of the Offer

No Prescribed Occurrences

Between the date of the Announcements and the end of the Offer Period, no Prescribed Occurrence occurs.

Schedule 3 – Terms of New Target Options

Terms of New Target Options:

(a) **Subscription Price**

Nil

(b) **Entitlement**

Each New Target Option entitles the holder to subscribe for one Share upon exercise of the New Target Option.

(c) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each New Target Option will be \$1.20 (**Exercise Price**).

(d) **Expiry Date**

Each New Target Option will expire 36 months from the date of issue (**Expiry Date**). A New Target Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The New Target Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The New Target Options may be exercised during the Exercise Period by notice in writing to Target (**Notice of Exercise**) and payment of the Exercise Price for each New Target Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to Target.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Target Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Target Shares on exercise**

Within 5 Business Days after the Exercise Date, Target will:

- (i) allot and issue the number of Target Shares required under these terms and conditions in respect of the number of New Target Options specified in the Notice of Exercise and for which cleared funds have been received by Target; and
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if Target is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to ensure that there are not secondary trading restrictions on the Target Shares issued upon exercise of New Target Options.

(i) **Target Shares issued on exercise**

Target Shares issued on exercise of the New Target Options rank equally with the then issued Target Shares.

(j) **Quotation of Target Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by Target to ASX for quotation of the Target Shares issued upon the exercise of the New Target Options in accordance with the Listing Rules.

(k) **Reconstruction of capital**

If at any time the issued capital of Target is reconstructed or reorganised, all rights of a New Target Option holder will be changed in a manner consistent with the Corporations Act and the Listing Rules (including Listing Rule 7.22) at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Target Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Target Options without exercising the New Target Options, subject to the Listing Rules.

(m) **Change in exercise price**

A New Target Option confers the right to a change in Exercise Price or a change in the number of underlying securities over which the New Target Option can be exercised in a manner consistent with the Listing Rules including Listing Rule 6.22.

(n) **Not Quoted**

The New Target Options will not be quoted on ASX.

(o) **Transferability**

The New Target Options are not transferable.

Schedule 4 – Warranties

Warranties

1. Capacity and Authority

- 1.1 Target has full and lawful authority to execute and deliver this Deed and to perform or cause to be performed its obligations under this Deed.
- 1.2 This Deed constitutes a binding legal obligation upon Target.
- 1.3 This Deed does not conflict with or result in the breach of or default under an provision of any Group Company's constituent documents or any material term or provision of any agreement, deed, order, injunction, rule, judgment, law or regulation to which any Group Company is a party or is subject or by which it is bound.
- 1.4 Each Group Company has obtained all authorisations and approvals necessary for it lawfully to enter into and perform its obligations under this Deed.

2. New Target Options

- 2.1 Target has all necessary power and authority to issue the New Target Options.
- 2.2 On issue, any Target Shares issued on exercise of the New Target Options will:
 - (a) be fully paid and validly issued so as to give Bidder full legal and beneficial ownership;
 - (b) be free from all Encumbrances unrelated to Bidder and free of competing rights, including pre-emptive rights or rights of first refusal;
 - (c) rank on an equal footing in all respects with the then existing issues of shares of the same class in the capital of Target; and
 - (d) not breach ASX Listing Rule 7.1 or any other ASX Listing Rule.
- 2.3 As at the date of this Deed, the capital structure of Target comprises 34,279,471 Target Shares.
- 2.4 No Group Company is party to any shareholders agreement or other like arrangements which governs the operations and affairs of Target.

3. Corporate Structure

- 3.1 Each Group Company:
 - (a) is validly existing and in good standing;
 - (b) has full corporate power to own the properties, assets and businesses necessary to carry on the businesses now being conducted and to carry on the businesses it conducts.
- 3.2 No Group Company is subject to an Insolvency Event.

4. ASX Disclosure

- 4.1 Target has, to the best of its knowledge after undertaking due enquiries, complied with its disclosure obligations under Chapter 3 of the ASX Listing Rules and there is no information to which ASX Listing Rules 3.1A.1, 3.1A.2 or 3.1A.3 apply that was not included in the Due Diligence Materials.

5. Due Diligence Material

- 5.1 The Due Diligence Material was prepared in good faith and (excluding financial projections) is true, complete, accurate and not misleading (including by omission) in any material respect, to the best of Target's knowledge after undertaking due enquiries.
- 5.2 Target has not withheld from the Due Diligence Material any information which Target is aware is material for disclosure to an intending purchaser of the Shares.

6. Tax

- 6.1 All Taxes which Target or any Group Member is liable to pay have been paid to the appropriate authorities by the due date for payment and no claims are being asserted against any Group Member.

7. Litigation

- 7.1 As at the date of this Deed, there is no material claim threatened or pending against Target nor material unsatisfied or outstanding judgments, orders or awards affecting Target.

8. Compliance

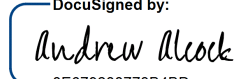
- 8.1 Target and each Group Company:
- (a) have, to the best of Target's knowledge after undertaking due enquiries, in all material respects complied with all applicable laws;
 - (b) hold all statutory licences, consents, approvals and authorisations necessary for carrying on their business as presently conducted;
 - (c) have complied with the terms of those licences, consents, approvals and authorisations and, to the best of their knowledge, there are no facts which could prejudice renewal or lead to revocation or variation in any material respect of those licences, consents, approvals and authorisations.

Signing page

EXECUTED as an Deed.

By signing below, each person, director, secretary or attorney (as applicable) consents to electronic execution of this agreement (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director, secretary or attorney (as applicable) to produce a copy of this agreement bearing their signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act or as otherwise required by Law. The copy of the signature appearing on the copy so executed is to be treated as their original signature.

Executed by HUB24 Limited ABN 87 124 891 685 in accordance with Section 127 of the Corporations Act 2001

DocuSigned by:

8E679288773B4BD...

Signature of director

Andrew Alcock

Name of director (print)

DocuSigned by:

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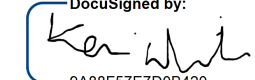
Signature of director/company secretary
(Please delete as applicable)

Kitrina Shanahan

Name of director/company secretary (print)

By signing below, each person, director, secretary or attorney (as applicable) consents to electronic execution of this agreement (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director, secretary or attorney (as applicable) to produce a copy of this agreement bearing their signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act or as otherwise required by Law. The copy of the signature appearing on the copy so executed is to be treated as their original signature.

Executed by Easton Investments Limited ABN 48 111 695 357 in accordance with Section 127 of the Corporations Act 2001

DocuSigned by:

9A88F57E7D0B420...

Signature of director

Kevin White

Name of director (print)

DocuSigned by:

562FD8A4510B473...

Signature of director/company secretary
(Please delete as applicable)

Grahame Evans

Name of director/company secretary (print)