

**RXP SERVICES LIMITED**

ABN 30 146 959 917

**Release to Australian Securities Exchange**

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**1 February 2021****RXP Scheme Booklet Registered with ASIC**

Further to the announcement in relation to court approval of the scheme booklet, RXP Services Limited (ASX: RXP) (“**RXP**” or the “**Company**”) announces that the Australian Securities and Investments Commission (“**ASIC**”) has registered the scheme booklet in relation to the proposed 100% share acquisition of RXP by Capgemini Australia Pty Limited (“**Capgemini**”) through a scheme of arrangement.

A copy of the scheme booklet, which includes the Independent Expert’s Report, a notice of scheme meeting and a copy of the proxy form for the scheme meeting is attached to this announcement. Copies of the scheme booklet will be sent to RXP shareholders today. RXP Shareholders who have an email address recorded on the register will be sent an email to download the scheme booklet and lodge their proxy vote online. The scheme booklet will also be available for download from the RXP website at [www.rxp.services.com/investor](http://www.rxp.services.com/investor).

This announcement has been authorised for release by the Board.

**Meeting Details**

The scheme meeting will be held online at 11:00am (AEDT) on 2 March 2021. Further details about how to access and participate in the Scheme Meeting is set out in the Notice of Meeting included within the scheme booklet.

**For further information, contact:**

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**About RXP Services Limited**

RXP is a publicly listed, practice led Digital Services Partner with specialist consultants across 4 offices and 7 practices in the Asia Pacific region. We bring together creativity, design, insights and technology to help create Happier Humans.

**Making Happier Humans**

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# SCHEME BOOKLET

In relation to a proposal from Capgemini Australia Pty Limited ACN 092 284 314 (Capgemini) to acquire all the ordinary shares in RXP Services Limited ACN 146 959 917 (RXP) by way of Scheme of Arrangement.

Your Directors unanimously recommend that you

## VOTE IN FAVOUR

of the Scheme, in absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders.

*THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to what you should do, you should consult your broker, financial adviser or legal adviser immediately.*

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FINANCIAL ADVISOR

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LEGAL ADVISOR

**SBALAW**

# IMPORTANT NOTICES

## **General**

This Scheme Booklet provides RXP Shareholders with information about the proposed acquisition of RXP by Capgemini by way of a scheme of arrangement under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Schedule 2. This Scheme Booklet is important and requires your immediate attention.

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position or particular needs.

**You should read this Scheme Booklet in its entirety before making any voting decision and seek your own financial, legal, taxation and other professional advice.**

## **Nature of this Scheme Booklet**

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to RXP Shareholders, or a solicitation of an offer from RXP Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act.

Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not require disclosure to investors under Part 6D.2 of the Corporations Act in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, RXP Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

## **ASIC and ASX**

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

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

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

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

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened by RXP for RXP Shareholders to consider and vote on the Scheme and directed that an explanatory statement accompany the Notice of Scheme Meeting does not mean that the Court:

1. has formed any view as to the merits of the proposed Scheme or as to how RXP Shareholders should vote (on this matter Shareholders must reach their own conclusion); or
2. has prepared, or is responsible for the content of, the explanatory statement.

**Notice of Scheme Meeting**

The Notice of Scheme Meeting is set out in Schedule 4.

**Notice of Second Court Hearing**

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any RXP Shareholder may appear at the Second Court Hearing, currently expected to be held on 4 March 2021. Any RXP Shareholder who wishes to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court, and serving on RXP, a notice of appearance in the prescribed form together with any affidavit that the RXP Shareholder proposes to rely upon. Details for the Second Court Hearing will be made available to any RXP Shareholder who indicates an intention to appear in this matter. The address for service is: RXP Services Limited, Level 15, 31 Queen Street, Melbourne VIC 3000, Attention: David Royale, Company Secretary.

**Defined terms**

Capitalised terms used in this Scheme Booklet are defined in Section 12.1 of this Scheme Booklet. Section 12.2 also sets out some rules of interpretation which apply to this Scheme Booklet. Some of the documents reproduced in the schedules to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 12.1.

**No investment advice**

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of each RXP Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The RXP Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not become Effective, as set out in Section 10.4, the views of the Independent Expert set out in the Independent Expert's Report contained in Schedule 1 and the risks associated with the Scheme set out in Section 10. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser.

### **Forward looking statements**

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be forward looking in nature.

Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur.

Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Capgemini are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to RXP and Capgemini and/or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

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

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

**Responsibility statement**

RXP has prepared, and is responsible for, the RXP Information. Neither Capgemini nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Capgemini has prepared, and is responsible for, the Capgemini Information. Neither RXP nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Lonergan Edwards has prepared the Independent Expert's Report (as set out in Schedule 1) and takes responsibility for that report. None of RXP or Capgemini or any of their respective Subsidiaries, directors, officers, employees or advisors assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except in relation to any information which RXP or Capgemini (as the case may be) has provided to the Independent Expert.

Lonergan Edwards has consented to being named in this Scheme Booklet in the context in which they are mentioned.

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

**Foreign jurisdictions**

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

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



**Tax implications of the Scheme**

If the Scheme becomes Effective, there will be Tax consequences for Scheme Shareholders which may include Tax being payable on any gain or disposal of RXP Shares. For further detail regarding general Australian Tax consequences of the Transaction, refer to Section 9. Section 9 is not exhaustive Tax advice and only provides general guidance for RXP Shareholders. Tax treatment may vary depending on the nature and characteristics of each RXP Shareholder and their specific circumstances. Accordingly, RXP Shareholders should seek professional Tax advice in relation to their particular circumstances.

**Charts and diagrams**

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

**External websites**

Unless expressly stated otherwise, the content of the websites of RXP and Capgemini do not form part of this Scheme Booklet and RXP Shareholders should not rely on any such content.

**Timetable and dates**

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

**Financial amounts**

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated. For example, the historical consolidated statements of profit or loss, and historical consolidated statements of cashflows set out in Sections 7.8(b) and 7.8(d), respectively, relate to the years ended 30 June 2019 and 30 June 2020, and the historical consolidated statement of financial position set out in Section 7.8(c) relates to 30 June 2019 and 30 June 2020, in each case as indicated in the relevant Section.

## Privacy

RXP may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in RXP and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist RXP to conduct the Scheme Meeting and implement the Scheme. Without this information, RXP may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the RXP Share Registry, Capgemini, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of RXP and/or Regulatory Authorities, and also where disclosure is otherwise required or allowed by law. RXP Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the RXP Share Registry in connection with RXP Shares, please contact the RXP Share Registry. RXP Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above.

## Date of Scheme Booklet

This Scheme Booklet is dated 29 January 2021.

## Important Matters Relating to COVID-19

### Scheme Meeting

In order to minimise health risks created by the COVID-19 pandemic, and in accordance with Federal and State Government directions and restrictions with respect to non-essential gatherings of people and the Treasurer's determination regarding electronic shareholder meetings, the Scheme Meeting is scheduled to be held electronically.

### **RXP Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting.**

RXP Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform via the link: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585). The online platform enables participants to view the relevant Scheme Meeting live, vote on the relevant Scheme Resolution in real time and ask questions online.

Appointed Proxies - To receive your Username and Password, please contact Computershare Investor Services on + 61 3 9415 4024 during the online registration period which will be open 1 hour before the start of the meeting.



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

Further details with respect to the conduct of the Scheme Meeting, including how to join the electronic Scheme Meeting, raise questions during the Scheme Meeting and vote on the Scheme Resolution can be accessed via the link set out in the Notice of Scheme Meeting in Schedule 4 and summarised in Section 5 of this Scheme Booklet. RXP strongly encourages shareholders to consider lodging a directed proxy in the event they are not able to participate in the electronic Scheme Meeting.

### **Changes to Scheme Timetable and Conduct of Meeting**

RXP Shareholders and their proxies, attorneys or corporate representatives should be aware that important dates in this Scheme

Booklet (including the date of the electronic Scheme Meeting and court hearings) and instructions with respect to the conduct of the Scheme Meeting and Court hearings may change at short notice in light of developments, including those arising from the continually evolving COVID-19 pandemic.

All changes to the dates and the conduct of the Scheme Meeting and Court hearings set out in this Scheme Booklet will be announced to the ASX and will be available under RXP's profile on the ASX at [www.asx.com.au](http://www.asx.com.au).

### **Risks Associated with COVID-19**

Section 10.2(f) sets out certain risk factors relating to the RXP business that relate specifically to the COVID-19 pandemic. In considering the Scheme, RXP Shareholders should be aware of these risk factors which (in addition to the other risk factors set out in Section 10) could materially adversely affect the future operating and financial performance of RXP.

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# 1. CHAIRMAN'S LETTER

Dear RXP shareholder,

On behalf of the RXP Directors, I am pleased to provide you with this Scheme Booklet which contains details for your consideration in relation to the proposed acquisition of RXP by Capgemini Australia Pty Limited (Capgemini) by way of a scheme of arrangement. This document also provides you with information in relation to important matters relevant to your vote in relation to the Scheme.

## OVERVIEW OF THE SCHEME

On 11 November 2020, RXP announced that it had entered into a Scheme Implementation Deed with Capgemini under which it is proposed that Capgemini will acquire 100% of the issued share capital of RXP by way of a scheme of arrangement.

The Scheme Consideration is a cash payment of \$0.55 per RXP Share less the cash value per RXP Share of any special dividend declared and paid by the Company after execution of the Scheme Implementation Deed but prior to the implementation of the Scheme.

A Special Dividend of up to \$0.05 per RXP share may be declared and paid by RXP. If the Board resolves to declare and pay such a dividend, it is intended to be fully franked and would be only payable provided that the Scheme is approved and becomes effective. If the Special Dividend is declared, the cash consideration of \$0.55 per RXP share will be reduced by the cash amount of the Special Dividend.

## VALUE OF THE SCHEME CONSIDERATION

The Scheme Consideration of \$0.55 per RXP Share represents a significant premium to the market value of RXP Securities prior to the announcement:

- 61.8% premium to the closing price of RXP shares on ASX of \$0.34 per share on 10 November 2020;
- 52.9% premium to the 30-day VWAP of RXP shares of \$0.36 per share to 10 November 2020;
- 42.4% premium to the 60-day VWAP of RXP shares of \$0.39 per share to 10 November 2020;
- 46.0% premium to the 90-day VWAP of RXP shares of \$0.38 per share to 10 November 2020; and
- 56.2% premium to the 120-day VWAP of RXP shares of \$0.35 per share to 10 November 2020.

The Scheme Consideration values RXP's fully diluted equity at \$95.5 million.

## **INDEPENDENT EXPERT'S REPORT**

The RXP Board engaged Lonergan Edwards (Independent Expert) to prepare an Independent Expert's Report on whether the transaction contemplated by the Scheme is fair and reasonable, and in the best interests of RXP Shareholders.

The Independent Expert has assessed the value of an RXP Security to be between \$0.46 and \$0.54 and has concluded that, as the Scheme Consideration of \$0.55 per RXP Share is above this range, the Scheme is fair and reasonable and in the best interests of RXP Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is included in Schedule 1 of this Scheme Booklet and the RXP Board strongly encourages you to read and consider it thoroughly.

## **DIRECTORS RECOMMENDATION AND VOTING INTENTIONS**

The RXP Board has carefully considered the Scheme and unanimously recommends that RXP Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders.

The members of the RXP Board intend to vote all RXP Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders.

In noting the recommendation of RXP Directors, RXP Shareholders should, when considering how to vote on the Scheme and the recommendation of the RXP Board in respect of the Scheme, have regard to the interests of the RXP Directors as detailed in Sections 7.4 and 7.13(b) of this Scheme Booklet, which include the payment to be made to Ross Fielding upon entry into a change of control transaction (which includes the Scheme) and the commencement of Ross Fielding's employment with Capgemini with effect from the time that the Scheme is implemented. The RXP Directors consider that despite the interests of Ross Fielding, it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of RXP.

The RXP Board has made its recommendation in support of the Scheme and considers that it is fair and reasonable and in the best interests of RXP Shareholders on the basis that:

- The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of Shareholders in the absence of a superior proposal
- The consideration associated with the Scheme represents a significant premium to the Last Undisturbed Share Price

- If a Special Dividend is to be paid, there is potential value in the franking credits attached to the Special Dividend of up to 2.14 cents per share for those Shareholders who are able to realise the full benefit of franking credits
- Certainty of value - the 100% cash consideration provides RXP shareholders with
- certainty of value and the opportunity to realise their investment in full for cash
- RXP shareholders will be exposed to a number of business risks including continued uncertainty associated with COVID-19 combined with increased competition from larger international consultancies who are increasingly participating in digital project opportunities by leveraging their off-shore capacity
- No Superior Proposal has emerged as at the date of this Scheme Booklet, and
- If the Scheme does not proceed and no Superior Proposal emerges, the RXP Directors and the Independent Expert currently anticipate that the market price of RXP securities on ASX will fall below current trading levels

For more information in relation to the reasons for the Board's recommendation to vote in favour of the Scheme, along with reasons why you may choose to vote against the Scheme, refer to Section 3 of this Booklet.

## **NEXT STEPS / HOW TO VOTE**

The Scheme can only be implemented if it is agreed to by RXP Shareholders and this requires votes in favour of the Scheme being received from a majority in number (more than 50%) of RXP Shareholders present and voting (either in person or by representative or by proxy) at the Scheme Meeting (unless the Court orders otherwise), and at least 75% of the total number of votes cast on the Scheme Resolution by RXP Shareholders present and voting (either in person or by representative or by proxy).

If agreed to by RXP Shareholders in accordance with these requirements, the Scheme will take effect if all other conditions to implementation of the Scheme are either satisfied or waived (refer Section 11.1(b) for more details on the Conditions Precedent) and the Court approves the Scheme.

The Scheme Meeting of RXP Shareholders will be held virtually via an online platform on 2 March 2021 at 11.00am (Melbourne time). This is an important meeting, ensuring RXP Shareholders can participate and ask questions of the Board in terms of this important transaction. Shareholder and proxyholders can vote and ask questions via the link: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585)

Your vote as an RXP Shareholder is extremely important and, on behalf of the RXP Board, I strongly encourage you to vote by following the voting instructions set out in Section 6.9 and in the Notice of Scheme Meeting.

Further information in relation to the Scheme is contained in this Scheme Booklet. I encourage you to read it in its entirety as it contains important information that will need to be considered before making your decision on how to vote. I also encourage you to read the Independent Expert's Report at Schedule 1, which sets out the Independent Expert's assessments of the value of the Scheme Consideration. You should also consult your legal, financial, tax or other professional adviser before making any investment decision in relation to your RXP Shares.

If you require any further information, you should contact the RXP Share Registry on 1300 214 763 (calls within Australia) or +61 3 9415 4135 (calls outside Australia), between 8.30am and 5.00pm (Melbourne Time), Monday to Friday or consult your legal, financial, tax or other professional adviser.

On behalf of the RXP Board, I would like to take this opportunity to thank you again for your continued support of RXP. I look forward to your participation at the Scheme Meeting.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'John Pittard', written in a cursive style.

John Pittard  
Chairman and Independent Non-Executive Director  
RXP Services Limited



## 2. KEY DATES

### RELATING TO THE TRANSACTION

EVENT	DATE AND TIME
<b>Scheme Meeting proxy forms</b> Latest time and date by which the Scheme Meeting proxy form must be received by the RXP Share Registry	11:00am on 28 February 2021
<b>Scheme Meeting Record Date</b> Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm on 28 February 2021
<b>Scheme Meeting</b> To be held electronically. There will not be a physical meeting. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting set out at Schedule 4 to this Scheme Booklet	11:00am on 2 March 2021
<b>If the Scheme is approved by RXP Shareholders at the Scheme Meeting</b>	
<b>Second Court Date</b> For approval of the Scheme	4 March 2021
<b>Effective Date</b> The date on which the Scheme becomes Effective and is binding on RXP Shareholders The date on which the Court orders will be lodged with ASIC and announced to the ASX	5 March 2021
<b>Special Dividend Record Date</b> (if the RXP Board determines to pay a Special Dividend) All RXP Shareholders who hold RXP Shares at this time (and have purchased such shares prior to the relevant ex-dividend date) will be entitled to receive the Special Dividend (if any)	7:00pm on 11 March 2021
<b>Special Dividend Payment Date</b> Date on which the Special Dividend will be sent to RXP Shareholders	18 March 2021
<b>Target Suspension Date</b> Expected last day of trading in RXP Shares	Close of Trade on ASX on Effective Date
<b>Scheme Record Date</b> All RXP Shareholders who hold RXP Shares at this time will be entitled to receive the Scheme Consideration (less the cash value of any Special Dividend declared and paid by RXP prior to the implementation of the Scheme)	7:00pm on 19 March 2021
<b>Implementation Date</b> Date on which Capgemini becomes the holder of 100% of the Scheme Shares Date on which the Scheme Consideration (less the cash value of any Special Dividend) will be sent to Scheme Shareholders	26 March 2021

All times and dates in the above timetable are references to the time and date in Melbourne, Victoria, Australia, and all such times and dates are subject to change. RXP may vary any or all of these dates and times and will provide reasonable notice of any such variation. Certain times and dates are conditional on the approval of the Scheme by RXP Shareholders and by the Court. Any changes will be announced by RXP to the ASX.

RXP Shareholders who have elected to receive communications electronically will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet, and to lodge their proxy vote online. The Scheme Booklet will also be available for viewing and downloading on the RXP website at [www.rxp.services.com](http://www.rxp.services.com). RXP Shareholders who wish to receive a printed copy of the Scheme Booklet may request one by calling the RXP Share Registry on 1300 214 763 (callers within Australia) or +61 3 9415 4135 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

# 3. KEY CONSIDERATIONS

## RELEVANT TO YOUR VOTE

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

#### Reasons to vote in favour of the Scheme

The RXP Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders. RXP's CEO, Ross Fielding, intends to vote all shares within his control (which currently represents 5.37% of the shares on issue) in favour of the Scheme.

- ✓ In noting the recommendation of RXP Directors, RXP Shareholders should, when considering how to vote on the Scheme and the recommendation of the RXP Board in respect of the Scheme, have regard to the interests of the RXP Directors as detailed in Sections 7.4 and 7.13(b) of this Scheme Booklet, which include the payment to be made to Ross Fielding upon entry into a change of control transaction (which includes the Scheme) and the commencement of Ross Fielding's employment with Capgemini with effect from the time that the Scheme is implemented. The RXP Directors consider that despite the interests of Ross Fielding, it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of RXP.
- ✓ The Independent Expert has concluded that the Scheme is both fair and reasonable and, therefore, is in the best interests of RXP Shareholders.
- ✓ The value of the Scheme Consideration represents a significant premium to the Last Undisturbed Share Price of \$0.34.
- ✓ If a Special Dividend is paid, you may be entitled to the franking credits attached to any Special Dividend.
- ✓ You will receive certainty of value for your investment in RXP.
- ✓ No Superior Proposal has emerged as at the date of this Scheme Booklet.
- ✓ If the Scheme does not proceed you will continue to be subject to the risks and uncertainties associated with the RXP Group business and general market risks.

- ✓ If the Scheme does not proceed, and no Superior Proposal emerges, the RXP share price may fall.
- ✓ No brokerage or stamp duty will be payable by you on the transfer of your Scheme Shares.

**The reasons to vote in favour of the Scheme are discussed in more detail in Section 3.2.**

### **Reasons to vote against the Scheme**

- ✗ You may disagree with the RXP Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual interest.
- ✗ You may prefer to participate in the future financial performance of the RXP Group business.
- ✗ You may wish to maintain your investment profile.
- ✗ The tax consequences of the Scheme may not suit your financial position.
- ✗ You may consider that there is potential for a Superior Proposal to emerge.

**The reasons to vote against the Scheme are discussed in more detail in Section 3.3.**

## **3.2 Reasons to vote in favour of the Scheme**

This Section sets out the reasons you may want to vote in favour of the Scheme. This Section should be read in conjunction with the 'Reasons to vote against the Scheme' set out in Section 3.3.

**a. The RXP Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders**

RXP Directors consider that the Scheme represents an attractive opportunity for RXP Shareholders as it provides RXP Shareholders with a significant premium and certain value through the all cash consideration (subject to the Scheme becoming Effective). On this basis, the RXP Directors unanimously recommend that RXP Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders.

The RXP Board has reached this recommendation through a thorough process of consideration and review. After carefully reflecting on the proposal, in conjunction with RXP's advisers and their own review of the Independent Expert's Report, the RXP Directors have determined to make their unanimous recommendation.

In making their unanimous recommendation, the RXP Directors have considered the advantages and disadvantages of the Scheme, including the information contained in:

- Section 3 (Key Considerations Relevant to Your Vote);
- the Scheme Implementation Deed (SID);
- Section 10 (Risk Factors); and
- Schedule 1 of this Scheme Booklet (Independent Expert's Report).

Each of the RXP Directors intends to vote RXP Shares under their legal or beneficial ownership in favour of the Scheme in the absence of a Superior Proposal or the Independent Expert changing or its conclusion that the Scheme is in the best interests of RXP Shareholders.

Details of the interests of the RXP Directors are contained in Section 7.4. In noting the recommendation of RXP Directors, RXP Shareholders should, when considering how to vote on the Scheme and the recommendation of the RXP Board in respect of the Scheme, have regard to the interests of the RXP Directors as detailed in Sections 7.4 and 7.13(b) of this Scheme Booklet, which include the payment to be made to Ross Fielding upon entry into a change of control transaction (which includes the Scheme) and the commencement of Ross Fielding's employment with Capgemini with effect from the time that the Scheme is implemented. The RXP Directors consider that despite the interests of Ross Fielding, it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of RXP.

**b. The Independent Expert has concluded that the Scheme is both fair and reasonable and, therefore, is in the best interests of RXP Shareholders**

RXP appointed Lonergan Edwards to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of RXP Shareholders.

The Independent Expert concluded that the Scheme is in the best interests of RXP Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, has concluded that the Scheme is both fair and reasonable to RXP Shareholders. The basis for this conclusion is that the value of the Scheme Consideration of \$0.55 is above the top end of the value range of RXP, which the Independent Expert assessed to be in the range of \$0.46 to \$0.54 per RXP Share.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Schedule 1. RXP Shareholders should carefully review the Independent Expert's Report in its entirety.

**c. The value of the Scheme Consideration represents a significant premium to the Last Undisturbed Share Price of \$0.34 per RXP Share**

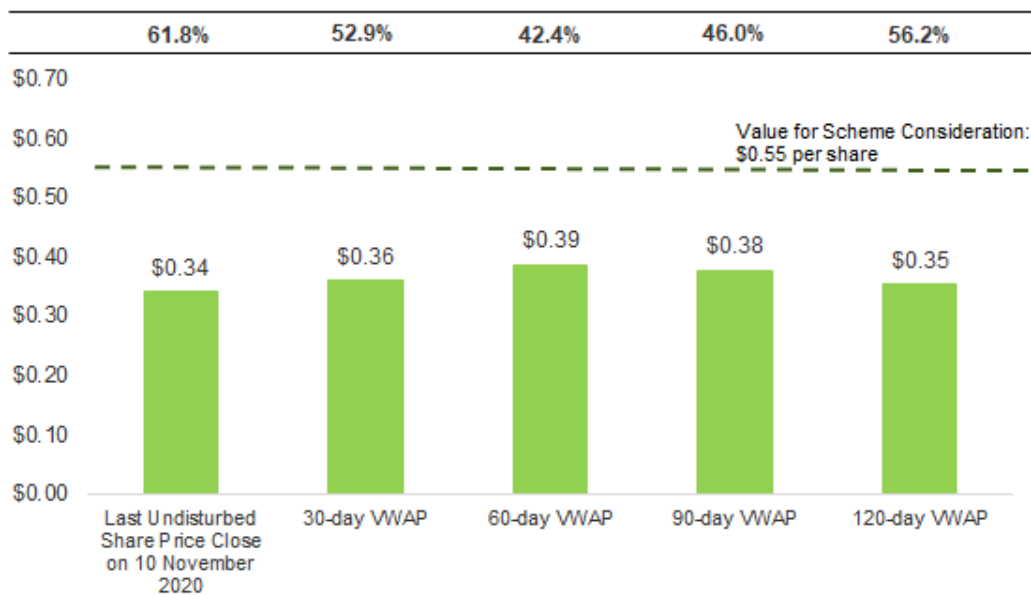
The value of the Scheme Consideration is \$0.55 cash per RXP Share. The consideration payable to RXP Shareholders will be reduced by the cash value of any Special Dividend (being an amount up to \$0.05 per RXP Share).

The cash consideration of \$0.55 per RXP Share represents a significant premium to the RXP share price prior to the announcement of the SID, including a:

- 61.8% premium to the closing price of RXP Shares on ASX of \$0.34 per share on 10 November 2020;
- 52.9% premium to the 30-day VWAP of RXP Shares of \$0.36 per share to 10 November 2020;
- 42.4% premium to the 60-day VWAP of RXP Shares of \$0.39 per share to 10 November 2020;
- 46.0% premium to the 90-day VWAP of RXP Shares of \$0.38 per share to 10 November 2020; and
- 56.2% premium to the 120-day VWAP of RXP Shares of \$0.35 per share to 10 November 2020.

The graph immediately below illustrates the implied premium of the Scheme Consideration to various VWAPs as identified.

## Implied Premium of Scheme Consideration



Source: Bloomberg

The Independent Expert notes that *“the premium exceeds observed premiums generally paid to target company shareholders in comparable circumstances”*.

### **d. If a Special Dividend is paid you may be entitled to the franking credits attached to any Special Dividend**

Those RXP Shareholders who are able to realise the full benefit of franking credits in respect of any Special Dividend declared and paid by RXP before the Scheme is implemented could receive additional value of up to 2.14 cents per RXP Share if a Special Dividend of up to \$0.05 per RXP Share is paid.

RXP has applied to the Australian Taxation Office (ATO) requesting a Class Ruling to confirm the key taxation implications of the Scheme, including availability of franking credits for certain classes of taxpayers.

Whether you will be able to realise the full benefit of the franking credits will depend on your individual circumstances. You should seek independent professional tax advice on your individual circumstances.

### **e. The all cash Scheme Consideration provides certainty of value**

The proposed cash payment of \$0.55 per RXP Share (less the cash value of any Special Dividend declared and paid) provides you with certainty of value for your RXP Shares (subject to the Scheme becoming Effective). This certainty should be compared against the risks and uncertainties of remaining a RXP Shareholder which include, but are not limited to, the risks set out in Section 10.



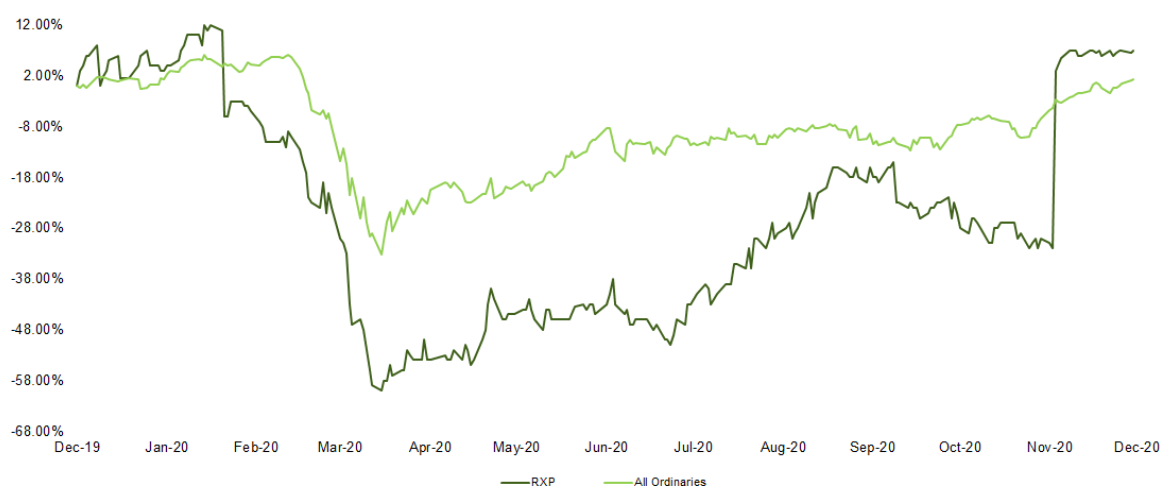
#### **f. No Superior Proposal has emerged as at the date of this Scheme Booklet**

From the announcement of the entry into the Scheme Implementation Deed to the ASX on 11 November 2020 to the date of this Scheme Booklet, no Superior Proposal has emerged, and your Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

#### **g. If the Scheme does not proceed you will continue to be subject to the risks and uncertainties associated with the RXP Group business and general market risks**

If the Scheme does not become Effective, RXP Shares will remain listed on the ASX and continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions, market demand for listed securities, the future performance of the RXP Group business and potential equity or debt capital raisings to support RXP. In contrast, if the Scheme is implemented, RXP Shareholders will receive \$0.55 per RXP Share in cash (including any Special Dividend declared and paid by RXP). In addition, RXP Shareholders should consider the current global outbreak of COVID-19 and its associated risks as outlined in Section 10.2(f). The diagram below shows the cumulative daily share price percentage change of the All Ordinaries and RXP Shares from December 2019 to December 2020, including the change to both after the announcement of the proposed Scheme.

#### **Cumulative daily share price % change – All Ordinaries Index v RXP Shares**



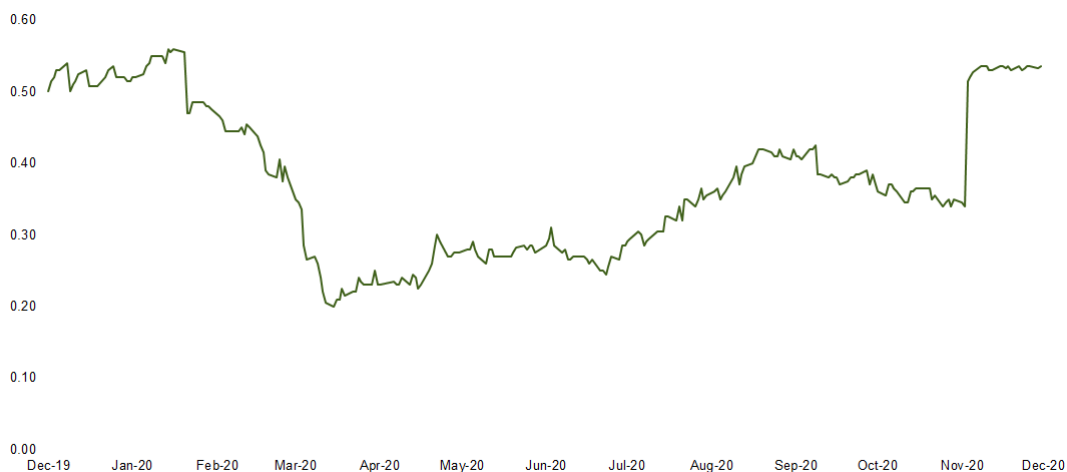
Source: Capital IQ

**h. If the Scheme does not proceed, and no Superior Proposal emerges, the RXP share price may fall**

RXP's Last Undisturbed Share Price was \$0.34. The RXP share price on the Last Practicable Date represents a 58.8% premium to RXP's Last Undisturbed Share Price.

The RXP Directors are unable to predict the price at which RXP Shares will trade in the future, but consider that, in the absence of implementation of the Scheme, and in the absence of a Superior Proposal, the price of RXP Shares may fall. RXP Shares have traded materially below the Scheme Consideration in the recent past. RXP's recent trading history is summarised in the diagram below.

**RXP share price trading history - \$/share daily closing price**



Source: Capital IQ

The Independent Expert notes that: *"in the absence of an alternative offer or proposal, the price of RXP Shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual holdings"*.

**i. No brokerage or stamp duty will be payable by you on the transfer of your Scheme Shares**

You will not incur any brokerage or stamp duty on the transfer of your Scheme Shares to Capgemini under the Scheme. If you sell your RXP Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges.

### 3.3 Reasons to vote against the Scheme

This Section summarises the reasons identified by the RXP Directors as to why you may want to vote against the Scheme. The RXP Directors believe that the reasons to vote in favour of the Scheme outweigh the reasons you may want to vote against the Scheme and that the Scheme is in the best interests of RXP Shareholders, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders. However, RXP Shareholders should take into consideration these reasons when deciding whether or not to vote in favour of the Scheme. These reasons are not meant to be a full and exhaustive list of reasons to vote against the Scheme.

This Section should be read in conjunction with the 'Reasons to vote in favour of the Scheme' in Section 3.2 and the Risk Factors set out in Section 10.

#### **a. You may disagree with the RXP Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual interest**

Notwithstanding the unanimous recommendation of the RXP Directors and the conclusion of the Independent Expert, you may believe that the Scheme is not in the best interests of RXP Shareholders or not in your individual interest.

There is no obligation to follow the recommendation of the RXP Directors or to agree with the opinion of the Independent Expert.

#### **b. You may prefer to participate in the future financial performance of the RXP Group business**

If the Scheme is implemented, you will no longer be a RXP Shareholder. This will mean that you will not participate in the future performance of RXP, including any potential benefits that may result from being a RXP Shareholder and will not retain any exposure to the assets of the RXP Group or have the potential to share in the value that could be generated by RXP in the future.

#### **c. You may wish to maintain your investment profile**

You may wish to maintain your investment in RXP in order to have an investment in a publicly listed company with the specific characteristics of RXP in terms of industry, operational profile, size, capital structure and potential future dividend stream. RXP Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to RXP and may incur transaction costs in undertaking any new investment.

**d. The tax consequences of the Scheme may not suit your financial position.**

Implementation of the Scheme may trigger taxation consequences for RXP Shareholders. A general guide to the taxation implications of the Scheme is set out in Section 9. This guide is expressed in general terms only and RXP Shareholders should seek professional tax advice regarding the Tax consequences that are applicable to their own circumstances.

**e. You may consider that there is potential for a Superior Proposal to emerge**

It is possible that a more attractive proposal for RXP Shareholders could materialise in the future, such as a takeover bid or rival scheme proposal with an offer price higher than the Scheme Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged and RXP Directors are not aware of any Superior Proposal or any alternative that is likely to emerge.

The SID contains exclusivity arrangements which, amongst other things, prohibit RXP from soliciting Competing Proposals. These exclusivity arrangements are summarised in Section 11.1(c).

## 4. FREQUENTLY ASKED QUESTIONS

This Section answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for RXP Shareholders. This Section should be read together with all other parts of this Scheme Booklet.

QUESTION	ANSWER	MORE INFORMATION
<b>The Scheme and the Scheme Consideration</b>		
<b>Why have I received or why am I eligible to receive or access this Scheme Booklet?</b>	<p>You have received or are eligible to receive or access this Scheme Booklet because you are shown in the RXP Share Register as a RXP Shareholder and RXP Shareholders are being asked to vote on the Scheme which, if approved, will result in Capgemini acquiring all RXP Shares.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed to be implemented.</p> <p>If you have sold all your RXP Shares, please disregard this Scheme Booklet as you will not be entitled to vote at the Scheme Meeting.</p>	
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between RXP and RXP Shareholders at the Scheme Record Date. The Scheme will effect the acquisition of RXP by Capgemini.</p> <p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company.</p> <p>If the Scheme is approved and implemented, RXP Shareholders on the Register at the Scheme Record Date will receive the Scheme Consideration (less the cash value of any Special Dividend) on the Implementation Date.</p>	<p>A copy of the Scheme is contained in Schedule 2.</p>

**What is the Scheme Consideration?**

The Scheme Consideration is the consideration to be provided by Capgemini to each Scheme Shareholder for the transfer to Capgemini of each Scheme Share.

The Scheme Consideration is a cash payment of \$0.55 per RXP Share. This payment will be reduced by the cash value of any Special Dividend declared and paid by RXP prior to the implementation of the Scheme.

**When and how will I receive my Scheme Consideration?**

Payment of the Scheme Consideration (less the cash value of any Special Dividend) will be made on the Implementation Date (currently expected to be 26 March 2021).

If a Special Dividend is declared and paid by RXP prior to the implementation of the Scheme, this is intended to occur on the Special Dividend Payment Date (currently expected to be 18 March 2021).

Such payment(s) will be made in Australian currency either by direct payment to your nominated bank account (if you have validly registered bank account details with the RXP Share Registry by the Scheme Record Date) or otherwise by cheque dispatched to your registered address on the Implementation Date.

**Who is Capgemini?**

Capgemini is an unlisted Australian proprietary company limited by shares incorporated and registered in South Australia on 31 March 2000.

Capgemini is a wholly-owned subsidiary of Capgemini SE. Further details about Capgemini are provided in Section 8.

**Voting recommendations and considerations****What do the RXP Directors recommend?**

The RXP Board unanimously recommends that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders, RXP Shareholders should vote in favour of the Scheme at the Scheme Meeting.

Interests of the RXP Directors, including payments to be made as a consequence of a change of control transaction (which includes the Scheme)



In noting the recommendation of RXP Directors, RXP Shareholders should, when considering how to vote on the Scheme and the recommendation of the RXP Board in respect of the Scheme, have regard to the interests of the RXP Directors. The RXP Directors consider that despite the interests of Ross Fielding, it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of RXP.

and the commencement of Ross Fielding's employment with Capgemini with effect from the time that the Scheme is implemented, are set out in Sections 7.4 and 7.13(b).

**What is the Independent Expert's conclusion?**

The Independent Expert has concluded that the Scheme is in the best interests of RXP Shareholders on the basis that it is both fair and reasonable, in the absence of a Superior Proposal.

Schedule 1 of this Scheme Booklet contains the Independent Expert's Report.

**Why should I vote in favour of the Scheme?**

Reasons why you should vote in favour of the Scheme are detailed in Section 3.2.

**Why might I consider voting against the Scheme?**

Reasons why you may consider voting against the Scheme are detailed in Section 3.3.

**Are there any conditions to the Scheme?**

As outlined in Sections 6.6 and 11.1(b), the implementation of the Scheme is subject to certain Conditions Precedent. For example, the Conditions Precedent relating to "Shareholder Approval" and "Court Approval" cannot be waived as they are required to be satisfied under the Corporations Act in order for the Scheme to be implemented. All of the other Conditions Precedent may be waived. The Scheme will not be implemented unless all of the Conditions Precedent are satisfied or waived (where capable of being waived).

Sections 6.6 and 11.1(b).

**When and where will the Scheme Meeting be held?**

The Scheme Meeting will be held virtually at 11.00am on 2 March 2021 electronically via the link: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585).

In order to minimise health risks created by the COVID-19 pandemic, and in accordance with the Federal and State Government restrictions with respect to non-essential gatherings of people and the Treasurer's determination regarding electronic shareholder meetings, the Scheme Meeting is scheduled to be held electronically.

The Notice of Scheme Meeting contained in Schedule 4 contains further information on the Scheme Meeting, including the Scheme Meeting User Guide.

RXP Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting.

RXP strongly encourages RXP Shareholders to consider lodging a directed proxy in the event they are not able to participate in the electronic Scheme Meeting.

**What will RXP Shareholders be asked to vote on at the Scheme Meeting?**

At the Scheme Meeting, RXP Shareholders will be asked to vote on whether they approve the Scheme to complete the Transaction between Capgemini and RXP.

The Scheme Resolution is set out in the Notice of Scheme Meeting contained in Schedule 4.

**What is the RXP Shareholder approval threshold for the Scheme?**

In order to become Effective, the Scheme must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of RXP Shareholders present online or by proxy and voting at the Scheme Meeting at 11.00am on 2 March 2021 electronically via the link:  
[www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585) ; and

Section 6.9 and the Notice of Scheme Meeting contained in Schedule 4 set out further information on the Scheme approval requirements.

Section 6.9(a).

- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by RXP Shareholders present online or by proxy and voting at the Scheme Meeting at 11.00am on 2 March 2021 electronically via the link:  
[www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585)

Even if the Scheme is agreed to by RXP Shareholders at the Scheme Meeting at 11.00am on 2 March 2021, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in Sections 6.6 and 11.1(b)).

**What is an electronic meeting and how does it work?**

The Scheme Meeting will be conducted virtually via an online platform at link: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585) , which can be accessed from desktops, laptops and tablets (but is not recommended for smartphones). The online platform enables participants to view the relevant Scheme Meeting live, vote on the relevant Scheme Resolution in real time and ask questions online.

Section 5 and see Schedule 4.

For more information, please refer to Section 5.3.

<b>Am I entitled to vote at the Scheme Meeting?</b>	Each RXP Shareholder who is registered on the RXP Share Register at 7.00pm (Melbourne time) on 28 February 2021 is entitled to attend and vote at the Scheme Meeting.	The Notice of Scheme Meeting contained in Schedule 4 sets out further information on your entitlement to vote.
<b>How can I vote?</b>	<p>You may vote on the relevant Scheme Resolution by joining the Scheme Meeting electronically, or by appointing a proxy, corporate representative or attorney to vote on the Scheme Resolution on your behalf.</p> <p>If you do not wish to, or are unable to, participate in the electronic Scheme Meeting, you may vote on the relevant Scheme Resolution by lodging your proxy online at <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>, or if you received a hardcopy proxy form, by following the instructions on the proxy form.</p> <p>Please refer to Section 5.3 for detailed voting instructions.</p>	Section 5.3 and see Schedule 4.
<b>How can I vote if I can't attend the Scheme Meeting or do not have a working internet connection?</b>	If you are unable to attend the Scheme Meeting you are able to vote by proxy, by completing and returning to the RXP Share Registry the enclosed proxy form for the Scheme Meeting. The proxy form must be received by the RXP Share Registry by no later than 11.00am on 28 February 2021. You can also lodge your proxy online at: <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> by no later than 11.00am on 28 February 2021.	The Notice of Scheme Meeting contained in Schedule 4 sets out further details on how to vote at the Scheme Meeting.
<b>When will the results of the Scheme Meeting be known?</b>	The results of the Scheme Meeting will be available during or shortly after the conclusion of the meeting and will be announced to the ASX once available. Even if the Scheme is passed by the Scheme Meeting, the Scheme is subject to approval of the Court (as well as other Conditions Precedent outlined in Sections 6.6 and 11.1(b)).	
<b>What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?</b>	If the Scheme is not approved at the Scheme Meeting, or another Condition Precedent to the Scheme is not satisfied or waived (where capable of waiver) or the Court does not approve the Scheme, then the Scheme will not be implemented. If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration but will retain their RXP Shares.	

In these circumstances, RXP will, in the absence of another proposal, continue to operate as a stand-alone company listed on ASX which is the case currently.

**What happens to my RXP Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?**

If you do not vote, or vote against the Scheme, and the Scheme becomes Effective, any RXP Shares held by you on the Scheme Record Date (currently expected to be 7:00pm on 19 March 2021) will be transferred to Capgemini and you will receive the Scheme Consideration (less the cash value of any Special Dividend to be received), notwithstanding that you did not vote or voted against the Scheme.

**When will the Scheme be implemented?**

If the Scheme becomes Effective, the Scheme will be implemented on the Implementation Date which is currently expected to be 26 March 2021.

**Other questions**

**What happens if a Superior Proposal is received?**

If a Superior Proposal is received this will be announced to the ASX and the RXP Board will carefully consider the proposal and advise you of its recommendation.

In accordance with the SID, Capgemini has a right to match any such proposal.

Please disregard this Scheme Booklet in its entirety if the SID is terminated due to a Superior Proposal and the Scheme Meeting is cancelled.

**Can I sell my RXP Shares now?**

You can sell your RXP Shares on market at any time before close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the value of the Scheme Consideration). If the Scheme becomes Effective, RXP intends to apply to the ASX for RXP Shares to be suspended from official quotation on the ASX from close of trading on the Effective Date (which is currently expected to be 5 March 2021). You will not be able to sell your RXP Shares on market after this time.

Section 6.8

**Will I receive any more dividends from RXP?**

No, you will not receive any further special or ordinary dividends from RXP if the Scheme becomes Effective (other than any Special Dividend declared and paid by RXP prior to the implementation of the Scheme).

**Will I have to pay brokerage or stamp duty?**

No, you will not have to pay brokerage or stamp duty if your RXP Shares are acquired under the Scheme.

**What are the taxation implications of the Scheme?**

The Tax implications for Scheme Section 9 Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Shareholder.

General information about the likely Australian Tax consequences of the Scheme is set out in Section 9. You should not rely on those descriptions as advice for your own affairs.

For information about your individual financial or taxation circumstances please consult your financial, legal, taxation or other professional adviser.

**Where can I get further information?**

For further information, you can call the RXP Share Registry on 1300 214 763 (callers within Australia) or +61 3 9415 4135 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

# 5. HOW TO VOTE

## 5.1 What should I do?

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme (as set out in Section 3), before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Transaction are set out in Section 4. If you have any additional questions about this Scheme Booklet, the Scheme or the Transaction, please contact the RXP Share Registry on 1300 214 763 (callers within Australia) or + 61 3 9415 4135 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time), or contact your broker or legal, financial, taxation or other professional adviser.

## 5.2 Am I entitled to vote?

If you are registered as a RXP Shareholder on the RXP Share Register at 7.00pm on 28 February 2021 you will be entitled to attend and vote at the Scheme Meeting to be held at 11.00am on 2 March 2021 via the link: [www.lumiagm.com/344101585](http://www.lumiagm.com/344101585).

## 5.3 How do I vote on the Scheme?

Due to the coronavirus (COVID-19) pandemic and the restrictions on public gatherings imposed by the Australian Federal and State Governments, consistent with the Treasurer's determination regarding electronic shareholder meetings, the RXP Board has decided to hold the Scheme Meeting electronically. Please refer to Schedule 4 of this Scheme Booklet for information setting out how to participate in and vote at the Scheme Meeting. The Scheme Meeting is being arranged to ensure all RXP Shareholders can participate, question the RXP Board and have their voices heard on this important decision for RXP Shareholders.

The Scheme Meeting is to be held at 11.00am on 2 March 2021. You will be entitled to attend and vote at the Scheme Meeting to be held at 11.00am on 2 March 2021 via the link: [www.lumiagm.com/344101585](http://www.lumiagm.com/344101585). It is important that you vote in favour of the Scheme if you want the Scheme to proceed.



## **a. Technical difficulties**

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of RXP Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, RXP Shareholders are encouraged to lodge a Scheme Meeting Proxy Form that accompanies this Scheme Booklet by no later than 11.00am (Melbourne time) on 28 February 2021, even if they plan to attend the Scheme Meeting virtually.

## **b. Voting and proxy instructions**

You are entitled to vote at the Scheme Meeting only if you are registered as a shareholder of the Company at 7.00pm (Melbourne time) on 28 February 2021.

If you are unable to attend the Scheme Meeting, you may appoint a proxy to attend and vote on your behalf by completing the Scheme Meeting Proxy Form that accompanies this Scheme Booklet. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

Proxy Forms must be lodged in accordance with the instructions set out in the Proxy Form accompanying the Notice of Scheme Meeting.

(1) Online      [www.investorvote.com.au](http://www.investorvote.com.au)  
For Intermediary Online subscribers (custodians) go to  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

(2) By Fax      1800 783 447 within Australia

(3) By Mail      Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Vic 3001

Additional or replacement Scheme Meeting Proxy Forms can be obtained from the RXP Share Registry.

**Please refer to Schedule 4 for further instructions regarding details of how to vote, appointing a proxy, directing a proxy or any other Scheme Meeting related queries.**

# 6. OVERVIEW OF SCHEME FOR RXP SHAREHOLDERS

## 6.1 Background

There are a range of issues which form part of, or are related to, the Scheme. RXP Shareholders should consider the issues outlined below as part of their overall assessment of the Scheme.

## 6.2 What you will receive – Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (being RXP Shareholders as at the Scheme Record Date) will receive the Scheme Consideration of \$0.55 cash per RXP Share, less the cash value of any Special Dividend declared and paid by RXP prior to the implementation of the Scheme.

Payment will be made by:

- dispatching, or procuring the dispatch, to each Scheme Shareholder of a pre-printed cheque in the name of that Scheme Shareholder for the relevant amount (denominated in Australian currency) with such dispatch to be made by pre-paid post to that Scheme Shareholder's registered address (as at the Scheme Record Date); or
- making, or procuring the making of, a deposit for the relevant amount (denominated in Australian currency) in an account with any Australian authorised deposit-taking institution in Australia notified by the relevant Scheme Shareholder to the RXP Share Registry for the purposes of receiving dividends and recorded in or for the purposes of the RXP Share Register as at the Scheme Record Date.

## 6.3 RXP Directors' recommendation

RXP Directors unanimously recommend that RXP Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of RXP Shareholders.

In making their recommendation, RXP Directors have considered the following:

- the reasons for RXP Shareholders to vote in favour of the Scheme outlined in Section 3.2;
- the reasons RXP Shareholders may vote against the Scheme, outlined in Section 3.3;

- the risks related to RXP, which are outlined in Section 10; and
- the Independent Expert's Report which is included in Schedule 1.

The RXP Directors concluded the reasons for RXP Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme.

In considering whether to vote in favour of the Scheme, RXP Directors encourage you to:

- carefully read all of this Scheme Booklet (including the Independent Expert's Report);
- consider the choices available to you as outlined in Section 6.8;
- have regard to your individual risk profile, portfolio strategy, taxation position and financial circumstances;
- obtain financial advice from your broker or financial adviser on the Scheme and obtain taxation advice on the effect on you of the Scheme becoming Effective; and
- have regard to the interests of the RXP Directors as detailed in Sections 7.4 and 7.13(b), which include the payment to be made to Ross Fielding upon entry into a change of control transaction (which includes the Scheme) and the commencement of Ross Fielding's employment with Capgemini with effect from the time that the Scheme is implemented. The RXP Directors consider that despite the interests of Ross Fielding, it is appropriate for him to make a recommendation on the Scheme given his role in the operation and management of RXP.

#### **6.4 Voting Intentions of RXP Directors**

Each RXP Director intends to vote in favour of the Scheme at the Scheme Meeting to be held at 11.00am on 2 March 2021 via the link: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585) in relation to the RXP Shares held or controlled by them, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of RXP Shareholders.

RXP's CEO, Ross Fielding, intends to vote all shares within his control (which currently represents 5.37% of the shares on issue) in favour of the Scheme.

Details of the Relevant Interests of each RXP Director are set out in Sections 7.4 and 7.13(b). In noting the recommendation of RXP Directors, RXP Shareholders should also be mindful of the arrangements involving RXP Directors as described in those Sections.

## **6.5 Independent Expert's conclusion**

The RXP Directors note that the Independent Expert has concluded that the Scheme is in the best interests of RXP Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, concluded that the Scheme was both fair and reasonable to RXP Shareholders. The basis for this conclusion is that the Scheme Consideration of \$0.55 is above the top end of the value range for RXP, which the Independent Expert assessed to be in the range of \$0.46 to \$0.54 per RXP Share. The reasons why the Independent Expert reached this conclusion are set out in the Independent Expert's Report, a copy of which is included in Schedule 1.

## **6.6 Conditions of the Scheme**

Implementation of the Scheme is subject to certain Conditions Precedent being satisfied or waived in accordance with the SID. These conditions are summarised in Section 11.1(b) and set out in full in clause 3.1 of the SID.

The FIRB Approval condition has been waived. Further, in light of recent trading of the RXP business, the parties have agreed to reduce the part of the RXP Material Adverse Change Condition Precedent related to the minimum expected EBIT for FY21 so that the requisite diminution of EBIT against the management budget has been increased from \$2.25 million to \$4.2 million. To the extent of any breach of that condition which may have occurred prior to the amendment, it has been waived by Capgemini.

As at the Last Practicable Date, the RXP Directors are not aware of any circumstances which would cause any of those Conditions Precedent to not be satisfied in accordance with the SID, other than to the extent that any Conditions Precedent have already been waived.

## **6.7 If the Scheme does not become Effective**

If the Scheme is not implemented:

- Scheme Shareholders will not receive the Scheme Consideration;
- RXP will continue to be listed on the ASX and RXP Shareholders will continue to be exposed to movements in the RXP share price on ASX;
- RXP Shares will not be transferred to Capgemini and will be retained by RXP Shareholders; and
- RXP Shareholders will continue to be exposed to the benefits and risks associated with an investment in RXP as a stand-alone entity listed on the ASX (see Section 10).

If the Scheme is not implemented and in the absence of an alternative proposal which is similar or superior to the Scheme, the price at which RXP Shares trade may fall.

Depending on the reason why the Scheme does not proceed, RXP may in certain circumstances be liable to pay the Reimbursement Fee. Information on the Reimbursement Fee is contained in Section 11.1(f).

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by RXP in relation to the Scheme.

Those transaction costs have either already been paid, or will be payable, by RXP regardless of whether or not the Scheme is implemented. If the Scheme proceeds additional costs will be incurred.

## **6.8 Your choices as a RXP Shareholder**

As a RXP Shareholder, you have three choices currently available to you, which are as follows:

### **Option 1 – Vote at the Scheme Meeting**

You can vote at the Scheme Meeting online or by proxy, power of attorney or (in the case of corporations who are RXP Shareholders) corporate representative, in respect of some or all of your RXP Shares. Details of how to vote at the Scheme Meeting are set out in Section 5.3. The voting link is available at: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585).

You may vote in favour of, or against, the Scheme Resolution. You may also abstain from voting on the Scheme Resolution. If you abstain from voting, your votes will not be counted in calculating the required majority.

If you vote against the Scheme Resolution or abstain from voting on the Scheme Resolution and the Scheme is approved and becomes Effective, then any RXP Shares you hold on the Scheme Record Date will be transferred to Capgemini and you will receive the Scheme Consideration for each of your RXP Shares (less the cash value of any Special Dividend declared and paid prior to the implementation of the Scheme).

### **Option 2 – Sell your RXP Shares on ASX**

You can sell your RXP Shares on ASX at any time before close of trading on the Effective Date. If you sell your RXP Shares on ASX, you may incur brokerage costs. If you sell your RXP Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

If you sell your RXP Shares off-market after the Effective Date but before the Scheme Record Date, you will not receive the Scheme Consideration.

If the Scheme becomes Effective, it is expected that RXP Shares will be suspended from trading on ASX at the close of trading on the Effective Date.

### **Option 3 – Do nothing**

If you do not wish to vote for or against the Scheme, or to sell your RXP Shares on ASX, you may choose to do nothing.

If you do nothing and the Scheme is approved by RXP Shareholders and becomes Effective, then your Scheme Shares will be transferred to Capgemini and you will receive the Scheme Consideration for each of your RXP Shares (less the cash value of any Special Dividend declared and paid prior to the implementation of the Scheme).

If you do nothing and the Scheme is not approved, RXP will continue to be listed on the ASX and RXP Shareholders will continue to be exposed to movements in the RXP share price on ASX.

## **6.9 Transaction procedure**

### **a. Scheme approval requirements**

The Scheme will only become Effective and be implemented if:

- it is approved by the Requisite Majorities of RXP Shareholders at the Scheme Meeting to be held at 11.00am on 2 March 2021;
- the Conditions Precedent in relation to the Scheme outlined in Section 11.1(b) are satisfied or waived (as appropriate); and
- it is approved by the Court at the Second Court Hearing.

The Requisite Majorities of RXP Shareholders to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of RXP Shareholders present and voting at the Scheme Meeting (either in person or by proxy); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by RXP Shareholders present and voting at the Scheme Meeting (either in person or by proxy).

### **b. Scheme Meeting and how to vote**

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

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

The fact that the Court has ordered that the Scheme Meeting be convened by RXP for RXP Shareholders to consider and vote on the Scheme and directed that an explanatory statement accompany the Notice of Scheme Meeting does not mean that the Court has prepared, or is responsible for the content of, this Scheme Booklet or has formed any view as to the merits of the Scheme or as to how RXP Shareholders should vote. On these matters RXP Shareholders must reach their own decision.

### **c. Attendance at Scheme Meeting**

The entitlement of RXP Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting in Schedule 4.

Instructions on how to attend and vote online at the Scheme Meeting to be held at 11.00am on 2 March 2021 (in person, by proxy, or through an attorney or corporate representative) are set out in the Notice of Scheme Meeting.

Voting is not compulsory. However, the RXP Directors unanimously recommend that RXP Shareholders vote in favour of the Scheme in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of RXP Shareholders. Interests of directors are set out in Section 7.4. In noting the recommendation of RXP Directors, RXP Shareholders should also be mindful of the arrangements involving RXP Directors as described in Section 7.13(b).

The results of the Scheme Meeting will be available during or shortly after the conclusion of the Scheme Meeting and will be announced to the ASX ([www.asx.com.au](http://www.asx.com.au)) once available.

#### **d. Court approval of the Scheme**

In the event that:

- the Scheme is approved by the Requisite Majorities of RXP Shareholders at the Scheme Meeting (see Section 6.9(a) for the Scheme approval requirements); and
- all Conditions Precedent (except Court approval of the Scheme) have been satisfied or waived (if they are capable of being waived),

then RXP will apply to the Court for orders approving the Scheme.

You may appear at the Second Court Hearing. If you wish to oppose the approval of the Scheme at the Second Court Hearing, you may do so by filing with the Court, and serving on RXP, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. Dial in details for the Second Court Hearing will be made available to any RXP Shareholder who indicates an intention to appear in this matter. The notice of appearance and affidavit must be served on RXP at its address for service at least one day before the Second Court Date.

The address for service is:

RXP Services Limited  
Level 15, 31 Queen St Melbourne Vic 3000  
Attention: Company Secretary.



#### **e. Effective Date**

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. RXP will, on the Scheme becoming Effective, give notice of that event to the ASX.

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

#### **f. Scheme Record Date and dealings in RXP Shares**

Those RXP Shareholders on the RXP Share Register on the Scheme Record Date (currently expected to be 7.00pm on 19 March 2021) will be entitled to receive the Scheme Consideration in respect of the RXP Shares they hold at that time (less the cash value of any Special Dividend declared and paid prior to the implementation of the Scheme).

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

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the RXP Share Register as the holder of the relevant RXP Shares as at the Scheme Record Date; and
- in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received by the RXP Share Registry at or before 7.00pm on the day on which the Scheme Record Date occurs.

RXP will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of RXP Shares received after 7.00pm on the day on which the Scheme Record Date occurs or received prior to that time, but not in registrable form, other than a transfer to Capgemini in accordance with the Scheme and any subsequent transfer by Capgemini, or its successors in title.

If the Scheme becomes Effective, a holder of RXP Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any RXP Shares or any interest in them after the Scheme Record Date other than in accordance with the Scheme, and any such disposal will be void and of no legal effect whatsoever.

For the purpose of determining entitlements to the Scheme Consideration (less the cash value of any Special Dividend), RXP will, until such consideration has been provided, maintain the RXP Share Register in accordance with the Scheme and the RXP Share Register in this form will solely determine entitlements to such consideration.



All certificates and holding statements for Scheme Shares (other than holding statements in favour of Capgemini and its successors in title after the Implementation Date) will cease to have any effect from the Scheme Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration (less the cash value of any Special Dividend) by Capgemini and registration of the transfer to Capgemini of the Scheme Shares, after the Scheme Record Date, each entry current at that date on the RXP Share Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the relevant consideration in respect of the Scheme Shares relating to that entry.

#### **g. Implementation Date**

Scheme Shareholders will be sent or issued (as relevant) the Scheme Consideration (less the cash value of any Special Dividend) on the Implementation Date (currently expected to be 26 March 2021). Subject to Capgemini providing such consideration in accordance with the Scheme, the Scheme Shares will be transferred to Capgemini.

#### **h. Deed Poll**

A Deed Poll has been executed by Capgemini, under which Capgemini undertakes in favour of each Scheme Shareholder, to:

- provide the Scheme Consideration (less the cash value of any Special Dividend) to each Scheme Shareholder in accordance with the terms of the Scheme; and
- undertake all other actions attributed to Capgemini under the Scheme.

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

### **6.10 Tax implications**

A general guide to the taxation consequences for RXP Shareholders who dispose of their RXP Shares to Capgemini in accordance with the Scheme is set out in Section 9. This guide has been prepared by RXP. This guide is expressed in general terms only and does not purport to be a complete analysis or to identify all the potential Tax consequences of the Scheme. RXP Shareholders should seek professional taxation advice regarding the Tax consequences applicable to their own circumstances.

### **6.11 Warranty by Scheme Shareholders**

The Scheme provides that each Scheme Shareholder is deemed to have warranted to RXP and Capgemini on the Implementation Date, and appointed and authorised RXP as its attorney and agent to warrant to Capgemini on the Implementation Date, that:

- a. all of that Scheme Shareholder's RXP Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- b. the Scheme Shareholder has full power and capacity to transfer its RXP Shares to Capgemini together with any rights and entitlements attaching to those shares; and
- c. the Scheme Shareholder has no existing right to be issued any RXP Shares, RXP options, RXP performance rights, RXP convertible notes or any other RXP securities.

## **6.12 Delisting of RXP**

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

If the Court approves the Scheme and the Scheme is implemented, RXP will apply for termination of the official quotation of RXP Shares on the ASX and the removal of RXP from the ASX's Official List after the Implementation Date.

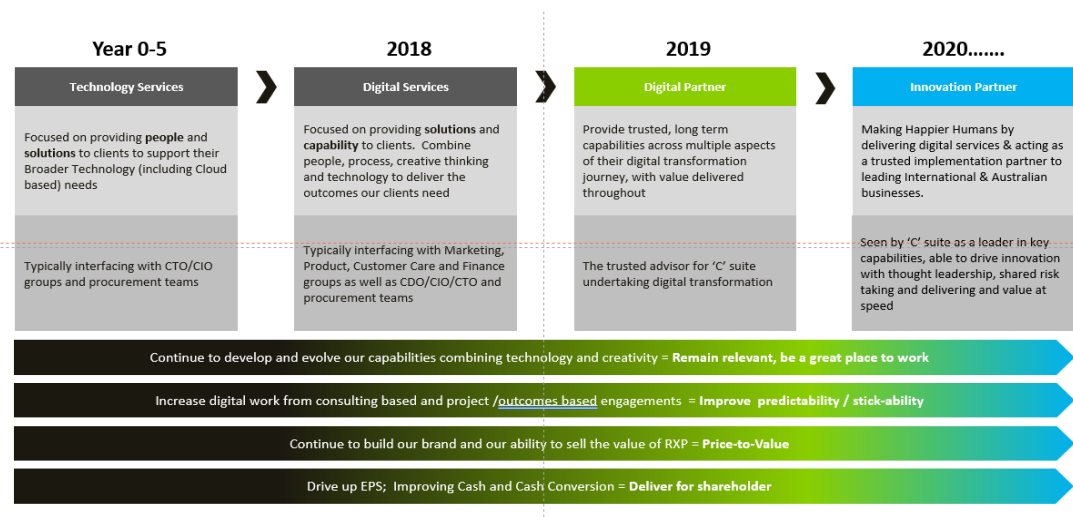
# 7. PROFILE OF RXP GROUP

## 7.0 Background

RXP Group is an ASX listed digital services company based in Australia providing effective and long-lasting digital solutions including strategy & advisory, brand & content, experience & design, data & insights, digital platforms, project services and managed services to government and corporate enterprise clients.

RXP was established in 2010, listed on the ASX in November 2011 and is headquartered in Melbourne, with offices in Sydney, Canberra and Hobart.

RXP provides services to clients, which assist them in leveraging digital technologies to improve their business and position their brands in an ever-changing digital world.

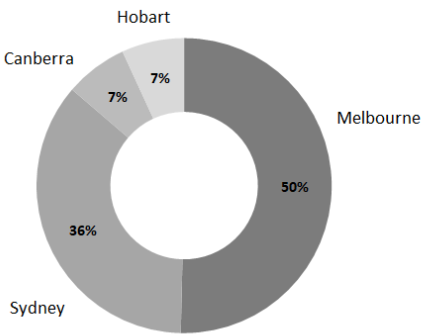


## 7.1 Overview of operations

Throughout its journey, RXP has established an end-to-end set of digital capabilities which it provides to clients across a diverse range of industry sectors within both the public and private sectors. At the heart of the organisation is the focus on Making Happier Humans. By leveraging the capability set built out across what is referred to as Expression, Experience and Enablement (i.e. the 3 E's), RXP is able to work with clients to help them evolve and prosper in today's digital world, which in turn, ultimately make people's lives simpler and therefore happier.

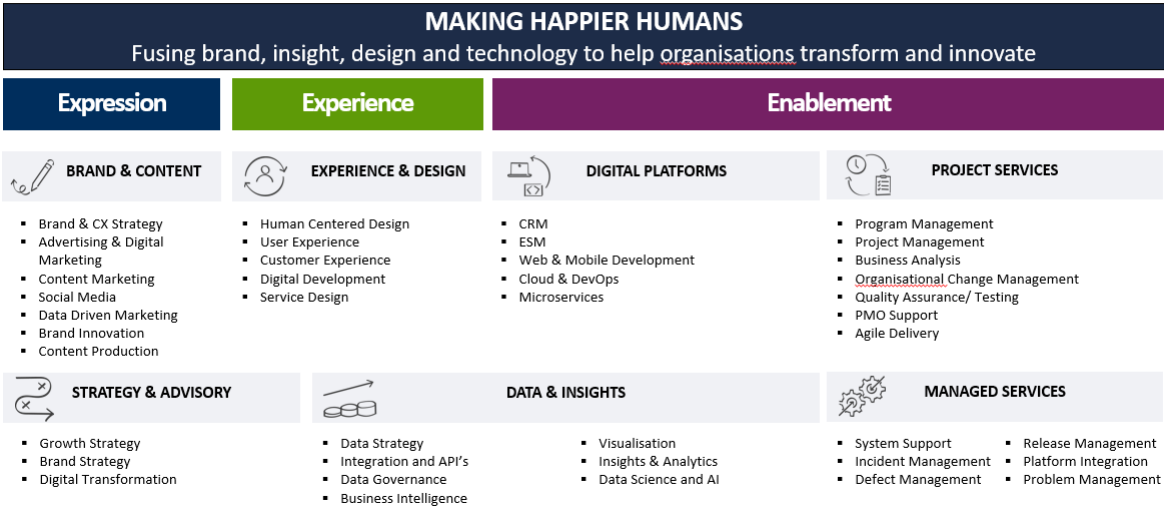


With over 500 people, RXP’s head office is in Melbourne, with additional offices in Sydney, Canberra and Hobart.

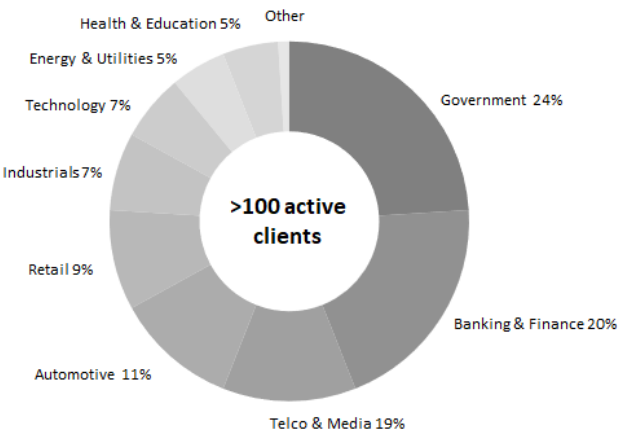


People by Region (as at 30 June 2020)

The established digital services capability set outlined below, enables RXP to consult across a broad value chain within client businesses.



The focus on 3E’s (Expression, Experience, Enablement), has assisted RXP in engaging clients at multiple points within their business. With the range of stakeholders and decision makers within businesses today, having a complete end-to-end set of digital services has been instrumental in helping RXP win client work across the wide range of industry sectors.



Revenue by Industry Sector (for FY20)

For clients, improving the digital experience they provide to people, whether that be internal or external, is more critical than ever. RXP's end-to-end capabilities plays well into this environment.

RXP has established and continues to maintain strong relationships/partnerships with Tier-1 Digital Platform providers (the likes of Salesforce, ServiceNow and Microsoft). This, combined with the 3E's approach to market, enables RXP to work with clients helping them adapt, innovate and build business resilience as well as operational efficiency.

The financial year FY20 produced the following results:

- Revenue of \$126.8 million (FY19: \$141.1 million), down 10%, with a relatively flat H2 despite the advent of COVID-19; digital services represented 90% of revenue.
- Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) of \$14.0 million [\[1\]](#) (FY19: \$16.4 million), impacted by a soft H1.
- Underlying EBITDA of \$15.4 million (FY19: \$16.7 million) H2 result up 29% on H1 despite COVID-19.
- Non-cash impairment of \$7.5 million to goodwill taken in H1 (no further impairment in H2), resulting in Net Profit After Tax (NPAT) of \$1.9 million loss. [\[2\]](#)
- Total FY20 dividend of 3.50 cps.

[\[1\]](#) Post AASB 16 impact; EBITDA pre AASB 16 impact was \$11.8 million

[\[2\]](#) Post AASB 16 impact; EBITDA pre AASB 16 impact was \$1.5 million

## 7.3 Board and senior management

### a. RXP Board

The RXP Board comprises the following directors:

NAME	POSITION
John Pittard	Chairman/Non-Executive Director
Adrian Fitzpatrick	Non-Executive Director
Ross Fielding	CEO and Managing Director

## **b. RXP senior management**

The senior management comprises the following members:

<b>NAME</b>	<b>POSITION</b>
David Royale	Chief Financial Officer
Maria Dimopoulos	Group Executive People & Culture
Adam Donnelley	Chief Strategy Officer
Bridget Candy	Group Executive Marketing & Communications
Jared Hill	Group Executive Southern Region
Kevin Brough	Group Executive Northern Region
Damian Pincus	Group Executive The Works

## **7.4 Interests of RXP Directors in RXP securities**

### **a. Relevant Interests of RXP Directors in RXP securities**

As at the Last Practicable Date, the RXP Directors had the following Relevant Interests in RXP securities:

<b>RXP DIRECTOR</b>	<b>NAME OF RXP SHARES</b>
John Pittard	107,463 Ordinary Shares
Adrian Fitzpatrick	65,015 Ordinary Shares
Ross Fielding	9,301,208 Ordinary Shares  * This represents 5.37% of the Company's issued share capital

RXP Directors who hold RXP Shares will be entitled to vote at the Scheme Meeting in respect of the RXP Shares they hold and receive the Scheme Consideration (less the cash value of any Special Dividend) along with other Scheme Shareholders.

Each RXP Director intends to vote, or cause to be voted, all RXP Shares held or controlled by them (being the RXP Shares in which they have a Relevant Interest) in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of RXP Shareholders. In noting the recommendation of RXP Directors, RXP Shareholders should be mindful of the interests of the RXP Directors as detailed in Section 7.13(b) of this Scheme Booklet, including the payment to be made to Ross Fielding upon entry into a change of control transaction (which includes the Scheme).

#### **b. Dealings of RXP Directors in RXP securities**

No RXP Director acquired or disposed of a Relevant Interest in any RXP securities in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

### **7.5 Capital structure**

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

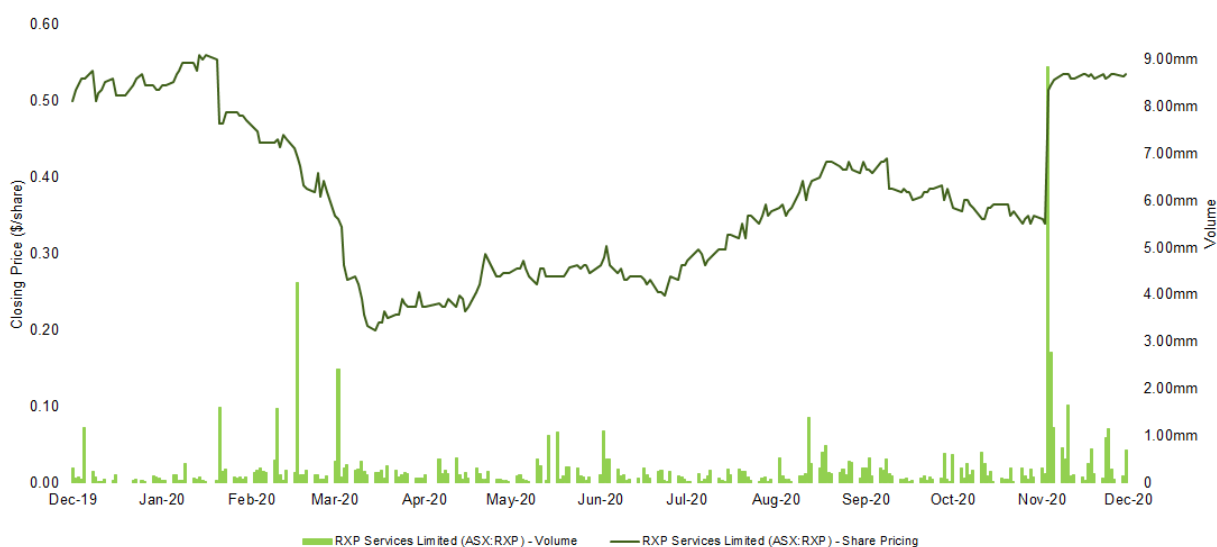
TYPE OF SECURITY	NUMBER ON ISSUE
Ordinary Shares	<p>173, 119, 378</p> <p>The above figure excludes the additional 453,806 RXP Shares which will be issued in respect of the FY20 Performance Rights, further details of which are described in Section 11.2(a).</p>

## 7.6 RXP Shareholders

As the Last Practicable Date, the names of the largest holders of quoted equity securities in RXP are listed below:

RXP SHAREHOLDER	NUMBER OF RXP SHARES	VOTING POWER
National Nominees Limited.	18,804,904	10.86%
J P Morgan Nominees Australia Pty Limited	17,088,456	9.87%
Oaktel Investments Pty Ltd	10,277,090	5.94%
Bond Street Custodians Limited <Salter - D64848 A/C>	9,972,983	5.76%

## 7.7 Recent RXP share price performance



Source: Capital IQ

## 7.8 Historical financial information

This section contains historical information relating to RXP extracted from RXP's audited financial statements for the financial years ended 30 June 2019 (FY19) and 30 June 2020 (FY20).

RXP's financial accounts, including all notes to those accounts, can be found in:

- the RXP FY19 Annual Report and Appendix 4E (released to the ASX on 15th August 2019); and
- the RXP FY20 Annual Report and Appendix 4E (released to the ASX on 20th August 2020).



Copies of these reports are available within the Investors section of the RXP website [www.rxp.services.com/investor](http://www.rxp.services.com/investor).

Alternatively, RXP Shareholders may obtain copies of these documents free of charge by calling the RXP Share Registry on 1300 214 763 (callers within Australia) or +61 3 9415 4135 (callers outside of Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

a. Basis of preparation

The historical financial information of RXP is presented in an abbreviated form and does not contain all the disclosures, presentations, statements or comparative information required in an annual report prepared in accordance with the Corporations Act.

The RXP Directors believe that the abbreviated historical financial information presented in this Section is useful to assist RXP Shareholders in their understanding of the historical financial performance and historical financial position of RXP. However, it should be read in conjunction with the full financial statements, including the accounting policies and notes to those financial statements.

The historical financial information of RXP has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act. The historical information in this Scheme Booklet is presented in Australian dollars, which is RXP's functional currency. The historical information in this Scheme Booklet is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.

b. Historical consolidated statements of profit or loss

The following table represents the RXP Group's consolidated statements of profit or loss for the years ended 30 June 2019 and 30 June 2020

	FY19 \$'000	FY20 \$'000
<b>Revenue and other income</b>	<b>141,144</b>	<b>126,771</b>
Cost of sales	(14,388)	(6,815)
Employee benefits expense	(101,787)	(100,030)
Occupancy expense	(2,761)	(811)
Redundancy expense	(925)	(995)
Depreciation and amortisation expenses	(1,298)	(3,530)
Rebate expense	-	(448)
Bad and doubtful debt provision	(1,268)	(194)
Borrowing costs	-	(125)
Other expenses	(3,646)	(3,340)
Impairment of goodwill	(10,800)	(7,500)
Finance income	112	44
Finance costs	(926)	(975)
<b>Profit before income tax</b>	<b>3,457</b>	<b>2,052</b>
Income tax expense	(3,698)	(3,102)
Loss from continuing operations	(241)	(1,050)
Loss from discontinued operations	(1,112)	(897)
<b>Loss for the year</b>	<b>(1,353)</b>	<b>(1,947)</b>
Other Comprehensive Income	51	71
<b>Total comprehensive expense for the year</b>	<b>(1,302)</b>	<b>(1,876)</b>
<b>Loss per share for loss from continuing operations:</b>		
Basic loss per share (cents)	(0.1)	(0.7)
Diluted loss per share (cents)	(0.1)	(0.7)
<b>Loss per share for loss from discontinued operations:</b>		
Basic loss per share (cents)	(0.7)	(0.6)
Diluted loss per share (cents)	(0.7)	(0.6)

### c. Historical consolidated statement of financial position

The following table presents the RXP Group's consolidated statement of financial position as at 30 June 2019 and 30 June 2020:

	FY19 \$'000	FY20 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	11,712	15,048
Receivables	38,038	21,968
Other current assets	1,422	1,542
Current assets held for sale	1,364	-
<b>Total Current Assets</b>	<b>52,536</b>	<b>38,558</b>
<b>Non-Current Assets</b>		
Intangible assets	108,533	102,494
Property, plant and equipment	2,092	1,920
Right-of-use assets	-	5,768
Deferred tax assets	2,796	1,892
<b>Total Non-Current Assets</b>	<b>113,421</b>	<b>112,074</b>
<b>Total Assets</b>	<b>165,957</b>	<b>150,632</b>
<b>Current Liabilities</b>		
Payables	25,170	15,733
Current tax payable	1,000	199
Lease liabilities	-	2,745
Provisions	3,513	4,074
Current liabilities held for sale	1,116	-
<b>Total Current Liabilities</b>	<b>30,799</b>	<b>22,751</b>
<b>Non-Current Liabilities</b>		
Borrowings	22,000	19,000
Lease liabilities	-	4,015
Provisions	587	615
<b>Total Non-Current Liabilities</b>	<b>22,587</b>	<b>23,630</b>
<b>Total Liabilities</b>	<b>53,386</b>	<b>46,381</b>
<b>Net Assets</b>	<b>112,571</b>	<b>104,251</b>
<b>Equity</b>		
Contributed capital	93,621	93,621
Foreign currency reserve	210	281
Retained earnings	18,740	10,349
<b>Total Equity</b>	<b>112,571</b>	<b>104,251</b>

d. Historical consolidated statements of cashflows

The following table presents the RXP Group's consolidated statements of cashflows for the years ended 30 June 2019 and 30 June 2020

	FY19 \$'000	FY20 \$'000
<b>Cash flow from operating activities</b>		
Receipts from customers	144,534	156,045
Payments to suppliers and employees	(130,891)	(134,460)
Income tax paid	(2,813)	(2,977)
Interest received	112	44
Finance costs	(926)	(671)
Net cashflows provided by operating activities for discontinued operations	(1,157)	(241)
<b>Net cash provided by operating activities</b>	<b>8,859</b>	<b>17,740</b>
<b>Cash flow from investing activities</b>		
Payment for plant and equipment	(312)	(533)
Payment for intangibles	(305)	(2,089)
Payment for business acquisitions	(13,500)	-
<b>Net cash used in investing activities</b>	<b>(14,117)</b>	<b>(2,622)</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(1,500)	(4,000)
Proceeds from borrowing	10,500	1,000
Payment of dividends	(6,041)	(6,444)
Principal portion of lease payments	-	(2,338)
<b>Net cash (used in) / provided by financing activities</b>	<b>2,959</b>	<b>(11,782)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(2,299)</b>	<b>3,336</b>
Cash and cash equivalents at beginning of year	14,011	11,712
<b>Cash and Cash Equivalents at end of year</b>	<b>11,712</b>	<b>15,048</b>

e. Material changes in RXP's financial position since 30 June 2020

To the knowledge of the RXP Directors as at the date of this Scheme Booklet, the financial position of RXP has not materially changed since 30 June 2020, as reported in its full-year results announcement for the twelve months ended 30 June 2020 other than:

- the accumulation of earnings and payment of outgoings in the ordinary course of trading since 30 June 2020;
- the payment of the ordinary dividend on 9 October 2020;
- the allotment of new RXP Shares issued under the fully underwritten dividend reinvestment plan; and
- as otherwise disclosed to the ASX by RXP.

## **7.9 Statement of RXP Directors' intentions**

The Corporations Act and Corporations Regulations require a statement by the RXP Directors of their intentions regarding:

- the continuation of the business of RXP;
- any major changes, if any, to be made to the business of RXP; and
- the future employment of the present employees of RXP.

If the Scheme is implemented, the existing RXP Directors will resign and the RXP Board will be reconstituted in accordance with the instructions of Capgemini on the Implementation Date. Accordingly it is not possible for the RXP Directors to provide a statement of their intentions after the Scheme is implemented regarding the above matters.

If the Scheme is implemented, Capgemini will have 100% control of RXP. The current intentions of Capgemini with respect to these matters are set out in Section 8.

If the Scheme is not implemented, RXP Directors intend to continue to operate the RXP Group in the ordinary course of business, including with respect to the matters set out above, and for RXP to remain listed on ASX.

## **7.10 Risks relating to RXP's business and operations**

There are existing risks that relate to RXP's business and operations that will continue to be relevant to RXP Shareholders if the Scheme is not implemented. A summary of these key risks relating to RXP's business and operations is set out in Section 10.

## **7.11 Publicly available information about RXP**

RXP is a disclosing entity as defined by the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these require RXP to disclose to the market any information that a reasonable person would expect to have a material effect on the price of RXP Shares as soon as it becomes aware of the information.

Pursuant to the Corporations Act, RXP is required to prepare and lodge with both the ASX and ASIC, both annual and half-yearly financial statements, accompanied by a declaration and report from the RXP Directors and an audit or review report respectively.

The ASX maintains files containing publicly disclosed information about all companies listed on the ASX. Information disclosed to the ASX by RXP is available on the ASX's website at [www.asx.com.au](http://www.asx.com.au). Copies of the documents lodged with ASIC in relation to RXP may be obtained from, or inspected at, an ASIC office.

## **RXP Shareholders may obtain a copy of:**

- RXP's 2020 Annual Report, which includes RXP's audited financial statements for the financial year ended 30 June 2020; and
- all continuous disclosure notices given by RXP after the lodgement of its annual financial report for the year ended 30 June 2020 with ASIC and before the date of this Scheme Booklet, free of charge, from ASX's website [www.asx.com.au](http://www.asx.com.au) or RXP's website at [www.rxp.services.com](http://www.rxp.services.com).

Copies of RXP's constitution, corporate governance policies and charters, and other relevant documents, can be accessed via RXP's website at [www.rxp.services.com](http://www.rxp.services.com).

Copies of documents lodged with ASIC in relation to RXP may be obtained from or inspected at an ASIC office or online at ASIC's online registry portal at <https://asicconnect.asic.gov.au>. Please note that ASIC may charge a fee for such services.

### **7.12 Interests and dealings of RXP Directors in Capgemini securities**

#### **a. Relevant Interests of RXP Directors in Capgemini securities**

As at the Last Practicable Date, no securities of Capgemini are held by, or on behalf of, any RXP Director.

#### **b. Dealings of RXP Directors in Capgemini securities**

No RXP Director acquired or disposed of a Relevant Interest in securities of Capgemini in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

#### **c. Interests of RXP Directors in contracts with Capgemini**

No RXP Director has any interest in any contract entered into by Capgemini, other than the employment contract entered into between Ross Fielding and Capgemini described in Section 7.13(b) below.

### **7.13 Benefits and agreements**

#### **a. Resignation of RXP Directors**

Under the Scheme Implementation Deed, RXP must, as soon as practicable on the Implementation Date, after the Scheme Consideration (less the cash value of any Special Dividend) has been despatched to Scheme Shareholders in accordance with the terms of the Scheme, take all actions necessary to ensure that all RXP Directors resign.

## **b. Other benefits and agreements**

No payment or other benefit is proposed to be made or given to any director, secretary or executive officer of RXP (or any of its Related Bodies Corporate) as compensation for loss of, or as consideration for or in connection with their retirement from, office in RXP (or any of its Related Bodies Corporate).

Other than as set out in this Section or as otherwise provided for in this Scheme Booklet, no RXP Director is a party to any agreement or arrangement with another person in connection with or conditional upon the outcome of the Scheme.

CEO Employment Contract: On or around 10 November 2020 (being the date the SID was entered into), an employment contract was entered into between Ross Fielding and Capgemini. Pursuant to that contract, the parties agreed (amongst other things) that:

- (i) Capgemini will employ Mr Fielding, with effect from the time at which Capgemini acquires RXP (being the date of implementation of the Scheme);
- (ii) at that time, Mr Fielding will be taken to have resigned from RXP and his employment (together with all accrued but untaken leave entitlements) will transfer to Capgemini, in each case provided that Mr Fielding remains an employee of RXP as at the date prior to the acquisition of RXP;
- (iii) Mr Fielding's remuneration will remain \$574,088 gross per annum, inclusive of superannuation, but excluding bonuses (if any) from time to time, which are to be determined by Capgemini in its discretion;
- (iv) leave entitlements will be in accordance with applicable law;
- (v) either party may terminate with 6 months' written notice (other than termination for cause by Capgemini, which does not require notice); and
- (vi) Mr Fielding is subject to post-termination restraints, which generally apply for a maximum period of 12 months following termination and in a maximum geographical area of Australia and New Zealand. These provisions restrain Mr Fielding from, amongst other things, certain work or involvement with competitors; soliciting, canvassing or approaching (or attempting to do so) or accepting any such approach from customers or suppliers in certain circumstances; and inducing, assisting in inducing or assisting (or attempting to do so) certain employees or contractors to cease to be engaged by Capgemini or its Related Bodies Corporate.

Accelerated incentive payment to Ross Fielding: Pursuant to their respective remuneration packages in respect of the financial year ending 30 June 2021, eight executives of RXP have 'short term incentive' and 'deferred STI' components of their remuneration that will become payable on a "Change of Control", which is defined consistently with the definition of that term in the 'RXP Services Limited FY20 STI Deferral Plan' (refer Section 11.2(a)).

Accordingly, these cash payments are proposed to be made to the relevant executives on the Effective Date, with each such payment being conditional on the relevant executive signing a deed of release in the form required by RXP in relation to the incentives to which he or she is, or may be, entitled in respect of the financial year ending 30 June 2021.

Pursuant to these arrangements, Mr Fielding will, on or prior to the Effective Date, become entitled to an accelerated cash payment of \$574,087, conditional on him signing a deed of release in the required form.

RXP Shareholders should have regard to these arrangements when considering Mr Fielding's recommendation on the Scheme, which appear throughout this Scheme Booklet. Given the importance of the Scheme and Mr Fielding's role in the management of RXP, Mr Fielding considers that it is appropriate for him to make a recommendation on the Scheme. The RXP Board has, in the absence of Mr Fielding, determined that Mr Fielding can, and should if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature and quantum of the benefits (being the benefits described in this Section) Mr Fielding will receive if the Scheme becomes Effective. In addition, as at the Last Practicable Date, Mr Fielding holds or controls 9,301,208 RXP Shares.



# 8. PROFILE OF CAPGEMINI

## 8.1 Information on Capgemini

The information contained in this Section 8 has been prepared by Capgemini. The information concerning Capgemini and the intentions, views and opinions contained in this Section 8 are the responsibility of Capgemini. Although Capgemini believes that the views reflected in this Section 8 have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. RXP and its officers and advisers do not assume any responsibility for the accuracy or completeness of the information in this Section 8.

## 8.2 Overview of Capgemini

Capgemini is an unlisted Australian proprietary company limited by shares incorporated and registered in South Australia on 31 March 2000.

Capgemini is a leader in management consulting, outsourcing and professional services, particularly with respect to information technology solutions. Capgemini has deep relationships with both large corporate and public sector clients. Capgemini has ~1,500 employees and earned over A\$400m in revenue in 2019.

Capgemini is a fully-owned subsidiary of Capgemini SE. Capgemini SE is a global leader in consulting, digital, transformation, technology and engineering services. It comprises three business lines (Strategy & Transformation, Applications & Technology, and Operations & Engineering) and is focused on Customer Experience, Cloud, Cybersecurity, Artificial Intelligence, Digital Manufacturing and ADMnext.

Capgemini SE is headquartered in Paris, France, and listed on the Euronext Paris stock exchange with a market capitalisation of over €17 billion as of the date of this Scheme Booklet. It has an annual sales revenue of over €14 billion.<sup>1</sup> Since it was founded in 1967, the group has grown through a strategy of diversifying its business activities and geographical markets.

Capgemini Group focusses on the following markets:

- Consumer Goods & Retail;
- Energy & Utilities;
- Financial Services (Banking, Capital Markets & Insurance);
- Manufacturing;
- Public Sector;
- Telecommunication, Media & Technology; and
- Services.

Capgemini SE has 270,000 team members in almost 50 countries.

<sup>1</sup>\* For the year ended 31 December 2019

## 8.2.1 Capgemini SE's Business lines

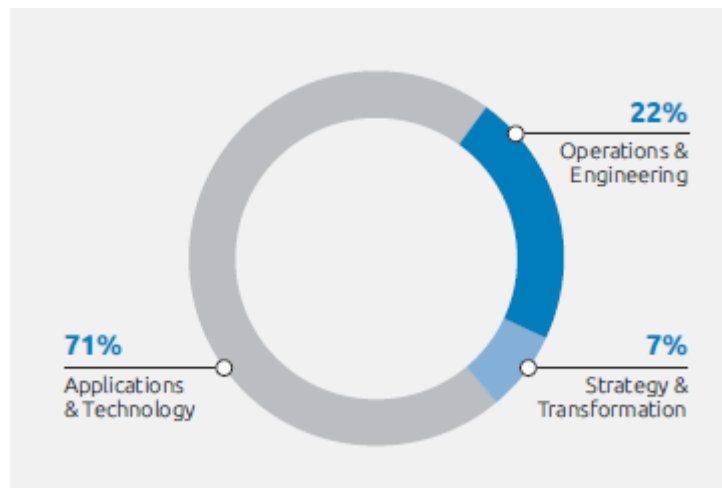


Figure 1 Capgemini SE's business lines by revenue (2019)

### 8.2.1.1 Applications and technology

Capgemini SE helps clients to develop, modernise, extend, and secure their IT and digital environment, using the latest technologies. Its teams design and develop technological solutions and help its clients to optimise and maintain their applications for agile operations.

Through its subsidiary Sogeti, Capgemini SE provides a local technology services model, working closely with its clients' teams.

### 8.2.1.2 Operations and engineering

Capgemini SE's Digital Engineering and Manufacturing (DEMS) services are grouped in this category, which benefits from the acceleration of its Digital Manufacturing activity. It also includes Capgemini SE's infrastructure services that regroup the installation and maintenance of client IT infrastructures in data centres or in the cloud. Capgemini SE's Business Services (including its Business Process Outsourcing) are the third pillar within this category. These Operational Management Services offer greater efficiency and improved operational and technological excellence.

### 8.2.1.3 Strategy and transformation

With the creation of Capgemini Invent in 2018 (merging Capgemini Consulting and recent acquisitions: LiquidHub, Fahrenheit 212, Idean, Adaptive Lab, Backelite, June21 and Konexus Consulting), Capgemini SE builds on its expertise in the strategy, technology, data science, and creative design fields to support clients within the digital economy.

### 8.2.2 Capgemini SE's Geographic segments

Capgemini SE operates in five geographic areas: North America, France, United Kingdom and Ireland, the Rest of Europe, and Asia-Pacific and Latin America.

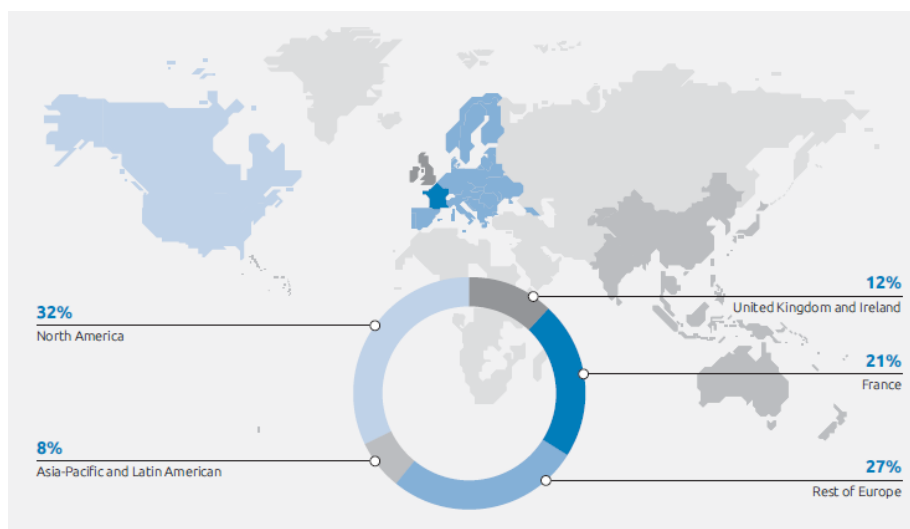


Figure 2 Capgemini SE's geographic segments by revenue (2019)

### 8.2.3 Current Directors and senior management

The current members of the board of Capgemini are:

Luc-Francois Salvador	Director
Aruna Jayanthi	Director
Olaf Pietschner	Director

The current members of the board of Capgemini SE are:

Paul Hermelin	Chairman
Aiman Ezzat	Chief Executive Officer and Director
Daniel Bernard	Vice-Chairman
Pierre Pringuet	Lead Independent Director
Xiaoqun Clever	Independent Director
Siân Herbert-Jones	Independent Director
Kevin Masters	Director representing employees
Xavier Musca	Independent Director
Patrick Pouyanné	Independent Director
Anne Bouverot	Independent Director
Laurence Dors	Independent Director
Hervé Jeannin	Director representing employees
Belen Moscoso del Prado	Independent Director
Frédéric Oudéa	Independent Director
Lucia Sinapi-Thomas	Director representing employee shareholders

A high level description of Capgemini SE's corporate governance policies, board committees, and other relevant information can be accessed via Capgemini SE's website <https://www.capgemini.com>.

#### **8.2.4 Historical financial information**

Capgemini SE's most recent audited full year financial results for the year ended 31 December 2019 are available on its website at the following link: <https://investors.capgemini.com/en/financial-results/?fiscal-year=2019>

Based on Capgemini SE's full year financial results for the year ended 31 December 2019, Capgemini SE reported global revenues of €14.1 billion.

#### **8.3 Rationale for the Proposed Acquisition of RXP**

The acquisition of RXP would make Capgemini a market leader in digital, data and cloud, enhancing its ability to provide clients with value, scale and world-class expertise. It would be a step change for Capgemini and illustrates Capgemini SE's growth ambition in the Asia Pacific.

RXP would bring to Capgemini a well-established team of specialist consultants across Microsoft, Salesforce and ServiceNow technologies. The acquisition of RXP would strengthen Capgemini's client portfolio across key industries. For RXP, Capgemini SE's breadth of service offerings and global scale will help to meet its clients' growing needs as well as expand career opportunities for its team members. In addition, RXP also owns leading branding, design and customer experience agency "The Works" which would open a new chapter in Capgemini's capabilities to enable, design and deliver end to end amazing and differentiated digital experiences.

#### **8.4 Funding arrangements for the Scheme Consideration**

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll and conditional upon the Scheme becoming Effective, Capgemini has undertaken, in favour of each Scheme Shareholder, to pay the Scheme Consideration (less the cash value of any Special Dividend) into a trust account held by RXP for the benefit of the Scheme Shareholders no later than the Business Day before the Implementation Date.

Scheme Shareholders will be entitled to receive the Scheme Consideration of \$0.55 per Scheme Share to be reduced by the cash amount of any Special Dividend paid by RXP prior to the Implementation Date, as further described in this Scheme Booklet.

Capgemini estimates that it will need approximately \$95.5 million to satisfy its payment obligations to Scheme Shareholders under the Scheme. As at 30 June 2020, Capgemini SE had on a consolidated basis total cash and cash equivalents of approximately €2.1 billion or approximately A\$3.3 billion (based on an exchange rate of 0.6367 Euros to one Australian dollar as at 18 January 2021).

Capgemini will provide the sufficient funds to purchase all of the Scheme Shares upon the terms and subject to the conditions in the Scheme Implementation Deed to complete the Scheme.

## **8.5 Intentions if the Scheme is Implemented**

This Section 8 sets out the current intentions of Capgemini in relation to:

- the continuation of the operations and business of RXP;
- changes to the RXP Board and the RXP management team;
- the future employment of the present employees of RXP; and
- the delisting of RXP from the ASX,

assuming Capgemini acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this Section 8.5 regarding Capgemini's intentions are based on information concerning RXP and the general business environment which are known to Capgemini at the time of the preparation of this Scheme Booklet. Final decisions regarding these matters will be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented.

Accordingly, it is important to recognise that the statements set out in this Section 8.5 are statements of current intention only and may change as new information becomes available or circumstances change.

### **8.5.1 Business continuity and operations**

If the Scheme is implemented, Capgemini intends to continue to operate the RXP business as a going concern, with some central functions anticipated to be combined and centralised within Capgemini's existing business.

If the Scheme is implemented, Capgemini intends to conduct a review of the RXP business to verify Capgemini's understanding of the information, facts and circumstances concerning the business, assets, strategies and operations of RXP as at the date of this Scheme Booklet. Capgemini will then work with the RXP management team to determine how to further develop the business of RXP in order to maximise its operating performance.

### **8.5.2 Board of Directors**

If the Scheme is implemented, Capgemini will replace the members of the RXP Board and the boards of each of its subsidiaries with nominees of Capgemini Group (who are yet to be identified).

### **8.5.3 Management team**

Capgemini expects there to be significant value and knowledge in the existing staff of RXP. Capgemini plans to draw on the expertise of the existing management team of RXP to ensure that the businesses and cultures are integrated and operated effectively, if the Scheme is implemented.

Following the general operational review described above, Capgemini may combine and centralise certain roles within the RXP management team with those in the broader Capgemini business or its corporate group.

### **8.5.4 Employees**

RXP employees are an integral part of, and key to the success of, the business. Capgemini believes that the acquisition of RXP will offer exciting opportunities for RXP's employees and management as part of a much larger enterprise and a global leader in consulting, digital, transformation, technology and engineering services. Capgemini intends to make limited changes to roles as a result of RXP no longer being a listed entity and becoming part of Capgemini.

Other than such changes, definitive plans in relation to the broader employee base of RXP have not yet been fully determined, however Capgemini's intent is to retain the majority of RXP's existing employees in line with current operations.

### **8.5.5 Delisting**

If the Scheme is implemented, Capgemini will procure that RXP applies to the ASX to be removed from the official list of the ASX after implementation of the Scheme.

## **8.6 Interests in RXP Securities**

### **8.6.1 Interest in RXP Shares**

As at the date of this Scheme Booklet, none of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has any interest or voting power in any RXP shares.

### **8.6.2 Dealings in RXP Shares in previous six months**

None of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has provided or agreed to provide consideration for any RXP Shares under any transaction during the period of six months before the date of this Scheme Booklet, other than Capgemini's offer to acquire all RXP Shares under the Scheme.

### **8.6.3 Benefits to holders of RXP Shares**

During the six months before the date of this Scheme Booklet, none of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- (a) vote in favour of the Scheme; or
- (b) dispose of RXP Shares,

where the benefit was not offered to all RXP Shareholders, noting that, to ensure continuity for the business, Capgemini has offered Ross Fielding employment with Capgemini if the Scheme is approved and implemented. See Section 7.13(b) for further details.

### **8.6.4 Benefits to RXP officers**

None of Capgemini SE, Capgemini nor, to the best of its knowledge, any of its Associates will be making any payment or giving any benefit to any current officers of RXP as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

Note that Capgemini has offered Ross Fielding employment with Capgemini if the Scheme is approved and implemented. See Section 7.13(b) for further details.

## **8.7 Other material information**

Except as set out in this Section 8 so far as the Directors of Capgemini are aware, there is no other information regarding Capgemini SE or Capgemini, or their intentions regarding RXP, that is material to the making of a decision by a RXP shareholder on whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Director of Capgemini as at the date of this Scheme Booklet, which has not been previously disclosed to RXP Shareholders.



# 9. TAX CONSIDERATIONS

## 9.1 Introduction

The information contained in this Section 9 is a general description of the Australian tax consequences of the Scheme (assuming it becomes Effective) and the Special Dividend (if paid) for RXP Shareholders. The information set out is relevant only to those RXP Shareholders who hold their shares on capital account for income tax purposes.

This Section 9 is based upon the Australian law and administrative practice in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or a complete statement of the laws applicable to the specific circumstances of an RXP Shareholder. RXP Shareholders should obtain their own independent professional advice in relation to their own particular circumstances.

This section does not address the Australian tax consequences for RXP Shareholders who:

- hold their RXP shares for the purpose of speculation or business dealing in securities;
- acquired their RXP Shares pursuant to an employee share, option or rights plan;
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations and entities subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in respect of their RXP Shares;
- are non-residents of Australia who hold their RXP Shares in carrying on a business at or through a permanent establishment in Australia; or
- are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their RXP Shares.

RXP Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should consider the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

The information contained in this section is based on the tax law at the date of the Scheme Booklet.

The tax consequences outlined in this section may alter if there is a change in the tax law after the date of the Scheme Booklet.

## **9.2 ATO Class Ruling**

RXP has applied to the ATO requesting a class ruling to confirm the key taxation implications of the Scheme and the Special Dividend for RXP Shareholders as noted below.

The Class Ruling has not been finalised by the ATO as at the date of the Scheme Booklet. When the final Class Ruling is published by the ATO following implementation of the Scheme, it will be available on the ATO website at [www.ato.gov.au](http://www.ato.gov.au). It is anticipated that the ATO's views in the Class Ruling will be generally consistent with the commentary in this Section 9. However, it is possible that the ATO may reach a different conclusion. Accordingly, it is Important that this Section be read in conjunction with the Class Ruling issued by the ATO.

## **9.3 Australian resident shareholders**

### **(a) Taxation consequences of the Special Dividend**

RXP Shareholders who are Australian tax residents and who receive any Special Dividend should include the amount of any Special Dividend in their assessable income for the income year in which the Special Dividend payments (if any) are received.

It is expected that any Special Dividend (if paid) will be fully franked. If certain requirements are met, the RXP Shareholders who receive any Special Dividend will be:

- required to include the amount of the attached franking credits in their assessable income; and
- entitled to a tax offset equal to the amount of the franking credits attached to the dividend.

These relevant requirements include:

- the RXP Shareholder being a 'qualified person' in relation to the Special Dividend; and
- whether certain dividend franking integrity measures apply.

In order for a RXP Shareholder to be a 'qualified person' they must hold their RXP Shares 'at-risk' for a continuous period of not less than 45 days (not including the day of the share's acquisition or disposal) during a prescribed period.

Because the Special Dividend reduces the amount of the Scheme Consideration (as originally announced by RXP on 11 November 2020), the Special Dividend will be considered to be a 'related payment' for tax

purposes. Accordingly, the prescribed period is expected to be from 26 January 2021 to 18 March 2021 (inclusive).

Any days where a RXP Shareholder has a materially diminished risk of loss and opportunities for gain are not included in calculating whether the 45-day period has been satisfied. RXP Shareholders should seek their own independent advice in respect of the effect of such arrangements.

The 'small shareholder exception' is not expected to apply as the Special Dividend (if paid) will be a related payment. Therefore, an RXP Shareholder who is an individual and who has franking tax offsets which do not exceed A\$5,000 for the income year ended 30 June 2021 must nevertheless satisfy the holding period requirement in relation to the Special Dividend.

The extent to which the RXP Shareholders will be able to access the franking credit tax offset will depend on their status and specific circumstances, as outlined below. The discussion below assumes that the RXP Shareholders will satisfy the holding period and related payment rules outlined above.

RXP Shareholders that are individuals or complying superannuation funds that have franking credits in excess of their tax liability may be entitled to a refund for any franking credits in excess of their total tax liability. This does not extend to companies.

## **(b) Taxation consequences of disposal**

In the event that the Scheme is approved, Capgemini will acquire 100% of the issued shares in RXP. The income tax implications for Australian tax resident shareholders are outlined below.

### **Capital gains tax (CGT) event**

Under the Scheme, RXP Shareholders will dispose of their Shares to Capgemini. This disposal will constitute a CGT event A1 for Australian CGT purposes for RXP Shareholders.

The CGT event should occur on the Implementation Date.

### **Calculation of capital gain or capital loss**

RXP Shareholders will make a capital gain on the disposal of RXP Shares to the extent that the capital proceeds from the disposal of the RXP Shares are more than the cost base of those RXP Shares. Conversely, RXP Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those RXP Shares.

### **Cost base**

The cost base of the RXP Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the RXP Shares is usually determined in a similar, but not identical, manner.

## Capital proceeds

The capital proceeds received in respect of the disposal of each RXP Share should be \$0.55 cash consideration, being the amount of the Scheme Consideration (less any Special Dividend amount paid). Any Special Dividend (if paid) should not form part of the capital proceeds received in respect of the disposal of each RXP share under the Scheme. In particular, the Scheme is not conditional on payment of the Special Dividend and the Special Dividend will be funded from RXP's own resources without any participation of Capgemini. The Class Ruling issued by the ATO is expected to confirm this position. The ATO has not made its position clear as at the date of this Scheme Booklet.

## CGT discount

Individuals, complying superannuation entities or trustees that have held RXP Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of RXP Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries);
- 33⅓% for complying superannuation entities.

The CGT discount will not be available to an RXP Shareholder that is a company.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

## 9.4 Non-resident shareholders

### (a) Special Dividend

RXP Shareholders who are not residents of Australia for tax purposes should not be subject to tax in Australia in respect of any Special Dividend (provided they do not hold the RXP Shares through an Australian permanent establishment).

On the basis, and to the extent, that any Special Dividend will be fully franked, RXP Shareholders who are foreign residents for tax purposes should not be subject to any Australian dividend withholding tax.

## **(b) Capital Gains Tax**

The disposal of RXP Shares by a non-resident RXP Shareholder will generally only result in Australian CGT if that RXP Shareholder (together with Associates) holds 10% or more of RXP Shares (at the time of disposal or throughout a 12-month period during the two years before disposal) and the RXP Shares are not considered to be indirect Australian real property interests.

A non-resident individual RXP Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident should be subject to Australian CGT consequences on disposal of the RXP Shares.

## **9.5 Goods and services tax**

RXP Shareholders should not be liable to GST in respect of a disposal of those RXP Shares.

RXP Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. RXP Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs. RXP Shareholders should seek their own independent tax advice in relation to the GST implications of their participation in the Transaction.

# 10. RISK FACTORS

## 10.1 Introduction

The RXP Board considers that it is appropriate for RXP Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, both specific and general, which could materially and adversely affect the future operating and financial performance of RXP, RXP's financial position and the value of RXP Shares. This may, in turn, affect decisions by the RXP Board with respect to potential dividends to RXP Shareholders as well as the value of RXP Shares if the Scheme is not implemented.

This Section outlines:

- specific risk factors relating to the business and operations of the RXP Group (see Section 10.2) ;
- general risk factors (see Section 10.3); and
- specific risk factors relating to the Scheme (see Section 10.4).

This Section 10 is a summary only and does not purport to list every risk that may be associated with an investment in RXP now or in the future. There may be additional risks and uncertainties not currently known to RXP which may have a material adverse effect on RXP's financial and operational performance and the value of RXP Shares.

While measures can be taken to mitigate some of these risks, these risks remain either wholly or partially outside the control of RXP, the RXP Group and RXP Directors.

If the Scheme is implemented you will receive the Scheme Consideration (less the cash value of any Special Dividend), you will cease to be a RXP Shareholder and you will also no longer be exposed to the risks set out below (and other risks as may be applicable). If the Scheme does not proceed, then you will continue to hold your RXP Shares and will continue to be exposed to the risks and opportunities associated with that investment.

You should carefully consider the risk factors discussed in this Section 10, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

This Section 10 does not take into account the individual investment objectives, financial situation, tax position, or particular needs of RXP Shareholders or any other person.

## **10.2 Specific risks relating to the business and operations of the RXP Group**

Risks that are specific to the RXP Group operations include the following:

### **a. Dependence on key personnel**

The RXP Group is dependent on the expertise, skills and knowledge of its employees and contractors. An inability to retain key personnel with specialist skill sets may detrimentally affect the RXP Group's ability to deliver specialised advice and/or its relationships with its clients. Talent retention in the changing business environment in which the RXP Group operates presents a particular challenge for mid-sized businesses given the increasing prominence of large multi-national competitors which have the ability to attract and retain high quality personnel.

A material reduction in the RXP Group's ability to retain key personnel or attract new suitably qualified personnel may limit or damage the RXP Group's growth and profitability. In addition, disruption to the RXP Group's business operations or key relationships as a result of failing to attract or retain staff with the appropriate level of expertise could adversely impact RXP revenues and profits.

### **b. Staff turnover**

Staff turnover levels may increase as a result of various factors including salary pressure, management decisions, the financial position and performance of the RXP Group, factors affecting the digital services industry as a whole, and the availability of other opportunities (including career progression opportunities) outside the RXP Group, including with its competitors. High levels of staff turnover may negatively impact the quality of the RXP Group's service offerings, in addition to being associated with higher recruitment and training costs, as well as increases in compensation costs related to attracting and retaining personnel.

### **c. Loss of key clients, engagements or relationships**

The RXP Group conducts business in an exceedingly competitive commercial environment alongside various consultancies and digital service providers. The RXP Group's ability to service its client base and generate revenue from its service offerings impacts its financial performance. This depends in part on the RXP Group's existing clients renewing on commercially acceptable terms, and not terminating, their contracts. Failure by the RXP Group to adapt along with the market and successfully identify and win new work may have a negative effect on sales pipeline and contract wins, leading in turn to a decline in the RXP Group's financial performance.

In addition, there is a risk that poor project delivery by the RXP Group against contract requirements could lead to the potential loss of key clients, engagements or relationships, financial penalties and/or reputational damage.

There is also a risk that the RXP Group's existing and prospective clients delay, reduce or cancel projects in respect of which they have engaged, or may have intended to engage, the RXP Group. This risk may be heightened in the present uncertain economic environment. Amongst other things, changes in the financial position of existing or prospective clients could result in key relationships or potential relationships becoming unprofitable or untenable.

#### **d. Competitive landscape**

The RXP Group operates in a highly competitive and dynamic industry. In recent times, the entry of large multi-national competitors coupled with the expansion of professional services firms into the digital services sector has led to increased competition in the industry. This intensified level of competition exposes the RXP Group to risks related to maintaining its market position and pursuing its growth strategy. Such risks include:

- the occurrence of material adverse effects on the RXP Group's operations or financial performance as a result of pricing, service or marketing decisions made by the RXP Group as a strategic response to structural changes in the competitive landscape in which it operates (including where this results in a reduction in sales pipeline and contract wins or the volume of business from existing clients);
- increased competition in labour markets, including in circumstances where the engagement of human resources is challenged by reduced levels of cross-border human movement as a result of the COVID-19 pandemic and the associated intervention of governments and health and regulatory authorities globally;
- third parties developing service offerings that compete with the RXP Group, supersede or replace its services, or are more competitively priced than the RXP Group's services; and
- the emergence of unexpected changes in client demands for the RXP Group's service offerings, or the value expectations of the market.



#### **e. Services with third party providers**

The RXP Group's IT solutions capabilities partly rely on partnership agreements, licences and other contractual arrangements with third party providers of software and technology-based infrastructure. There is no guarantee that these arrangements will be renewed on commercially acceptable terms, or that the RXP Group's clients will continue to purchase such contracted products or services through the RXP Group. These developments may adversely affect the RXP Group's ability to conduct its business, or to maintain its profitability.

#### **f. Impact of COVID-19**

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The pandemic is resulting in uncertainty in the global economic outlook and this may continue to have a significant impact on capital markets and share prices. RXP Directors continue to closely monitor the situation and to consider the impact on the RXP Group from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, and restrictions in human movement at local, domestic and international levels. This has resulted in difficulties for the RXP Group in engaging human resources from overseas. In addition, the COVID-19 pandemic and its economic effects inform the investment choices, budgetary control and the decision making of firms (including current and prospective clients of RXP Group) with respect to IT and digital services and consultancy spend in the short to medium term. This has resulted in a slowing down in client decision-making and the rate of conversion of sales pipeline to contract wins. There is a risk that these circumstances could materially impact RXP Group revenue and profitability.

#### **g. Change in technology**

The digital services industry is constantly evolving and being affected by changes in technology. There is a risk of new technologies developing which compete with or replace services offered by the RXP Group. If the RXP Group fails to constantly keep up to date and informed in relation to emerging technologies it risks losing its competitive edge, which could negatively impact the size of its client base, work pipeline and/or revenue.

#### **h. Cyber security**

The RXP Group may be subject to various IT system failures, network disruptions, cybersecurity attacks, breaches in data security, and other non-malicious or malicious disruptions and incidents, which may materially adversely affect its operations, reputation, financial condition

and operating results, and could further lead to the loss of clients and potential regulatory action (including penalties).

#### **i. Intellectual property**

Any failure (including inadvertent failure) by the RXP Group to comply with its obligations under software licences to which it is a party could have material consequences under the terms of such licences, or lead to the counterparty terminating, or failing to renew on commercially acceptable terms, such licences, which could adversely affect the RXP Group's ability to conduct its business, retain and attract clients, or maintain its profitability

In addition, any failure by the RXP Group to protect its know-how, intellectual property rights and related processes could impact its ability to meet its existing contractual obligations and its ability to successfully bid for opportunities with new and existing clients, which may adversely affect RXP Group's business or profitability.

#### **j. Credit and cash flow risk**

The RXP Group's clients are typically invoiced after the provision of services. Credit risk arises to the extent that a client fails to meet its contractual obligations to pay for services delivered by the RXP Group.

In addition, there is a risk that the RXP Group's cash flow may be negatively impacted by reliance on the achievement of milestones or the deferred timing of milestone payments in relation to certain client engagements.

#### **k. Brand and professional reputation**

The RXP Group's ongoing success depends on its ability to attract and retain employees and clients, including by growing and maintaining its professional image, brand and reputation. Any decline in the RXP Group's brand and reputation (including as a result of negative publicity, quality assurance issues, or litigation) may impact the future profitability and financial position of the RXP Group and negatively impact its ability to win new contracts, maintain relationships with existing clients, and attract and retain appropriately skilled personnel. If any of these occur, this could materially adversely affect the RXP Group's business, operating and financial performance.

#### **l. Regulatory risk**

Changes to the laws and regulations which govern companies operating in the information, communication and technology sectors, including changes in their interpretation or application by courts or regulatory authorities, could have a material adverse impact on the RXP Group

and cause uncertainty and/or increases in expenses, capital expenditure or costs. Further, changes to relevant laws and regulations can give rise to periods of uncertainty which may negatively impact the RXP Group's business.

#### **m. Litigation and disputes**

The RXP Group is subject to the usual business risk that potential legal claims, disputes, and litigation may arise from time to time in the course of its business activities, including with respect to its operations, partners, clients, employees or other contractual counterparties. Proceedings may result in significant liabilities including legal costs, adverse monetary adjustments and/or damage to the RXP Group's reputation, which could adversely affect its financial performance and position. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on the RXP Group's financial performance and position. Further, even when such claims or litigation are covered by insurance, the RXP Group may be required to pay initial excesses or deductibles under insurance policies as well as potential increases in its future insurance premiums or deductibles.

#### **n. Insurance risk**

The RXP Group has insurance policies in place with policy specifications and insured amounts that RXP considers appropriate for its business. However, there is no guarantee that such insurance will be available in the future on a commercially reasonable basis or that the RXP Group will have adequate insurance cover against claims made from time to time. If the RXP Group incurs uninsured losses or liabilities, or if its insurance cover does not adequately protect it against relevant claims, its assets, profits and prospects may be materially adversely affected.

Potential losses arising from events such as floods, terrorism or similar catastrophic events, which may also include other force majeure events, may be uninsurable, not insurable on a financially reasonable basis in the RXP Group's judgment, insured at less than replacement cost or subject to higher excesses or deductibles.

#### **o. Accounting risk**

The Australian Accounting Standards are set by the AASB and are outside RXP's control. There is a risk that changes to the Australian Accounting Standards issued by the AASB or changes to the interpretation, implementation or enforcement of these standards could materially and adversely affect RXP and the financial position and performance reported in RXP's financial statements.

#### **p. Tax risk**

Changes to income tax (including capital gains tax), goods and services tax, withholding tax, payroll tax, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of the ATO or other practices of Tax authorities may change or adversely affect RXP's profitability and cash flow.

#### **q. Future dividends**

The payment of dividends on RXP Shares depends on a range of factors including the profitability of the RXP Group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the RXP Directors having regard to its operating results and financial position at the relevant time. There is no guarantee that existing levels of dividends paid, and the payout ratio will be maintained.

### **10.3 General risk factors**

The market price of RXP Shares, RXP's financial position and performance, and potential future dividends to RXP Shareholders are influenced by a number of factors in each country in which RXP operates and in other countries, including the following:

- changes in investor sentiment and overall performance of the Australian and international stock and credit markets;
- changes in general business, industry cycles (e.g. in digital services, consulting, and recruitment) and economic conditions including inflation, interest rates, exchange rates, commodity rates, employment levels and consumer demand;
- changes in government fiscal, monetary and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment rules;
- natural disasters, catastrophes and disease or pandemic (including the outbreak, escalation or impact of, and recovery from, the COVID-19 pandemic) and other macroeconomic occurrences, including but not limited to geopolitical events such as an outbreak of hostilities, acts of terrorism and declarations of war; and
- accounting standards which may affect the financial performance and position reported by RXP.

## **10.4 Specific risks relating to the Scheme**

### **a. The Scheme not becoming Effective**

If the Scheme does not become Effective, there will be potential consequences for RXP and to you as a RXP Shareholder. Some of these consequences are outlined in Section 6.7. In certain circumstances, a Reimbursement Fee may be payable by RXP if Scheme does not become Effective. These circumstances are summarised in Section 11.1(f).

The public nature of the proposed Scheme itself presents a potentially material risk in the event that the Scheme is ultimately not implemented for any reason. Though such a risk is difficult to quantify, the failure of the Scheme could negatively impact the perception of RXP as an employer, a service provider and a contractual counterparty. This is particularly the case given the generally positive reception the announcement of the Scheme has had, including amongst certain RXP Shareholders, and specific clients, personnel and other counterparties of the RXP Group.

Please seek your own advice before deciding on how to vote on the Scheme Resolution.

### **b. Use of resources**

As is the case with any entity proposing to undertake a transaction similar to the Scheme, the RXP Group's management is simultaneously focused on operating its business and undertaking matters with regard to the process of proposing and implementing the Scheme. This dual focus, together with the costs of the Scheme, will inevitably have an impact on the RXP Group's operational and financial performance and position in the event that the Scheme is not implemented.

### **c. Reputational risk**

As mentioned above, given the public nature of the Scheme, and its positive reception among certain stakeholders, in the event that the Scheme does not become Effective, there is a risk that the RXP Group could suffer reputational damage. Related to this, there is also a risk that RXP Group's personnel and/or counterparties experience a decline in morale as a result of the Scheme not being implemented. The materialisation of any such risks could negatively impact the RXP Group's short-term or long-term operating and financial performance.

### **d. Tax consequences for Scheme Shareholders**

If the Scheme proceeds, there may be Tax consequences for Scheme Shareholders. Scheme Shareholders should seek their own professional advice regarding the individual Tax consequences of the Scheme applicable to them.

For instance, as set out in Section 9, a CGT event will occur to the RXP Shareholders on Implementation of the Scheme and a capital gain may arise where the Scheme Consideration (less any Special Dividend amount paid) received by RXP Shareholders exceeds the cost base of the RXP Shares.

In relation to the Special Dividend (if paid), certain circumstances relating to whether an RXP Shareholder is a qualified person and related payment rules apply may impact the ability to access any franking credits for individual Shareholders.

Further general information on the Tax consequences of the Scheme is set out in Section 9.

#### **e. Unknown risks**

Additional risks and uncertainties not currently known to RXP may also have a material adverse effect on RXP's financial and operational performance. The information set out in this Section does not purport to be, nor should it be construed as representing, an exhaustive list of all the risks affecting RXP, its business or an investment in RXP.

# 11. ADDITIONAL INFORMATION

## 11.1 Summary of the Scheme Implementation Deed

### a. Overview

On 10 November 2020, RXP and Capgemini entered into the SID, under which RXP agreed to propose the Scheme to RXP Shareholders. A summary of some of the key terms of the SID is set out below.

A full copy of the SID is attached to the RXP's ASX announcement on 11 November 2020, which can be obtained from RXP's website at [www.rxp.services.com](http://www.rxp.services.com).

### b. Conditions Precedent

Implementation of the Transaction is subject to the following conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented:

- **FIRB Approval:** Capgemini receives written notice under the Foreign Acquisitions and Takeovers Act 1975 (Cth) ('FATA'), by or on behalf of the Treasurer advising that the Commonwealth Government has no objections to the Transaction, either unconditionally or on terms that are acceptable to Capgemini acting reasonably, or the Treasurer becomes precluded by the passage of time from making an order in relation to the Transaction under the FATA and the Transaction is not prohibited by the FATA, or where an interim order is made under the FATA in respect of the Transaction, the subsequent period for making a final order prohibiting the Transaction elapses without a final order being made. Following legislative changes which came into effect on 1 January 2021, the parties have agreed to waive the FIRB Approval condition. Capgemini has withdrawn its application to the FIRB.
- **ASIC and ASX:** ASIC and ASX issue or provide all relief, waivers, confirmations, exemptions, consents or approvals, and do all other acts, necessary which RXP and Capgemini agree in writing are desirable, to implement the Scheme or otherwise ensure Capgemini acquires all the issued securities of RXP and such relief, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) remain in full force and effect in all respects and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.

· **Shareholder Approval:** Scheme Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

· **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interest of RXP Shareholders before the time when this Scheme Booklet is registered by ASIC, and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date.

· **Court Approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.

· **Restraints:** between (and including) 10 November 2020 and 8.00am on the Second Court Date:

- there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
- no action or investigation is announced, commenced or threatened by any Government Agency; and
- no application is made to any Government Agency,

in consequence of, or in connection with, the Scheme which:

- restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to do so) the Scheme or completion of the Transaction, or the rights of Capgemini in respect of RXP or the RXP Shares to be acquired under the Scheme; or
- requires the divestiture by Capgemini of any RXP Shares or the divestiture of any assets of Capgemini (or its Affiliates or Subsidiaries) or RXP or its Subsidiaries,

unless such order, injunction decision, decree, action, investigation or application has been disposed of to the satisfaction of Capgemini acting reasonably, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.

· **No RXP Prescribed Occurrence:** no RXP Prescribed Occurrence occurs between (and including) 10 November 2020 and 8.00am on the Second Court Date.

· **No RXP Regulated Event:** no RXP Regulated Event occurs between (and including) 10 November 2020 and 8.00am on the Second Court Date.



- **No RXP Material Adverse Change:** no RXP Material Adverse Change occurs, is more likely than not to occur, or is discovered, announced, disclosed or otherwise becomes known to Capgemini, between (and including) 9 November 2020 and 8.00am on the Second Court Date.
- **RXP Representations and Warranties:** those of the representations and warranties of RXP set out in Schedule 3 of the SID that are (in addition to the qualifications set out in clause 7.5 of the SID) qualified as to materiality are true and correct in all material respects, and those such representations and warranties of RXP that are not qualified as to materiality are true and correct in all respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
- **Employee Retention:** 90% of the employees employed by RXP or its Subsidiaries on 10 November 2020 are employed by RXP or its Subsidiaries at 8.00am on the Second Court Date.
- **Key Manager Retention:** 90% of those employees of RXP (or its Subsidiaries) as at 10 November 2020 who receive an employment package valued in excess of \$200,000 per annum (including compensation, incentives, bonuses, variable remuneration, superannuation and any other benefits) are employed by RXP (or its Subsidiaries) at 8.00am on the Second Court Date.
- **Material Contracts:** At 8.00am on the Second Court Date
  - RXP has received a written confirmation from each of its Key Clients which has any Relevant Rights stating that it agrees not to exercise such Relevant Rights; and
  - a Relevant Right has been exercised in respect of less than three Material Contracts (where for this purpose Material Contracts do not include Material Contracts with Key Clients).
- **Non-Solicitation and Non-Compete:** RXP's Chief Executive Officer has entered into non-solicitation and non-compete agreements with RXP or one of its Subsidiaries or Capgemini in a form acceptable to Capgemini (acting reasonably) with non-solicitation and non-competition restrictions for a period of 12 months from the date of cessation of employment applicable within Australia and New Zealand.
- **Maximum Net Debt Amount:** on the last day of the calendar month before each of the Scheme Meeting and the Second Court Date (each a 'Relevant Date') RXP provides written evidence to Capgemini that establishes to Capgemini's reasonable satisfaction that as at the Relevant Date, RXP's 'Net Debt' (as defined in the SID) is equal to or less than \$13,000,000.

· **Performance Rights:** RXP has complied with all of its obligations under clause 4.4 of the SID at 8.00am on the Second Court Date, other than those obligations which are not required to be complied with until after that time. These obligations include, subject to clause 4.4 of the SID, paying an aggregate cash amount of \$1,580,689 to eight executives of RXP as part of the bonus component of their remuneration in respect of the financial year ending 30 June 2021, and taking such action as is necessary to ensure that, prior to the Scheme Record Date, the 453,806 performance rights that have been issued to two participants under the “RXP Services Limited FY20 STI/DSTI Plan” (in respect of the financial year ended 30 June 2020) will vest in accordance with their terms and be exercised (if applicable).

Conditions Precedent relating to “Shareholder Approval” and “Court Approval” cannot be waived. Full details of the Conditions Precedent and the rights of RXP and Capgemini respectively in relation to the satisfaction or waiver of these conditions are set out in clause 3 of the SID, or as otherwise disclosed to ASX or in this Scheme Booklet.

As at the date of this Scheme Booklet, the RXP Directors are not aware of any reason why these conditions should not be satisfied or waived (where capable of waiver and not already waived as at the date of this Scheme Booklet).

### c. Exclusivity

Clause 11 of the SID contains certain exclusivity arrangements in favour of Capgemini. These arrangements are summarised as follows:

- **No existing discussions:** RXP represented and warranted to Capgemini, as at 10 November 2020, that it and each of its Related Bodies Corporate and their respective Related Persons:
  - is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating a Competing Proposal;
  - is not participating in any discussions, negotiations or other communications, and has terminated any existing discussions, negotiations or other communications, in relation to a Competing Proposal, or which could reasonably be expected to lead to a Competing Proposal;
  - has ceased to provide or make available any non-public information in relation to RXP (or its Subsidiaries) to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Proposal, and has enforced all rights it has to call for the immediate return and/or destruction of that non public information previously provided or made available to any Third Party; and
  - must not waive the provisions of any confidentiality or standstill agreement with any Third Party.

• **No shop restrictions:** During the Exclusivity Period, RXP must ensure that neither it nor its Related Persons or Related Bodies Corporate (or the Related Persons of those Related Bodies Corporate) directly or indirectly solicits, invites, encourages or initiates (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal, discussion or other communication by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do any of the foregoing.

• **No talk restrictions:** Subject to the 'fiduciary carve out' described below, during the Exclusivity Period, RXP must ensure that neither it nor its Related Persons or Related Bodies Corporate (or the Related Persons of those Related Bodies Corporate) directly or indirectly:

- facilitates, participates in or continues any negotiations, discussions or other communications with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
- negotiates, accepts or enters into, or offers or agrees to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
- discloses or otherwise provides or makes available any non-public information about the business or affairs of the group comprising RXP and its Subsidiaries to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the group comprising RXP and its Subsidiaries) whether by that Third Party or another person; or
- communicate to any person an intention to do anything referred in the above paragraphs.

• **Fiduciary carve out:** The 'no talk restrictions' described above do not prohibit any action or inaction by RXP, any of its Related Bodies Corporate or any of their respective Related Persons, in relation to an actual, proposed or potential Competing Proposal if the RXP Board determines acting in good faith that: (1) after consultation with its advisers, such actual, proposed or potential Competing Proposal is a Superior Proposal or could reasonably be expected to become a Superior Proposal; and (2) after receiving written legal advice from its external legal advisers, compliance with those 'no talk restrictions' would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of RXP, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of the 'no shop restrictions' described above.

• **Notification of approaches:** During the Exclusivity Period, RXP must, as soon as possible, and in any event within 24 hours of becoming aware of such matter, notify Capgemini of any negotiations, discussions or other communications (or any actual or intended approach or attempt to initiate the foregoing) in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal. This obligation also extends to any proposal in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal, or the provision of any non-public information concerning the business or operations of the group comprising RXP and its Subsidiaries to a Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal. Any such notification must include all known material terms and conditions of the actual, proposed or potential Competing Proposal (including price and form of consideration, conditions precedent, proposed deal protection arrangements, the identity of the bidder and timetable). Any material change to such information previously provided to Capgemini must also be notified to Capgemini during the Exclusivity Period.

• **Matching rights:** During the Exclusivity Period, RXP must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding pursuant to which it is proposed that an actual, proposed or potential Competing Proposal will be undertaken or given effect, and RXP must procure that none of its directors change their recommendation in favour of the Scheme or publicly recommend an actual, proposed or potential Competing Proposal or make any public statement to the effect that they may do so at a future point, in each case unless each of the following criteria are met:

- the RXP Board determines (acting in good faith and with its members satisfying what they consider to be their statutory or fiduciary duties, having received legal advice) that the Competing Proposal is, or would be or would be reasonably likely to be an actual, proposed or potential, Superior Proposal;
- RXP has provided Capgemini with the identity of the Third Party making the actual, proposed or potential Competing Proposal, the material terms and conditions of the Competing Proposal to the extent known, and the basis on which the RXP Board has concluded that the Competing Proposal is superior; and
- RXP has given Capgemini a period of at least 5 French Business Days after the date of the provision of such information to provide a matching or superior proposal and, Capgemini does not announce or otherwise formally propose to RXP a matching or superior proposal within that period.

If Capgemini announces or otherwise formally proposes to RXP a matching or superior proposal within the period described above, the RXP Board must consider the counterproposal and if the RXP Board (acting reasonably and in good faith) determines that the counterproposal would provide an equivalent or superior outcome for Scheme Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the counterproposal, then RXP and Capgemini must use their best endeavours to agree the amendments to the SID, the Scheme and the Deed Poll (as applicable) that are reasonably necessary to reflect the counterproposal and to implement the counterproposal, in each case as soon as reasonably practicable, and RXP must procure that each of its directors continues to recommend the Scheme, as modified, to RXP Shareholders.

#### **d. RXP Board Recommendation**

RXP must procure that, subject to the paragraph below, the RXP Directors unanimously recommend that RXP Shareholders (other than the Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interest of RXP Shareholders, and that this Scheme Booklet includes a statement by the RXP Board to that effect.

RXP must procure that the RXP Board collectively, and the RXP Directors individually, do not adversely change, withdraw, adversely modify or adversely qualify (or make a public statement which is inconsistent with) its or their recommendation to vote in favour of the Scheme unless:

- the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) provided to RXP concludes that the Scheme is not in the best interest of RXP Shareholders;
- RXP has received a Superior Proposal;
- the change, withdrawal, modification or qualification occurs because of a requirement or request by a court or Government Agency that one or more RXP Directors abstain or withdraw from making a recommendation that RXP Shareholders vote in favour of the Scheme after 10 November 2020; or
- the RXP Board has determined, after receiving written legal advice from its external legal advisers, that by virtue of the directors' duties of the RXP Directors, it is required to change, withdraw or modify its recommendation,

and RXP has complied with certain other obligations under the SID, including those summarised under Section 11.1(c) above ('Exclusivity').

RXP's obligations regarding the recommendation of the RXP Board are set out in clause 5.7 of the SID.

It is noted that the RXP Directors have unanimously recommended that you vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of RXP Shareholders. When considering the recommendation of Ross Fielding (RXP's Chief Executive Officer and a RXP Director) on the Scheme, RXP Shareholders should have regard to the specific arrangements described in Section 7.13(b).

#### **e. Termination Rights**

Either RXP or Capgemini may terminate the SID by written notice to the other party:

- at any time before 8.00am on the Second Court Date if the other party has materially breached the SID (other than in respect of a breach of a representation or warranty given under the SID), the party wishing to terminate has given written notice to the party in breach setting out the relevant circumstances and stating an intention to terminate the SID, and the party in breach has failed to remedy the breach within five Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date);



- at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Scheme, or has refused to do anything necessary to permit the Scheme to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of an appeal or review succeeding by the End Date;
- in accordance with clause 3.4 of the SID for non-satisfaction of the Conditions Precedent;
- if the Effective Date for the Scheme has not occurred on or before the End Date (other than as a result of any breach of the SID by the party purporting to terminate); or
- if the RXP Shareholders have not agreed to the Scheme at the Scheme Meeting by the requisite majorities.

Capgemini may terminate the SID by written notice to RXP at any time before 8.00am on the Second Court Date if:

- a RXP Material Adverse Change, RXP Regulated Event or RXP Prescribed Occurrence occurs, or is discovered, announced, disclosed or otherwise becomes known to Capgemini;
- any member of the RXP Board (i) fails to recommend the Scheme, (ii) withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that RXP Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, or (iii) makes a public statement indicating that he or she no longer recommends the Scheme or recommends, supports or endorses another transaction (including any Competing Proposal, but excluding a statement that no action should be taken by Scheme Shareholders pending assessment of a Competing Proposal by the RXP Board or the completion of the matching right process described above), in each case other than where any RXP Director is required or requested by a court or Government Agency to abstain or withdraw from making a recommendation that RXP Shareholders (other than Excluded Shareholders) vote in favour of the Scheme; or
- in any circumstances RXP enters into any legally binding agreement, arrangement or understanding in relation to the undertaking or giving effect to any actual, proposed or potential Competing Proposal.

RXP may terminate the SID by written notice to Capgemini at any time before 8.00am on the Second Court Date if a majority of the RXP Board has changed, withdrawn, modified or qualified its recommendation to vote in favour of the Scheme (as permitted under clause 5.7 of the SID) and, if required to do so (see Section 11(f) below), RXP pays the Reimbursement Fee to Capgemini.

#### **f. Reimbursement Fee**

RXP has agreed to pay a reimbursement fee of \$954,700 (Reimbursement Fee) to Capgemini if:

- during the Exclusivity Period, one or more members of the RXP Board withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that RXP Shareholders (other than Excluded Shareholders) vote in favour of the Scheme or fails to recommend that RXP Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, (including by supporting, recommending or endorsing a Competing Proposal), unless:
  - the Independent Expert concludes in the Independent Expert's Report or any update of, or any revision, amendment or supplement to, that report that the Scheme is not in the best interest of RXP Shareholders (except where that conclusion is due to the existence, announcement or publication of a Competing Proposal);
  - RXP is entitled to terminate the SID for material breach of that document by Capgemini (including a material breach of a representation or warranty given by Capgemini) and has given the appropriate termination notice to Capgemini; or
  - RXP is entitled to terminate the SID in accordance with clause 3.4 of that document as a result of the non-satisfaction of the 'Restraints' Conditions Precedent (unless the non-satisfaction was due to events, matters or circumstances within the control of the group comprising RXP and its Subsidiaries) and has given the appropriate termination notice to Capgemini;
- a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party to which the Competing Proposal relates, or any Associate of that Third Party completes a Competing Proposal of a kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal, or otherwise acquires (either alone or in aggregate) a Relevant Interest in more than 50% of the RXP Shares or otherwise acquires (either alone or in aggregate) Control of RXP;



- Capgemini has terminated the SID for material breach of the SID by RXP (including a material breach of a representation or warranty given by RXP), or where a RXP Regulated Event or RXP Prescribed Occurrence (but not RXP Material Adverse Change) occurs, or is discovered, announced, disclosed or otherwise becomes known to Capgemini, and the Scheme does not complete. This obligation will not be triggered in connection with a breach of RXP's obligation under clause 5.4(a)(7) of the SID (i.e. the obligation to provide Capgemini monthly confirmations that it has not received a notice of termination, non-renewal, material breach or similar, from the counterparties of certain key contracts) or clause 5.5 of the SID (i.e. the obligation to discharge all contractual obligations in respect of material contracts requiring the relevant RXP Group member to give notice to, or to apply for the approval or consent of, a Third Party in connection with the change in control of RXP resulting from implementation of the Scheme, or otherwise in connection with the SID or the transactions contemplated by it);
- there is a breach by RXP of the matching right obligations described in Section 11.1(c) above; or
- the Court fails to approve the terms of the Scheme for which the approval of the requisite RXP Shareholders has been obtained primarily as the result of a material non-compliance by RXP with any of its obligations under the SID.

Provided none of the conditions triggering payment of the Reimbursement Fee summarised above has occurred, the Reimbursement Fee is not payable if the Scheme Resolution is not approved by RXP Shareholders.

The Reimbursement Fee is not payable if the Scheme becomes Effective despite the occurrence of any of the events described above. If an amount has been paid and then the Scheme subsequently becomes Effective, such amount must be refunded by Capgemini to RXP.

For full details of the Reimbursement Fee, see clause 12 of the SID.

## **11.2 Equity and other incentive arrangements**

### **a. RXP Services Limited FY20 STI Deferral Plan**

Pursuant to the plan titled 'RXP Services Limited FY20 STI Deferral Plan', which relates to the financial year ended 30 June 2020, 453,806 performance rights have been granted to executives of RXP as follows:

- 352,952 performance rights have been granted to Kevin Brough; and
- 100,854 performance rights have been granted to Jared Hill, as referred to in RXP's 2020 Annual Report.

These performance rights remain the only performance rights on issue in RXP as at the Last Practicable Date. Each vested performance right entitles its holder to acquire one RXP Share.

Pursuant to the terms of the above plan, all performance rights will vest and be automatically exercised on a “Change of Control”, which is relevantly defined in the plan to include approval of a resolution of RXP to propose a scheme of arrangement to its shareholders or send a notice of meeting proposing resolutions to approve a scheme of arrangement by RXP’s shareholders, or a scheme of arrangement becoming effective in accordance with section 411(10) of the Corporations Act.

Accordingly, the above performance rights will vest and be automatically exercised on the Effective Date. On vesting of the performance rights, RXP intends to issue new RXP Shares to the RXP Employee Share Scheme (ESS) Trust established for the purposes of the above plan. This will enable the relevant holders to participate in the Scheme and receive the Scheme Consideration (less any Special Dividend amount paid).

b. Accelerated incentive payments

Pursuant to their respective remuneration packages in respect of the financial year ending 30 June 2021, eight executives of RXP have ‘short term incentive’ and ‘deferred STI’ components of their remuneration that will become payable on a “Change of Control”, which is defined consistently with the definition of that term in the ‘RXP Services Limited FY20 STI Deferral Plan’ (refer Section 11.2(a) above). Accordingly, these cash payments are proposed to be made to the relevant executives on the Effective Date. Each such payment is conditional on the relevant executive signing a deed of release in relation to the incentives to which he or she is, or may be, entitled in respect of the financial year ending 30 June 2021, with such deed to be in the form required by RXP.

The combined value of the above-described incentive payments in respect of each such executive is as follows:

- Adam Donnelley - \$115,800;
- Bridget Candy - \$23,600;
- Damian Pincus - \$108,900;
- David Royale - \$165,097;
- Jared Hill - \$220,252;
- Kevin Brough - \$268,773;
- Maria Dimopoulos - \$104,180; and
- Ross Fielding - \$574,087.

Of the above executives, only Ross Fielding is a RXP Director.

Pursuant to the arrangements described above, Mr Fielding will, on the Effective Date, become entitled to an accelerated cash payment of \$574,087, conditional on Mr Fielding signing a deed of release in the required form.

RXP Shareholders should have regard to the above arrangements when considering Mr Fielding's recommendation on the Scheme, which appear throughout this Scheme Booklet. Given the importance of the Scheme and Mr Fielding's role in the management of RXP, Mr Fielding considers that it is appropriate for him to make a recommendation on the Scheme. The RXP Board has, in the absence of Mr Fielding, determined that Mr Fielding can, and should if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature and quantum of the benefits (being the benefits described in this Section) Mr Fielding will receive if the Scheme becomes Effective. In addition, as at the Last Practicable Date, Mr Fielding holds or controls 9,301,208 RXP Shares.

### 11.3 Consents and disclaimers

The following parties have given and have not, before the date of this Scheme Booklet, withdrawn their written consent:

- to be named in this Scheme Booklet in the form and context in which they are named; and
- if applicable, to the inclusion of each statement made by them (and each statement based on statements made by them) (if any) in the form and content in which these statements appear in this Scheme Booklet.

NAME	ROLE
Findex Corporate Finance (Aust) Ltd	Financial Adviser to RXP
SBA Law	Legal Adviser to RXP
Pitcher Partners	Auditor of RXP
Computershare	Manager of RXP Share Register
Lonergan Edwards & Associates	Independent Expert Report writer

Lonergan Edwards has given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the Independent Expert's Report in the form and context in which it appears in Schedule 1 and references to the Independent Expert's Report in the form and context in which they appear.

Capgemini has:

- accepted responsibility for the Capgemini Information; and
- given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the Capgemini Information in the form and context in which it appears in this Scheme Booklet.

Capgemini and each person named in the previous table:

- does not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than (to the extent applicable) those statements included in this Scheme Booklet with the consent of that party as specified in this Section; and
- has not authorised or caused the issue of the Scheme Booklet.

None of RXP or any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Capgemini Information or any information contained in the Independent Expert's Report, except in relation to any information which RXP has provided to the Independent Expert.

None of Capgemini or any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the RXP Information or any information contained in the Independent Expert's Report.

#### **11.4 Transaction Costs**

RXP estimates that it will incur approximately \$1.3 million (excluding GST but including disbursements) in external transaction costs which relate to the Scheme. This includes advisory fees (including for RXP's financial and legal advisers), the Independent Expert's fees, registry, Court fees, printing and mailing costs and expenses associated with convening and holding the Scheme Meeting but excludes any insurance premium for the directors' and officers' run-off insurance run-off cover, and all costs associated with any Third Party Proposal.

Of this, RXP estimates that it will incur between approximately \$0.4 million – \$0.5 million (excluding GST but including disbursements) in external transaction costs regardless of whether or not the Scheme is implemented, excluding any Reimbursement Fee which may become payable.

## **11.5 Status of Conditions Precedent**

As at the Last Practicable Date, subject to the matters disclosed in Section 6.6, none of the other Conditions Precedent have been satisfied or waived.

## **11.6 Warranty by Scheme Shareholders**

The Scheme provides that each Scheme Shareholder is taken to have warranted to RXP and Capgemini that

- all of their RXP Shares (including any rights and entitlements attaching to those RXP Shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their RXP Shares to Capgemini together with any rights and entitlements attaching to those shares; and
- they have no existing right to be issued any RXP Shares, RXP options, RXP performance rights, RXP convertible notes or any other RXP securities, other than the right to be issued RXP Shares upon the exercise of RXP options (as appropriate).

## **11.7 Regulatory relief**

No ASIC or ASX relief was required for the purposes of the Scheme or the issue of this Scheme Booklet.

## **11.8 No unacceptable circumstances**

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

## **11.9 No other material information**

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any RXP Director, as at the Last Practicable Date, which has not been previously disclosed to RXP Shareholders.

## 11.10 Supplementary disclosure

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

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

Depending on the nature and timing of the changed circumstances, and subject to compliance with any relevant laws and/or obtaining any relevant approvals, RXP may circulate and publish any supplementary document by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to RXP Shareholders at their address shown on the RXP Share Register; and/or
- posting a statement on RXP's website at [www.rxp-services.com](http://www.rxp-services.com),

as RXP, in its absolute discretion, considers appropriate.

# 12. GLOSSARY AND INTERPRETATION

## 12.1 Glossary

QUESTION	ANSWER
\$	The Australian Dollar.
<b>Affiliate</b>	<p>In respect of a person ('Primary Person'), a person:</p> <ul style="list-style-type: none"><li>a. Controlled directly or indirectly by the Primary Person;</li><li>b. Controlling directly or indirectly the Primary Person;</li><li>c. who is Controlled, directly or indirectly, by a person or persons who Control the Primary Person; or</li><li>d. directly or indirectly under the common Control of the Primary Person and another person or persons.</li></ul>
<b>All Ordinaries</b>	An index made up of the share prices for the top 500 ASX-listed companies (ASX: XAO).
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to the SID and RXP was the designated body.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
<b>ASX Listing Rules</b>	The official listing rules of the ASX.
<b>ATO</b>	The Australian Taxation Office.
<b>Australian Accounting Standards</b>	The set of accounting standards applicable to Australian private and public entities.
<b>Bloomberg</b>	Bloomberg L.P. (third party provider of financial market data).

<b>Business Day</b>	A day on which all banks are open for business generally in Melbourne, Australia, other than a Saturday, Sunday, or public holiday.
<b>Capgemini</b>	Capgemini Australia Pty Limited (ACN 092 284 314).
<b>Capgemini Information</b>	All information contained in Section 8.
<b>Capgemini Group</b>	Capgemini, Capgemini SE and each of their respective Related Entities.
<b>Capgemini SE</b>	Capgemini SE, a European Company, registered with the French Trade Registry under number 330 703 844 RCS Paris, located at 11, rue de Tilsitt, 75017, Paris, France.
<b>Capital IQ</b>	S&P Capital IQ (third party provider of financial market data).
<b>CEO</b>	Chief Executive Officer.
<b>CFO</b>	Chief Financial Officer.
<b>CGT</b>	Capital Gains Tax.
<b>Computershare</b>	Computershare Investor Services Pty Ltd, the share registrar of RXP.
<b>Competing Proposal</b>	<p>Any proposal, agreement, arrangement or transaction (or expression of interest therefor), which, if entered into or completed, would mean a person other than Capgemini or its Affiliates or other Associates (either alone or together with any Associate) would:</p> <p>a. directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 15% or more of the RXP Shares or of the share capital of any material Subsidiary of RXP;</p> <p>b. acquire Control of RXP or any material Subsidiary of RXP;</p>



c. directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of RXP's business or assets or the business or assets of the group comprising RXP and its Subsidiaries;

d. otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction (as those terms are used in s413(1) of the Corporations Act), with RXP or a material Subsidiary of RXP; or

e. require RXP to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.

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

**Condition Precedent**

A condition set out in clause 3.1 of the SID.

**Control**

Has the meaning given in section 50AA of the Corporations Act and Controlled and Controlling have corresponding meanings.

**Corporations Act**

The Corporations Act 2001 (Cth).

<b>Corporations Regulations</b>	The Corporations Regulations 2001 (Cth).
<b>Court</b>	The Federal Court of Australia or any other court nominated by RXP.
<b>COVID-19</b>	Refers to the current Coronavirus pandemic.
<b>Deed Poll</b>	A deed poll in the form contained in Schedule 3 or in such other form as agreed by Capgemini and RXP to be executed by Capgemini, under which Capgemini covenants in favour of each Scheme Shareholder to perform the obligations attributed to Capgemini under the Scheme.
<b>Disclosure Materials</b>	<p>a. The documents and information contained in the data room made available by RXP to Capgemini and its Related Persons; and</p> <p>b. written responses from RXP and its Related Persons to requests for further information made by Capgemini and its Related Persons and uploaded in the data room.</p>
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation.
<b>Effective</b>	The time at which the Scheme Order takes effect pursuant to section 411(10) of the Corporations Act.
<b>Effective Date</b>	The date on which the Scheme becomes Effective.
<b>End Date</b>	The date being 31 May 2021, or such other later date as agreed in writing by RXP and Capgemini.
<b>Excluded Amounts</b>	<p>a. The accelerated incentive payments proposed to be made to eight executives of RXP on the terms referred to in Section 11.2(b), being an aggregate amount not exceeding \$1,580,689; and</p> <p>b. all reasonably incurred costs and expenses of RXP (including those of its lawyers and financial advisers) in connection with the negotiation, preparation, execution, delivery and performance of the SID and the proposed, attempted or actual implementation of the SID and the Transaction.</p>
<b>Excluded Shareholder</b>	Any RXP Shareholder who is Capgemini or any of its Associates or Subsidiaries or by any person on behalf of it, or for the benefit of, Capgemini or any of its Associates or Subsidiaries

<b>Exclusivity Period</b>	<p>The period from and including 10 November 2020 to the earlier of:</p> <ol style="list-style-type: none"> <li>the date of termination of the SID;</li> <li>the End Date; and</li> <li>the Effective Date.</li> </ol>
<b>Fairly Disclosed</b>	Disclosed to Capgemini or any of its Related Persons, to a sufficient extent, and in sufficient detail, so as to enable a reasonable bidder (or one of its Related Persons) experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the group comprising and RXP and its Subsidiaries, to identify the nature and scope of the relevant matter, event or circumstance.
<b>Financial Adviser</b>	Any financial adviser retained by RXP or Capgemini in relation to the Transaction or a Competing Proposal from time to time.
<b>Findex</b>	RXP's financial adviser, Findex Corporate Finance (Aust) Limited (ABN 95 001 508 363).
<b>FIRB</b>	Foreign Investment Review Board.
<b>First Court Date</b>	The first day of the First Court Hearing or, if the First Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
<b>First Court Hearing</b>	The hearing of the application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened.
<b>French Business Day</b>	A day that is not a Saturday, Sunday or a public holiday or bank holiday in Paris, France.
<b>FY19</b>	The 12 months ended 30 June 2019.
<b>FY20</b>	The 12 months ended 30 June 2020.
<b>Government Agency</b>	Any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

<b>GST</b>	The meaning given to that term in the GST Act.
<b>GST Act</b>	The A New Tax System (Goods and Services Tax) Act 1999 (Cth).
<b>Implementation Date</b>	The fifth Business Day following the Scheme Record Date, or such later date as ordered by the Court or agreed between RXP and Capgemini, which at the date of this Scheme Booklet is currently expected to be on or around 26 March 2021.
<b>Independent Expert</b>	Lonergan Edwards & Associates Limited, the independent expert appointed by RXP.
<b>Independent Expert's Report</b>	The report issued by the Independent Expert in connection with the Scheme, setting out the Independent Expert's opinion whether or not the Transaction is in the best interest of RXP Shareholders (other than Excluded Shareholders) and the reasons for holding that opinion, for inclusion in the Scheme Booklet and attached as Schedule 1.
<b>Key Clients</b>	Each of RXP's top three clients by revenue for the 12 month period ended 30 June 2020 (as agreed by RXP and Capgemini).
<b>Last Practicable Date</b>	25 January 2021, being the last practicable date before finalising information in this Scheme Booklet to which this definition relates.
<b>Last Undisturbed Share Price</b>	The RXP Share price of \$0.34 at the close of trade on 10 November 2020, the last full trading day prior to the announcement of the SID.
<b>Lonergan Edwards</b>	Lonergan Edwards & Associates Limited ABN 53 095 445 560
<b>Listing Rules</b>	The official listing rules of ASX.
<b>Material Contracts</b>	Each agreement between, on one hand, one or more of RXP and its Subsidiaries and, on the other hand, the parties as agreed between RXP and Capgemini.
<b>Notice of Scheme Meeting</b>	The notice of meeting for the Scheme Meeting attached as Schedule 4.
<b>Official List</b>	The official list of entities that ASX has admitted and not removed.

<b>Regulatory Authority</b>	Any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial entity, commission, tribunal, agency or authority or any Minister, department, officer or delegate of any government. It includes a self-regulatory organisation established under statute or a stock exchange, ASIC, ASX, FIRB, the ATO, and any Office of State Revenue.
<b>Reimbursement Fee</b>	The meaning given in Section 11.1(f). This is a fee which may in certain circumstances be payable by RXP to Capgemini in accordance with clause 12 of the SID.
<b>Related Bodies Corporate</b>	Has the meaning set out in section 50 of the Corporations Act.
<b>Related Entity</b>	<p>In respect of a person, means another entity which:</p> <ul style="list-style-type: none"> <li>a. is a Related Body Corporate of the first entity;</li> <li>b. is in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the person; or</li> <li>c. the person Controls.</li> </ul>
<b>Related Person</b>	<ul style="list-style-type: none"> <li>a. in respect of a person or its Affiliates or Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that person or Affiliate or Related Body Corporate; and</li> <li>b. in respect of a Financial Adviser, each director, officer, employee or contractor of that Financial Adviser.</li> </ul>
<b>Relevant Interests</b>	Has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Relevant Right</b>	<p>In respect of a contract to which RXP or its Subsidiary is a party, a right to:</p> <ul style="list-style-type: none"> <li>a. terminate, cancel, or rescind the contract or any party of it;</li> <li>b. vary, amend or modify that contract;</li> <li>c. exercise, enforce or accelerate any right under that contract (including rights of pre-emption); or</li> <li>d. benefit from the operation of a provision which automatically terminates, varies, amends or modifies that contract,</li> </ul> <p>(including where that that Relevant Right is subject to (x) the satisfaction or failure of a contingency or condition or (y) one or more of the Conditions Precedent being satisfied or waived or (z) the effluxion of time) as a direct or indirect result of:</p> <ul style="list-style-type: none"> <li>e. Capgemini entering into the SID;</li> <li>f. RXP performing its obligations under the SID;</li> </ul>

- g. any public announcement or public disclosure of the Transaction;
- h. Capgemini (or its Subsidiary or Affiliate) acquiring, or acquiring a Relevant Interest in, any RXP Shares;
- i. Capgemini (or its Subsidiary or Affiliate) acquiring control of RXP;
- j. Capgemini (or its Subsidiary or Affiliate) implementing or seeking to implement any of its intentions for RXP as described in this Scheme Booklet; or
- k. any RXP Director supporting the Scheme or making a recommendation that Scheme Shareholders vote in favour of the Scheme.

### **Requisite Majorities**

The threshold for approval of the Scheme Resolution set out in Section 6.9(a), being votes in favour of the resolution received from:

- a. unless the Court orders otherwise, a majority in number (more than 50%) of RXP Shareholders present and voting at the Scheme Meeting (including, by proxy, by attorney or, in the case of corporate RXP Shareholders, by a corporate representative); and
- b. at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.

### **RXP**

RXP Services Limited (ACN 146 959 917).

### **RXP Board**

The board of directors of RXP.

### **RXP Director**

Each of the directors of RXP as of the date of the Scheme Booklet.

### **RXP Group**

RXP and each of its Related Entities.

### **RXP Information**

All information regarding RXP provided by or on behalf of RXP for inclusion in this Scheme Booklet (and any information derived from, or prepared in reliance on, such information) and any updates to that information prepared by or on behalf of RXP, and all other statements of intention or belief of RXP that relate to the Transaction, and includes all of the information contained in Section 7.

## **RXP Material Adverse Change**

An event, change, condition, matter, circumstance or thing occurring after 10 November 2020, or on or before such date which is only announced or publicly disclosed after such date or which is otherwise agreed in writing between RXP and Capgemini, (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur has had or would be considered reasonably likely to have:

a. the effect of a diminution in the value of the consolidated net assets of the group comprising RXP and its Subsidiaries (including without limitation, in connection with the exercise of a Relevant Right), taken as a whole, by at least \$5,000,000 against the value of the consolidated net assets of that group, taken as a whole, as at 30 June 2020, with the Excluded Amounts, and any impairment, other than any impairment in connection with the exercise of a Relevant Right, resulting from or in connection with the transactions contemplated by the Scheme, the Transaction and/or the SID, to be excluded in calculating any such diminution;

b. the effect of a diminution of earnings before interest and tax ('EBIT') of the group comprising RXP and its Subsidiaries, taken as a whole (including without limitation, in connection with the exercise of a Relevant Right):

of at least \$4.2 million in that group's financial year ending 30 June 2021, as against the management budget for that financial year; or

in the financial year ending 30 June 2022, as against the target EBIT for that financial year agreed between RXP and Capgemini in writing,

(and for this purpose the full year effect of any diminution of EBIT must be applied in the relevant periods), with the Excluded Amounts to be excluded in calculating any such diminution to the extent that such Excluded Amounts do not include any costs or expenses related to Relevant Rights; or

c. the effect of ceasing or preventing the carrying on of the businesses and operations of the group comprising RXP and its Subsidiaries in substantially the same manner as those businesses and operations are carried on as at 10 November 2020,

other than those events, changes, conditions, matters, circumstances or things:

d. required or permitted by the SID, the Scheme or the transactions contemplated by either;

- e. that are Fairly Disclosed in the Disclosure Materials (unless otherwise agreed in writing by RXP and Capgemini);
- f. agreed to in writing by Capgemini;
- g. arising as a result of any generally applicable change in law (including subordinate legislation) or governmental policy; or
- h. that RXP Fairly Disclosed in an announcement made by RXP to ASX, or a publicly available document lodged by it with ASIC, in the two year period prior to 10 November 2020.

#### **RXP Prescribed Occurrence**

Other than as:

- a. required or permitted by the SID, the Scheme or the transactions contemplated by either;
- b. Fairly Disclosed in the Disclosure Materials;
- c. agreed to in writing by Capgemini; or
- d. Fairly Disclosed by RXP in an announcement made by RXP to ASX, or a publicly available document lodged by it with ASIC, in the two year period prior to 10 November 2020 or which would be disclosed in a search of ASIC records or ASX announcements in relation to RXP or a Subsidiary of RXP (as relevant), in the two year period prior to 10 November 2020,

the occurrence of any of the following:

- e. RXP converting all or any of its shares into a larger or smaller number of shares;
- f. RXP or one of its Subsidiaries resolving to reduce its share capital in any way;
- g. RXP or one of its Subsidiaries entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under the Corporations Act;
- h. RXP or one of its Subsidiaries issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than to a directly or indirectly wholly-owned Subsidiary of RXP or as a result of the exercise of performance rights following their vesting under the 'RXP Services Limited FY20 STI Deferral Plan';



- i. a RXP or one of its Subsidiaries issuing or agreeing to issue securities convertible into shares;
- j. RXP or one of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- k. RXP or one of its Subsidiaries granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due or a 'Permitted Security Interest' (as defined in the SID); or
- l. an 'Insolvency Event' (as defined in the SID) occurs in relation to RXP or one of its Subsidiaries.

#### **RXP Regulated Event**

Other than as:

- a. required or permitted by the SID, the Scheme or the transactions contemplated by either;
  - b. Fairly Disclosed in the Disclosure Materials;
  - c. agreed to in writing by Capgemini; or
  - d. Fairly Disclosed by RXP in an announcement made by RXP to ASX, or a publicly available document lodged by it with ASIC, in the two year period prior to 10 November 2020 or which would be disclosed in a search of ASIC records or ASX announcements in relation to RXP or a Subsidiary of RXP (as relevant), in the two year period prior to 10 November 2020,
- the occurrence of any of the following:
- e. RXP or one of its Subsidiaries reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
  - f. a RXP or one of its Subsidiaries acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset or business, or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in (i) the manner in which the RXP Group conducts its business; (ii) the nature (including balance sheet classification), extent or value of the assets of the RXP Group; or (iii) the nature (including balance sheet classification), extent or value of the liabilities of the RXP Group;

g. Capgemini becoming aware that the representation and warranty given by RXP in paragraph (j) of Schedule 3 of the SID ('capital structure') is inaccurate;

h. other than the Special Dividend, RXP announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie);

i. RXP amending the terms of the 'RXP Services Limited FY20 STI Deferral Plan' other than in accordance with the terms of the SID;

j. RXP or one of its Subsidiaries making any change to its constitution;

k. RXP or one of its Subsidiaries commencing business activities not already carried out as at 10 November 2020, whether by way of acquisition or otherwise;

l. RXP or one of its Subsidiaries acquiring, leasing or disposing of; agreeing, offering or proposing to acquire, lease or dispose of; or announcing or proposing a bid, or tendering, for, any business, assets, entity or undertaking, the value of which exceeds \$500,000 (individually or in aggregate);

m. a member of the RXP Group entering into a contract or commitment restraining a member of the RXP Group from competing with any person or conducting activities in any market;

n. RXP or one of its Subsidiaries: (i) entering into any contract or commitment (including in respect of 'Financial Indebtedness' as defined in the SID) requiring payments by the RXP Group in excess of \$500,000 (individually or in aggregate) other than any payment required by law; (ii) without limiting the foregoing, agreeing to incur or incurring capital expenditure of more than \$500,000 (individually or in aggregate) or incurring any 'Financial Indebtedness' (as defined in the SID) of an amount in excess of \$500,000 (individually or in aggregate); (iii) waiving any material third party default where the financial impact on the RXP Group will be in excess of \$500,000 (individually or in aggregate); or (iv) accepting as a compromise of a matter less than the full compensation due to a member of the RXP Group where the financial impact of the compromise on the RXP Group is more than \$500,000 (individually or in aggregate);

- o. a member of the RXP Group providing financial accommodation other than to members of the RXP Group (irrespective of what form of 'Financial Indebtedness' (as defined in the SID) that accommodation takes) in excess of \$500,000 (individually or in aggregate);
- p. RXP or one of its Subsidiaries entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
- q. RXP or one of its Subsidiaries entering into, or resolving to enter into, a transaction with any related party of RXP (other than a related party which is RXP or one of its Subsidiaries), as defined in section 228 of the Corporations Act;
- r. RXP or one of its Subsidiaries entering into or materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation, incentives or benefits for any of the above, in each case other than pursuant to: (i) contractual arrangements in effect on 10 November 2020 and which are contained in the Disclosure Materials; or (ii) RXP's policies and guidelines in effect on 10 November 2020 and which are contained in the Disclosure Materials, provided that the aggregate of all increases in compensation or benefits is no greater than \$800,000;
- s. RXP or one of its Subsidiaries paying any of its officers, directors, other executives or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on 10 November 2020 and which are contained in the Disclosure Materials;
- t. RXP or one of its Subsidiaries entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on 10 November 2020 and which are contained in the Disclosure Materials;
- u. RXP or one of its Subsidiaries amending in any material respect any arrangement with its Financial Adviser, or entering into arrangements with a new Financial Adviser, in respect of the Transaction or a Competing Proposal;

v. RXP or one of its Subsidiaries changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards;

w. RXP or one of its Subsidiaries is in breach of clause 5.4 of the SID ('Conduct of business');

x. RXP or one of its Subsidiaries doing anything that would result in a change in the consolidated group of which RXP is the head company (where 'consolidated group' and 'head company' have the same meaning as in the Income Tax Assessment Act 1997 (Cth)); or

y. notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against RXP or one of its Subsidiaries which could reasonably be expected to give rise to a liability for the group in excess of \$500,000 ('Material Proceedings') and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by RXP or its Subsidiaries.

**RXP Share**

A fully paid ordinary share in the capital of RXP.

**RXP Share Register**

The register of shareholders of RXP maintained in accordance with the Corporations Act as provided by the RXP Share Registry.

**RXP Share Registry**

Computershare.

**RXP Shareholder**

Each person who is registered as the holder of a RXP Share in the RXP Share Register.

**SBA Law**

RXP's solicitors, SBA Law (ABN 91 880 801 869).

<b>Scheme</b>	The proposed scheme of arrangement between RXP and the Scheme Shareholders under Part 5.1 of the Corporations Act in the form of Schedule 2 (or in such other form as agreed by Capgemini and RXP), subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed in writing by Capgemini and RXP.
<b>Scheme Booklet</b>	This explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act.
<b>Scheme Consideration</b>	In respect of each Scheme Share held by a Scheme Shareholder, a cash amount equal to \$0.55.
<b>Scheme Implementation Deed or SID</b>	The scheme implementation deed dated 10 November 2020 between Capgemini and RXP relating to the implementation of the Scheme, as amended from time to time.
<b>Scheme Meeting</b>	The meeting of RXP Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting held either electronically or in person convened following any adjournment or postponement of that meeting.
<b>Scheme Meeting Record Date</b>	7.00pm on 28 February 2021.
<b>Scheme Order</b>	The Order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Scheme Record Date</b>	<p>The later of:</p> <ul style="list-style-type: none"> <li>a. 7.00pm on the fifth Business Day after the Effective Date; or</li> <li>b. if a Special Dividend is declared, 7.00pm on the tenth Business Day after the Effective Date,</li> </ul> <p>or such other date as agreed in writing by RXP and Capgemini, which at the date of this Scheme Booklet is currently expected to be on or around 19 March 2021 at 7.00pm.</p>
<b>Scheme Resolution</b>	The resolution set out in the Notice of Scheme Meeting in Schedule 4 to agree to the terms of the Scheme.

<b>Scheme Shareholder</b>	A holder of Scheme Shares recorded in the RXP Share Register at the Scheme Record Date (other than an Excluded Shareholder).
<b>Scheme Shares</b>	The RXP Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Second Court Date</b>	The first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
<b>Second Court Hearing</b>	The hearing of the application made to the Court for the Scheme Order.
<b>Section</b>	Each numbered segment of the Scheme Booklet.
<b>Security Interest</b>	Has the meaning given in section 51A of the Corporations Act.
<b>Special Dividend</b>	A special dividend which the RXP Board may, in its absolute discretion (and subject to the terms and conditions of the SID (including clause 4.5 of the SID), which include the Scheme becoming Effective and RXP receiving a favourable draft class ruling from the Australian Tax Office), declare and pay in an amount of up to \$0.05 per each RXP Share, which dividend is intended to be fully franked subject to the availability of franking credits.
<b>Special Dividend Payment Date</b>	Date on which the Special Dividend will be sent to RXP Shareholders.
<b>Subsidiaries</b>	Has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
<b>Superior Proposal</b>	<p>A bona fide Competing Proposal of the kind referred to in any of paragraphs (b), (c), (d) or (e) of the definition of Competing Proposal that the RXP Board, acting in good faith, and after receiving written legal advice from its external legal advisers and written financial advice from its Financial Adviser, determines:</p> <p>a. is reasonably capable of being completed in a reasonable timeframe; and</p> <p>b. would, if completed substantially in accordance with its terms, be more favourable to RXP Shareholders (as a whole) than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 11.5 of the SID),</p> <p>in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the Competing Proposal) and the Transaction.</p>

<b>Tax</b>	Any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, that is assessed, levied, imposed or collected by any governmental agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes duty.
<b>The Chair</b>	The person chairing the Scheme Meeting.
<b>The Company</b>	RXP.
<b>Third Party</b>	A person other than RXP, Capgemini and each of their respective Associates.
<b>Transaction</b>	The acquisition of the Scheme Shares by Capgemini through implementation of the Scheme in accordance with the terms of the SID.
<b>Treasurer</b>	Treasurer of the Commonwealth of Australia.
<b>Underlying EBITDA</b>	Earnings before interest, tax, depreciation and amortisation excluding one off and non-recurring items.
<b>VWAP</b>	Volume weighted average price.

## 12.2 Interpretation

In this Scheme Booklet, unless the context otherwise appears:

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



## **SCHEDULE 1- INDEPENDENT EXPERT'S REPORT**

# LONERGAN EDWARDS & ASSOCIATES LIMITED

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The Directors  
RXP Services Limited  
Level 15  
31 Queen Street  
Melbourne VIC 3000

26 January 2021

## **Subject: Proposed acquisition by way of Scheme**

Dear Directors

### **Introduction**

- 1 On 11 November 2020, RXP Services Limited (RXP or the Company) announced that it and Capgemini Australia Pty Ltd (Capgemini) had entered into a Scheme Implementation Deed (the Agreement) under which Capgemini would acquire 100% of the shares in RXP for an offer consideration of \$0.55 cash per share.
- 2 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between RXP and its shareholders (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report).
- 3 If the Scheme is approved and implemented, RXP shareholders will receive \$0.55 cash for each RXP share they hold on the Scheme Record Date, less the cash amount of any special dividend which RXP announces before the Scheme Record Date (Scheme Consideration).
- 4 Under the Agreement, RXP intends to pay a fully franked special dividend of up to \$0.05 per RXP share (Special Dividend), subject to the Corporations Act, the necessary approvals for the Scheme being obtained and RXP obtaining a ruling from the Australian Taxation Office (ATO). Should the full Special Dividend of \$0.05 per RXP share be paid the cash consideration payable under the Scheme will be reduced to \$0.50 per share.

### **RXP**

- 5 RXP is an Australian digital services consultancy business specialising in providing digital expertise and support across current and emerging channels. The Company offers end-to-end solutions from the initial design phase through to the final build and implementation stage. RXP also provides digital marketing services, assisting organisations with innovation by fusing brand, insight, design and technology.

#### **Authorised Representatives:**

Wayne Lonerган • Craig Edwards\* • Hung Chu • Martin Hall • Martin Holt\* • Grant Kepler\* • Julie Planinic\* • Nathan Toscan • Jorge Resende

\* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.  
*Liability limited by a scheme approved under Professional Standards Legislation*

## Capgemini

- 6 Capgemini is a global leader in consulting, technology, professional and outsourcing services and also provides digital transformation services. The company is headquartered in Paris, France, operates in over 50 countries and employs over 270,000 staff. It is listed on the Euronext Paris stock exchange with a market capitalisation of around €20 billion as at 26 January 2021.

## Purpose of report

- 7 The Scheme is subject to a number of conditions precedent, including an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of RXP shareholders.
- 8 In addition:
- (a) the Directors' recommendation of the Scheme is subject to an independent expert concluding that the Scheme is in the best interests of RXP shareholders
  - (b) as the Scheme is a change of control transaction, Australian Securities & Investments Commission's (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) also requires the independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 9 Accordingly, the Directors of RXP have requested Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable to and in the best interests of RXP shareholders and the reasons for that opinion.
- 10 LEA is independent of RXP and Capgemini and has no other involvement or interest in the proposed Scheme.

## Summary of opinion

- 11 In our opinion, the Scheme is fair and reasonable and in the best interests of RXP shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

## Value of RXP

- 12 We have assessed the value of RXP shares on a 100% controlling interest basis at \$0.46 to \$0.54 per share, as shown below:

Valuation of RXP		
	Low \$m	High \$m
Enterprise value	88.0	103.0
Less net debt	(9.0)	(9.0)
<b>Equity value</b>	79.0	94.0
Fully diluted shares on issue	173.6	173.6
<b>Value per share</b>	<b>\$0.46</b>	<b>\$0.54</b>

### **Fair and reasonable opinion**

- 13 Pursuant to RG 111 a scheme is “fair” if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme. This comparison for RXP shares is shown below:

<b>Position of RXP shareholders</b>	<b>Low \$ per share</b>	<b>High \$ per share</b>	<b>Mid-point \$ per share</b>
Value of Scheme Consideration	0.55	0.55	0.55
Value of 100% of RXP	0.46	0.54	0.50
Extent to which the Scheme Consideration exceeds the value of RXP	0.09	0.01	0.05

- 14 As the Scheme Consideration is above the top end of our assessed valuation range for RXP shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to RXP shareholders when assessed based on the guidelines set out in RG 111.
- 15 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is fair and reasonable.

### **In the best interests**

- 16 There is no legal definition of the expression “in the best interests”. However, RG 111 states that a Scheme may be “in the best interests of the members of the company” if there are sufficient reasons for shareholders to vote in favour of the Scheme in the absence of a higher offer.
- 17 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because, if the Scheme Consideration is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 18 We therefore consider that the Scheme is also “in the best interests” of RXP shareholders in the absence of a superior proposal.

### **Assessment of the Scheme**

- 19 We summarise below the likely advantages and disadvantages of the Scheme for RXP shareholders.

#### **Advantages**

- 20 In our opinion, the Scheme has the following benefits for RXP shareholders:
- (a) the Scheme Consideration of \$0.55 cash per share is above the high end of our assessed value range for RXP shares on a 100% controlling interest basis
  - (b) the Scheme Consideration represents a significant premium to the recent market prices of RXP shares prior to the announcement of the Scheme on 11 November 2020
  - (c) furthermore, the premium exceeds observed premiums generally paid to target company shareholders in comparable circumstances

- (d) the Special Dividend, if made, may give rise to additional consideration to those Australian resident shareholders able to benefit from the related franking credits attaching to the Special Dividend
- (e) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of RXP shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

### **Disadvantages**

- 21 RXP shareholders should note that if the Scheme is implemented they will no longer hold an interest in RXP. RXP shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 22 However, as the Scheme Consideration is above the top end of our assessed value of RXP shares, in our opinion, the present value of RXP's future potential is fully reflected in the Scheme Consideration.

### **Conclusion**

- 23 Given the above analysis, we consider the acquisition of RXP shares under the Scheme is fair and reasonable and in the best interests of RXP shareholders in the absence of a superior proposal.

### **General**

- 24 In preparing this report we have considered the interests of RXP shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.
- 25 The impact of approving the Scheme on the tax position of RXP shareholders depends on the individual circumstances of each investor. RXP shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 26 The ultimate decision whether to approve the Scheme should be based on each RXP shareholder's assessment of their own circumstances. If RXP shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that RXP shareholders read the remainder of our report.

Yours faithfully



Craig Edwards  
Authorised Representative



Martin Holt  
Authorised Representative

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## **I Key terms of the Scheme**

### **Terms**

- 27 On 11 November 2020, RXP announced that it and Capgemini had entered into a Scheme Implementation Deed (the Agreement) under which Capgemini would acquire 100% of the shares in RXP for an offer consideration of \$0.55 cash per share.
- 28 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between RXP and its shareholders (the Scheme) and is subject to a number of conditions precedent as summarised below.
- 29 If the Scheme is approved and implemented, RXP shareholders will receive \$0.55 cash for each RXP share they hold on the Scheme Record Date<sup>1</sup>, less the cash amount of any special dividend which RXP announces before the Scheme Record Date (Scheme Consideration).
- 30 Under the Agreement, RXP intends to pay a fully franked Special Dividend of up to \$0.05 per RXP share, subject to the Corporations Act, the necessary approvals for the Scheme being obtained and RXP obtaining a ruling from the ATO. Should the full Special Dividend of \$0.05 per RXP share be paid the cash consideration payable under the Scheme will be reduced to \$0.50 per share.

### **Conditions**

- 31 The Agreement entered into between Capgemini and RXP contains customary terms and conditions, as well as conditions specific to the proposed transaction, on which RXP and Capgemini will implement the Scheme.
- 32 The Scheme is conditional on obtaining necessary regulatory approvals including specified approvals of the Foreign Investment Review Board, ASIC and the Australian Securities Exchange (ASX), approval of RXP shareholders and the Court, as well as the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of RXP shareholders. Further customary conditions include no material adverse change, no prescribed occurrence and no regulated event in relation to RXP, as well as no breach of an RXP warranty.
- 33 Conditions specific to the proposed transaction include RXP:
- (a) maintaining key management and (at least) 90% of employees during the period leading up to implementation and ensuring that the Chief Executive Officer has entered into a non-solicitation and non-compete agreement with the Company
  - (b) obtaining certain counter-party consents to the change of control as a result of the Scheme and specific other material contracts not being terminated by the relevant counter-parties prior to implementation of the Scheme
  - (c) not exceeding a maximum net debt threshold<sup>2</sup>

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<sup>1</sup> The Scheme Record Date is presently expected to be 7:00pm on the fifth business day after the Scheme becomes effective (or the tenth business day if a Special Dividend is declared).

<sup>2</sup> The maximum net debt threshold is \$13 million (as defined and set out in Clause 1.1 of the Agreement).



- (d) complying with its obligations in relation to the performance rights on issue at the date of the Agreement
- (e) forecasting earnings before interest and tax (EBIT) for FY21 of no less than \$9.6 million<sup>3</sup>.

- 34 In addition, the Agreement contains certain customary exclusivity provisions, including no shop restrictions, no talk restrictions, a notification obligation and a matching right. The Agreement also contains certain circumstances under which RXP may be required to pay a break fee of \$0.95 million to Capgemini.
- 35 In the case of certain potential competing proposals, RXP has the benefit of a fiduciary carve out to the “no talk” and “no due diligence” restrictions, provided there are requirements to notify competing proposals (including the identity of another bidder) and matching right restrictions.

## **Resolution**

- 36 RXP shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.
- 37 If the resolution is passed by the requisite majorities, RXP must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all RXP shareholders who hold RXP shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

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<sup>3</sup> Due to recent underperformance by the business compared to budget, the parties to the Agreement have recently reduced the minimum expected EBIT for FY21 from \$11.55 million to \$9.6 million.

## II Scope of our report

### Purpose

- 38 The Scheme is to be effected pursuant to Part 5.1 of the *Corporations Act 2001* (Corporations Act), which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations 2001 (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.
- 39 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 40 Capgemini has no current shareholding in RXP and has no representation on the RXP Board. However, both a condition precedent to the Scheme and the RXP Directors' recommendation of the Scheme are subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of RXP shareholders. In addition, as the Scheme (if approved and implemented) will result in 100% of the securities in RXP being held by Capgemini, RG 111 requires that we provide an opinion on whether the consideration payable under the Scheme is "fair" and "reasonable" to the shareholders of RXP.
- 41 The Directors of RXP have therefore requested LEA to prepare an IER stating whether the proposed acquisition of the shares in RXP by Capgemini under the Scheme is fair and reasonable and in the best interests of RXP shareholders and the reasons for that opinion.
- 42 This report has been prepared by LEA for the benefit of RXP shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Notice of Meeting and Scheme Booklet to be sent to RXP shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of RXP shareholders.
- 43 The ultimate decision whether to approve the Scheme should be based on each RXP shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

### Basis of assessment

- 44 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.
- 45 RG 111 distinguishes "fair" from "reasonable" and considers:
- (a) the Scheme to be "fair" if the value of the Scheme Consideration is equal to or greater than the value of the securities that are the subject of the Scheme. A comparison must be made assuming 100% ownership of the target company

- (b) the Scheme to be “reasonable” if it is fair. The Scheme may also be “reasonable” if, despite not being “fair” but after considering other significant factors, in the opinion of the independent expert there are sufficient reasons for shareholders to approve the Scheme in the absence of a superior proposal.
- 46 There is no legal definition of the expression “in the best interests”. However, RG 111 states that a Scheme may be “in the best interests of the members of the company” if there are sufficient reasons for securityholders to vote in favour of the Scheme in the absence of a higher offer.
- 47 In our opinion, if the Scheme is “fair” and “reasonable” under RG 111 it will generally also be “in the best interests” of RXP shareholders.
- 48 Our report has therefore considered:
  - (a) the market value of 100% of the shares in RXP
  - (b) the value of the consideration offered by Capgemini
  - (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)
  - (d) the extent to which a control premium is being paid to RXP shareholders
  - (e) the extent to which RXP shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
  - (f) the listed market price of RXP shares, both prior to and subsequent to the announcement of the proposed Scheme
  - (g) the likely market price of RXP securities if the proposed Scheme is not approved
  - (h) the value of RXP to an alternative offeror and the likelihood of a higher alternative offer being made for RXP prior to the date of the Scheme meeting
  - (i) the advantages and disadvantages of the Scheme from the perspective of RXP shareholders
  - (j) other qualitative and strategic issues associated with the Scheme.

### **Limitations and reliance on information**

- 49 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 50 Our report is also based upon financial and other information provided by RXP and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

- 51 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of RXP securityholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 52 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 53 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 54 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 55 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
  - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.

### III Profile of RXP

#### Overview

- 56 RXP is an Australian digital services consultancy business specialising in providing digital expertise and support across current and emerging channels. The Company offers end-to-end solutions from the initial design phase through to the final build and implementation stage. RXP also provides digital marketing services, assisting organisations with innovation by fusing brand, insight, design and technology.

#### History

- 57 RXP was incorporated in 2010 and listed on the ASX in September 2011 as an information and communication technology (ICT) consulting company. Just prior to listing on the ASX, RXP entered in agreements to acquire Vanguard Integration International (an Australian ICT consulting business) and Indigo Pacific (an ICT support and maintenance business with operations in Australia and Hong Kong). The acquisitions extended RXP's capabilities and client reach, whilst also adding a technology support and maintenance capability.
- 58 Since listing on the ASX, RXP has continued to enhance its professional service capabilities, and has made a number of acquisitions in both new and existing markets:

RXP – acquisitions			
Date <sup>(1)</sup>	Company acquired	Amount \$m <sup>(2)</sup>	Description
Jul 12	Stonewell Consulting & PL Consulting	5.1	Both companies provided RXP with business development capabilities and ICT skills in new verticals
Nov 12	NSI technology	6.4	Supplies technology consultants, infrastructure experts, application developers and project delivery personnel
Jan 13	Zenith solutions	6.4	Provides specialist data and information management services to small, medium and large enterprises and government entities
Jul 13	Transpire	4.2	A strategic advisory firm that provides management and technology advice and consulting services
Sep 13	MethodGroup	6.6	Specialises in business analysis services for corporations in the financial services, utilities and telecommunications sectors
Oct 13	Nobel Consulting	3.2	Provides best practice information technology (IT) service management implementation, transformation and support services
Oct 13	Integrated Value	9.8	Offers a variety of services, including smart forms, content management, document management, mobility solutions, business process management and analytics services
Mar 14	Insight4	8.7	Provides enterprise software solutions for a range of Microsoft technologies in the public education, health and utilities sectors
May 14	Aptus International	4.1	Specialises in the delivery of identity and access management, security solutions, strategic cloud, web and mobility solutions
Oct 14	Centrum Systems	7.1	Provides full life-cycle business process management and implementation services in Australia and New Zealand
Aug 15	Engage Viidacom	9.8	Specialises in end-to-end project delivery consulting, whilst increasing RXP's capability in large program delivery and the telecommunications and media sectors

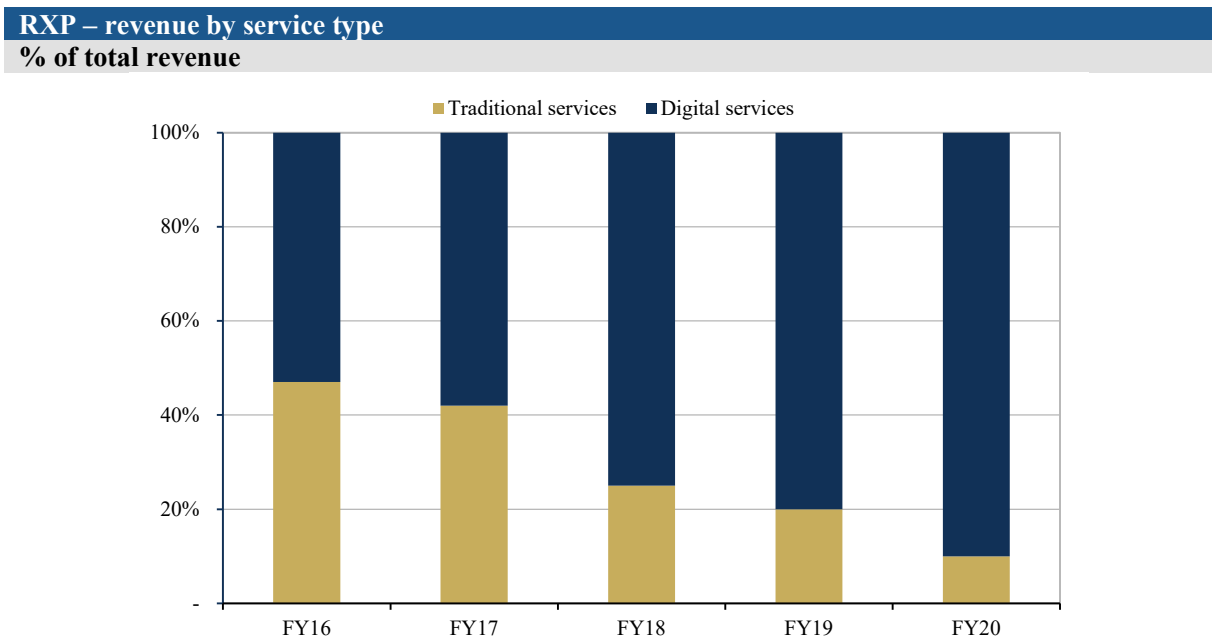
RXP – acquisitions			
Date <sup>(1)</sup>	Company acquired	Amount \$m <sup>(2)</sup>	Description
Oct 15	10 Collective	5.8	Offers disruptive digital and web creative services, which added user experience and interaction design capabilities as well as user interface and web application design capabilities
Aug 17	The Works	33.0	A leading digital and creative agency that strengthened RXP's end-to-end delivery capability by connecting brand strategy and creative to its existing client services

**Note:**

1 Date of transaction announcement.

2 Includes deferred consideration, some of which was contingent upon achieving earnings targets.

- 59 RXP's strategy over the past five years has been to expand its digital service capabilities into the rapidly growing and constantly evolving digital economy, whilst moving away from more traditional technology services. This has been undertaken by refining its service offering and repositioning itself as a client focused digital transformation partner. The strategy has resulted in the proportion of revenue from digital technology services increasing from 53% in the year to 30 June 2016 (FY16) to 90% in FY20:



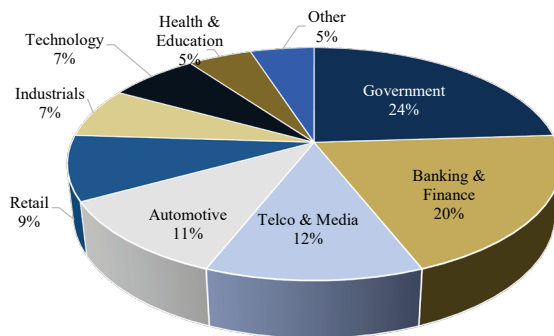
## Current operations

- 60 RXP is headquartered in Melbourne, and employs approximately 550 staff across offices that also include Sydney, Canberra and Hobart<sup>4</sup>. RXP provides services to clients across a diverse range of industries and derives the majority of its revenue in Melbourne and Sydney, as shown below:

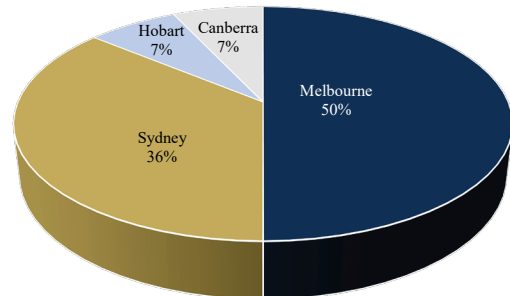
<sup>4</sup> The Company previously had an office in Hong Kong, however this office was closed in FY19 due to underperformance.

**RXP – client diversity and geographical presence**

**Client diversity (FY20)**



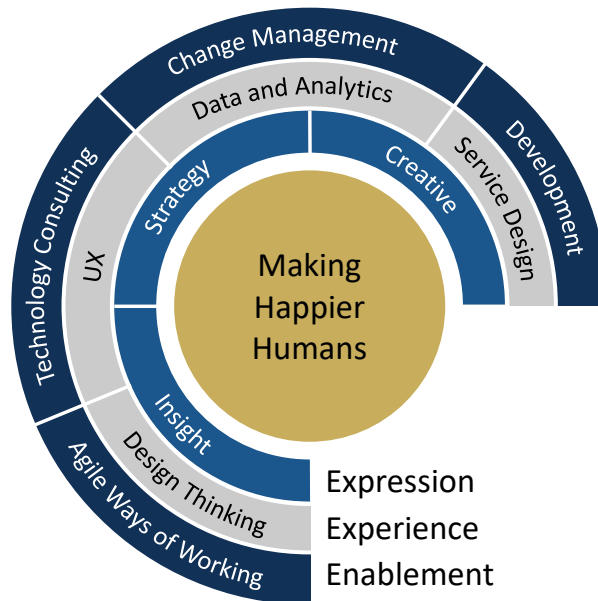
**Geographical presence (June 20)**



- 61 RXP specialises in the design and delivery of effective, long lasting solutions to complex problems faced by its clients. RXP’s service delivery is centred around providing project based digital services to clients, with ongoing consultancy services also provided on a contracted basis. The Company’s service offering includes:
- (a) **strategy and advisory** – strategic advice to organisations, including business growth, branding, digital transformation and data management
  - (b) **brand and content** – advertising and digital marketing strategies and creative services that include content production, brand innovation and user experience design
  - (c) **experience and design** – creating products and providing services to businesses that focus on improving the end-user’s experience
  - (d) **data and insights** – strategic advice for information management, data analytics and services related to data integration, migration and governance
  - (e) **digital platforms** – mobile application and website development and services related to the deployment and ongoing support of cloud based systems. RXP has a number of partnerships with leading technology platform providers such as Salesforce, Microsoft and ServiceNow
  - (f) **project services** – digital project delivery services that include project management, organisational change management, business analysis and quality assurance
  - (g) **managed services** – ongoing system support for clients’ IT infrastructure, incident management, defect management and software release management.
- 62 RXP brings together its end-to-end service offering into a simplified capability model that classifies services into those related to *Expression*, *Experience* and *Enablement*. The capability model aligns to RXP’s strategic focus of simplifying digital transformation and delivering signature customer experiences, which is referred to by RXP as *Making Happier Humans*, as shown below:



RXP – capability model



- 63 Digital transformation engagements are typically rolled out over one or more projects across multiple business units within an organisation, often involving the provision of multiple services from RXP. Examples of the digital transformation outcomes RXP has achieved with its clients include:
- (a) in the Government sector, RXP partnered with Service NSW and a number of other State Government agencies to simplify the way customers do business with Government. This was achieved through the implementation of a vast array of Salesforce focused solutions which produced positive outcomes including:
    - (i) reducing the time for small businesses in Parramatta, New South Wales (NSW) to obtain approvals to start and run their business from 18 months to 10 to 12 weeks
    - (ii) launching the compulsory third party car insurance refund program for the NSW Government, providing residents and businesses across NSW with a refund of their compulsory third party car insurance (green slips), which was achieved on time across the state
    - (iii) partnering with Service NSW, the Office of Sport, and hundreds of sporting bodies to provide redeemable vouchers and payments to qualified sporting providers under the Active Kids program. The project was highly complex and the team successfully achieved the desired outcomes within the compressed timeframe. The program was used by over 300,000 people within the first three months of launch
  - (b) in the energy sector, RXP and Tasmanian energy provider Aurora Energy partnered to develop an innovative mobile customer solution for PAYG customers. The solution leveraged RXP's digital platform and managed services capabilities to deliver a scalable, cloud hosted platform and mobile application that allowed customers to:
    - (i) check their daily energy usage and account balance, and estimate the number of days their account would remain in credit based on their energy consumption



- (ii) receive timely account balance alerts via in-app, SMS and email channels
- (iii) top up their account balance via secure, in-app payments
- (iv) view a graphical summary of their daily usage behaviour by quantity, cost and the time period when electricity was used.

## Financial performance

64 The financial performance of RXP for the four years ended FY20 is set out below:

RXP – statement of financial performance <sup>(1)</sup>				
	FY17	FY18	FY19	FY20
	\$m	\$m	\$m	\$m
Revenue	140.5	141.1	141.1	126.8
Cost of sales	(7.8)	(16.1)	(14.4)	(6.8)
<b>Gross profit</b>	132.7	125.0	126.8	120.0
Employee benefits	(108.9)	(104.1)	(102.1)	(99.7)
Other expenses	(5.5)	(8.0)	(8.4)	(6.2)
<b>EBITDA<sup>(2)</sup></b>	18.3	13.0	16.4	14.0
Depreciation and amortisation	(0.6)	(1.1)	(1.3)	(3.5)
Impairment of goodwill <sup>(3)</sup>	-	-	(10.8)	(7.5)
<b>EBIT</b>	17.6	11.9	4.3	3.0
Net interest expense	(0.7)	(0.6)	(0.8)	(0.9)
<b>Profit before tax</b>	16.9	11.3	3.5	2.1
Income tax expense	(5.3)	(3.4)	(3.7)	(3.1)
<b>Profit / (loss) after tax<sup>(4)</sup></b>	11.6	7.8	(0.2)	(1.0)
<i>Revenue growth</i>	8.4%	(5.8%)	1.4%	(5.4%)
<i>EBITDA growth</i>	10.3%	(28.9%)	26.2%	(14.4%)
<i>EBITDA margin</i>	13.8%	10.4%	12.9%	11.7%

**Note:**

- 1 Rounding differences exist.
- 2 Earnings before interest, tax, depreciation and amortisation (EBITDA).
- 3 Relates to losses arising from impairment testing of goodwill.
- 4 Losses from discontinued operations have not been set out in this table.

65 Below is a summary of the key factors that have impacted the annual financial performance of RXP in the three years to FY20.

### FY18 results

- 66 Digital services revenue continued to increase in FY18, however, consistent with the Company's strategy, this growth was offset by a decline in traditional consulting revenue. This resulted in a small increase in revenue and a decline in EBITDA in comparison to FY17.
- 67 On 1 August 2017, RXP acquired 100% of digital and creative agency The Works for \$25 million (plus up to \$8 million in earn-out payments depending on the achievement of earnings targets). During FY18, The Works provided an 11 month contribution and performed in line with pre-acquisition expectations.

### **FY19 results**

- 68 FY19 revenue was consistent with the prior year's result, however EBITDA was positively impacted by (inter-alia):
- (a) increased demand for higher margin digital transformation work
  - (b) better alignment of the Company's cost structure to reflect the demand for digital services
  - (c) the realisation of synergies associated with the acquisition of The Works business.
- 69 EBITDA was negatively impacted by a \$1.2 million doubtful debt charge associated with a single client project<sup>5</sup> and the decision to exit its Hong Kong operations, resulting in a loss of approximately \$1.1 million at the EBITDA level (being reported as a loss from discontinued operations)<sup>6</sup>.

### **FY20 results**

- 70 Underlying EBITDA for the first half of FY20 reduced by some 20%, which reflected the deferral of a significant Government project and lower than expected sales conversions, which negatively impacted staff utilisation. However, the results for the second half of FY20 were ahead of the same period in FY19, despite the impact of the COVID-19 pandemic. Due to a combination of COVID-19, the political environment in Hong Kong and the low level of business confidence in the region, RXP closed its Hong Kong operations during the year<sup>6</sup>.

### **Year to date results and FY21 guidance**

- 71 RXP has not provided formal EBITDA guidance for FY21. However, we note that the Company provided the following trading update on 17 December 2020:

*"In terms of the financial performance of RXP for H1 FY21, COVID-19 has continued to provide some challenges in relation to general delays in client decision-making and conversion of pipeline opportunities into contract wins. This is expected to result in a H1 FY21 Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) from continuing operations (pre AASB 16) in the range of \$4.4 million to \$4.9 million (H1 FY20: \$4.2 million), with underlying EBITDA being in the range \$5.1 million to \$5.6 million (H1 FY20: \$6.7 million).*

*With the easing of COVID-19 related restrictions across our regions, combined with the optimistic economic outlook, the Company is now seeing signs of an improved pipeline of work and an improved conversion rate for new projects. This once again provides RXP with confidence that, in line with typical second halves for the Company, H2 FY21 will be a stronger half when compared to H1 FY21."*

- 72 Whilst RXP still expects to report underlying EBITDA of between \$5.1 million and \$5.6 million in the first half of FY21 (1H21) (as per the above guidance), RXP management have recently advised us that the business continues to be negatively impacted by delays in client decision making and the conversion of the pipeline to revenue (which they attribute

<sup>5</sup> Given this expense offsets the amount of revenue billed in the period, this has not been adjusted in the financials above.

<sup>6</sup> Losses from the Hong Kong business in FY19 and FY20 are reported in RXP's financial statements as "Loss from discontinued operations" and are not reflected in the table in paragraph 64 above.

primarily to the impact of COVID-19 related restrictions). As a result, the underlying EBITDA result in FY21 is expected to be significantly below FY20.

## Financial position

73 The financial position of RXP as at 30 June 2019 and 30 June 2020 is set out below:

<b>RXP – statement of financial position</b>		
	<b>30 Jun 19</b>	<b>30 June 20</b>
	<b>\$m</b>	<b>\$m</b>
Debtors and prepayments	28.7	13.7
Accrued income	12.2	9.8
Unearned revenue	(3.1)	(1.8)
Creditors, accruals and provisions	(24.5)	(14.1)
<b>Net working capital</b>	<b>13.3</b>	<b>7.6</b>
Plant and equipment	2.1	1.9
Intangible assets (including goodwill)	108.5	102.5
Deferred tax assets	2.8	1.9
Non-current provisions	(4.1)	(4.7)
Right of use assets / net of associated lease liabilities <sup>(2)</sup>	-	(1.0)
Assets held for sale (net)	0.2	-
<b>Total funds employed</b>	<b>122.9</b>	<b>108.2</b>
Cash and cash equivalents	11.7	15.0
Interest bearing liabilities	(22.0)	(19.0)
<b>Net cash / (borrowings)</b>	<b>(10.3)</b>	<b>(4.0)</b>
<b>Net assets attributable to RXP shareholders</b>	<b>112.6</b>	<b>104.3</b>

**Note:**

- 1 Rounding differences exist.
- 2 The Group adopted Australian Accounting Standard AASB 16 – *Leases* (AASB 16) during FY20 and as a result recognised \$5.8 million of right of use assets and \$6.8 million of additional lease liabilities as at 30 June 2020.

## Net working capital

74 RXP's net working capital decreased during FY20, driven by a decrease in debtors and accrued income, resulting from strong collections and timing differences of client project milestone payments. This was somewhat offset by a decrease in creditors, accruals and provisions, due to a decline in both trade and other payables of \$4.7 million and accruals of \$2.6 million.

## Intangible assets

75 The carrying value of RXP's intangible assets is set out below:

<b>RXP – intangible assets<sup>(1)</sup></b>		
	<b>30 Jun 19</b>	<b>30 Jun 20</b>
	<b>\$m</b>	<b>\$m</b>
Goodwill – at cost	118.2	118.2
Goodwill – accumulated impairment	(10.8)	(18.3)
<b>Total goodwill</b>	107.4	99.9
Software – at cost	2.8	4.9
Software – accumulated amortisation	(1.6)	(2.2)
<b>Total software</b>	1.2	2.6
<b>Total intangible assets</b>	108.5	102.5

**Note:**

1 Rounding differences exist.

- 76 The majority of RXP's intangible assets relate to goodwill arising from acquisitions. Goodwill is tested for impairment using the value in use method on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired. The value in use calculations are based on management's projected cash flows, a discount rate of 12% per annum (after tax) and various rates of cash flow growth.
- 77 Given the actual results for the first half of FY20 were below budget a review was conducted by RXP in December 2019, resulting in the recognition of an impairment loss of \$7.5 million for the period (this was due to a revision of the estimated cash flows for FY20).

**Net borrowings**

- 78 During March 2020, RXP refinanced its loan facility on similar commercial terms to its previous facility, with an extension of the loan's maturity to March 2023. The facility totals \$26.8 million and comprises a \$25.0 million interest-only loan facility and a \$1.8 million bank guarantee facility. As at 30 June 2020, RXP had net borrowings of \$4.0 million, comprised of bank loans of \$19.0 million less cash of \$15.0 million.

**Share capital and performance**

- 79 As at 26 January 2021, RXP had 173.1 million fully paid ordinary shares on issue<sup>7</sup>. In addition, there are approximately 0.5 million performance rights on issue, which automatically convert to ordinary shares at the vesting date of 30 June 2021, or in the event there is a change of control in the Company.

**Share price performance**

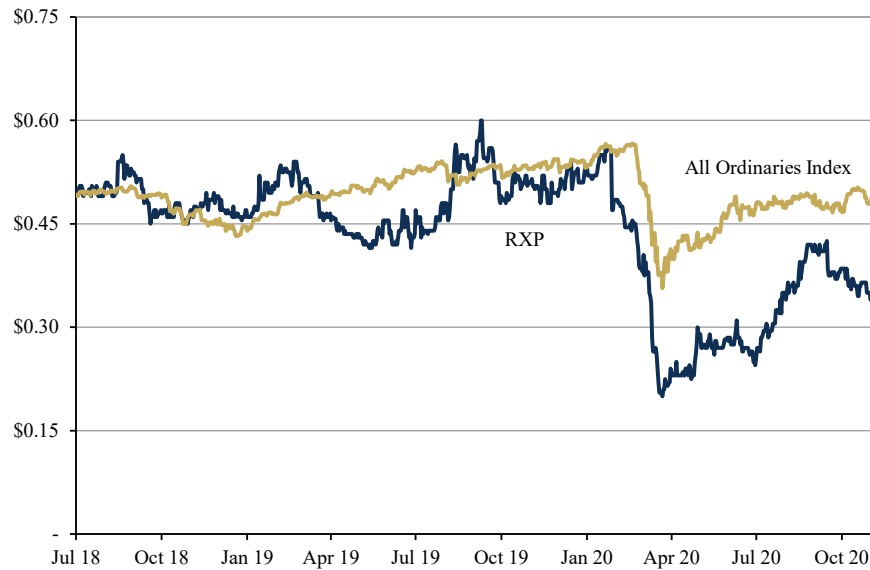
- 80 The following chart illustrates the movement in the share price of RXP from 1 July 2018 to 10 November 2020<sup>8</sup>:

<sup>7</sup> This includes 12 million shares issued on 9 October 2020 under the Company's dividend reinvestment plan at a price of \$0.335 per share.

<sup>8</sup> Being the last trading day prior to the announcement of the Scheme.

**RXP – share price history<sup>(1)</sup>**

**1 July 2018 to 10 November 2020**



**Note:**

1 Based on closing prices. The All Ordinaries Index has been rebased to RXP's last traded price on 1 July 2018.

Source: Bloomberg.

- 81 Over the period from July 2018 to February 2020, the RXP share price generally tracked the All Ordinaries Index. However, during the COVID-19 related selloff in equity markets in Australia and globally, the Company's share price reduced by more than the All Ordinaries Index. Whilst the RXP share price has since recovered, it had not recovered to its pre-COVID-19 levels prior to the announcement of the Scheme.

**Liquidity in RXP shares**

- 82 The liquidity in RXP shares based on trading on the ASX over the 12 month period prior to 10 November 2020<sup>9</sup> is set out below:

<b>RXP – liquidity in shares</b>						
<b>Period</b>	<b>Start date</b>	<b>End date</b>	<b>No of shares traded 000</b>	<b>WANOS<sup>(1)</sup> outstanding 000</b>	<b>Implied level of liquidity Period<sup>(2)</sup> %</b>	<b>Annual<sup>(3)</sup> %</b>
1 month	11 Oct 20	10 Nov 20	5,752	173,119	3.3	39.9
3 months	11 Aug 20	10 Nov 20	19,648	165,286	11.9	47.5
6 months	11 May 20	10 Nov 20	34,508	163,208	21.1	42.3
1 year	11 Nov 19	10 Nov 20	68,157	162,181	42.0	42.0

**Note:**

1 Weighted average number of shares outstanding (WANOS) during relevant period.

2 Number of shares traded during the period divided by WANOS.

3 Implied annualised figure based upon implied level of liquidity for the period.

- 83 In each of the periods above, total shareholder turnover (on an annualised basis) has been around 40% of the total number of shares issued in RXP, indicating a reasonable level of market liquidity.

<sup>9</sup> Being the last trading day prior to the announcement of the Scheme.

## IV Industry overview

### Overview

84 RXP is a digital consultancy company that delivers technology driven outcomes across all phases of the digital transformation process, from the initial design stage to the final build and implementation stage. RXP's primary operations fall within the IT services segment of the broader IT industry, however the Company also provides traditional services that span across all industry subsectors. RXP is headquartered in Melbourne and primarily operates within the Australian IT market.

### IT industry

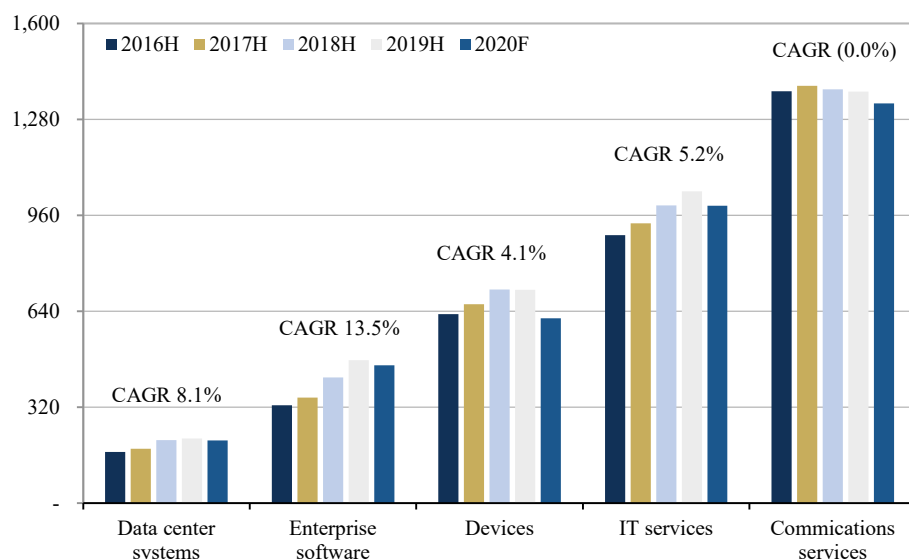
85 IT is the use of computers to store, retrieve, transmit and manipulate data or information, often in the context of a business or other enterprise. IT, and the hardware and software associated with the IT industry, are an integral part of nearly every major global industry, and play a key role in driving economic growth by increasing productivity. The IT industry can be broadly divided into:

- (a) **infrastructure** – hardware networks, data centres, facilities and related equipment used to develop, test, operate, monitor, manage and/or support IT services
- (b) **software** – system software such as operating systems and application software that performs specific functions separate from the computer itself
- (c) **services** – including consulting, implementation of hardware and software, IT outsourcing, user experience, infrastructure support and managed services.

### Global IT industry

86 Over the three years to 2019, global IT spend grew at a compound annual growth rate (CAGR) of 4.0% to US\$3.8 trillion. However, certain sectors outperformed others, with enterprise software the standout with a CAGR of 13.5% over the three years to 2019, and data centre systems growth also relatively strong with CAGR of 8.1% over the three years to 2019.

**Global IT spending**  
US\$billion



Source: Gartner (2017 to 2020): IT spending forecast press releases. The above CAGRs represent the three years to 2019.

- 87 Global IT spending is projected to decrease some 5.4% to US\$3.6 trillion in 2020, largely due to cost containment across enterprises and the global downturn in economic activity resulting from COVID-19<sup>10</sup>. All segments of the IT industry are expected to experience a decline, with spending on devices to decrease significantly, despite a temporary spike at the beginning of the year, due to more people working from home, and businesses implementing continuity plans in response to the COVID-19 pandemic. However, spending is expected to recover faster than the broader economy, as enterprises accelerate their digital plans in a post COVID-19 world.
- 88 More broadly, future growth is expected to be driven by the continued investment in digital business, blockchain, the “internet of things”, cloud applications and the progression from big data and algorithms to machine learning and artificial intelligence.

### IT services

- 89 IT services companies offer a range of service lines and specialisations, from installation and implementation of IT systems, to providing fully outsourced IT operations for businesses. Some of the key service lines are described below:
- (a) **infrastructure-as-a-service** – a standardised, highly-automated product in which computing hardware, complemented by storage and networking capabilities, is owned by a service provider and offered to customers on-demand, usually via the internet
  - (b) **business process outsourcing services** – classified as either traditional (the delegation of one or more IT-intensive business processes to an external provider) or the delivery of business process outsourcing services via the internet to multiple customers
  - (c) **consulting services** – analysing and improving the efficacy of business and technology strategies and operations. The main sub-segments are business consulting services and technology consulting services
  - (d) **user experience services** – services related to the design and development of software products, websites and applications that focus on optimising the end-user experience, such as user interface design, usability testing and design thinking
  - (e) **implementation services** – usually project-based services, to install, develop and customise IT solutions, assets and processes, and to integrate them with established applications, infrastructure and processes
  - (f) **application managed services** – include annual or longer term contracts that provide services, processes and methodologies for maintaining, improving and managing enterprise application environments. Services may be provided on-site or off-site and cover customised and off-the-shelf software, software-as-a-service applications and platform-as-a-service applications
  - (g) **infrastructure managed services** – the provision of outsourced asset-based IT infrastructure services
  - (h) **hardware support services** – these services are typically contract based (usually for one or three years) and may cover hardware replacement, on-site field engineering, technical support and proactive monitoring.

<sup>10</sup> Gartner (2020): *Gartner says worldwide IT spending to grow 4.0% in 2021*.



## IT services market growth drivers

90 Key factors that are driving demand for IT services include:

- (a) **increasing connectivity** – broadband and mobile internet connections have been widely adopted over the past 15 years, reflecting a range of factors including improved broadband access and performance, increasing adoption and use of smartphones and the increasing proportion of business transactions conducted online
- (b) **the rise of big data** – rising business and consumer internet usage has created an abundance of data available for businesses to analyse, which enables the study of consumer spending, behaviours and patterns. This has contributed to a greater number of businesses outsourcing data processing activities to IT service providers
- (c) **capital expenditure** – IT expenditure is influenced by cyclical and structural factors. Businesses tend to implement new IT systems during periods of high levels of business confidence and strong economic performance, and defer or cancel technology upgrades during the converse. Likewise, in periods of structural change such as technological advancement (e.g. cloud computing), IT expenditure requirements tend to be greater
- (d) **increased demand from key sectors** – for instance, clients in the Government sector have considerable data and transaction requirements, and have increasingly outsourced their data processing needs, particularly in areas such as healthcare. Other key sectors that are increasing their IT outsourcing include finance, insurance, information media and telecommunications
- (e) **digital transformation** – enterprises are increasingly focused on integrating technology to improve productivity and remain competitive in a rapidly growing digital economy. In most cases, this involves a fundamental change in one or more business processes that require specialist IT services for the design, implementation and support of new systems
- (f) **security** – IT security is a growing service area and has become a key priority for most medium to large organisations. Security concerns arise from the use of the internet to store and access information and from enterprises increasingly allowing employees to access company information and applications on their own mobile devices. Growth in the “internet of things” has specific security issues as organisations often do not have control over the source and nature of the software and hardware being used by devices connected via the internet.

91 Gartner expects all IT spending to recover in 2021, led by a strong rebound in enterprise software, data centre systems, and IT services, which are expected to grow by 7.2%, 5.2% and 4.1% in 2021 respectively<sup>11</sup>. The recovery is expected to be driven by the acceleration of digital transformation<sup>12</sup> efforts by enterprises supporting a remote workforce, delivering virtual services and leveraging automation to ensure pandemic-driven demands are met.

<sup>11</sup> Gartner (2020): *Gartner Says Worldwide IT Spending to Grow 4% in 2021*.

<sup>12</sup> Due to its broad definition of any efforts to integrate technology into a business, digital transformation spending falls into multiple categories across IT spending.



## Australian IT industry

- 92 The Australian IT industry has expanded rapidly over the past five years due to regular upgrades and enhancements and increasing levels of outsourcing of non-essential systems operations. Industry growth has also been driven by increased online connectivity and cloud based applications.
- 93 IT services is the largest sector of the Australian IT market, whilst software is the fastest growing market segment (and the sector of the market that exhibited the lowest decline in 2020 due to COVID-19). Australian IT spending is expected to be \$88.8 billion in 2020, a decrease of 6.0% from the \$94.4 billion spent in 2019 due to the impact of COVID-19, with IT services and software forecast to account for \$32.7 billion and \$16.3 billion of the total IT spend in 2019 respectively, as shown below:

Australian IT spending						
	2018 (historical)		2019 (historical)		2020 (forecast)	
	Revenue	Growth	Revenue	Growth	Revenue	Growth
	\$bn	%	\$bn	%	\$bn	%
IT services	32.7	3.6	34.4	5.1	32.7	(4.8)
Communications services	26.7	(2.6)	26.9	0.6	25.8	(3.8)
Software	15.1	24.9	16.9	11.9	16.3	(3.6)
Devices	13.2	(0.5)	13.0	(1.6)	11.1	(14.8)
Data centre systems	3.2	16.8	3.2	2.3	2.8	(12.8)
Total end-user spend	90.9	4.4	94.4	3.8	88.8	(6.0)

**Source:** ChannelLife (May 2020) *Gartner: Local IT spending to dip 6% in 2020.*

- 94 IT spending varies across each sector due to operational differences, with certain industries, such as those designed for continuous operation, unable to respond to external factors that drive technology trends. For instance, agricultural, manufacturing and resource industries, which all have relatively high levels of assets employed, are unable to allow employees to work from home, whereas professional service firms are able to shut down physical offices at short notice with minimal disruption to operations.
- 95 Notable trends in forecast IT spending across various sectors in Australia include<sup>13</sup>:
- (a) technology spending in the transport industry is expected to grow by 10.4% to \$5.3 billion in 2021, after reducing by 15.5% in 2020 due the impacts of COVID-19 and the related travel restrictions and work from home policies that reduced transportation activity
  - (b) IT spending in the healthcare industry is expected to increase by 8.2% to \$3.2 billion in 2021, as healthcare providers prepare for digital transformation and accelerate investment in key technologies that enable data-driven decision making, virtual care and remote patient monitoring
  - (c) education providers are expected to increase their spend by 8.6% to \$3.1 billion in 2021, as institutions across the primary, secondary and tertiary education sectors increase investment in requisite infrastructure to offer full online learning support or blended learning (a combination of on-campus and online curriculums).

<sup>13</sup> Gartner (2020): *Gartner Forecasts Australian Enterprise Spending to Grow 3.6% in 2021.*

## **V Valuation methodology**

### **Valuation approaches**

- 96 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the discounted cash flow (DCF) methodology
  - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
  - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
  - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
  - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 97 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 98 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 99 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 100 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the

proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

### **Methodology selected**

- 101 Our assessment of the market value of RXP shares reflects the value of the RXP business (on a cash and debt free basis) less net debt. The value of the RXP business has been made on the basis of market value as a going concern. The primary valuation methodology used is the capitalisation of future maintainable earnings approach (using EBITDA). Under this methodology, the underlying EBITDA of the business (prior to non-recurring items) is capitalised at an EBITDA multiple that reflects the risk and growth prospects of the business.
- 102 In our opinion, the capitalisation of EBITDA method is the most appropriate methodology for RXP's business. This is because:
- (a) RXP's business has well established market positions and a demonstrated history of profitability, which is expected to continue
  - (b) the EBITDA multiples for listed companies exposed to similar industry sectors as RXP's business can be derived from publicly available information
  - (c) transaction evidence in the sector is generally expressed in terms of EBITDA multiples.
- 103 In order to cross-check our valuation range we have considered the listed market price of RXP shares adjusted for a premium for control.

## VI Valuation of RXP

### Valuation methodologies

- 104 As stated in Section V, we have adopted the capitalisation of EBITDA method as our primary valuation method for the RXP business. Under this method the underlying EBITDA (before non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. The market value of RXP shares reflects the value of the RXP business less net debt.
- 105 The resulting values have been cross-checked by reference to the share market trading in RXP shares prior to the announcement of the Scheme, adjusted for a premium for control.

### Underlying EBITDA

- 106 We set out below a summary of RXP's historical revenue and reported EBITDA, and the normalisation adjustments to derive the level of underlying EBITDA for each year:

RXP – summary of historical financial performance					
	FY16	FY17	FY18	FY19	FY20
	\$m	\$m	\$m	\$m	\$m
Revenue	127.1	140.5	141.1	141.1 <sup>(1)</sup>	126.8
Reported EBITDA	16.6	18.3	13.0	16.4	14.0
<b>Normalisation adjustments</b>					
Bad debts written off (prior year)	(0.9)	0.5	0.2	0.2	-
Borrowing costs reflected in EBITDA	0.3	-	0.1	-	0.1
Deferred consideration adjustments	1.4	-	-	(2.0)	-
Client rebate for FY17 reassessed and paid	-	(0.4)	-	-	0.4
Non-recurring rebate	-	-	0.5	-	-
Acquisition costs	-	-	0.4	-	-
KMP <sup>(2)</sup> FY19 bonus not accrued in FY19	-	-	-	(0.3)	0.3
Client enforced mandatory leave	-	-	-	-	0.6
Impact of AASB 16	-	-	-	-	(2.2)
Investment in expanding Melbourne office	-	-	-	-	0.8
<b>LEA underlying EBITDA</b>	<b>17.3</b>	<b>18.4</b>	<b>14.3</b>	<b>14.3</b>	<b>14.1</b>
<i>LEA underlying EBITDA margin</i>	<i>13.6%</i>	<i>13.1%</i>	<i>10.1%</i>	<i>10.1%</i>	<i>11.1%</i>

**Note:**

- 1 Includes \$2.0 million of deferred consideration not paid (which was released to the income statement).  
2 Key management personnel (KMP).

### Adjustments to reported EBITDA

- 107 The adjustments made to derive underlying EBITDA are explained below:

- (a) **acquisition costs** – these costs relate to the acquisition of The Works businesses effective 1 August 2017
- (b) **bad debts written off (prior year)** – these relate to bad debt write-offs which relate to amounts billed in the prior year. Accordingly, we have added back the bad debt charge in the year incurred, and expensed the bad debt charge in the year in which the amount was billed

- (c) **borrowing costs** – borrowing costs included in reported EBITDA have been added back
- (d) **client enforced mandatory leave** – as a result of the COVID-19 pandemic, one of RXP’s major clients introduced mandatory leave for its employees and cut back on the use of contracted staff (which negatively impacted RXP). RXP was required to absorb the cost of employees normally supplied to the client during this period, which management has estimated at approximately \$0.6 million
- (e) **client rebate** – in FY20 RXP granted a client rebate of \$0.4 million, which relates to FY17
- (f) **deferred consideration adjustments:**
  - (i) **FY16** – part of the deferred consideration payment relating to the October 2013 acquisition of Integrated Value was required to be expensed in FY16 for financial reporting purposes
  - (ii) **FY19** – in August 2017 RXP acquired two businesses referred to as The Works. In RXP’s FY18 financial statements the Company recognised the maximum consideration payable for The Works of \$33 million (of which \$17.5 million was paid up-front, \$7.5 million was deferred consideration payable on 31 July 2018, and \$8.0 million was contingent upon achieving a set earnings target for the FY18 and FY19 years). Ultimately only \$6.0 million of the contingent consideration was paid, resulting in the reporting of a \$2.0 million profit in FY19 (which we have reversed)
- (g) **impact of AASB 16** – the impact of adopting AASB 16 on RXP’s results was an uplift in FY20 EBITDA of approximately \$2.2 million, as rent expenses were replaced by amortisation charges (of the “right of use” asset) and interest expenses (in respect of the lease liability recognised). We have excluded the uplift in EBITDA resulting from the adoption of AASB 16 as it is driven by an accounting entry that has no impact on the underlying cash flow, profitability or value of RXP
- (h) **investment in Melbourne office** – during FY20 RXP invested in expanding The Works and another business presence in Melbourne, which had a negative impact on reported profitability in the short term
- (i) **KMP FY19 bonus** – KMP bonuses for FY19 were granted and expensed in FY20 (but have been reallocated to the relevant year)
- (j) **non-recurring rebate** – RXP paid a one-off client rebate in FY18.

108 We note that the underlying EBITDA set out in RXP’s investor presentations generally reflected a number of other adjustments. Whilst most of these additional adjustments were not material, we note that management’s adjustments included the add-back of:

- (a) doubtful debts of \$1.2 million in FY19; and
- (b) the following redundancy costs:

RXP – redundancy costs					
	FY16 \$m	FY17 \$m	FY18 \$m	FY19 \$m	FY20 \$m
Redundancy costs	-	0.3	0.5	0.9	1.0

- 109 The \$1.2 million doubtful debt charge in FY19 related to a single client project. This has not been adjusted above because the expense offsets the comparable amount billed in the period. We also understand that the amount owing had not been collected as at 30 November 2020, however it had been fully provided for.
- 110 We have not added back redundancy costs incurred on the basis that:
- (a) as noted, RXP has a history of incurring redundancy related costs in most years
  - (b) the redundancy costs are not material in the context of RXP's employee related costs (which is by far the largest operating expense). For example, employee related expenses were some \$100.0 million in FY20 (compared to total revenue of \$126.8 million)
  - (c) given the nature of RXP's operations, in our view, redundancy costs should be considered a "cost of doing business".

### **Acquisition of The Works**

- 111 As stated above, effective 1 August 2017, RXP acquired 100% of two entities referred to as The Works (a leading digital advertising agency) for \$25 million plus up to \$8 million in contingent consideration dependent on the achievement of earnings targets.
- 112 At the date of acquisition, RXP management stated that The Works businesses were expected to generate \$16.5 million in revenue and \$3.9 million in EBITDA in FY18. Whilst The Works businesses performed in line with these expectations in FY18<sup>14</sup>, the profitability of the existing RXP businesses declined materially in FY18 as evidenced by the significant decline in RXP's total underlying EBITDA in that year (compared to FY17).
- 113 Further, we note that the EBITDA contribution from The Works subsequently declined significantly in both FY19 and FY20 (resulting in a reduction in the contingent consideration paid).

### **Impact of COVID-19**

- 114 As noted in RXP's FY20 Annual Report (released on 20 August 2020), the COVID-19 pandemic only had a minor impact on RXP in FY20. Whilst underlying EBITDA fell slightly during FY20 compared to FY19, underlying EBITDA in the second half of FY20 (during the height of the COVID-19 pandemic) exceeded that achieved in the second half of FY19. RXP management attributed this improvement in performance to (inter-alia):
- (a) an acceleration in the number of businesses now looking to implement digital solutions (e.g. cloud computing) as a result of the COVID-19 pandemic
  - (b) management's focus on growing its digital services business over recent years (which in FY20 represented over 90% of total revenue)
  - (c) RXP's decision to partner with technology platform leaders such as Salesforce, Microsoft and ServiceNow.

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<sup>14</sup> RXP's FY18 result only reflected an 11 month contribution from The Works.



- 115 It was also noted in RXP's Annual General Meeting Presentation released on 2 November 2020 that client decision making had generally slowed. This impact continues to be experienced to date (which RXP management primarily attribute to the impact of COVID-19 related restrictions in some regions).
- 116 Further, as a result of both political uncertainty in Hong Kong and the significant disruption caused by COVID-19, the final stages of negotiation for the sale of RXP's Hong Kong business ceased and the sale did not eventuate. This resulted in the closure of the Hong Kong business in the second half of FY20. As a result, the losses incurred by the Hong Kong business in FY19 and FY20 are shown as a loss from discontinued operation (and are not reflected in the reported or underlying EBITDA shown above).

### **Year to date results and outlook**

- 117 No formal EBITDA guidance for FY21 has been provided by RXP management. However, we note that the Company provided the following trading update on 17 December 2020:

*"In terms of the financial performance of RXP for H1 FY21, COVID-19 has continued to provide some challenges in relation to general delays in client decision-making and conversion of pipeline opportunities into contract wins. This is expected to result in a H1 FY21 Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) from continuing operations (pre AASB 16) in the range of \$4.4 million to \$4.9 million (H1 FY20: \$4.2 million), with underlying EBITDA being in the range \$5.1 million to \$5.6 million (H1 FY20: \$6.7 million)."*

*With the easing of COVID-19 related restrictions across our regions, combined with the optimistic economic outlook, the Company is now seeing signs of an improved pipeline of work and an improved conversion rate for new projects. This once again provides RXP with confidence that, in line with typical second halves for the Company, H2 FY21 will be a stronger half when compared to H1 FY21."*

- 118 Whilst RXP still expects to report underlying EBITDA of between \$5.1 million and \$5.6 million in H121 (as per the above guidance), RXP management have recently advised us that the business continues to be negatively impacted by delays in client decision making and the conversion of the pipeline to revenue (which they attribute primarily to the impact of COVID-19 related restrictions). As a result, the underlying EBITDA result in FY21 is expected to be significantly below FY20.

### **EBITDA adopted for valuation purposes**

- 119 Based on the above and discussions with RXP management we have adopted EBITDA of \$14.0 million for valuation purposes. This recognises the underlying EBITDA achieved over the FY18 to FY20 period and the negative impact of COVID-19 related restrictions on the business in FY21.
- 120 However, as underlying EBITDA in FY21 is expected to be significantly below \$14 million, we have deducted \$2 million to \$3 million from our assessed enterprise value to reflect the likelihood of earnings shortfalls in the short term.

## EBITDA multiple

- 121 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• The stability and quality of earnings</li> <li>• The quality of the management and the likely continuity of management</li> <li>• The nature and size of the business</li> <li>• The spread and financial standing of customers</li> <li>• The financial structure of the company and gearing level</li> <li>• The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors</li> <li>• The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors</li> </ul> | <ul style="list-style-type: none"> <li>• The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc</li> <li>• The cyclical nature of the industry</li> <li>• Expected changes in interest rates</li> <li>• The asset backing of the underlying business of the company and the quality of the assets</li> <li>• The extent to which a premium for control is appropriate</li> <li>• Whether the assessment is consistent with historical and prospective earnings</li> </ul> |
|---|--|

- 122 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for RXP.

## Listed company multiples

- 123 As there have been a number of acquisitions of Australian listed IT services companies (predominantly by international companies), there are only two notable Australian IT services companies listed on the ASX. The EBITDA multiples of these companies are (refer to Appendix C for company descriptions):

Listed company trading multiples <sup>(1)</sup>				
	Enterprise value <sup>(2)</sup>	EBITDA multiples <sup>(3)</sup>		
	\$m	FY20 <sup>(4)</sup>	FY21 <sup>(5)</sup>	FY22 <sup>(5)</sup>
		x	x	x
Data#3	637	17.9	16.0	13.7
Empired	112	8.9	5.4	5.0

### Note:

- 1 Enterprise value and earnings multiples calculated as at 25 January 2021.
- 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution, share placements (for the purpose of reducing debt) and buybacks, and excludes surplus assets.
- 3 EBITDA multiples have been adjusted to exclude the impact of AASB 16.
- 4 Historical earnings are based on latest statutory full year accounts and exclude non-recurring items, significant write downs, realised investment gains or losses and restructuring charges.
- 5 Forecast earnings are based on Bloomberg average analyst forecasts (excluding outliers and outdated forecasts).

**Source:** Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements and LEA analysis.



124 In relation to the above, we note that:

- (a) the above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>15</sup>. This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company
- (b) there is significant difference in the range of multiples between the two ASX listed IT services companies, with Data#3 trading on an implied forecast EBITDA multiple of 16.0 times and Empired trading on an implied forecast EBITDA multiple of 5.4 times. We attribute this material difference to a number of factors, including Data#3 being considerably larger than Empired<sup>16</sup>, Data#3's significant earnings growth in recent years (which is expected to continue) and the difference in service offering (Data#3 provides a greater range of software services and also derives a larger proportion of cloud based revenues than Empired)
- (c) neither of the above listed companies are directly comparable to RXP's services business. In particular, we note that both companies have a more diversified customer base than RXP (which has a high level of customer concentration).

#### **RXP listed EBITDA multiple over time**

125 We set out below the implied one year forward EBITDA multiples for RXP from 30 June 2015 to 10 November 2020 (being the last trading day prior to the announcement of the Scheme):

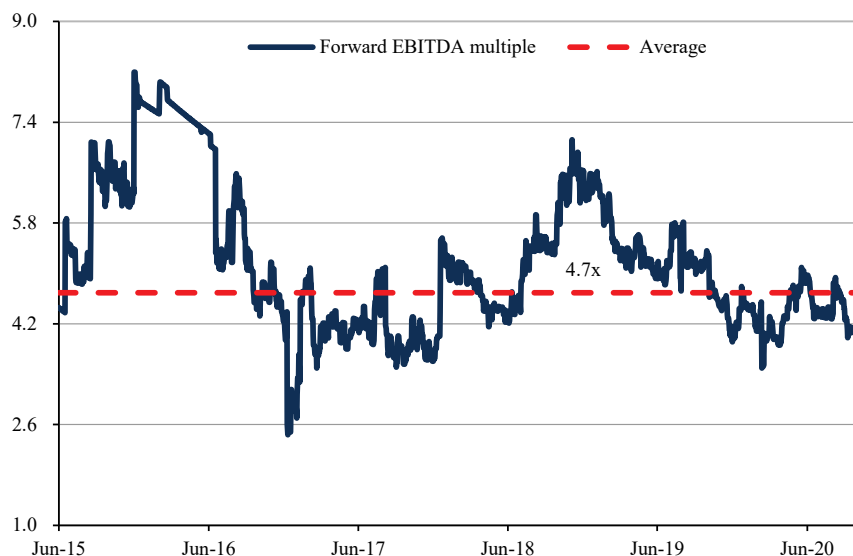
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<sup>15</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2018. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>16</sup> As one of Australia's leading valuation firms, LEA has an extensive database of Australian company transactions, including details of prices paid, implied enterprise values and earnings multiples. This evidence indicates that:

- (a) small companies generally trade on significantly lower earnings multiples than larger companies (provided other variables such as expected earnings growth are similar); and
- (b) investors usually require a higher rate of return to compensate for the additional risks associated with small companies compared to larger ones.

**RXP – one year forward EBITDA multiple**  
**30 June 2015 to 10 November 2020**



Source: Bloomberg, LEA analysis.

126 As shown above:

- (a) since early 2017 RXP shares have generally traded on a forward EBITDA multiple range between 4.0 to 5.8 times. However, since the onset of the COVID-19 pandemic the forward EBITDA multiple has generally been toward the bottom end of this range
- (b) from 30 June 2015 up to 10 November 2020 the average forward EBITDA multiple for RXP has been 4.7 times.

127 RXP has therefore traded on relatively low forward EBITDA multiples over recent years, which we attribute primarily to the lack of organic growth in both revenue and underlying EBITDA. However, as noted in paragraph 132 below, with traditional IT service revenue now at low levels and continued growth expected in digital IT services (which represented 90% of total revenue in FY20), we believe that the business is now more likely to achieve organic growth in its revenue base in the medium to long term.

### **RXP acquisitions**

128 RXP listed on the ASX in late 2011. At the date of the initial public offering (IPO) the Company was expected to generate more than \$20 million in annual revenue<sup>17</sup>. Based on the IPO price of \$0.50 per share the enterprise value of RXP at the time was approximately \$27.1 million<sup>18</sup>. RXP was forecast to achieve EBITDA of \$2.1 million in the six months to 31 December 2011 (implying \$4.2 million on an annualised basis<sup>19</sup>). As a result, the forecast EBITDA multiple based on the IPO price was around 6.4 times.

<sup>17</sup> Pro-forma forecast revenue in the prospectus for the six months to 31 December 2011 was \$11.6 million.

<sup>18</sup> Based on a market capitalisation of \$21.5 million plus deferred settlement liabilities of \$7.1 million and unearned income of \$0.7 million less pro-forma cash of \$2.2 million.

<sup>19</sup> No forecast for FY12 was provided in the prospectus.

129 Since the IPO, RXP has made 14 acquisitions. The large majority of these have been small bolt-on acquisitions, which we estimate (having regard to expected earn-out payments) were acquired on implied earnings multiples generally ranging between 2.8 and 4.0 times EBIT<sup>20</sup>. The earnings multiples implied by the larger acquisitions were as follows:

- (a) **Integrated Value (October 2013)** – this business was acquired for approximately \$9.8 million (enterprise value), and provided a range of capabilities and solutions to clients in the areas of smart forms, content management, document management and mobility solutions. The initial payment for the business was based on 4.9 times forecast EBIT for the period 1 October 2013 to 30 September 2014, with the earn-out payments reducing the overall EBIT multiple to less than 4 times over the contract period
- (b) **The Works (August 2017)** – as stated above, The Works was acquired for up to \$33 million in consideration (of which \$17.5 million was paid upfront, \$7.5 million was deferred consideration payable on 31 July 2018, and \$8 million was contingent upon achieving a set earnings target for the FY18 and FY19 years). The upfront and deferred consideration (\$25 million) represented an EBITDA multiple of approximately 6.4 times the forecast EBITDA for FY18 (\$3.9 million).

#### Other IT services transactions

130 Other transactions in the IT services sector, and the related implied EBITDA multiples, are set out below:

Transaction multiples					
Date <sup>(1)</sup>	Target	Acquirer	Interest %	Enterprise value <sup>(2)</sup> \$m	EBITDA multiples <sup>(3)</sup> X
Sep 20	DWS	HCL Technologies	100	200	7.7 H
Jun 18	Project Assured	DWS	100	37	5.5 H
May 17	SMS Management & Technology	Nomura Research Institute	100	132	14.2 H
May 17	WME Group	Melbourne IT	100	39	5.6 F
Sep 16	ASG Group	Nomura Research Institute	100	348	10.6 F
Oct 15	UXC	CSC	100	470	9.9 F
Aug 15	Phoenix IT&T Consulting	Daisy Intermediate Hold.	75	26	5.2 F
Jun 15	Outware Mobile	Melbourne IT	100	67	8.6 F
Aug 14	Oakton	Dimension Data Holdings	100	171	10.6 F

**Note:**

1 Date of announcement.

2 Enterprise value on a 100% basis.

3 H – multiple based on historical EBITDA. F – multiple based on forecast EBITDA.

**Source:** LEA analysis using data from ASX announcements, analyst reports and company annual reports.

131 In relation to the transaction evidence it should be noted that:

- (a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control

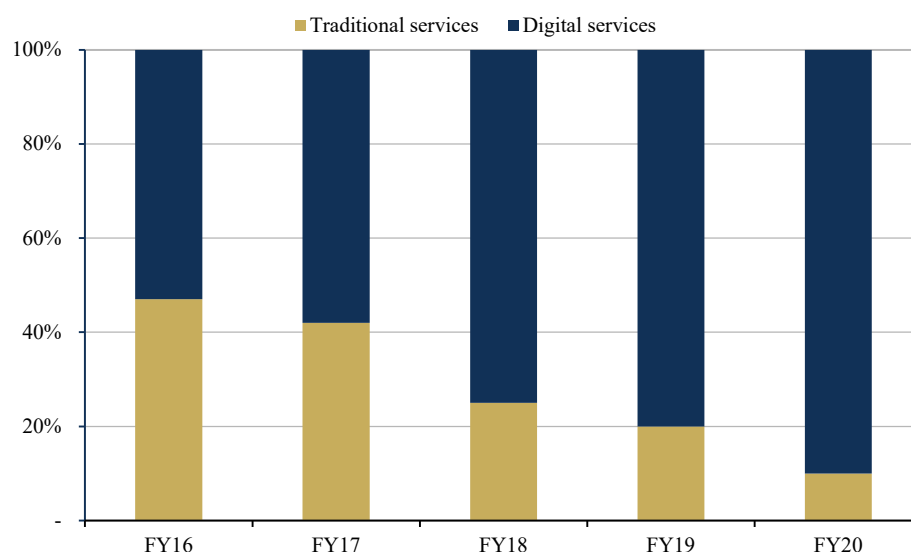
<sup>20</sup> EBITDA multiples were not available. However, as EBITDA would have been higher than EBIT (the businesses were profitable), it follows that the EBITDA multiples implied by the transactions would have been lower than the EBIT multiples.

- (b) none of the above businesses are directly comparable to the RXP business
- (c) the companies acquired differ materially in terms of their size and nature of operations. Accordingly, in our view, the median or average multiples implied by these transactions are not necessarily representative of the multiple which should be applied to RXP
- (d) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings
- (e) some transactions may reflect a strategic premium.

### Revenue and earnings growth

132 As noted in paragraph 106, RXP has achieved no significant revenue growth over the FY16 to FY20 period despite the acquisition of The Works in August 2017. This has principally arisen due to the significant decline in traditional IT service revenue, which has offset the significant growth achieved in the provision of digital IT services, as shown below:

**RXP – revenue by service type**  
% of total revenue



133 However, as stated above, with traditional IT service revenue now at low levels and continued growth expected in digital IT services (which represented 90% of total revenue in FY20), we believe that the business is now more likely to achieve organic growth in its revenue base in the medium to long term.

### EBITDA multiple adopted for valuation purposes

134 Based on the above we have adopted an EBITDA multiple of 6.5 to 7.5. Whilst this represents a significant premium to the average forward EBITDA multiple at which RXP shares have traded since 30 June 2015 of 4.7 times (which needs to be adjusted for a control premium), in our opinion this is appropriate given:

- (a) the transition made by the Company over recent years to focus on the provision of digital services (which now makes up over 90% of total revenue); and
- (b) the expected growth in this market segment in future years (in part due to the acceleration in the number of businesses now looking to implement digital solutions as a result of the COVID-19 pandemic).

## Enterprise value

135 On this basis, the value of RXP's business (on a cash and debt free basis) is as follows:

Enterprise value		
	Low \$m	High \$m
EBITDA	14.0	14.0
EBITDA multiple	6.5	7.5
	91.0	105.0
Less allowance for reduction in short term earnings <sup>(1)</sup>	(3.0)	(2.0)
<b>Enterprise value<sup>(2)</sup></b>	<b>88.0</b>	<b>103.0</b>

**Note:**

- 1 Refer paragraph 120.
- 2 Rounding differences exist.

## Net debt

136 As at 31 December 2020, RXP had net debt (excluding AASB 16 operating lease liabilities<sup>21</sup>) of \$3.8 million. However, it should be noted that:

- (a) the net debt position can vary materially within the month and during the financial year
- (b) income in advance (being amounts billed or received in advance of undertaking the services) as at 31 December 2020 and creditor payments deferred until early January 2021 totalled approximately \$2.0 million
- (c) for certain businesses in the group (e.g. The Works, which is a digital advertising agency), cash is often collected from clients in advance of paying external production costs
- (d) upon a change of control, the senior management are contractually entitled to be paid their short term incentives / bonuses, which have been estimated at \$1.6 million in total.

137 As a result, the appropriate net debt position for valuation purposes exceeds the reported net debt position. Having regard to the above, the level of net interest costs incurred by the Company in FY20 and average net debt levels over the 12 month period to 31 December 2020, we have adopted net debt for valuation purposes of \$9.0 million<sup>22</sup>.

<sup>21</sup> As stated in paragraph 107(g), we have reversed the impact of AASB 16 accounting entries as they have no impact on the underlying cash flow, profitability or value of RXP.

<sup>22</sup> This includes the \$1.6 million payment due to senior executives upon a change of control.

## Other assets / liabilities

- 138 We are not aware of any assets which are surplus to the business operations of RXP, nor any other liabilities which should be deducted from our assessed business value. We also note that RXP had no deferred or contingent consideration payments due in relation to past acquisitions as at 31 October 2020.

## Shares on issue

- 139 RXP has 173.1 million fully paid ordinary shares on issue. In addition, there are approximately 0.5 million performance share rights on issue which are expected to convert to ordinary shares pursuant to the terms of the Scheme. For valuation purposes we have therefore adopted 173.6 million fully diluted shares on issue.

## Valuation summary

- 140 Based on the above, the value of 100% of RXP on a controlling interest basis is as follows:

Valuation of RXP		
	Low \$m	High \$m
Enterprise value	88.0	103.0
Less net debt	(9.0)	(9.0)
<b>Equity value</b>	79.0	94.0
Fully diluted shares on issue	173.6	173.6
<b>Value per share</b>	<u>\$0.46</u>	<u>\$0.54</u>

## Comparison with listed market price

- 141 Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>23</sup>.
- 142 In the three months prior to the announcement of the Scheme (on 11 November 2020)<sup>24</sup>, the volume weighted average price (VWAP) of RXP shares was \$0.386 per share. We note that in the period up to 17 September 2020, RXP shares traded with an entitlement to the FY20 final dividend of \$0.025 per share (which was paid on 9 October 2020). During the period 17 September 2020 to 10 November 2020, the VWAP of RXP shares was \$0.363 per share. We note that this period better correlates with our assessed valuation of the equity in RXP, as it reflects trading both subsequent to the FY20 results presentation on 20 August 2020 and excluding the FY20 final dividend entitlement. Adjusting this VWAP for a 30% to 35% control premium would therefore result in a “theoretical” control value of \$0.47 to \$0.49 per share (which is consistent with the low and mid-point of our valuation range).

<sup>23</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2018. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>24</sup> We note that \$7.6 million worth of RXP shares traded during this period.

## VII Evaluation of the Scheme

- 143 In our opinion, the Scheme is fair and reasonable and in the best interests of RXP shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

### Assessment of the Scheme

#### Value of RXP

- 144 As set out in Section VI we have assessed the value of RXP between \$0.46 and \$0.54 per share.

#### Value of Scheme Consideration

- 145 If the Scheme is approved and implemented, RXP shareholders will receive \$0.55 cash for each RXP share they hold on the Scheme Record Date, less the cash amount of any Special Dividend which RXP announces before the Scheme Record Date.
- 146 Under the Agreement, RXP intends to pay a fully franked Special Dividend of up to \$0.05 per share, subject to the Corporations Act, the necessary approvals for the Scheme being obtained and RXP obtaining a ruling from the ATO. Should the full Special Dividend of \$0.05 per RXP share be paid the cash consideration payable under the Scheme will be reduced to \$0.50 per share.
- 147 RXP shareholders on the Scheme Record Date will therefore receive a total of \$0.55 cash per share if the Scheme is implemented regardless of whether a Special Dividend is paid. Accordingly, for the purpose of our report we have assessed the value of the Scheme Consideration at \$0.55 per share.

#### Fair and reasonable opinion

- 148 Pursuant to RG 111 the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of RXP			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	0.55	0.55	0.55
Value of 100% of RXP	0.46	0.54	0.50
Extent to which the Scheme Consideration exceeds the value of RXP	0.09	0.01	0.05

- 149 As the Scheme Consideration is above the top end of our assessed valuation range for RXP shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to RXP shareholders when assessed based on the guidelines set out in RG 111.
- 150 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is fair and reasonable.



### **In the best interests**

- 151 There is no legal definition of the expression “in the best interests”. However, RG 111 states that a Scheme may be “in the best interests of the members of the company” if there are sufficient reasons for shareholders to vote in favour of the Scheme in the absence of a higher offer.
- 152 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because, if the Scheme Consideration is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 153 We therefore consider that the Scheme is also “in the best interests” of RXP shareholders in the absence of a superior proposal.

### **Other considerations**

- 154 In assessing whether the Scheme is reasonable and in the best interests of RXP shareholders LEA has also considered, in particular:
- (a) the extent to which a control premium is being paid to RXP shareholders
  - (b) the extent to which RXP shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
  - (c) the listed market price of the shares in RXP, both prior to and subsequent to the announcement of the proposed Scheme
  - (d) the likely market price of RXP securities if the proposed Scheme is not approved
  - (e) the value of RXP to an alternative offeror and the likelihood of a higher alternative offer being made for RXP prior to the date of the Scheme meeting
  - (f) the advantages and disadvantages of the Scheme from the perspective of RXP shareholders
  - (g) other qualitative and strategic issues associated with the Scheme.
- 155 These issues are discussed in detail below.

### **Extent to which a control premium is being paid**

- 156 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company’s shares<sup>25</sup> three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)<sup>26</sup>. This premium range reflects the fact that:

<sup>25</sup> After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

<sup>26</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2018. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.



- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

- 157 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of RXP shares (as traded on the ASX) for periods up to and including 10 November 2020 (being the last trading day prior to the announcement of the Scheme).
- 158 We note that in the period up to 17 September 2020, RXP shares traded with an entitlement to the FY20 final dividend of \$0.025 per share (which was paid on 9 October 2020). We have therefore specifically included in our analysis trading in RXP shares during the period 17 September 2020 to 10 November 2020, as this period reflects trading both subsequent to the FY20 results presentation on 20 August 2020 and excludes the FY20 final dividend entitlement<sup>27</sup>.
- 159 The implied offer premium relative to RXP share prices up to 10 November 2020 is shown below:

Implied offer premium relative to recent RXP share prices		
	RXP share price \$	Implied offer premium %
Scheme Consideration	0.550	
<b>Closing share price on:</b> 10 November 2020 (the last trading day prior to the announcement of the proposed Scheme)	0.340	61.8
<b>VWAP:</b>		
1 month up to and including 10 November 2020	0.355	55.0
3 months up to and including 10 November 2020	0.386	42.6
17 September 2020 up to and including 10 November 2020	0.363	51.7

- 160 In our opinion, more regard should be had to the VWAPs above rather than the share price on a single day. Having regard to the VWAPs, we note that the Scheme Consideration provides RXP shareholders with a premium that exceeds observed premiums generally paid in comparable circumstances.
- 161 Accordingly, in our view, RXP shareholders are being fully compensated for the fact that 100% of control of RXP will pass to Capgemini if the Scheme is approved.

<sup>27</sup> This period also better correlates with our assessed valuation of the equity in RXP.

## Extent to which RXP shareholders are being paid a share of synergies

- 162 If the Scheme is approved by RXP shareholders, Capgemini will acquire a 100% interest in RXP. As RXP will be privatised, listed company costs will be eliminated. Further, Capgemini is a competitor and therefore currently operates businesses similar to those of RXP. In the circumstances we would therefore expect Capgemini to be able to generate some operational synergies from the acquisition of RXP, such as:
- (a) potential savings in head office and administration costs
  - (b) potential rationalisation of office space (leasing costs); and
  - (c) improved market position (depth and breadth of services, etc.).
- 163 Whilst Capgemini has not provided any specific guidance on the size of synergies expected to arise from the acquisition of RXP, we consider the potential level of synergies to be significant relative to the underlying earnings of RXP being acquired by Capgemini pursuant to the transaction.
- 164 In relation to potential synergies we note that in the ASX announcement of the proposed transaction on 11 November 2020, Luc-Francois Salvador (Executive Chairman, Capgemini Asia Pacific and the Middle East) stated:
- “The acquisition of RXP will make Capgemini a market leader in Australia in digital, data and cloud, enhancing our ability to provide our clients with value, scale and world-class expertise. This deal will be a step change for Capgemini in Australia”.*
- 165 In the same announcement Ross Fielding (co-founder and Chief Executive Officer of RXP) stated: *“RXP is a natural fit for Capgemini”.*
- 166 As noted above, the existence of synergies from business combinations is one of the reasons why bidders pay a control premium to acquire a company. In assessing the value of RXP for the purpose of this report, we have allowed an appropriate control premium in determining the value of a 100% interest in the Company<sup>28</sup>. Implicitly therefore, the value of a typical level of potential synergies arising from the transaction has been reflected in our valuation assessment.

## Recent share prices subsequent to the announcement of the Scheme

- 167 Shareholders should note that RXP shares have traded on the ASX in the range of \$0.505 to \$0.545 per share in the period since the Scheme was announced up to 25 January 2021. These share prices are lower than the Scheme Consideration and suggest that the market consensus view is that a superior offer or proposal is unlikely to emerge.
- 168 RXP shareholders considering selling their RXP shares on the ASX will need to consider brokerage costs and should note that:
- (a) the RXP share price on the ASX is subject to daily fluctuation
  - (b) RXP shareholders who sell their RXP shares on the ASX will not obtain the benefit of any superior proposal should this eventuate.

<sup>28</sup> For instance, by using comparable transaction multiples we implicitly include the share of synergies paid in those transactions.

### **Likely price of RXP shares if the Scheme is not implemented**

- 169 If the Scheme is not implemented we expect that, at least in the short term, RXP shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of RXP shares on a portfolio basis and their value on a 100% takeover basis. In this regard we note that RXP shares last traded at \$0.34 per share on 10 November 2020 (being the last trading day prior to the announcement of the Scheme).
- 170 If the Scheme is not implemented those RXP shareholders who wish to sell their RXP shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

### **Likelihood of an alternative offer**

- 171 We have been advised by the Directors of RXP that no formal alternative offers have been received subsequent to the announcement of the Scheme on 11 November 2020.

### **Summary of opinion on the Scheme**

- 172 We summarise below the likely advantages and disadvantages for RXP shareholders if the Scheme proceeds.

#### **Advantages**

- 173 In our opinion, the Scheme has the following benefits for RXP shareholders:
- (a) the Scheme Consideration of \$0.55 cash per share is above the high end of our assessed value range for RXP shares on a 100% controlling interest basis
  - (b) the Scheme Consideration represents a significant premium to the recent market prices of RXP shares prior to the announcement of the Scheme on 11 November 2020
  - (c) furthermore, the premium exceeds observed premiums generally paid to target company shareholders in comparable circumstances
  - (d) the Special Dividend may give rise to additional consideration to those Australian resident shareholders able to benefit from the related franking credits attaching to the Special Dividend
  - (e) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of RXP shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings.

#### **Disadvantages**

- 174 RXP shareholders should note that if the Scheme is implemented they will no longer hold an interest in RXP. RXP shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 175 However, as the Scheme Consideration is above the top end of our assessed value of RXP shares, in our opinion, the present value of RXP's future potential is fully reflected in the Scheme Consideration.

### **Conclusion**

- 176 Given the above analysis, we consider the acquisition of RXP shares under the Scheme is fair and reasonable and in the best interests of RXP shareholders in the absence of a superior proposal.

## Appendix A

### Financial Services Guide

#### Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

#### Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to RXP shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

#### Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

#### General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

#### Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$80,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

## **Appendix A**

- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

### **Complaints**

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

### **Contact details**

- 14 LEA can be contacted by sending a letter to the following address:

Level 7  
64 Castlereagh Street  
Sydney NSW 2000  
(or GPO Box 1640, Sydney NSW 2001)

## Appendix B

### Qualifications, declarations and consents

#### Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Mr Martin Holt, who are each authorised representatives of LEA. Mr Edwards and Mr Holt have over 27 years and 35 years experience respectively in the provision of valuation advice (and related advisory services).

#### Declarations

- 3 This report has been prepared at the request of the Directors of RXP to accompany the Scheme Booklet to be sent to RXP shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable to and in the best interests of RXP shareholders.

#### Interests

- 4 At the date of this report, neither LEA, Mr Edwards nor Mr Holt have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

#### Indemnification

- 6 As a condition of LEA's agreement to prepare this report, RXP agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of RXP which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

#### Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

## Appendix C

### Listed company descriptions

#### Data#3 Ltd

- 1 Data#3 is an Australian IT company that delivers an integrated array of solutions spanning cloud, mobility, security, data and analytics and IT lifecycle management through two segments, being Product and Services. The Product segment is engaged in providing hardware and software licenses for its customers' desktop, network and data centre infrastructure. The company's Services segment provides consulting, procurement, project services, resourcing and managed services.

#### Empired Ltd

- 2 Empired is an Australian IT services provider with locations in 10 cities across Australia, New Zealand and the United States of America. The company is engaged in the design, development and integration of business knowledge, IT and creativity, with the aim of streamlining and automating business processes and delivering operational efficiencies. It operates across various industries, including retail and manufacturing, financial services and insurance, health, mining, oil and gas, utilities, transport and education.

## Appendix D

### Glossary

Term	Meaning
1H21	First half of the 2021 financial year
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
AFCA	Australian Financial Complaints Authority
Agreement	Scheme Implementation Deed between RXP and Capgemini dated 10 November 2020
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
CAGR	Compound annual growth rate
Capgemini	Capgemini Australia Pty Ltd
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	Corporations Regulations 2001
COVID-19	2019 novel coronavirus
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
FSG	Financial Services Guide
FY	Financial year
ICT	Information and communication technology
IER	Independent expert's report
IPO	Initial public offering
IT	Information technology
KMP	Key management personnel
LEA	LonerGAN Edwards & Associates Limited
NSW	New South Wales
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
RXP / the Company	RXP Services Limited
Scheme	Scheme of arrangement between RXP and its shareholders
Scheme Consideration	\$0.55 cash per share less any Special Dividend
Special Dividend	Up to \$0.05 per share
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding



## **SCHEDULE 2- SCHEME OF ARRANGEMENT**



HERBERT  
SMITH  
FREEHILLS

## Scheme of arrangement – share scheme

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RXP Services Limited

Scheme Shareholders

## Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

RXP Services Limited of ABN 30 146 959 917 of Level 15, 31 Queen Street, Melbourne Victoria 3000 (**Target**)

The Scheme Shareholders

## 1 Definitions, interpretation and scheme components

### 1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
<b>Acquirer</b>	Capgemini Australia Pty Limited of ABN 11 092 284 314 of Level 7, 77 King Street, Sydney NSW 2000
<b>Acquirer Group</b>	Acquirer and each of its Affiliates and Subsidiaries.
<b>Affiliate</b>	means, in respect of a person ( <b>Primary Person</b> ), a person: <ol style="list-style-type: none"><li>1 Controlled directly or indirectly by the Primary Person;</li><li>2 Controlling directly or indirectly the Primary Person;</li><li>3 who is Controlled, directly or indirectly, by a person or persons who Control the Primary Person; or</li><li>4 directly or indirectly under the common Control of the Primary Person and another person or persons.</li></ol>
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.



Term	Meaning
<b>Business Day</b>	a day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne, Australia.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
<b>CHESS Holding</b>	has the meaning given in the Settlement Rules.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	the Federal Court of Australia or any other court nominated by the Target.
<b>Deed Poll</b>	the deed poll substantially in the form of Attachment 1 under which Acquirer covenants in favour of the Scheme Shareholders to perform the obligations attributed to Acquirer under this Scheme.
<b>Effective</b>	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
<b>Effective Date</b>	the date on which this Scheme becomes Effective.
<b>End Date</b>	31 May 2021, or such other date as agreed in writing by Acquirer and Target.
<b>Excluded Shareholder</b>	any Target Shareholder who is a member of the Acquirer Group or any Target Shareholder who holds any Target Shares on behalf of, or for the benefit of, any member of the Acquirer Group and does not hold Target Shares on behalf of, or for the benefit of, any other person.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other



Term	Meaning
	date after the Scheme Record Date as agreed in writing by Target and Acquirer.
<b>Implementation Deed</b>	the scheme implementation deed dated 10 November 2020 between Target and Acquirer relating to the implementation of this Scheme.
<b>Issuer Sponsored Holding</b>	has the meaning given in the Settlement Rules.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Operating Rules</b>	the official operating rules of ASX.
<b>Registered Address</b>	in relation to a Target Shareholder, the address shown in the Share Register as at the Scheme Record Date.
<b>Scheme</b>	this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Target and Acquirer.
<b>Scheme Consideration</b>	for each Target Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of \$0.55 per Target Share in cash, less the amount of the Special Dividend, subject to the terms of this Scheme.
<b>Scheme Meeting</b>	the meeting of the Target Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	the later of: <ol style="list-style-type: none"><li>7.00pm on the fifth Business Day after the Effective Date; and</li><li>if a Special Dividend is declared, 7.00pm on the tenth Business Day after the Effective Date,</li></ol> or such other date agreed to in writing by the Target and the Bidder.
<b>Scheme Shares</b>	all Target Shares held by the Scheme Shareholders (other than

Term	Meaning
	Excluded Shareholders) as at the Scheme Record Date.
<b>Scheme Shareholder</b>	a holder of Target Shares recorded in the Share Register as at the Scheme Record Date.
<b>Scheme Transfer</b>	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Acquirer as transferee, which may be a master transfer of all or part of the Scheme Shares.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Settlement Rules</b>	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
<b>Share Register</b>	the register of members of Target maintained by Target or the Target Registry in accordance with the Corporations Act.
<b>Special Dividend</b>	a special dividend, which the Target may in its absolute discretion declare, in an amount of up to \$0.05 per Target Share, which will be fully franked subject to the availability of franking credits and which, to the extent franked, will be no greater than the maximum amount for the dividend to be fully franked by reference to the franking account balance of Target as at 30 June 2020 plus or minus any franking credits or franking debits after 30 June 2020 attributable to tax payments or tax refunds attributable to financial years ending on or before 30 June 2020 and will not result in the franking account of Target being in deficit after the special dividend is paid.
<b>Target Registry</b>	Computershare Investor Services Pty Ltd.
<b>Target Share</b>	a fully paid ordinary share in the capital of Target.
<b>Target Shareholder</b>	each person who is registered as the holder of a Target Share in the Share Register.

## 1.2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 1.3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

### 1.5 Scheme components

This Scheme includes any schedule to it.

## 2 Preliminary matters

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- (a) Target is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. Target Shares are quoted for trading on the ASX.
- (b) As at 10 November 2020, 173,119,378 Target Shares and 453,806 performance rights were on issue.
- (c) If this Scheme becomes Effective:
  - (1) Acquirer must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
  - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Acquirer and Target will enter the name of Acquirer in the Share Register in respect of the Scheme Shares.
- (d) Target and Acquirer have agreed, by executing the Implementation Deed, to implement this Scheme.
- (e) This Scheme attributes actions to Acquirer but does not itself impose an obligation on them to perform those actions. Acquirer has agreed, by executing the Deed Poll, to perform the obligations attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

## 3 Conditions

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### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:





- (a) all the conditions in clause 3 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Acquirer and Target;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Acquirer and Target having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Target and Acquirer agree in writing).

### **3.2 Certificate**

- (a) Target and Acquirer will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

### **3.3 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Target and Acquirer otherwise agree in writing.

## **4 Implementation of this Scheme**

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### **4.1 Lodgement of Court orders with ASIC**

Target must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

### **4.2 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(b) and 5.1(c) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Acquirer, without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 8.5), by:
  - (1) Target delivering to Acquirer a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Target, for registration; and
  - (2) Acquirer duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Target must enter, or procure the entry of, the name of Acquirer in the Share Register in respect of all the Scheme Shares transferred to Acquirer in accordance with this Scheme.

## 5 Scheme Consideration

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### 5.1 Provision of Scheme Consideration

- (a) Acquirer must, and Target must use its best endeavours to procure that Acquirer does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an Australian dollar denominated trust account operated by Target as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Acquirer's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), Target must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of Target under clause 5.1(b) will be satisfied by Target (in its absolute discretion, and despite any election referred to in clause 5.1(c)(1) or authority referred to in clause 5.1(c)(2) made or given by the Scheme Shareholder) by:
  - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Target; or



- (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of Target's obligations under clause 5.1(b), there is a surplus in the amount held by Target as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by Target to Acquirer.

## 5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

## 5.3 Fractional entitlements and splitting

- (a) Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent, as applicable.

## 5.4 Unclaimed monies

- (a) Target may cancel a cheque issued under this clause 5 if the cheque:
  - (1) is returned to Target; or
  - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under this clause 5.4.
- (c) The *Unclaimed Money Act* 2008 (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 3 of the *Unclaimed Money Act* 2008 (Vic)).

## 5.5 Orders of a court or Government Agency

If written notice is given to Target (or the Target Registry) or Acquirer (or the Acquirer Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Target in accordance with this clause 5, then Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Target from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Target shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

## 6 Dealings in Target Shares

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### 6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Target Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Target must not accept for registration, nor recognise for any purpose (except a transfer to Acquirer pursuant to this Scheme and any subsequent transfer by Acquirer or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 6.2 Register

- (a) Target must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme

Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

- (d) All statements of holding for Target Shares (other than statements of holding in favour of Acquirer or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Acquirer or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Share Register are available to Acquirer in the form Acquirer reasonably requires.

## 7 Quotation of Target Shares

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- (a) Target must apply to ASX to suspend trading on the ASX in Target Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Acquirer, Target must apply:
  - (1) for termination of the official quotation of Target Shares on the ASX; and
  - (2) to have itself removed from the official list of the ASX.

## 8 General Scheme provisions

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### 8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Target may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Acquirer has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Target has consented to.

### 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (1) agrees to the transfer of their Target Shares together with all rights and entitlements attaching to those Target Shares in accordance with this Scheme;
  - (2) agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this Scheme;
  - (3) agrees to, on the direction of Acquirer, destroy any holding statements or share certificates relating to their Target Shares;

- (4) who holds their Target Shares in a CHESS Holding agrees to the conversion of those Target Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
  - (5) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Target and Acquirer on the Implementation Date, and appointed and authorised Target as its attorney and agent to warrant to Acquirer on the Implementation Date, that:
- (1) all their Target Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Target Shares to Acquirer together with any rights and entitlements attaching to those shares. Target undertakes that it will provide such warranty to Acquirer as agent and attorney of each Scheme Shareholder; and
  - (2) they have no existing right to be issued any Target Shares, Target options, Target performance rights, Target convertible notes or any other Target securities, other than the right to be issued Target Shares upon the exercise of Target Options (as appropriate). Target undertakes that it will provide such warranty to Acquirer as agent and attorney of each Scheme Shareholder.

### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Acquirer will, at the time of transfer of them to Acquirer vest in Acquirer free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), Acquirer will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Target of Acquirer in the Share Register as the holder of the Scheme Shares.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), and until Target registers Acquirer as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:



- (a) is deemed to have appointed Acquirer as attorney and agent (and directed Acquirer in each such capacity) to appoint any director, officer, secretary or agent nominated by Acquirer as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Acquirer reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Acquirer and any director, officer, secretary or agent nominated by Acquirer under clause 8.4(a) may act in the best interests of Acquirer as the intended registered holder of the Scheme Shares.

## 8.5 Authority given to Target

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Acquirer and Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Acquirer on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Target accepts each such appointment. Target as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

## 8.6 Binding effect of Scheme

This Scheme binds Target and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target.

# 9 General

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## 9.1 Stamp duty

Acquirer will:





- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

## **9.2 Consent**

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Target or otherwise.

## **9.3 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Target Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## **9.4 Governing law**

- (a) This Scheme is governed by the laws in force in Victoria.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

## **9.5 Further action**

Target must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.



## **SCHEDULE 3- DEED POLL**



HERBERT  
SMITH  
FREEHILLS

Deed

## Share scheme deed poll

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Capgemini Australia Pty Ltd



HERBERT  
SMITH  
FREEHILLS

## Share scheme deed poll

Date ► 28 January 2021

This deed poll is made

By **Capgemini Australia Pty Limited**  
ABN 11 092 284 314 of Level 7, 77 King Street Sydney NSW 2000  
(Acquirer)

in favour of each person registered as a holder of fully paid ordinary shares in Target in the Share Register as at the Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 Target and Acquirer entered into the Implementation Deed.
- 2 In the Implementation Deed, Acquirer agreed to make this deed poll.
- 3 Acquirer is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform all of the obligations attributed to Acquirer under the Implementation Deed and the Scheme.

This deed poll provides as follows:

## 1 Definitions and interpretation

### 1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
<b>First Court Date</b>	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
<b>Implementation Deed</b>	the scheme implementation deed entered into between Target and Acquirer dated 10 November 2020.



Term	Meaning
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Acquirer and Target.
<b>Target</b>	RXP Services Limited ABN 30 146 959 917.
(b)	Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

## 1.2 Interpretation

Clauses 1.2, 1.3 and 1.4 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

## 1.3 Nature of deed poll

Acquirer acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Acquirer.

# 2 Conditions to obligations

## 2.1 Conditions

This deed poll and the obligations of Acquirer under this deed poll are subject to the Scheme becoming Effective.

## 2.2 Termination

The obligations of Acquirer under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
  - (b) the Scheme is not Effective on or before the End Date,
- unless Acquirer and Target otherwise agree in writing.



## 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Acquirer is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Acquirer in respect of any breach of this deed poll which occurred before it was terminated.

## 3 Scheme obligations

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### 3.1 Undertaking to perform obligations

Subject to clause 2, Acquirer undertakes in favour of each Scheme Shareholder to perform the obligations attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme.

### 3.2 Undertaking to pay Scheme Consideration

Subject to clause 2, Acquirer undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.

## 4 Warranties

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Acquirer represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

## 5 Continuing obligations

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This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Acquirer has fully performed its obligations under this deed poll; or



- (b) the earlier termination of this deed poll under clause 2.

## 6 Notices

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### 6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Acquirer in accordance with the details set out below (or any alternative details nominated by Acquirer by Notice).

<b>Attention</b>	General counsel office
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<b>Address</b>	Level 7, 77 King Street NSW 2000 Sydney Australia
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<b>Email address</b>	teresa.alan@capgemini.com
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<b>Copy to</b>	Capgemini Service Address : 11, rue de Tilsitt 75017 Paris, France Attention: Group General Counsel office Email: maria.pernas@capgemini.com and Isabelle.riviere@capgemini.com Group M&A Email: walter.vejovsky@capgemini.com
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<b>Copy to</b>	Herbert Smith Freehills Attention: Tony Damian / Nicole Pedler Email: Tony.Damian@hsf.com / Nicole.Pedler@hsf.com
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### 6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.



However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By express post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	<p>The first to occur of:</p> <ol style="list-style-type: none"> <li>1 the sender receiving an automated message confirming delivery; or</li> <li>2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.</li> </ol>

### 6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

## 7 General

### 7.1 Stamp duty

Acquirer:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

### 7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Victoria.
- (b) Acquirer irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Acquirer irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



### 7.3 Waiver

- (a) Acquirer may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Acquirer as a waiver of any right unless the waiver is in writing and signed by Acquirer.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
<b>conduct</b>	includes delay in the exercise of a right.
<b>right</b>	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
<b>waiver</b>	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

### 7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Target; or
- (b) if on or after the First Court Date, the variation is agreed to by Target and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Acquirer will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

### 7.5 Cumulative rights

The rights, powers and remedies of Acquirer and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

### 7.6 Assignment

- (a) The rights and obligations of Acquirer and each Scheme Shareholder are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of Acquirer and the Target.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

### 7.7 Further action

Acquirer must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.





HERBERT  
SMITH  
FREEHILLS

## Attachment 1

### Scheme

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HERBERT  
SMITH  
FREEHILLS

## Scheme of arrangement – share scheme

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RXP Services Limited

Scheme Shareholders

# Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

RXP Services Limited of ABN 30 146 959 917 of Level 15, 31 Queen Street, Melbourne Victoria 3000 (**Target**)

The Scheme Shareholders

## 1 Definitions, interpretation and scheme components

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### 1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
<b>Acquirer</b>	Capgemini Australia Pty Limited of ABN 11 092 284 314 of Level 7, 77 King Street, Sydney NSW 2000
<b>Acquirer Group</b>	Acquirer and each of its Affiliates and Subsidiaries.
<b>Affiliate</b>	means, in respect of a person ( <b>Primary Person</b> ), a person: <ol style="list-style-type: none"><li>1 Controlled directly or indirectly by the Primary Person;</li><li>2 Controlling directly or indirectly the Primary Person;</li><li>3 who is Controlled, directly or indirectly, by a person or persons who Control the Primary Person; or</li><li>4 directly or indirectly under the common Control of the Primary Person and another person or persons.</li></ol>
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.



Term	Meaning
<b>Business Day</b>	a day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne, Australia.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
<b>CHESS Holding</b>	has the meaning given in the Settlement Rules.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	the Federal Court of Australia or any other court nominated by the Target.
<b>Deed Poll</b>	the deed poll substantially in the form of Attachment 1 under which Acquirer covenants in favour of the Scheme Shareholders to perform the obligations attributed to Acquirer under this Scheme.
<b>Effective</b>	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
<b>Effective Date</b>	the date on which this Scheme becomes Effective.
<b>End Date</b>	31 May 2021, or such other date as agreed in writing by Acquirer and Target.
<b>Excluded Shareholder</b>	any Target Shareholder who is a member of the Acquirer Group or any Target Shareholder who holds any Target Shares on behalf of, or for the benefit of, any member of the Acquirer Group and does not hold Target Shares on behalf of, or for the benefit of, any other person.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other



Term	Meaning
	date after the Scheme Record Date as agreed in writing by Target and Acquirer.
<b>Implementation Deed</b>	the scheme implementation deed dated 10 November 2020 between Target and Acquirer relating to the implementation of this Scheme.
<b>Issuer Sponsored Holding</b>	has the meaning given in the Settlement Rules.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Operating Rules</b>	the official operating rules of ASX.
<b>Registered Address</b>	in relation to a Target Shareholder, the address shown in the Share Register as at the Scheme Record Date.
<b>Scheme</b>	this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Target and Acquirer.
<b>Scheme Consideration</b>	for each Target Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of \$0.55 per Target Share in cash, less the amount of the Special Dividend, subject to the terms of this Scheme.
<b>Scheme Meeting</b>	the meeting of the Target Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	the later of: <ol style="list-style-type: none"><li>7.00pm on the fifth Business Day after the Effective Date; and</li><li>if a Special Dividend is declared, 7.00pm on the tenth Business Day after the Effective Date,</li></ol> or such other date agreed to in writing by the Target and the Bidder.
<b>Scheme Shares</b>	all Target Shares held by the Scheme Shareholders (other than

Term	Meaning
	Excluded Shareholders) as at the Scheme Record Date.
<b>Scheme Shareholder</b>	a holder of Target Shares recorded in the Share Register as at the Scheme Record Date.
<b>Scheme Transfer</b>	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Acquirer as transferee, which may be a master transfer of all or part of the Scheme Shares.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Settlement Rules</b>	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
<b>Share Register</b>	the register of members of Target maintained by Target or the Target Registry in accordance with the Corporations Act.
<b>Special Dividend</b>	a special dividend, which the Target may in its absolute discretion declare, in an amount of up to \$0.05 per Target Share, which will be fully franked subject to the availability of franking credits and which, to the extent franked, will be no greater than the maximum amount for the dividend to be fully franked by reference to the franking account balance of Target as at 30 June 2020 plus or minus any franking credits or franking debits after 30 June 2020 attributable to tax payments or tax refunds attributable to financial years ending on or before 30 June 2020 and will not result in the franking account of Target being in deficit after the special dividend is paid.
<b>Target Registry</b>	Computershare Investor Services Pty Ltd.
<b>Target Share</b>	a fully paid ordinary share in the capital of Target.
<b>Target Shareholder</b>	each person who is registered as the holder of a Target Share in the Share Register.



## 1.2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 1.3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

### 1.5 Scheme components

This Scheme includes any schedule to it.

## 2 Preliminary matters

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- (a) Target is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. Target Shares are quoted for trading on the ASX.
- (b) As at 10 November 2020, 173,119,378 Target Shares and 453,806 performance rights were on issue.
- (c) If this Scheme becomes Effective:
  - (1) Acquirer must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
  - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Acquirer and Target will enter the name of Acquirer in the Share Register in respect of the Scheme Shares.
- (d) Target and Acquirer have agreed, by executing the Implementation Deed, to implement this Scheme.
- (e) This Scheme attributes actions to Acquirer but does not itself impose an obligation on them to perform those actions. Acquirer has agreed, by executing the Deed Poll, to perform the obligations attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

## 3 Conditions

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### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:





- (a) all the conditions in clause 3 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Acquirer and Target;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Acquirer and Target having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Target and Acquirer agree in writing).

### **3.2 Certificate**

- (a) Target and Acquirer will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

### **3.3 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Target and Acquirer otherwise agree in writing.

## **4 Implementation of this Scheme**

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### **4.1 Lodgement of Court orders with ASIC**

Target must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

### **4.2 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(b) and 5.1(c) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Acquirer, without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 8.5), by:
  - (1) Target delivering to Acquirer a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Target, for registration; and
  - (2) Acquirer duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Target must enter, or procure the entry of, the name of Acquirer in the Share Register in respect of all the Scheme Shares transferred to Acquirer in accordance with this Scheme.

## 5 Scheme Consideration

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### 5.1 Provision of Scheme Consideration

- (a) Acquirer must, and Target must use its best endeavours to procure that Acquirer does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an Australian dollar denominated trust account operated by Target as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Acquirer's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), Target must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of Target under clause 5.1(b) will be satisfied by Target (in its absolute discretion, and despite any election referred to in clause 5.1(c)(1) or authority referred to in clause 5.1(c)(2) made or given by the Scheme Shareholder) by:
  - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Target; or



- (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of Target's obligations under clause 5.1(b), there is a surplus in the amount held by Target as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by Target to Acquirer.

## 5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

## 5.3 Fractional entitlements and splitting

- (a) Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent, as applicable.

## 5.4 Unclaimed monies

- (a) Target may cancel a cheque issued under this clause 5 if the cheque:
  - (1) is returned to Target; or
  - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under this clause 5.4.
- (c) The *Unclaimed Money Act* 2008 (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 3 of the *Unclaimed Money Act* 2008 (Vic)).

## 5.5 Orders of a court or Government Agency

If written notice is given to Target (or the Target Registry) or Acquirer (or the Acquirer Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Target in accordance with this clause 5, then Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Target from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Target shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

## 6 Dealings in Target Shares

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### 6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Target Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Target must not accept for registration, nor recognise for any purpose (except a transfer to Acquirer pursuant to this Scheme and any subsequent transfer by Acquirer or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 6.2 Register

- (a) Target must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme

Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

- (d) All statements of holding for Target Shares (other than statements of holding in favour of Acquirer or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Acquirer or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Share Register are available to Acquirer in the form Acquirer reasonably requires.

## 7 Quotation of Target Shares

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- (a) Target must apply to ASX to suspend trading on the ASX in Target Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Acquirer, Target must apply:
  - (1) for termination of the official quotation of Target Shares on the ASX; and
  - (2) to have itself removed from the official list of the ASX.

## 8 General Scheme provisions

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### 8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Target may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Acquirer has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Target has consented to.

### 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (1) agrees to the transfer of their Target Shares together with all rights and entitlements attaching to those Target Shares in accordance with this Scheme;
  - (2) agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this Scheme;
  - (3) agrees to, on the direction of Acquirer, destroy any holding statements or share certificates relating to their Target Shares;

- (4) who holds their Target Shares in a CHESS Holding agrees to the conversion of those Target Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
  - (5) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Target and Acquirer on the Implementation Date, and appointed and authorised Target as its attorney and agent to warrant to Acquirer on the Implementation Date, that:
- (1) all their Target Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Target Shares to Acquirer together with any rights and entitlements attaching to those shares. Target undertakes that it will provide such warranty to Acquirer as agent and attorney of each Scheme Shareholder; and
  - (2) they have no existing right to be issued any Target Shares, Target options, Target performance rights, Target convertible notes or any other Target securities, other than the right to be issued Target Shares upon the exercise of Target Options (as appropriate). Target undertakes that it will provide such warranty to Acquirer as agent and attorney of each Scheme Shareholder.

### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Acquirer will, at the time of transfer of them to Acquirer vest in Acquirer free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), Acquirer will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Target of Acquirer in the Share Register as the holder of the Scheme Shares.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), and until Target registers Acquirer as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:



- (a) is deemed to have appointed Acquirer as attorney and agent (and directed Acquirer in each such capacity) to appoint any director, officer, secretary or agent nominated by Acquirer as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Acquirer reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Acquirer and any director, officer, secretary or agent nominated by Acquirer under clause 8.4(a) may act in the best interests of Acquirer as the intended registered holder of the Scheme Shares.

## 8.5 Authority given to Target

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Acquirer and Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Acquirer on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Target accepts each such appointment. Target as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

## 8.6 Binding effect of Scheme

This Scheme binds Target and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target.

# 9 General

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## 9.1 Stamp duty

Acquirer will:





- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

## **9.2 Consent**

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Target or otherwise.

## **9.3 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Target Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## **9.4 Governing law**

- (a) This Scheme is governed by the laws in force in Victoria.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

## **9.5 Further action**

Target must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.





## Attachment 1

### Deed Poll

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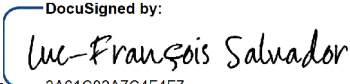
Signing page

Executed as a deed poll

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Acquirer

Signed sealed and delivered by  
**Capgemini Australia Pty Ltd**  
by

sign here ►   
DocuSigned by:  
3A61C02A7C4F4F7...  
Company Secretary/Director

print name Luc-François Salvador

sign here ►   
DocuSigned by:  
0AB3A7FBD636475...  
Director

print name Olaf Pietschner

## **SCHEDULE 4- NOTICE OF SCHEME MEETING**

1 February 2021

Company Announcements Office  
Australian Stock Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Scheme Meeting – Notice of Scheme Meeting**

RXP Services Limited (ASX:RXP) (RXP or the Company) will be holding a meeting of its shareholders to consider and, if thought fit, approve a scheme of arrangement proposed to be made between RXP and the holders of its fully paid ordinary shares in relation to the proposed acquisition of the Company by Capgemini Australia Pty Limited at 11.00am (AEDT) on 2 March 2021.

Attached are copies of the following documents in relation to the Scheme Meeting:

- Notice of Scheme Meeting;
- Explanatory Notes; and
- Proxy form

For further information, please contact me, as Company Secretary, on (03) 8630 5800 or at [info@rxpservices.com](mailto:info@rxpservices.com).

Your faithfully



David Royale  
Company Secretary

This announcement has been approved by order of the Board

## RXP Services Limited

ACN 146 959 917

### Notice of Scheme Meeting

Including Explanatory Notes and Proxy Form

**Date:** Tuesday, 2 March 2021

**Time:** 11.00am (AEDT)

**Location:** The Meeting will be held virtually via [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585)

Due to the on-going COVID-19 pandemic, social distancing requirements, and in the interests of the health and safety of our shareholders, directors and staff, the meeting will be held virtually.

Shareholders will be able to attend and vote at the meeting electronically through the online platform at [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585).

## **Notice of Scheme Meeting**

Notice is hereby given that by the order of the Federal Court of Australia (**"Court"**) made on 29 January 2021 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (**"Corporations Act"**) a meeting (**"Scheme Meeting"**) of the Shareholders of RXP Services Limited (**"RXP" or the "Company"**) will be held at 11.00am (Melbourne time) on Tuesday, 2 March 2021 via a virtual meeting using an online platform.

In accordance with the government's guidance and restrictions on travel and public gatherings, the Scheme Meeting will be held as a virtual meeting by electronic means via an online platform at [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585).

Shareholders may be present online and vote through the online webcasting platform provided by the Company's share registry at [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585) on their smartphones, tablet or computer. Further information regarding online attendance at the Scheme Meeting (including how to vote and ask questions virtually during the Scheme Meeting) is set out in the Company's Online Meeting Guide, which is attached to this Notice of Scheme Meeting.

## **Purpose of Scheme Meeting**

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification) a scheme of arrangement proposed to be made between RXP and the holders of its fully paid ordinary shares in relation to the proposed acquisition of RXP by Capgemini Australia Pty Limited (**"Capgemini"**).

## **Scheme Resolution**

To consider and, if thought fit, to pass (with or without amendment) the following resolution:

'That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between RXP Services Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification or conditions as approved by the Federal Court of Australia to which RXP Services Limited and Capgemini Australia Pty Limited agree).'

## **Chairman of the Scheme Meeting**

The Court has directed John Pittard, or failing him, Adrian Fitzpatrick, be chairman of the Scheme Meeting (**"Chairman"**) and has directed the Chairman to report the result of the Scheme Meeting to the Court.

The Chairman of the Scheme Meeting intends to vote any undirected proxies (where the Chairman has been appropriately authorised) in favour of the proposed resolution. If you do not wish the Chairman of the Scheme Meeting to vote in favour of the proposed resolution as your proxy, it is important that you complete the voting directions accordingly.

**DATED 29 January 2021**  
**BY ORDER OF THE BOARD**



David Royale  
Company Secretary

## Explanatory Notes

### 1. Information about the Scheme

Information about the Scheme is set out in the Scheme Booklet. A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this Notice of Scheme Meeting forms part.

Terms used in this Notice of Scheme Meeting have the same meaning as set out in the Glossary to the Scheme Booklet, unless otherwise indicated.

### 2. Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification or conditions approved by the Court to which RXP and Capgemini agree) must be approved by an order of the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC. If the Scheme Resolution put to the Scheme Meeting is passed by the required majority (as detailed below under 'Passing the Scheme Resolution') and the other conditions to the Scheme are satisfied or (where applicable) waived in accordance with the Scheme Implementation Agreement, RXP intends to apply to the Court on Thursday, 4 March 2021 for the necessary orders to give effect to the Scheme.

### 3. Holding a Virtual Meeting

As part of the Australian Government's response to COVID-19, the Federal Treasurer has issued a Determination that permits to hold fully virtual annual general meetings and allows notices of meeting and other information regarding a meeting to be provided online where it can be viewed and downloaded.

The Scheme Meeting will be webcast live via the Lumi online platform. You will be able to listen to the proceedings, view the presentations, ask questions of the Board and vote in real time. You will be able to attend the Scheme Meeting using your computer, mobile phone or other mobile device.

RXP's Notice of Scheme Meeting and the Scheme Booklet are available at [www.rxp.services.com/investor](http://www.rxp.services.com/investor). Shareholders will also find on this site instructions for how to join the Scheme Meeting online, view the webcast, submit questions and vote in real time during the Scheme Meeting.

If you are not able to attend the Scheme Meeting online at the scheduled time, you can participate in the Scheme Meeting by appointing a proxy to attend the Scheme Meeting and vote on your behalf in accordance with the directions found in section 9 of the Notes to the Notice of Scheme Meeting.

### 4. Entitlement to Vote

For the purposes of determining a person's entitlement to vote at the Scheme Meeting, the person will be recognised as a member and a holder of shares if that person is registered as a holder of those shares at 7.00pm (AEDT) on 28 February 2021.

### 5. Registration

Shareholders can participate in the Scheme Meeting and watch the webcast online using their computer, mobile phone or other mobile device via the following website: [www.web.lumiagm.com/344101585](http://www.web.lumiagm.com/344101585).



Once you have accessed the above website, shareholders will need the following information to register and participate in the Scheme Meeting in real time:

- a) Your username, which is your Securityholder Reference Number (“SRN”) or Holder Identification Number (“HIN”) which can be found on your holding statement, dividend statement or proxy form; and
- b) Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide (link below) for their password details.

Further information regarding participation in the Scheme Meeting online, including browser requirements, is detailed in the Scheme Meeting Online Meeting Guide available on RXP’s website at [www.rxp.services.com/investor](http://www.rxp.services.com/investor).

Registrations for the Scheme Meeting will open at 10.00am (AEDT) on the morning of the Scheme Meeting.

## **6. Participation in the Scheme Meeting online**

Shareholders participating via the Lumi online platform will be able to:

- a) Listen to the presentation and responses to questions;
- b) Submit questions at the appropriate time while the Scheme Meeting is in progress; and
- c) Vote during the Scheme Meeting (until closure of voting as announced by the Chairman).

It may not be possible to respond to all questions raised during the Scheme Meeting and shareholders are therefore encouraged to lodge questions prior to the Scheme Meeting via [www.investorvote.com.au](http://www.investorvote.com.au).

Instructions on how shareholders may ask questions during the Scheme Meeting are available at [www.rxp.services.com/investor](http://www.rxp.services.com/investor).

## **7. How to submit your vote and questions in advance of the Scheme Meeting**

If you are planning to attend the Scheme Meeting online, you are encouraged to cast proxy votes and lodge questions prior to the Scheme Meeting at [www.investorvote.com.au](http://www.investorvote.com.au). To use this facility, shareholders receiving electronic communications will click on the proxy link received by email and enter their postcode or country code registered to their holding whilst shareholders receiving communications by mail will enter their six-digit Control Number, SRN or HIN and postcode which can be found on their proxy form.

You may also submit questions prior to the Scheme Meeting via email addressed to [info@rxp.com.au](mailto:info@rxp.com.au). Questions must be lodged online or emailed by no later than Friday, 26 February 2021.

## **8. Passing the Scheme Resolution**

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- a) unless the Court orders otherwise, a majority in number (more than 50%) of RXP Shareholders present and voting at the Scheme Meeting (in person or by representative or proxy); and

- b) RXP Shareholders holding at least 75% of the total number of votes cast by RXP Shareholders present and voting at the Scheme Meeting (in person or by representative or proxy).

## **9. Appointing Proxies**

If you are a shareholder entitled to vote, you may appoint someone to vote on your behalf as your proxy.

Any shareholder entitled to vote at the Scheme Meeting may appoint up to two proxies to vote in place of that shareholder and specify the number of votes that each may exercise. If a percentage is not specified, each proxy will be apportioned 50% of the shareholders voting rights. A shareholder can appoint an individual or a body corporate as proxy. A proxy need not be a shareholder of the Company.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the Scheme Meeting online and to exercise your voting instructions. Appointed proxies will need to contact Computershare Investor Services on +61 3 9415 4024 to obtain a username and password to vote online during the online registration for the Scheme Meeting which will open at 10.00am (AEDT) on the morning of the Scheme Meeting. Further details are available in the Scheme Meeting Online Meeting Guide available at [www.rxp.services.com/investor](http://www.rxp.services.com/investor).

If you do not specify a proxy in your completed proxy form vote or if the person you appoint as proxy does not participate in the Scheme Meeting, the Chairman will act in place of the nominated proxy and vote in accordance with any instructions.

If you appoint the Chairman as your proxy and have not directed the Chairman how to vote on the resolution, the Chairman will vote in favour of the resolution.

## **10. Lodging your proxy form**

Proxies should be lodged online at [www.investorvote.com.au](http://www.investorvote.com.au) by no later than 11.00am (AEDT) on Sunday, 28 February 2021.

To use this facility, shareholders receiving electronic communications will click on the proxy link received by email and enter their postcode or country code registered to their holding whilst shareholders receiving communications by mail will enter their six-digit Control Number, SRN or HIN and postcode which can be found on their proxy form. Alternatively scan the QR code on your enclosed proxy form with your mobile device.

Alternatively, you can lodge your completed and signed proxy form (together with any power of attorney or other authority under which the appointment was signed, or a certified copy of the authority, letter of representation, or power of attorney) by 11.00am (AEDT) on Sunday, 28 February 2021. They can be sent to, GPO Box 242, Melbourne, VIC 3001 or by fax: within Australia 1800 783 447 or outside Australia +61 3 9473 2555. You can also cast your proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

Custodians Voting – For intermediary Online subscribers only (custodians) please visit: [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

### **11. Corporate representatives**

A corporate shareholder, or body corporate appointed as a proxy, may appoint an individual as its representative to attend the Scheme Meeting and vote on its behalf. The appointment may be for this meeting only or for all meetings of the Company, and may set out restrictions on the representative's powers. Corporate shareholders or proxies who appoint a representative must provide the representative with a properly executed notice of appointment, which must be provided to the Company in accordance with the Company's constitution. An Appointment of Corporate Representative form can be obtained from Computershare Investor Services.

### **12. Technical difficulties**

Technical difficulties may arise during the course of the Scheme Meeting. The Chairman has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chairman will have regard to the number of RXP shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, RXP shareholders are encouraged to lodge a Scheme Meeting Proxy Form that accompanies this Scheme Booklet by no later than 11.00am (Melbourne time) on 28 February 2021, even if they plan to attend the Scheme Meeting virtually.

### **13. Questions and Comments**

Shareholders will be given a reasonable opportunity at the Scheme Meeting to ask questions about this Notice of Scheme Meeting or the Scheme.

## Need assistance?

**Phone:**

1300 214 763 (within Australia)  
+61 3 9415 4135 (outside Australia)

**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

RXP

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (AEDT) Sunday, 28 February 2021.**

## RXP Services Limited Scheme Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No.3) 2021*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

### Meeting date and location:

The Scheme Meeting of RXP Services Limited will be a virtual meeting, which will be conducted online on Tuesday, 2 March 2021 at 11.00am (AEDT).

### Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

**To participate online you will need to visit [web.lumiagm.com/344101585](http://web.lumiagm.com/344101585) on your smartphone, tablet or computer.**

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)

## Access the meeting documents and lodge your proxy online:

### Online:

Access the meeting documents and lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999****SRN/HIN: I9999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



RXP

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 214 763 (within Australia)  
+61 3 9415 4135 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (AEDT) Sunday, 28 February 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of RXP Services Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of RXP Services Limited to be held virtually on Tuesday, 2 March 2021 at 11.00am (AEDT) and at any adjournment or postponement of that meeting.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1 Approve Scheme of Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Scheme Meeting intends to vote any undirected proxies (where the Chairman has been appropriately authorised) in favour of the proposed resolution. If you do not wish the Chairman of the Scheme Meeting to vote in favour of the proposed resolution as your proxy, it is important that you complete the voting directions accordingly.

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

RXP

999999A



Computershare



# CORPORATE DIRECTORY

**Registered office**

Level 15, 31 Queen Street  
Melbourne VIC 3000

**Stock exchange listing**

RXP Services Limited shares are listed  
on the Australian Securities Exchange  
(ASX code: RXP)

**Company website**

[www.rxp.services.com](http://www.rxp.services.com)

**Share registry**

Computershare Investor Services Pty  
Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
1300 214 763 (callers within Australia)  
or  
+61 3 9415 4135 (callers outside  
Australia)

**Financial adviser**

Findex Corporate Finance (Aust) Ltd  
Ken.Poutakidis@Findex.com.au  
Level 17, William St  
Melbourne Vic 3000

**Legal adviser**

SBA Law  
Level 15, 607 Bourke Street  
Melbourne VIC 3000