RELEASE OF EXPLANATORY BOOKLET

Oakton Limited (ASX: OKN) ("Oakton") announces that the Australian Securities and Investments Commission (**ASIC**) has today registered the Explanatory Booklet in relation to the previously announced scheme of arrangement for the proposed acquisition of Oakton by Dimension Data Australia Pty Ltd (**Scheme**). A copy of the Explanatory Booklet accompanies this announcement.

A copy of the Explanatory Booklet will be emailed to those Oakton Shareholders who have previously elected to receive notices of meeting and other shareholder communications by email. Printed copies of the Explanatory Booklet will be mailed to other Oakton shareholders shortly.

The Explanatory Booklet includes an independent expert's report, prepared by Ernst & Young Transaction Advisory Services Limited (**Ernst & Young**), which has assessed the fair market value of an Oakton share on a fully diluted controlling interest basis as being between A$1.72 to A$2.02 per share. The consideration of $1.90 cash per share to be provided to Oakton shareholders under the Scheme is above the mid-point of Ernst & Young's valuation range. Accordingly, Ernst & Young has concluded that, in the absence of a superior proposal, the proposed Scheme is fair and reasonable and therefore is in the best interests of those Oakton Shareholders.

Meeting details

The Scheme Meeting will be held at 10.00am on Friday, 31 October 2014 at Oakton's head office, Level 8, 271 Collins Street, Melbourne, Victoria.

All shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote by 10.00am on Wednesday, 29 October 2014.

Directors' recommendation

The Oakton board of directors unanimously recommends that Oakton shareholders vote in favour of the Scheme at the upcoming Scheme Meeting, in the absence of a superior proposal. Subject to that same qualification, the Oakton directors intend to vote all Oakton Shares held or controlled by them in favour of the Scheme.

Oakton Limited

ABN 50 007 028 711

oakton

Explanatory Booklet

For the scheme of arrangement in relation to the proposed acquisition of all of your Oakton Shares by Dimension Data Australia Pty Limited.

The Notice of Scheme Meeting is included in Appendix 3 to this Explanatory Booklet. The proxy form for the Scheme Meeting accompanies this Explanatory Booklet. The Scheme Meeting will be held at 10.00am on Friday, 31 October 2014 at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria.

Vote In Favour

Your vote is important in determining whether the scheme proceeds. Your directors unanimously recommend that you vote in favour of the scheme, in the absence of a superior proposal.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR URGENT ATTENTION.

If you are in any doubt as to how to deal with this Explanatory Booklet, please consult your legal, financial, taxation or other professional adviser immediately. If after reading this Explanatory Booklet you have any questions about the Scheme, please call the Shareholder Information Line on 1300 485 967 (within Australia) or + 61 3 9415 4104 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Melbourne time).

MinterEllison LAWYERS

Legal Adviser to Oakton

Merrill Lynch

Financial Adviser to Oakton

Overview of this Explanatory Booklet

What is this Explanatory Booklet for?

This Explanatory Booklet has been sent to you to help you understand the terms of a proposed scheme of arrangement between Oakton and its Shareholders under which all of your Oakton Shares will be acquired by Dimension Data Australia Pty Limited (**Dimension Data**) in exchange for $1.90 cash for each Oakton Share you hold (**Scheme**).

The effect of the Scheme is that Dimension Data will acquire 100% ownership and control of Oakton, following which Oakton will be delisted from ASX.

The Scheme is subject to the approval of Oakton Shareholders, so this Explanatory Booklet includes information relevant to your decision as an Oakton Shareholder whether to approve the Scheme.

Why should you vote?

As an Oakton Shareholder, you have a say in whether or not the Scheme proceeds. The Scheme will not proceed unless it is approved by Oakton Shareholders – this is your opportunity to play a role in deciding the future of the business in which you have a stake.

What you should do next

Read this Explanatory Booklet

This Explanatory Booklet contains information that is material to your decision whether or not to vote in favour of the Scheme. Accordingly, you should read and carefully consider the information in this Explanatory Booklet to help you make an informed voting decision.

Oakton Shareholders should refer in particular to Section 4 for guidance on the advantages, disadvantages and other considerations relevant to the Scheme. Answers to some frequently asked questions are included in Section 2.

This Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Oakton Shareholder. If you have any queries in relation to how the Scheme may affect your specific financial situation, investment objectives or other particular needs, you should consult your legal, financial, taxation or other professional adviser before making any decision in relation to your Oakton Shares and how to vote at the Scheme Meeting referred to below.

Vote on the Scheme

As an Oakton Shareholder, it is your right to vote on whether or not the Scheme proceeds. Your vote is important and you are strongly encouraged to vote on the Scheme.

You can vote on the Scheme:

- by personally attending the Scheme Meeting to be held on Friday, 31 October 2014, commencing at 10.00am at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria; or
- by appointing a proxy, attorney or, in the case of a corporate Oakton Shareholder, a corporate representative to attend the Scheme Meeting and vote on your behalf.

If you wish to appoint a proxy to vote on your behalf, you can either:

- complete and return the proxy form which accompanies this Explanatory Booklet; or
- lodge a proxy online via www.investorvote.com.au using the control number noted on the front of your proxy form which accompanies this Explanatory Booklet along with your SRN/HIN number (as applicable) and your postcode and by following the instructions on that website or if you are a custodian (for intermediary online subscribers only), via www.intermediaryonline.com, and following the instructions on that website.

Your proxy form must be received by the Share Registry (whether in person, by mail, by fax or by lodging your proxy online) by 10.00am (Melbourne time) on Wednesday, 29 October 2014, for your vote to be counted.

Further information relating to voting is contained in Section 3, in the notice of meeting in Appendix 3 to this Explanatory Booklet and in the proxy form for the Scheme Meeting which accompanies this Explanatory Booklet.

Is the Scheme in the best interests of Oakton Shareholders?

✓ **The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is FAIR AND REASONABLE and therefore in the BEST INTERESTS of Oakton Shareholders.**

The Independent Expert's Report is included in Appendix 1 to this Explanatory Booklet.

What do the Oakton Directors recommend?

✓ **Your Directors UNANIMOUSLY RECOMMEND that you vote IN FAVOUR OF the Scheme, in the absence of a Superior Proposal. Your Directors intend to vote all Oakton Shares they hold or control IN FAVOUR OF the Scheme, in the absence of a Superior Proposal.**

What if you have questions in relation to the Scheme?

If you have questions in relation to the Scheme, you should refer to the Frequently Asked Questions section of this Explanatory Booklet or contact the Shareholder Information Line on 1300 485 967 (within Australia) or + 61 3 9415 4104 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Melbourne time). Alternatively, you may consult your legal, financial, taxation or other professional adviser.

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Important Dates and Times

All references to time in this Explanatory Booklet are references to the time in Melbourne, Australia unless otherwise stated.

Event	*Date (and time)*
First Court Hearing at which the Court made orders convening the Scheme Meeting	This occurred on Friday, 26 September 2014
Last time and date by which proxy forms for the Scheme Meeting must be received by the Share Registry (whether in person, by mail, by fax or by lodging your proxy online)	10.00am on Wednesday, 29 October 2014
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Wednesday, 29 October 2014
Scheme Meeting	10.00am on Friday, 31 October 2014
All dates and times in the remainder of this timetable are indicative only and, among other things, are subject to all necessary approvals from the Court and Government Agencies. Any changes to the remainder of this timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on Oakton's website at www.oakton.com.au	
Second Court Hearing to obtain orders approving the Scheme	Friday, 7 November 2014
Lodgment by Oakton with ASIC of the Court orders approving the Scheme (**Effective Date**)	Monday, 10 November 2014
Suspension of trading in Oakton Shares on ASX	4.00pm on Monday, 10 November 2014
Scheme Record Date: time and date for determining entitlements to Scheme Consideration	7.00pm on Monday, 17 November 2014
Implementation Date	Friday, 21 November 2014

Important Notices

General

You should read the whole of this Explanatory Booklet before making a decision on how to vote on the resolution to be considered at the Scheme Meeting. The notice convening the Scheme Meeting is contained in Appendix 3 to this Explanatory Booklet. The proxy form for the Scheme Meeting accompanies this Explanatory Booklet.

Defined terms

Capitalised terms in this Explanatory Booklet are defined either in the Glossary in Section 11 of this Explanatory Booklet or where the relevant term is first used.

Purpose of this Explanatory Booklet

The purposes of this Explanatory Booklet are to:

- explain the terms and effect of the Scheme to Oakton Shareholders;
- explain the manner in which the Scheme will be considered and, if approved, implemented;
- state any material interests of the Directors, whether as directors, members or creditors of Oakton or otherwise, and the effect on those interests of the Scheme as far as that effect is different from the effect on similar interests of other persons; and
- provide the information as is prescribed by the Corporations Act and the Corporations Regulations or as is otherwise material to the decision of Oakton Shareholders whether or not to vote in favour of the Scheme.

This Explanatory Booklet (other than Appendix 3) constitutes the explanatory statement for the Scheme as required by section 412(1) of the Corporations Act.

No financial product advice

The information contained in this Explanatory Booklet is not financial product or investment advice. This Explanatory Booklet has been prepared without taking into account your investment objectives, financial situation, taxation position or other particular needs. Before deciding how to vote or act, Oakton Shareholders and others should consider the appropriateness of the information having regard to their own investment objectives, financial situation, taxation position and other particular needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Neither Oakton nor Dimension Data is licensed to provide financial product advice in respect of Oakton Shares or any other financial products.

Responsibility for information

The Dimension Data Information contained in this Explanatory Booklet has been prepared by and is the responsibility of Dimension Data. Oakton has not independently verified any of the Dimension Data Information and does not make any representation or warranty (express or implied) as to, and does not assume any responsibility for, the accuracy, relevance or completeness of, the Dimension Data Information.

Minter Ellison has prepared the general outline of taxation implications of the Scheme in Section 7 and takes responsibility for that Section.

Ernst & Young Transaction Advisory Services Limited has prepared the Independent Expert's Report in relation to the Scheme in Appendix 1 and takes responsibility for that report.

Other than in respect of the information identified above, the information contained in the remainder of this Explanatory Booklet has been prepared by Oakton and its advisers and is the responsibility of Oakton. Dimension Data does not assume responsibility for the accuracy or completeness of any part of this Explanatory Booklet other than the Dimension Data Information.

Oakton Shareholders outside Australia

This Explanatory Booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions. Accordingly, the release, publication or distribution of this Explanatory Booklet in jurisdictions other than Australia may be restricted by law or regulation in those other jurisdictions, and persons outside Australia who come into possession of this Explanatory Booklet should seek advice on and observe any applicable restrictions. This Explanatory Booklet and the Scheme do not in any way constitute an offer to buy securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Oakton Shareholders resident outside Australia for tax purposes should also seek specific taxation advice in relation to the Australian and overseas taxation implications of their participation in the Scheme.

ASIC and ASX

A draft of this Explanatory Booklet was provided to ASIC for the purpose of section 411(2) of the Corporations Act, and a copy of this Explanatory Booklet has been registered by ASIC for the purpose of section 412(6) of the Corporations Act.

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

Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Booklet.

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

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT

The fact that under section 411(1) of the Corporations Act the Court has ordered on 26 September 2014 that a meeting of Oakton Shareholders be convened by Oakton to consider and vote on the Scheme does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Oakton Shareholders should vote on the Scheme (on this matter Oakton Shareholders must reach their own decision); or

(b) has prepared, or is responsible for, the content of the explanatory statement.

Forward looking statements

Certain statements in this Explanatory Booklet are about future matters, including forward looking statements. These forward looking statements and information, including statements and information relating to Oakton and the transactions contemplated by the Scheme Implementation Deed, are not based solely on historical facts, but rather reflect the current expectations of Oakton or, in relation to the Dimension Data Information, Dimension Data, concerning future results, events or other matters. These statements may sometimes be identified by the use of forward looking words or phrases such as *if, when, believe, aim, will, expect, anticipate, intend, foresee, likely, should, could, plan, may, estimate, budget, forecast, envisage, target, potential* or other similar words or phrases. Similarly, statements that describe Oakton's or Dimension Data's objectives, plans, goals or expectations, estimates of future costs, and expenditure are or may be forward looking statements.

Important Notices continued

The statements contained in this Explanatory Booklet about the impact that the Scheme may have on the results of Oakton's operations, the advantages and disadvantages of the Scheme are also forward looking statements.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results of Oakton to be materially different from future results, performance or achievements expressed or implied by such statements. These statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Oakton will operate in the future, including anticipated costs and ability to achieve goals. Therefore forward looking statements and information should be construed in light of those limitations and undue reliance should not be placed on them.

None of Oakton, Dimension Data, their respective related entities, their respective directors, nor any other person gives any representation, assurance or guarantee that the occurrence of the results or events expressed or implied in any forward looking statements and information in this Explanatory Booklet will actually occur.

The forward looking statements and information in this Explanatory Booklet reflect views held only at the date of this Explanatory Booklet.

Subject to any continuing obligations under law, Oakton, Dimension Data, their respective related entities, and their respective directors disclaim any obligation or undertaking to disseminate after the date of this Explanatory Booklet any updates or revisions to any forward looking statements and information to reflect any change in expectations in relation to them or any change in the events, conditions or circumstances on which they are based.

Rounding of numerical information

Any discrepancies between totals in tables and sums of components contained in this Explanatory Booklet and between those figures and figures referred to in other parts of this Explanatory Booklet are due to rounding. Except as otherwise stated, all rounded numbers have been rounded either to one decimal place or to the nearest whole number.

Privacy and personal information

Oakton will need to collect personal information to implement the Scheme. This information may include the name, contact details and security holding of Oakton Shareholders, and the name of persons appointed by Oakton Shareholders to act as proxy, attorney, or in the case of a corporate Oakton Shareholder, corporate representative at the Scheme Meeting. The primary purpose of collection of the personal information is to assist Oakton in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by Oakton in the manner described in this Explanatory Booklet. Without this information, Oakton may be hindered in its ability to carry out these purposes to full effect. The collection of certain personal information is authorised by the Corporations Act.

Personal information may be disclosed to the Share Registry, print and mail service providers, authorised securities brokers and to related entities of Oakton and the parties to the Scheme Implementation Deed.

Oakton Shareholders have certain rights to access their personal information that has been collected. Oakton Shareholders should contact Oakton's company secretary in the first instance if they wish to request access to their personal information.

Oakton Shareholders who appoint a named person to act as their proxy, attorney, or in the case of a corporate Oakton Shareholder, corporate representative at the Scheme Meeting should ensure that they inform that person of the matters outlined above.

No internet site is part of this Explanatory Booklet

Oakton and Dimension Data each maintain internet sites at www.oakton.com.au and www.dimensiondata.com/en-AU. Any references in this Explanatory Booklet to those or other internet sites are for information purposes only and do not form part of this Explanatory Booklet.

Date of Explanatory Booklet

This Explanatory Booklet is dated 29 September 2014.

Letter from the Chairman of Oakton

Dear Oakton Shareholder

I am pleased to provide you with this Explanatory Booklet in relation to the proposal announced by Oakton on 12 August 2014 under which Dimension Data Australia Pty Limited (**Dimension Data**) is making a cash offer of $1.90 per Share to acquire 100% control of Oakton.

Dimension Data is a wholly owned subsidiary of Dimension Data Holdings plc (a South African based company), which in turn is a wholly owned subsidiary of Nippon Telegraph and Telephone Corporation, a Japanese public company which is one of the largest telecommunications companies in the world.

Dimension Data's proposed acquisition of Oakton is being structured as a members' scheme of arrangement between Oakton and its Shareholders (referred to in this Explanatory Booklet as the **Scheme**). If the Scheme is approved by Oakton Shareholders and the Court and if all other conditions are satisfied or waived, you will receive $1.90 cash for each Oakton Share you hold on the Scheme Record Date, which is currently proposed to be 7.00pm on 17 November 2014. Payment would then be made to you on or about 21 November 2014, with no brokerage or other transaction costs applying to the transfer of your Oakton Shares to Dimension Data under the Scheme.

This Explanatory Booklet contains full details of the Scheme. The Oakton Board encourages you to consider the information in this Explanatory Booklet to help you determine whether or not to vote in favour of the Scheme.

Board Recommendation

Your Directors believe that the Scheme provides an opportunity for Oakton Shareholders to realise immediate and certain value for their Oakton Shares. The Scheme Consideration of $1.90 cash per Oakton Share values Oakton at $171 million and represents an attractive premium of:

- 29.7% to the closing price of Oakton Shares of $1.465 on 11 August 2014, being the last trading day prior to the announcement of the Scheme;
- 35.5% to Oakton's 1 month VWAP up to and including 11 August 2014; and
- 42.6% to Oakton's 3 month VWAP up to and including 11 August 2014.

The Oakton Board remains positive about the outlook for Oakton as an independent ASX listed company, including its capacity to deliver growth for Oakton Shareholders into the future. However, the Oakton Board has also had regard to the general and specific risks that Oakton faces which may impede the delivery of that potential future growth. The Oakton Board was unanimous in its decision to recommend the Scheme, in the absence of a Superior Proposal, because your Directors believe that:

- the premium and overall terms of Dimension Data's cash offer present an opportunity to realise immediate, substantial and certain value for Oakton Shareholders;
- on balance, the $1.90 cash per Share available to Oakton Shareholders under the Scheme is likely to provide a superior outcome to the risk and time adjusted returns that could be delivered from Oakton continuing as an independent ASX listed company; and
- the benefits of the Scheme outweigh its potential disadvantages and risks.

The Board unanimously recommends that Oakton Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. Subject to the same qualification, each Oakton Director intends to vote all Oakton Shares held or controlled by them in favour of the Scheme. As at the date of this Explanatory Booklet, your Directors hold or control in aggregate approximately 11.45% of all Oakton Shares on issue.

The Scheme requires the approval of Oakton Shareholders at the Scheme Meeting and approval by the Supreme Court of Victoria. The Scheme is also subject to other conditions discussed in more detail in Sections 1.4 and 8.3.

The reasons for your Directors' recommendation to vote in favour of the Scheme are set out in detail in Section 4.3. There are also reasons why you may choose to vote against the Scheme and these are set out in Section 4.4. In summary, these reasons include the following:

- if the Scheme proceeds, you will lose the ability to participate in any potential upside that may result from remaining an Oakton Shareholder – in this regard, you may believe that a continuing investment in Oakton as an independent ASX listed company will deliver higher returns over the long term than the $1.90 cash per Share offered under the Scheme; and
- if the Scheme proceeds, this will preclude the possibility of you receiving the benefit of any future, potentially more favourable, proposal for your Oakton Shares.

If the Scheme does not proceed, Oakton will continue as an independent entity listed on ASX and Oakton Shareholders will not receive the Scheme Consideration of $1.90 cash per Oakton Share. In addition, if the Scheme does not proceed and no Superior Proposal emerges, your Directors consider that the market price of Oakton Shares on ASX is likely to fall below current trading levels.

Independent Expert

Your Directors' recommendation of the Scheme is supported by Ernst & Young, the Independent Expert engaged by the Oakton Board to prepare an opinion on whether the Scheme is fair and reasonable and in the best interests of Oakton Shareholders. Ernst & Young has assessed the fair market value of an Oakton Share, on a fully diluted controlling interest basis, to be between $1.72 and $2.02. The Scheme Consideration of $1.90 cash per Share is above the mid point of this range. Ernst & Young has concluded that in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders. The Oakton Board encourages you to read and consider the Independent Expert's Report, which is contained in Appendix 1 to this Explanatory Booklet.

Next steps

Your vote is important and on behalf of the Board, I encourage you to vote on this significant transaction.

You may vote by personally attending the Scheme Meeting to be held at 10.00am on Friday, 31 October 2014 at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria, or by appointing a proxy, attorney or, in the case of a corporate Oakton Shareholder, a corporate representative to attend the Scheme Meeting and to vote on your behalf. The ability to appoint a proxy, attorney or, in the case of a corporate Oakton Shareholder, corporate representative to vote on your behalf means that you do not need to personally attend the Scheme Meeting if you cannot or do not wish to do so. A proxy form for the Scheme Meeting accompanies this Explanatory Booklet. If you wish to appoint a proxy to vote on your behalf, you must return the completed proxy form to Computershare Investor Services Pty Limited so that it is received by it no later than 10.00am on Wednesday, 29 October 2014. Alternatively, you may appoint a proxy to vote on your behalf online by logging onto www.investorvote.com.au (to use this facility you will need the control number noted on the front of your proxy form which accompanies this Explanatory Booklet along with your SRN/HIN number (as applicable)) or by logging onto www.intermediaryonline.com (for custodian subscribers only).

I encourage you to read this Explanatory Booklet which contains important information in relation to the Scheme. If you have any questions in relation to the Scheme, please call the Shareholder Information Line on 1300 485 967 (within Australia) or +61 3 9415 4104 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Melbourne time) or contact your legal, financial, taxation or other professional adviser.

On behalf of the Oakton Board, I recommend the Scheme to you and would like to take this opportunity once again to thank you for your support of Oakton.

Yours sincerely

Paul Holyoake
Executive Chairman

Key reasons to vote in favour of the Scheme

✓	The Scheme Consideration represents an attractive premium to the market price of Oakton Shares shortly before the Scheme was announced
✓	The Scheme's all cash consideration provides you with certainty of value for your Oakton Shares and a high degree of certainty on timing for receipt of the Scheme Consideration
✓	The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders
✓	No Superior Proposal has emerged as at the date of this Explanatory Booklet
✓	If the Scheme does not proceed and no Superior Proposal emerges, the Oakton Share price is likely to fall
✓	If the Scheme does not proceed, and no Superior Proposal emerges, Oakton Shareholders will continue to be subject to the specific risks associated with Oakton's business and general market risks
✓	There are no brokerage or other transaction costs on the disposal of your Oakton Shares under the Scheme

Potential Reasons to Vote Against the Scheme

✗	You may disagree with the reasons for the Oakton Directors' recommendation and/or the conclusion of the Independent Expert
✗	You will lose the ability to participate in any potential upside that may result from remaining an Oakton Shareholder
✗	If the Scheme proceeds, this precludes the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Oakton Shares
✗	The tax consequences of the Scheme may not suit your financial position

YOUR DIRECTORS **UNANIMOUSLY RECOMMEND** THAT YOU VOTE **IN FAVOUR OF THE SCHEME,** IN THE ABSENCE OF A SUPERIOR PROPOSAL

You should read this Explanatory Booklet in full before making any decision on the Scheme. In particular, you should refer to Section 4 for guidance on the advantages and disadvantages of the Scheme. This Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Oakton Shareholder. You should consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.

1. Summary of the Scheme

1.1 Background

On 12 August 2014, the Oakton Board announced that it had entered into a Scheme Implementation Deed with Dimension Data. This deed sets out a framework for Oakton to propose a scheme of arrangement between itself and its Shareholders under which Dimension Data will acquire all of the Oakton Shares for $1.90 cash per Oakton Share. A copy of the Scheme Implementation Deed is included as Appendix 4 to this Explanatory Booklet.

If the Scheme proceeds, Oakton will be delisted from ASX and will become a wholly owned subsidiary of Dimension Data.

The Scheme must be agreed to by the requisite majorities of Oakton Shareholders at the Scheme Meeting and approved by the Court. There are also other conditions that need to be satisfied before the Scheme proceeds. The key remaining conditions are summarised in Section 1.4.

If all of the conditions for the Scheme are satisfied or waived (as applicable), the Scheme will constitute a binding arrangement between Oakton and all holders of Oakton Shares as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014) to undertake the steps required to:

- transfer all of their Oakton Shares to Dimension Data on the Implementation Date in exchange for payment of the Scheme Consideration; and
- otherwise give effect to the Scheme.

If all of the conditions for the Scheme are satisfied or waived (as applicable), all holders of Oakton Shares as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014) will be bound by the Scheme whether or not they:

- attend the Scheme Meeting;
- vote at the Scheme Meeting; or
- vote against the Scheme at the Scheme Meeting.

This Section provides a summary of the key commercial elements of the Scheme. This summary should be read in conjunction with the additional detailed information in this Explanatory Booklet.

1.2 What you will receive under the Scheme

If the Scheme proceeds, Oakton Shareholders will receive from Dimension Data $1.90 cash for each Oakton Share they hold as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). The Scheme Consideration will be paid to eligible Oakton Shareholders[1] on the Implementation Date, which is currently proposed to be 21 November 2014. Oakton Shareholders who have validly registered their bank account details with the Oakton Share Registry (by the Scheme Record Date) will have their Scheme Consideration credited directly to their registered bank account. Oakton Shareholders who have not registered their bank account details with the Oakton Share Registry (by the Scheme Record Date) will have their Scheme Consideration sent by cheque to the address shown on the Share Register. See clause 5.2(b) of the Scheme contained in Appendix 2 for further details.

1.3 Taxation implications

If the Scheme proceeds, all holders of Oakton Shares as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014) will transfer all of their Oakton Shares to Dimension Data on the Implementation Date (currently proposed to be 21 November 2014), in exchange for payment of the Scheme Consideration. A general outline of the taxation implications for Australian resident Oakton Shareholders in relation to disposing of their Oakton Shares under the Scheme is provided in Section 7. The information in that Section is general in nature and should not be relied on by Oakton Shareholders as tax advice. Oakton Shareholders should obtain their own professional advice on the taxation implications relevant to them arising from the Scheme.

1.4 Conditions

The Scheme is subject to a number of conditions, including:

- the Scheme being agreed to by Oakton Shareholders at the Scheme Meeting by:
  - unless the Court orders otherwise, a majority in number of the Oakton Shareholders present and voting at the Scheme Meeting (in person or by proxy, attorney, or, in the case of a corporate Oakton Shareholder, corporate representative); and
  - at least 75% of the total number of votes which are cast at the Scheme Meeting (in person or by proxy, attorney, or, in the case of a corporate Oakton Shareholder, corporate representative);
- the Scheme being approved by the Court;
- the receipt of regulatory approval from FIRB necessary for the implementation of the Scheme (this approval was received on 22 September 2014); and
- there being no Material Adverse Change, no Oakton Prescribed Occurrences, no breach of any Oakton Warranties and no breach of any Dimension Data Warranties.

The Scheme Conditions are discussed in more detail in Section 8.3 and are set out in the Scheme Implementation Deed, included as Appendix 4 to this Explanatory Booklet and in clause 3(a) of the Scheme in Appendix 2 to this Explanatory Booklet.

At the date of this Explanatory Booklet, neither Oakton nor any of the Oakton Directors are aware of any circumstances that would cause any of the conditions to the Scheme not to be satisfied or which could result in termination of the Scheme Implementation Deed.

Oakton will make a statement regarding the status of all of the conditions at the commencement of the Scheme Meeting.

1.5 Directors' recommendation and intentions

The Oakton Directors unanimously recommend that Oakton Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. Subject to that same qualification, each Director intends to vote all Oakton Shares held or controlled by them in favour of the Scheme. As at the date of this Explanatory Booklet, your Directors hold or control in aggregate approximately 11.45% of all Oakton Shares on issue.

In forming their unanimous recommendation your Directors have carefully considered the conditions, advantages, disadvantages and risks of the Scheme. These matters are described in more detail in Section 4 and in the Independent Expert's Report in Appendix 1. Your Directors consider that the advantages of the Scheme outweigh its disadvantages and risks.

1.6 Independent Expert's conclusion

Oakton engaged the Independent Expert, Ernst & Young, to prepare a report expressing an opinion on whether the Scheme is fair and reasonable and in the best interests of Oakton Shareholders.

The Independent Expert has assessed the fair market value of an Oakton Share, on a fully diluted controlling interest basis, to be between $1.72 and $2.02. The Scheme Consideration of $1.90 cash per Share is above the mid point of this range. The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of the Oakton Shareholders.

1 Being those persons registered as Oakton Shareholders on the Scheme Record Date.

1. Summary of the Scheme continued

The Independent Expert's Report is included as Appendix 1. You should read that report as part of your assessment of the Scheme. Section 4 contains a summary of the key conclusions of the Independent Expert in relation to the Scheme.

1.7 Warranties provided by Oakton Shareholders

The Scheme provides that Oakton Shareholders who hold Oakton Shares as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014) are taken to have warranted to Oakton and Dimension Data that:

- all their Oakton Shares (including any rights and entitlements attaching to those shares) transferred to Dimension Data under the Scheme will, at the date of transfer, be fully paid and free from 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 other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their Oakton Shares (including any rights and entitlements attaching to those shares) to Dimension Data under the Scheme; and
- they have no existing right to be issued any Oakton Shares, Oakton Options, Oakton Performance Rights, Oakton convertible notes or any other Oakton Securities, other than, in the case of any Scheme Shareholder who is also the holder of Oakton Options or Oakton Performance Rights, the right to be issued Oakton Shares on the exercise of those Oakton Options or Oakton Performance Rights before the Scheme Record Date in accordance with their terms.

1.8 Exclusivity and break fee arrangements

Under the Scheme Implementation Deed:

- Oakton has agreed to certain exclusivity arrangements in favour of Dimension Data; and
- Oakton has agreed in certain circumstances to pay Dimension Data a break fee of $1.80 million (plus GST) (**Oakton Break Fee**).

The Oakton Break Fee triggers do not include a situation where the Scheme does not proceed simply because Oakton Shareholders do not approve the Scheme at the Scheme Meeting to be held on 31 October 2014.

Please refer to Sections 4.5(d) and 4.5(e) for further information on these exclusivity and break fee arrangements and to clauses 12 and 13 of the Scheme Implementation Deed in Appendix 4 for the complete terms of these arrangements.

1.9 Competing proposals

Your Directors' recommendation of the Scheme is qualified as applying in the absence of a Superior Proposal. As at the date of this Explanatory Booklet, no Superior Proposal has been received and your Directors are not aware of any approach that may result in a Superior Proposal emerging. As part of the exclusivity arrangements described in Section 4.5(d), Oakton has agreed not to solicit, invite or encourage any Competing Proposal. However, these restrictions do not prevent Oakton from considering an unsolicited Competing Proposal. Dimension Data has the right (but not the obligation) to match any unsolicited Superior Proposal.

If a Competing Proposal for Oakton emerges prior to the Scheme Meeting, your Directors will carefully consider the proposal to determine whether it is a Superior Proposal and will inform you of any material developments which may affect your Directors' view that the Scheme is presently the most favourable proposal for all your Oakton Shares. If a Superior Proposal is announced, Oakton may be obliged to pay a break fee of $1.80 million (plus GST) to Dimension Data.

Please see Section 4.4(c) for further discussion about the implications of any Competing Proposal that may emerge.

1.10 Implementation timetable

If all necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), it is proposed that the Scheme will be implemented on the Implementation Date (currently proposed to be 21 November 2014). The Scheme will apply to and bind all persons registered as Oakton Shareholders as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). These persons are referred to in the Scheme and in this Explanatory Booklet as **Scheme Shareholders**. Importantly, the Scheme provides that Scheme Shareholders will not have their Oakton Shares transferred to Dimension Data unless:

- on the Business Day before the Implementation Date (currently proposed to be 21 November 2014), Dimension Data has deposited in cleared funds the aggregate Scheme Consideration into a trust account operated by Oakton's Share Registry; and
- Oakton or its Share Registry has paid from that trust account the Scheme Consideration due to each Scheme Shareholder.

Only once those two steps have occurred will all Oakton Shares be transferred to Dimension Data under the Scheme. In addition:

- Dimension Data has executed a deed poll in favour of all Scheme Shareholders under which, subject to the Scheme becoming Effective, Dimension Data undertakes to pay the Scheme Consideration in accordance with the Scheme (a copy of the Deed Poll is contained in Appendix 5 to this Explanatory Booklet); and
- Dimension Data plc, the holding company of Dimension Data, has provided Oakton with a binding, unconditional letter undertaking that Dimension Data will have sufficient funds available to fund the Scheme Consideration if the Scheme becomes Effective. Information on Dimension Data plc's financial standing is provided in Section 6.1.

Having regard to the above matters, the Oakton Board considers that Scheme Shareholders are not exposed to any risk that their Shares will be transferred to Dimension Data without first receiving payment of the Scheme Consideration due to them.

The key dates and times in relation to the Scheme are set out at the beginning of this Explanatory Booklet. Sections 8 and 9 describe in further detail the procedural aspects of the Scheme and how it will be implemented.

2. Frequently asked questions

Set out below are summary answers to some frequently asked questions about the Scheme. This information is a summary only and is not intended to address all relevant issues for Oakton Shareholders. This Section 2 should be read subject to, and in conjunction with, the remainder of this Explanatory Booklet.

A. QUESTIONS ABOUT THE SCHEME

Question	*Answer*	*Further information*
What are Oakton Shareholders being asked to consider?	Oakton Shareholders are being asked to consider and vote on a proposal to transfer all of their Oakton Shares to Dimension Data, in exchange for Dimension Data paying $1.90 cash per Oakton Share. The proposal is structured as a members' scheme of arrangement between Oakton and all persons who hold Oakton Shares as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). The proposal is referred to in this Explanatory Booklet as the **Scheme**. If the proposal proceeds, Oakton will become a wholly owned subsidiary of Dimension Data and delisted from ASX.	Section 1
Am I entitled to receive the Scheme Consideration?	If you remain an Oakton Shareholder as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014), you will be entitled to receive the Scheme Consideration of $1.90 cash for each Oakton Share you hold as at that date.	Section 9.5(b)
What is a members' scheme of arrangement?	A members' scheme of arrangement is a statutory procedure that is commonly used for corporate reconstructions of solvent companies or to enable one company to acquire or merge with another. In this case, the Scheme is the mechanism by which Dimension Data proposes to acquire all Oakton Shares. The Scheme requires the agreement of the Oakton Shareholders by the majorities described in Section 8.2(e) and also the approval of the Court.	Sections 8 and 9
Is this a takeover offer?	No. However if the Scheme is agreed to by Oakton Shareholders and approved by the Court and if all of the other conditions are satisfied or waived (as applicable) the outcome will be equivalent to a successful 100% cash takeover bid in that: ► all of your Oakton Shares will be transferred to Dimension Data; and ► you will be entitled to receive cash consideration in exchange for the transfer of your Oakton Shares, whether or not you were present at the Scheme Meeting and whether or not you voted against the resolution to agree to the Scheme or abstained from voting.	Sections 8 and 9
Why has this proposed transaction been structured as a scheme of arrangement?	Oakton and Dimension Data consider that the Scheme represents the most efficient structure to implement the proposed transaction. This structure provides the greatest certainty that if the Scheme is agreed to by Oakton Shareholders and approved by the Court and proceeds to implementation, 100% ownership and control of Oakton will be acquired by Dimension Data within a specific timeframe that meets the commercial objectives of both Dimension Data (as the intended acquirer) and Oakton (as the target company).	Sections 8 and 9
What are the key conditions that need to be satisfied before the Scheme can proceed?	The key remaining conditions that must be satisfied are: ► Oakton Shareholders agreeing to the Scheme by the requisite majorities at the Scheme Meeting; ► the Court approving the Scheme; ► there being no Material Adverse Change, no Oakton Prescribed Occurrences and no breach of any Oakton Warranties; and ► there being no breach of any Dimension Data Warranties. Oakton will make a statement at the commencement of the Scheme Meeting regarding the status of these conditions.	Sections 1.4 and 8.3
If the Scheme proceeds, what will be the effect?	If the Scheme proceeds, Oakton will become a wholly owned subsidiary of Dimension Data and Dimension Data will control Oakton. Oakton will be de-listed from ASX. Scheme Shareholders will be paid their Scheme Consideration on the Implementation Date (currently proposed to be 21 November 2014).	Sections 8.2 and 9.5

2. Frequently asked questions continued

Question	*Answer*	*Further information*
Who is Dimension Data and what are its intentions regarding Oakton?	Dimension Data is a current strategic partner of Oakton. Under this strategic partnership, Dimension Data's ICT infrastructure integration, cloud and outsourcing services are bundled with Oakton's services to provide solutions to clients. Dimension Data is a wholly owned subsidiary of Dimension Data Holdings plc, which in turn is a wholly owned subsidiary of Nippon Telegraph and Telephone Corporation, a Japanese public company which is one of the largest telecommunications companies in the world. Further information in relation to Dimension Data, including its funding arrangements and intentions for Oakton if the Scheme is implemented, is set out in Section 6.	Section 6
If the Scheme is not approved, what will be the effect?	If the Scheme is not agreed to by Oakton Shareholders or is not approved by the Court and you still hold any Oakton Shares at either of those points in time: ▶ you will not receive the Scheme Consideration; ▶ you will retain your current investment in Oakton Shares and in doing so will continue to retain the benefits of an investment in Oakton Shares and continue to be exposed to the risks presently associated with this investment. These include general risks of holding shares and risks that are specific to Oakton's business as described in Section 5.10; ▶ the advantages of the Scheme, as outlined in Section 4.3, will not be realised; ▶ equally some of the disadvantages of the Scheme identified in Section 4.4 will no longer be relevant; ▶ Oakton will have incurred substantial costs and expended management time and resources for a proposed change of control transaction that does not proceed; and ▶ your Directors consider that the price of Oakton Shares on ASX is likely to fall below their current trading levels, in the absence of a Superior Proposal.	Sections 4.3, 4.4 and 5.10
If the Scheme does not proceed, will Oakton's strategic partnership with Dimension Data continue?	If the Scheme does not proceed, the continuation of Oakton's strategic partnership with Dimension Data will be assessed having regard to the reasons why the Scheme has not proceeded and other relevant information and circumstances at that future time.	Section 6.3
What happens if a Competing Proposal for Oakton emerges?	Although no Competing Proposal has emerged as at the date of this Explanatory Booklet, it is possible that one could emerge, noting that Oakton has agreed not to solicit Competing Proposals. If an unsolicited Competing Proposal for Oakton is received before the Scheme Meeting, your Directors will carefully consider it to determine whether it is a Superior Proposal and will inform you of any material developments which may affect your Directors' view that the Scheme is presently the most favourable proposal for all your Oakton Shares. Dimension Data has a right to match any unsolicited Competing Proposal if one is received by Oakton. Any change of your Directors' current recommendation in response to a Competing Proposal that is announced may result in Oakton being obliged to pay a break fee of $1.80 million (plus GST) to Dimension Data.	Sections 1.9, 4.5(e) and 8.4
Can I sell my Oakton Shares now?	Yes. Oakton Shareholders may sell their Oakton Shares on ASX at the prevailing market price at any time before the close of trading on ASX on the Effective Date (which is currently proposed to be 10 November 2014). You will not be able to sell your Oakton Shares on market after the Effective Date, as this will be the last day of trading in Oakton Shares on ASX before trading in Oakton Shares on ASX is suspended. You may however seek to sell your Oakton Shares off-market after the Effective Date but before the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). If you sell your Oakton Shares before the Scheme Record Date you: ▶ will receive the proceeds from the sale of your Oakton Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration); ▶ may incur a brokerage charge if you sell your Oakton Shares on market; and ▶ will not be able to participate in the Scheme or a Superior Proposal, if one emerges.	Section 4.6

2. Frequently asked questions continued

Question	*Answer*	*Further information*
Will I be giving any warranties in respect of my Oakton Shares?	Each Scheme Shareholder will be taken to have warranted to Oakton, and appointed and authorised Oakton as its attorney and agent to warrant to Dimension Data, that all of their Oakton Shares (including any rights and entitlements attaching to the 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 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 the Scheme Shares to Dimension Data together with any rights attaching to the Scheme Shares.	Section 8.2(f)
Under what circumstances can Dimension Data terminate the Scheme Implementation Deed?	Dimension Data may terminate the Scheme Implementation Deed if any director of Oakton withdraws or adversely modifies their recommendation of the Scheme or recommends or supports a Competing Proposal. In addition, there are also other circumstances where either Dimension Data or Oakton may terminate the Scheme Implementation Deed.	Section 8.4
I also hold Oakton Options and/or Oakton Performance Rights. How will these be dealt with?	If the Scheme proceeds, your Options will be cancelled for cash in accordance with the contractual arrangements that you have agreed with Oakton. You will retain all of your Performance Rights, however, the vesting conditions that relate to total shareholder return and earnings per share will be removed, vesting times will be adjusted and you will be entitled to receive a cash payment in lieu of Oakton Shares on the day or dates when your Performance Rights do vest.	Sections 8.6 and 8.7

B. QUESTIONS ABOUT THE SCHEME CONSIDERATION

Question	*Answer*	*Further information*
What consideration will I receive if the Scheme is implemented?	Oakton Shareholders will receive from Dimension Data $1.90 cash for each Oakton Share they hold as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014).	Section 1.2
When and how will I receive my Scheme Consideration?	If all approvals and conditions for the Scheme are satisfied or waived (as applicable), the Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date (proposed to be 21 November 2014). If you have validly registered your bank account details with the Oakton Share Registry (by the Scheme Record Date), you will have your Scheme Consideration credited directly to your bank account. Otherwise, you will have your Scheme Consideration sent by cheque to your address shown on the Share Register.	Section 9.5(d)
What are the tax implications of the Scheme?	The transfer of your Oakton Shares under the Scheme may have taxation implications for you. A guide to the general taxation implications of the Scheme is set out in Section 7. Oakton Shareholders should obtain their own professional advice on the taxation implications for them arising from the Scheme.	Section 7
Will I have to pay brokerage fees or stamp duty?	Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Oakton Shares in connection with the Scheme.	Section 4.5(c)

C. QUESTIONS ABOUT YOUR DIRECTORS' RECOMMENDATIONS AND INTENTIONS

Question	*Answer*	*Further information*
What do the Oakton Directors recommend?	The Oakton Directors unanimously recommend that Oakton Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.	Section 4.2
How are the Oakton Directors going to vote?	Each Oakton Director intends to vote all Oakton Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal. As at the date of this Explanatory Booklet, your Directors hold or control in aggregate approximately 11.45% of all Oakton Shares on issue.	Section 4.2
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of the Oakton Shareholders, in the absence of a Superior Proposal.	Sections 1.6 and 4.3(c) The Independent Expert's Report at Appendix 1

2. Frequently asked questions continued

D. QUESTIONS ABOUT VOTING

Question	*Answer*	*Further information*
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on Friday, 31 October 2014 at 10.00am.	Section 3.1 Appendix 3
What am I being asked to vote on?	You are being asked to vote on whether to approve the Scheme.	Section 1.1
What voting majority is required to approve the Scheme?	For the Scheme to proceed, votes in favour of the Scheme must be received from: ► a simple majority in number (more than 50%) of the Oakton Shareholders present and voting at the Scheme Meeting (in person or by proxy, attorney or, in the case of a corporate Oakton Shareholder, corporate representative); and ► at least 75% of the total number of votes which are cast at the Scheme Meeting (in person or by proxy, attorney, or, in the case of a corporate Oakton Shareholder, corporate representative). The Court has the discretion to waive the first requirement for a simple majority of the Oakton Shareholders by number to vote in favour of the Scheme. If the Scheme is not agreed to by the Oakton Shareholders and approved by the Court, the Scheme will not proceed.	Section 8.2
Am I entitled to vote?	If you are recorded as a member on the Oakton Share Register as at 7.00pm on Wednesday, 29 October 2014 (and are not an Excluded Shareholder) you are entitled to vote at the Scheme Meeting.	Sections 3.3 and 8.2(d)
Is voting compulsory?	No, voting is not compulsory. However, your vote is important in deciding whether the Scheme proceeds. The Oakton Directors strongly encourage all Oakton Shareholders to vote at the Scheme Meeting. If you cannot personally attend the Scheme Meeting, you are encouraged to appoint a proxy to vote on your behalf by either completing and returning the proxy form accompanying this Explanatory Booklet or by lodging your proxy online via www.investorvote.com.au or www.intermediaryonline.com (for custodian subscribers only) by no later than 10.00am on Wednesday, 29 October 2014. Alternatively, you can appoint an attorney or, in the case of a corporate Oakton Shareholder, a corporate representative to vote on your behalf.	Section 4.6
How do I vote?	You may vote: ► in person, by personally attending the Scheme Meeting, appointing an attorney or in the case of a corporate Oakton Shareholder, by a corporate representative; or ► by proxy, by completing and returning the proxy form accompanying this Explanatory Booklet or by lodging your proxy online via www.investorvote.com.au or www.intermediaryonline.com (for custodian subscribers only).	Section 3.3
How do I vote if I'm unable to attend the Scheme Meeting or if I don't wish to attend the meeting in person?	You may complete the personalised proxy form accompanying this Explanatory Booklet in accordance with the instructions and return it in person, by mail using the enclosed reply paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) or by facsimile. You can also lodge your proxy online via www.investorvote.com.au or www.intermediaryonline.com (for custodian subscribers only)). Your proxy form must be received by the Share Registry (whether in person, by mail, by fax or by lodging your proxy online) by 10.00am (Melbourne time) on Wednesday, 29 October 2014, for your vote to be counted. Alternatively, you can appoint an attorney or, in the case of a corporate Oakton Shareholder, a corporate representative, to attend the Meeting on your behalf.	Section 3.3
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting will be made publicly available during or shortly after the conclusion of the Scheme Meeting on Friday, 31 October 2014 and will be announced to ASX as soon as practicable.	
What should I do if I wish to support the Scheme?	You should attend the Scheme Meeting, in person or by proxy, attorney or, in the case of a corporate Oakton Shareholder, corporate representative and vote in favour of the Scheme.	Section 3.3

2. Frequently asked questions continued

Question	*Answer*	*Further information*
What should I do if I wish to oppose the Scheme?	If, despite the Oakton Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting in person, by proxy, by attorney or, in the case of a corporate Oakton Shareholder, by appointing a corporate representative.	Section 3.3
Can I be bound by the Scheme if I do not vote or if I voted against its approval?	Yes, if the Scheme proceeds, any Oakton Shares held by you on the Scheme Record Date (currently proposed to be 7.00pm on Monday, 17 November 2014) will be transferred to Dimension Data and you will be entitled to receive the Scheme Consideration, even if you were not present at the Scheme Meeting, voted against the resolution to agree to the Scheme or did not vote.	Section 8.2
What are my alternatives?	As an Oakton Shareholder, your principal alternatives are to: ► vote in favour of the Scheme (this is the course of action unanimously recommended by your Directors, in the absence of a Superior Proposal); ► vote against the Scheme (you should note that if you decide to vote against the Scheme, the Scheme will nevertheless proceed if it is agreed to by the requisite majority of Shareholders, approved by the Court and if the other conditions are satisfied or waived (see Sections 8 and 9)); ► sell your Oakton Shares at any time prior to the Scheme Record Date; or ► do nothing: that is, neither vote in favour of nor against the Scheme, but if you do nothing and the Scheme proceeds, any Oakton Shares held by you on the Scheme Record Date (currently proposed to be 7.00pm on Monday, 17 November 2014) will be transferred to Dimension Data and you will be entitled to receive the Scheme Consideration.	Section 4.6

E. GENERAL QUESTIONS

Question	*Answer*	*Further information*
Do I have to sign anything in relation to the Scheme?	No. If the Scheme proceeds, the Scheme Consideration will be paid to you, and then Oakton will have authority to sign a transfer of your Oakton Shares on your behalf.	Section 9.5
What will happen if the Scheme is approved by the Court?	If the Scheme is approved by the Court, Oakton will lodge an office copy of the Court's orders with ASIC under section 411(10) of the Corporations Act. On that date (currently proposed to be 10 November 2014), the Scheme will become Effective. Trading in Oakton Shares on ASX will be suspended from the close of trading on the Effective Date. Shortly after the implementation of the Scheme (which is proposed to take place on 21 November 2014), Oakton will be delisted from ASX and become a wholly-owned subsidiary of Dimension Data.	Section 9.5
What happens on the Implementation Date?	On the Implementation Date, the Scheme Consideration will be paid to Scheme Shareholders and Dimension Data will become the owner of all Oakton Shares. The Implementation Date is currently proposed to be 21 November 2014.	Section 9.5
What other information is available and who can help answer my questions about the Scheme?	If you have any questions, you should contact your broker, financial or legal advisor immediately. Alternatively you can call Shareholder Information Line on 1300 485 967 (within Australia) or + 61 3 9415 4104 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Melbourne time) or visit Oakton's website at www.oakton.com.au.	

3. How to vote

3.1 Scheme Meeting

The notice convening the Scheme Meeting is contained in Appendix 3 to this Explanatory Booklet. A personalised proxy form for the Scheme Meeting accompanies this Explanatory Booklet. The proxy form contains a control number that you will need if you wish to lodge your proxy online.

The Scheme Meeting will be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on Friday, 31 October 2014, at 10.00am (Melbourne time).

For the Scheme to be agreed to by Oakton Shareholders, votes in favour of the Scheme must be received from:

- a majority in number (more than 50%) of the holders of Oakton Shares (other than Excluded Shareholders) voting at the Scheme Meeting (**Headcount Test**); and
- the holders of Oakton Shares (other than Excluded Shareholders) who together hold at least 75% of the total number of Oakton Shares voted at the Scheme Meeting.

The Court has a statutory discretion to disregard the Headcount Test for the purpose of the Scheme Meeting.

The purpose and effect of the Scheme are as summarised earlier and are more particularly described in Section 8 of this Explanatory Booklet.

3.2 Your vote is important

Your Directors urge all Oakton Shareholders to vote on the Scheme at the Scheme Meeting. The Scheme affects your Shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

Your Directors encourage all Oakton Shareholders to vote in favour of the Scheme either by personally attending the Scheme Meeting to be held on Friday, 31 October 2014, commencing at 10.00am at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria or by appointing a proxy, an attorney or, in the case of a corporate Oakton Shareholder, a corporate representative to attend the Scheme Meeting and vote on your behalf.

You may appoint a proxy to vote on your behalf by either:

- completing and returning the proxy form which accompanies this Explanatory Booklet; or
- lodging a proxy online via www.investorvote.com.au using the control number noted on the front of your proxy form which accompanies this Explanatory Booklet along with your SRN/HIN number (as applicable) and your postcode and by following the instructions on that website or if you are a custodian (for intermediary online subscribers only), via www.intermediaryonline.com, and following the instructions on that website

Further information on your voting alternatives are provided in Section 3.3.

3.3 How to vote

(a) Voting entitlements

If you are registered as an Oakton Shareholder by the Share Registry at the Voting Entitlement Time (7.00pm (Melbourne time) on Wednesday, 29 October 2014) and are not an Excluded Shareholder, you will be entitled to vote at the Scheme Meeting.

Voting at the Scheme Meeting will be conducted by poll.

(b) Voting in person

Oakton Shareholders wishing to vote in person or their attorneys or, in the case of a corporate Oakton Shareholder, corporate representatives should attend the Scheme Meeting and bring a form of personal identification (such as their driver's licence).

Oakton Shareholders, their attorneys or, in the case of corporate Oakton Shareholders, corporate representatives who plan to attend the Scheme Meeting in person are asked to arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, so that their shareholding may be checked against the Share Register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Scheme Meeting, you, your attorney or, in the case of a corporate Oakton Shareholder, your corporate representative must attend the Scheme Meeting to be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on Friday, 31 October 2014, at 10.00am (Melbourne time).

Voting by attorney

If an Oakton Shareholder executes or proposes to execute any document, or do any act, by or through an attorney which is relevant to that Oakton Shareholder's shareholding in Oakton, that Oakton Shareholder must deliver the instrument appointing the attorney to the Share Registry for notation.

Oakton Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Oakton for notation, deliver to the Share Registry (at the address or facsimile number provided in Section 3.3(c) of this Explanatory Booklet) the original instrument appointing the attorney or a certified copy of it by 10.00am (Melbourne time) on Wednesday, 29 October 2014.

Any power of attorney granted by an Oakton Shareholder will, as between Oakton and that Oakton Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Oakton Shareholder is lodged with Oakton.

Voting by corporate representative

To vote in person at the Scheme Meeting, a corporate Oakton Shareholder may appoint an individual to act as its representative.

To vote by corporate representative at the Scheme Meeting, a corporate Oakton Shareholder should obtain an *appointment of corporate representative* form from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged at the registration desk on the day of the Scheme Meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

The chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if they have not produced a certificate or other satisfactory evidence of their appointment.

3. How to vote continued

(c) Voting by proxy

Oakton Shareholders wishing to appoint a proxy to vote on their behalf at the Scheme Meeting must either complete and sign or validly authenticate the personalised proxy form which accompanies this Explanatory Booklet or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Proxies attending the Scheme Meeting should bring a form of personal identification (such as their driver's licence) and are asked to arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, so that their shareholding may be checked against the Share Register and attendances noted.

Completed proxy forms must be delivered to Oakton's Share Registry by 10.00am (Melbourne time) on Wednesday, 29 October 2014 in any of the following ways:

By post in the enclosed reply paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) provided to the Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria Australia 3001

By hand delivery[2] to the Share Registry at:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street,
Abbotsford Victoria 3067

By fax to the Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Online: if you wish to lodge your proxy online, you should do so by logging onto www.investorvote.com.au using the control number noted on the front of your proxy form which accompanies this Explanatory Booklet along with your SRN/HIN number (as applicable) and your postcode and by following the instructions on that website. If you are a custodian (for intermediary online subscribers only) and wish to lodge a proxy online you should log onto www.intermediaryonline.com, and follow the instructions on that website. Online lodgement of proxy forms must be done by 10.00am (Melbourne time) on Wednesday, 29 October 2014.

Undirected proxies

If an Oakton Shareholder nominates the chairman of the Scheme Meeting as that Oakton Shareholder's proxy, the person acting as chairman of the Scheme Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Scheme Meeting.

If a proxy appointment is signed or validly authenticated by that Oakton Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting may at his election (a) act as proxy in respect of any or all items of business to be considered at the Scheme Meeting or (b) complete the proxy appointment by inserting the name or names of one or more Oakton Directors or the company secretary to act as proxy under the appointment, in respect of any or all items of business to be considered at the Scheme Meeting.

Proxy appointments in favour of the Chairman of the Scheme Meeting, the company secretary or any Oakton Director which do not contain a direction as to how to vote will be voted in support of the Scheme resolution at the Scheme Meeting (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

The Chairman intends to vote undirected proxies of which he is appointed as proxy in favour of the resolution to approve the Scheme (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

3.4 Further information

Please refer to the notice of Scheme Meeting in Appendix 3 to this Explanatory Booklet for further information on voting procedures and details of the resolutions to be voted on at the Scheme Meeting.

2 Please note that hand deliveries may only be made Monday to Friday between the hours of 9.00am to 5.00pm (Melbourne time).

4. Relevant considerations for Oakton Shareholders

4.1 Introduction

The purpose of this Section is to identify significant issues for Oakton Shareholders to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, Oakton Shareholders should carefully consider the factors discussed below as well as the other information contained in this Explanatory Booklet.

Your Directors recommend that you consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your individual circumstances.

4.2 Directors' recommendation and intentions

The Directors of Oakton as at the date of this Explanatory Booklet are:

Director's name	*Position*
Paul Holyoake	Executive Chairman
Neil Wilson	Managing Director and Chief Executive Officer
Chris Gillies	Non Executive Director
Anthony Larkin	Non Executive Director
Martin Adams	Non Executive Director

Profiles of each member of the Oakton Board can be found in Oakton's 2014 Annual Report, which is available on ASX's website or Oakton's website.

The interests of the Oakton Directors are disclosed in Section 10 of this Explanatory Booklet.

For the reasons set out below, the Oakton Directors unanimously believe that:

- the premium and overall terms of Dimension Data's cash offer present an opportunity to realise immediate, substantial and certain value for Oakton Shareholders;
- on balance, the $1.90 cash per Share available to Oakton Shareholders under the Scheme is likely to provide a superior outcome to the risk and time adjusted returns that could be delivered from Oakton continuing as an independent ASX listed company;
- the benefits of the Scheme outweigh its potential disadvantages and risks; and
- the Scheme is in the best interest of Oakton Shareholders, in the absence of a Superior Proposal.

Accordingly, your Oakton Directors unanimously recommend that Oakton Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

Each Director intends to vote all Oakton Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal. As at the date of this Explanatory Booklet, your Directors hold or control in aggregate approximately 11.45% of all Oakton Shares on issue.

No Superior Proposal from another party has been received as at the date of this Explanatory Booklet.

You are not obliged to accept the Directors' recommendation. Some of the reasons why you may decide to vote against the Scheme are set out in Section 4.4.

You should note that if you decide to vote against the Scheme, the Scheme will nevertheless proceed if it is agreed to by the requisite majority of Shareholders, approved by the Court and if the other conditions are satisfied or waived (see Sections 8 and 9).

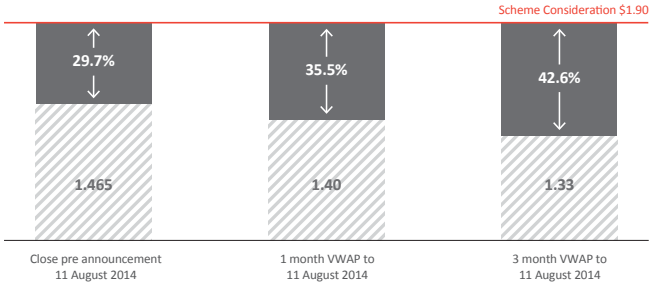
4.3 Key reasons for Oakton Directors' recommendation

In unanimously recommending the Scheme to Oakton Shareholders, your Directors have carefully considered the matters below.

(a) The Scheme Consideration represents an attractive premium to the market price of Oakton Shares shortly before the Scheme was announced

The Scheme Consideration of $1.90 cash for each Oakton Share values Oakton at $171 million and represents a premium of:

- 29.7% to the closing price of Oakton Shares of $1.465 on 11 August 2014, being the last trading day prior to the announcement of the Scheme;
- 35.5% to Oakton's 1 month VWAP up to and including 11 August 2014; and
- 42.6% to Oakton's 3 month VWAP up to and including 11 August 2014.



Accordingly, the Scheme is an opportunity for Oakton Shareholders to realise their investment in Oakton at an attractive premium to the price at which Oakton Shares traded up to and including 11 August 2014.

(b) The Scheme's all cash consideration provides you with certainty of value for your Oakton Shares and a high degree of certainty of timing for receipt of the Scheme Consideration

The Scheme Consideration of $1.90 cash per Share offered to Oakton Shareholders provides certainty of value for your Oakton Shares and a high degree of certainty of timing for receipt of your Scheme Consideration. Specifically, if all of the conditions for the Scheme are satisfied or waived, as applicable (see Sections 1.4 and 8.3), you will receive $1.90 cash for each Oakton Share you hold as at the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). Your Scheme Consideration will be paid to you on the Implementation Date (currently proposed to be 21 November 2014), either by direct credit (if you have validly registered your bank account details with Oakton's Share Registry by the Scheme Record Date) or otherwise by cheque to your registered address.

In contrast, if the Scheme does not proceed, the amount which Oakton Shareholders will be able to realise by retaining their current investment in Oakton Shares will necessarily be uncertain, as the value of Oakton Shares will continue to be subject to the general and specific risks noted in Section 5.10. The Scheme removes this uncertainty for Scheme Shareholders.

The Oakton Board has considered the alternative of Oakton continuing as an independent ASX listed company. In that context, the Oakton Board has considered Oakton's market position, historical financial performance, likely future performance and growth prospects. Your Directors note the following matters in relation to the alternative of Oakton continuing as an independent ASX listed entity.

The Oakton Board remains positive about the outlook for Oakton as an independent ASX listed company, including its capacity to deliver growth for Oakton Shareholders into the future. Oakton is beginning to realise the benefits of investments it has made in its offshore business,

solution development and service integration partnerships over the last four years. However, your Directors believe that it will take further time and investment for Oakton to fully realise the benefits from these investments, noting that there can be no certainty that those benefits will be able to fully realised or realised within the timeframes reasonably contemplated by the Oakton Board. Your Directors further believe that the risk factors described in Section 5.10, many of which are outside Oakton's control, may have a material bearing on the continuing transformation of Oakton (which is described further in Section 5.3), its future performance and growth prospects.

For example, in announcing its results for the full year ended 30 June 2014, Oakton noted that market conditions remained challenging in FY2014 across all industry sectors and, in particular, that there continues to be a large number of project deferrals and delays by customers in all sectors and that Oakton's revenue has been impacted by reduced Federal Government spending in New South Wales and the Australian Capital Territory. Although it is not possible to predict future market conditions with any certainty, your Directors are not seeing any indications as at the date of this Explanatory Booklet that suggest to them that market conditions will materially improve in the short to medium term or that the other specific risks to which Oakton's business are subject, as described in Section 5.10, will materially diminish in the short to medium term.

If Oakton continues as an independent ASX listed company, consideration would need to be given to continuing to grow Oakton's business organically and also, for example, growing it through the acquisition of complementary businesses and/or through the development of new product streams or services. Your Directors consider that growth by acquisition and/or by developing new product streams and services carry their own risks, which would be in addition to the existing risks faced by Oakton as described in Section 5.10.

The Oakton Board has concluded that, on balance, the immediate, substantial and certain cash value available to Oakton Shareholders under the Scheme is likely to provide a superior outcome to the risk and time adjusted returns that could be delivered from continuing as an independent ASX listed company.

(c) The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders

Your Directors engaged Ernst & Young as the Independent Expert to prepare a report expressing an opinion as to whether or not the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders. The Independent Expert has assessed the full underlying value of Oakton (including a premium for control) to be in the range of $1.72 to $2.02 per Oakton Share. The Scheme Consideration of $1.90 cash per Share is above the mid point of that range. Accordingly, the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders, in the absence of a Superior Proposal.

The Independent Expert states[3]:

'Oakton Shares have not traded at high volumes on the ASX in recent years. This relatively low liquidity of Oakton Shares may have restricted Oakton Shareholders from being able to realise value by exiting their shareholdings.'

'The $1.90 cash per Oakton Share provides Oakton Shareholders with the opportunity to realise value for their Oakton Shares that may not otherwise be possible.'

'Further, the Proposal enables Oakton Shareholders to realise the value in their investment in Oakton at a cash price which incorporates a premium for control. In the absence of the Proposal or a similar transaction, Oakton Shareholders could only realise their investment by selling their Oakton Shares on the open market at a price which does not include a premium for control and would incur transaction costs (e.g. brokerage). We note that the last time Oakton Shares traded at $1.90 was 22 September 2011.'

'While there may be potential future value upside beyond the Scheme Consideration of $1.90 cash per Oakton Share, it is reasonable to conclude that the achievement of that value is uncertain due to business and other risks that Oakton is exposed to in the ordinary course. An assessment of the risks associated with the Oakton business and the impact those risks could have on Oakton's growth prospects is set out in Section 5.10 of the Explanatory Booklet.'

'The Proposal represents an opportunity for all Scheme Shareholders to realise value for their investment in Oakton Shares for cash, at a clearly identifiable time, and at a premium to the trading price of Oakton Shares on the ASX prior to the announcement of the Proposal.''

'As at the date of this report, no such superior proposal has been made. In the absence of a superior proposal, we consider the Proposal to be fair and reasonable and therefore in the best interests of Oakton Shareholders.'

The Independent Expert's Report is included in full in Appendix 1 to this Explanatory Booklet. That report should be read in its entirety, including the assumptions on which the conclusions are based, as part of your assessment of the Scheme and before voting on the Scheme.

(d) No Superior Proposal has emerged as at the date of this Explanatory Booklet

Since the announcement of the Scheme on 12 August 2014 and up to the date of this Explanatory Booklet, no Superior Proposal has been received. The Scheme Implementation Deed prohibits Oakton from soliciting Competing Proposals during the Exclusivity Period. Dimension Data also has a right under the Scheme Implementation Deed to match an unsolicited Competing Proposal if one is received by Oakton. If a Competing Proposal for Oakton emerges prior to the Scheme Meeting, your Directors will carefully consider the proposal to determine whether it is a Superior Proposal and will inform you of any material developments which may affect your Directors' view that the Scheme is presently the most favourable proposal for all your Oakton Shares. Any change of your Directors' current recommendation in response to a Competing Proposal that is announced may result in Oakton being obliged to pay a break fee of $1.80 million (plus GST) to Dimension Data.

Please see Section 4.4(c) for further discussion about the implications of any Competing Proposal that may emerge.

(e) If the Scheme does not proceed and no Superior Proposal emerges, the Oakton Share price is likely to fall.

Oakton Shares closed at $1.465 on 11 August 2014, being the last ASX trading day prior to the announcement of the Scheme on 12 August 2014. Between that date and the Last Practicable Date, Oakton Shares have risen and have traded in a range between $1.85 and $1.91. If the Scheme does not proceed and no Superior Proposal emerges, your Directors consider that the market price of Oakton Shares on ASX is likely to fall below current trading levels.

The Independent Expert shares this view, stating that[4]:

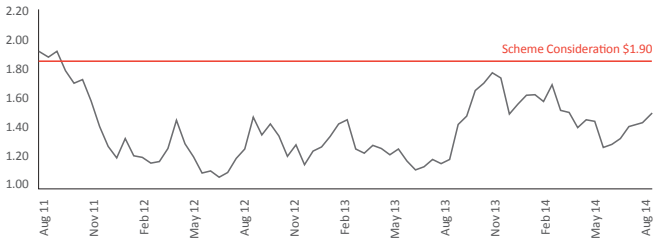
If the Scheme is not approved, and in the absence of an alternative transaction…[t]he price of Oakton Shares will likely fall. We note that Oakton Shares rose by 28.7% on 12 August 2014 following announcement of the proposed Scheme. Since the announcement, Oakton Shares have up to 9 September 2014 continued to trade at around this premium. As such, it is likely that this premium would cease to be priced into the Oakton Shares, causing the price to decline significantly.

3 Independent Expert's Report, section 7.4.1.
4 Independent Expert's Report, section 7.4.3.

4. Relevant considerations for Oakton Shareholders continued

The chart below shows Oakton Share price performance over the last three years to 11 August 2014.

Oakton Share price performance over the last three years to 11 August 2014



Source: IRESS

(f) If the Scheme does not proceed and no Superior Proposal emerges, Oakton Shareholders will continue to be subject to the specific risks associated with Oakton's business and general market risks

If the Scheme does not proceed:

- Oakton Shareholders will continue to be subject to the risks associated with Oakton executing its current strategic initiatives successfully, as well as to other Oakton business risks and general risks described in Section 5.10; and
- the amount which Oakton Shareholders will be able to realise for their continuing investment in Oakton Shares (in terms of price), and from their Oakton Shares (by way of future dividends), is uncertain.

The Scheme removes these risks and uncertainties. Specifically, the Scheme Consideration of $1.90 cash per Share provides certainty of value for the realisation of your current investment in Oakton. If all of the conditions to the Scheme are satisfied or waived (as applicable), the Scheme Consideration will be paid on the Implementation Date which is currently scheduled to be 21 November 2014 and prior to the transfer of any Oakton Shares to Dimension Data.

(g) No transaction costs on the disposal of your Oakton Shares under the Scheme

Oakton Shareholders will not be required to pay any brokerage or other transaction costs on the disposal of their Oakton Shares under the Scheme.

4.4 Potential disadvantages of the Scheme

The Scheme has some potential disadvantages and risks that Oakton Shareholders should consider in deciding how they should vote at the Scheme Meeting.

Although your Directors consider that these potential disadvantages and risks are outweighed by the advantages of the Scheme and that the Scheme is in the best interests of Oakton Shareholders in the absence of a Superior Proposal, Oakton Shareholders should consider their individual circumstances in determining how to vote in relation to the Scheme.

(a) You may disagree with the recommendation of the Oakton Directors and/or the Independent Expert

You may disagree with the reasons put forward by the Oakton Directors in Section 4.3 as to why they are recommending the Scheme. You may also disagree with the Independent Expert's conclusions. You are not obliged to accept the Directors' recommendation or the views of the Independent Expert. In particular, you may believe that a continuing investment in Oakton as an independent ASX listed company will deliver higher returns over the long term than the $1.90 cash per Share offered under the Scheme. You may consider that the future growth prospects of Oakton are not fully reflected in the Scheme Consideration.

(b) You will lose the ability to participate in any potential upside that may result from remaining an Oakton Shareholder

If the Scheme proceeds, you will cease to be an Oakton Shareholder. This means that you will no longer be able to participate in Oakton's future financial performance or the future prospects of its ongoing business. However, as with all investments in securities, there can be no guarantee as to Oakton's future performance.

(c) If the Scheme proceeds, this precludes the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Oakton Shares

It is possible that, if Oakton were to continue as a stand-alone listed company, a corporate control proposal for Oakton may materialise in the future which is more favourable for Oakton Shareholders than the $1.90 cash per Share that Dimension Data is offering through the Scheme. Oakton Shareholders are being asked to vote on the Scheme on 31 October 2014 and the currently proposed Implementation Date for the Scheme is 21 November 2014. Therefore, if the Scheme proceeds, this would preclude the possibility of Oakton Shareholders obtaining the benefit of any future, potentially more favourable, proposal for their Shares that could emerge if Oakton were to remain an independent listed company.

As at the date of this Explanatory Booklet, the Oakton Board is not aware of any Superior Proposal and notes that, since the Scheme was announced on 12 August 2014, there has been a significant period of time for a Superior Proposal to emerge and none have emerged. Accordingly, the Scheme is the only corporate control proposal that has been received by the Oakton Board as at the date of this Explanatory Booklet. As at that date, no Superior Proposal from another party has been forthcoming for your Oakton Shares.

Until the date of the Scheme Meeting, there is nothing preventing other parties from making unsolicited Competing Proposals for Oakton. Although Oakton has agreed to certain exclusivity provisions that restrict it from soliciting or inviting, or engaging with, the proponent of a Competing Proposal, these restrictions do not prevent Oakton from considering an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Proposal. Dimension Data has the right, but not the obligation, to match any Competing Proposal.

If a Competing Proposal for Oakton emerges prior to the Scheme Meeting, your Directors will carefully consider that proposal and will inform you of any material developments which may affect your Directors' view that the Scheme is presently the most favourable proposal for all your Oakton Shares. Any change of your Directors' current recommendation in response to the emergence of a Competing Proposal may trigger a contractual obligation on Oakton's part to pay Dimension Data a break fee of $1.80 million (plus GST): see further the discussion in Section 4.5(e).

(d) The tax consequences of the Scheme for you may not be suitable to your financial position

If the Scheme proceeds, it will potentially result in taxation consequences (including capital gains tax) for Oakton Shareholders, which may arise earlier than may otherwise be the case.

You should read the general outline of the taxation implications for Australian resident Oakton Shareholders in relation to the Scheme in Section 7. Oakton Shareholders should seek their own professional advice regarding the taxation implications relevant to them.

4. Relevant considerations for Oakton Shareholders continued

4.5 Other relevant considerations

(a) The Scheme has a number of conditions

In addition to the need to obtain Shareholder approval and Court approval, the Scheme is subject to a number of other conditions. These conditions are outlined in Sections 1.4 and 8.3 and are set out in clause 3.1 of the Scheme Implementation Deed in Appendix 4 to this Explanatory Booklet and in clause 3(a) of the Scheme in Appendix 2 to this Explanatory Booklet. All these conditions need to be satisfied (or alternatively waived, in the case of certain conditions that are capable of being waived) in order for the Scheme to proceed.

Your Directors have reviewed the conditions and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Explanatory Booklet, your Directors are not aware of any matter that would result in a breach or non fulfilment of any of those conditions.

(b) The Scheme delivers an 'all or nothing' outcome

If all of the conditions and approvals for the Scheme are satisfied or waived (as applicable):

- it will bind all persons registered as Oakton Shareholders as at the Scheme Record Date (being Scheme Shareholders), including those who were not present at the Scheme Meeting, those who did not vote on the Scheme and those who voted against it, meaning that all persons who are Scheme Shareholders will relinquish ownership of their Oakton Shares and will be entitled to receive the Scheme Consideration; and
- Oakton will become a wholly owned subsidiary of Dimension Data and will be delisted from ASX.

Conversely if all of the conditions and approvals for the Scheme are not satisfied or waived (as applicable), the status quo will be preserved, meaning that:

- Oakton Shareholders will retain all of their Shares;
- the existing Oakton Board and management will continue to operate Oakton's business;
- the advantages of the Scheme, as outlined in Section 4.3, will not be realised and equally some of the disadvantages of the Scheme, as outlined in Section 4.4, will no longer be relevant; and
- Oakton Shareholders will retain their current investment in Oakton Shares and in doing so will continue to retain the benefits of that investment and continue to be exposed to the risks associated with this investment. These risks include risks that are specific to Oakton's business (see Section 5.10).

(c) Transaction costs

Oakton Shareholders

If the Scheme proceeds, Oakton Shareholders will not be required to pay any brokerage or other costs on the disposal of their Oakton Shares under the Scheme.

Oakton

As at the date of this Explanatory Booklet, Oakton has incurred (or expects to incur) costs of approximately $1.12 million in developing the Scheme to the point that it is capable of being submitted to Oakton Shareholders as a formal offer for their consideration. These costs include negotiations with Dimension Data, facilitating Dimension Data's due diligence investigations, the retention of advisers, engagement of the Independent Expert and preparation of this Explanatory Booklet.

If the Scheme does not proceed and no Superior Proposal is implemented, Oakton's results for the financial year ending 30 June 2015 will be negatively impacted by the transaction costs incurred in proposing the Scheme. Those transaction costs may also impact the capacity of Oakton to pay a dividend or the amount of any dividend in FY2015 and potentially in subsequent financial years.

(d) Exclusivity arrangements

The following is a summary only of the exclusivity arrangements agreed to in the Scheme Implementation Deed. The full terms of these exclusivity arrangements are set out in clause 13 of the Scheme Implementation Deed which is included as Appendix 4 to this Explanatory Booklet.

No shop

The Scheme Implementation Deed contains certain exclusivity restrictions that prevent Oakton (and its employees and advisers) from soliciting, inviting, encouraging or initiating any Competing Proposal or any enquiries, negotiations or discussions with any person in relation to, or which would reasonably be expected to lead to, a Competing Proposal.

No talk

Oakton (and its employees and advisers) must not enter into, continue or participate in any negotiations or discussions with, or enter into any agreement or understanding with, any person in relation to, or which would reasonably be expected to lead to, a Competing Proposal even if:

- the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Oakton; or
- the Competing Proposal has been publicly announced.

The *No Talk* prohibition does not apply if, the Oakton Board, acting reasonably (including taking advice from its advisers), determines that:

- the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
- failing to respond to that Competing Proposal would constitute or be likely to constitute a breach of the Oakton Board's fiduciary or statutory duties,

provided that the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Oakton or any of its representatives in a manner than would breach its obligations under the exclusivity arrangements in the Scheme Implementation Deed.

No due diligence

Oakton (and its employees and advisers) must not make available to any person, or permit any person, to receive any non-public information in relation to any member of the Oakton Group in connection with that person formulating, developing or finalising a Competing Proposal.

The *No due diligence* prohibition does not apply if the Oakton Board, acting reasonably (including taking advice from its advisers), determines that:

- the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
- failing to provide the non-public information would constitute a breach of the Oakton Board's fiduciary or statutory duties,

provided that the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Oakton or any of its representatives in a manner than would breach its obligations under the exclusivity arrangements in the Scheme Implementation Deed.

4. Relevant considerations for Oakton Shareholders continued

Any non public information provided by Oakton to a third party will be subject to:

- that third party entering into a confidentiality agreement on terms no less onerous in any material respect than the confidentiality obligations between Oakton and Dimension Data; and
- Dimension Data also being provided with the non public information.

Notification

Oakton must as soon as possible notify Dimension Data in writing if it (or any of its employees or advisers) receives any Competing Proposal in writing and must provide Dimension Data with the price and material terms and conditions of the Competing Proposal (excluding the identity of the party making the Competing Proposal).

The *Notification* requirement does not apply to the extent that:

- it restricts the Oakton Board from taking or refusing to take any action with respect to the Competing Proposal which is or may reasonably be expected to lead to a Superior Proposal (which was not solicited, invited, encouraged or initiated (whether directly or indirectly) by Oakton or its representatives in breach of the exclusivity arrangements in the Scheme Implementation Deed); and
- failing to respond to that Competing Proposal would be likely to involve a breach of the Oakton Board's fiduciary or statutory duties.

Matching right

Oakton must not enter into any legally binding agreement under which a third party and/or Oakton proposes to undertake or give effect to a Competing Proposal or publicly recommend the Competing Proposal, unless Oakton has given Dimension Data at least three Business Days after the provision of the material terms of the Competing Proposal and the identity of the party proposing the Competing Proposal to provide a matching or superior proposal to the terms of the Competing Proposal.

(e) Break fee

Oakton must pay a break fee of $1.80 million (plus GST) (**Oakton Break Fee**) to Dimension Data if:

- both of the following occur:
  - a Competing Proposal is publicly announced during the period commencing on 11 August 2014 and ending on:
    - if the Scheme Implementation Deed is terminated by Oakton, the End Date (currently 31 December 2014); and
    - if the Scheme Implementation Deed is terminated by Dimension Data, the earlier of the End Date and the date of termination of the Scheme Implementation Deed by Dimension Data; and
  - within nine months of the date of the announcement of the Competing Proposal:
    - the Competing Proposal is implemented or completed substantially in the terms described in the public announcement; or
    - the proponent of the Competing Proposal acquires a Relevant Interest in at least 50% of Oakton Shares; or
- during the period commencing on 11 August 2014 and ending on the End Date, any member of the Oakton Board:
  - withdraws or adversely modifies their recommendation of the Scheme except where the Independent Expert has opined that the Scheme is not in the best interests of Oakton Shareholders other than for the reason of the existence of a Competing Proposal; or
  - recommends or supports a Competing Proposal; or
- Dimension Data terminates the Scheme Implementation Deed as a result of a material breach by Oakton of its obligations under that deed, where that breach is notified in writing by Dimension Data to Oakton and is not remedied by Oakton within a designated cure period.

The Oakton Break Fee trigger does not include a situation where the Scheme does not proceed simply because Oakton Shareholders do not approve the Scheme at the Scheme Meeting to be held on Friday, 31 October 2014.

For a complete description of the circumstances in which the Oakton Break Fee would be payable by Oakton, please refer to clause 12 of the Scheme Implementation Deed in Appendix 4 to this Explanatory Booklet.

In negotiating the amount of the Oakton Break Fee and the circumstances in which it would be payable, Oakton had regard to the guidelines issued by the courts and the Takeovers Panel. Your Directors consider that the Oakton Break Fee arrangements are reasonable and appropriate in amount, structure and effect, and that it was appropriate to agree to their terms to secure Dimension Data's participation in the Scheme.

4. Relevant considerations for Oakton Shareholders continued

4.6 What are your alternatives?

The following principal alternatives are available to Oakton Shareholders. Oakton encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Oakton Shares.

Vote in favour of the Scheme	**This is the course of action unanimously recommended by your Directors, in the absence of a Superior Proposal.** To follow your Directors' unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting. For a summary of how to vote on the Scheme, please refer to Section 3 of this Explanatory Booklet.
Vote against the Scheme	If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting. However, if all of the conditions for the Scheme are satisfied or waived (as applicable), the Scheme will bind all persons registered as Oakton Shareholders on the Scheme Record Date, including those who were not present at the Scheme Meeting, those who voted against the Scheme or those who did not vote.
Sell your Oakton Shares	The existence of the Scheme does not preclude you from selling some or all of your Oakton Shares on market for cash, if you wish, provided you do so before close of trading in Oakton Shares on ASX on the Effective Date (currently proposed to be 10 November 2014), when trading in Oakton Shares on ASX will end. You may also sell your Oakton Shares off-market after the Effective Date but before the Scheme Record Date (currently proposed to be 7.00pm on 17 November 2014). If you are considering selling your Oakton Shares, you should have regard to the prevailing trading prices of Oakton Shares and compare those to the Scheme Consideration. You may ascertain current trading prices of Oakton Shares through ASX's website (www.asx.com.au) or by contacting your stockbroker. Oakton Shareholders who sell some or all of their Oakton Shares on ASX: ► will receive payment for the sale of their Oakton Shares sooner than they would receive payment under the Scheme (noting that the proceeds of sale may vary from the Scheme Consideration amount of $1.90 cash per Share); ► may incur a brokerage charge; ► will not be able to receive the Scheme Consideration or be entitled to the benefits of any Superior Proposal, if one emerges (but only in respect of those Oakton Shares they have sold, if they have chosen to sell some but not all of their Oakton Shares); and ► may be liable for capital gains tax on the disposal of their Oakton Shares (as may also be the case for Scheme Shareholders, as to which see Section 7).
Do nothing	Oakton Shareholders who do not vote at the Scheme Meeting will: ► if the Scheme is implemented – have their Oakton Shares compulsorily transferred to Dimension Data, by operation of the Scheme, and be entitled to receive the Scheme Consideration; and ► if the Scheme is not implemented – retain their Oakton Shares.

5. Profile of Oakton

5.1 Introduction

This Section contains information in relation to Oakton.

The Independent Expert's Report set out in Appendix 1 to this Explanatory Booklet contains further information about Oakton.

5.2 Background

Oakton is an Australian consulting and technology company founded in 1988. Oakton was listed on ASX in June 2000. Since listing, Oakton has grown through a combination of acquisitions and organic growth and has expanded its operations from Victoria to a broader geographic footprint covering Victoria, New South Wales, Australian Capital Territory, Queensland, Western Australia and Hyderabad (India). Oakton provides consulting and technology services to Australian and international organisations operating within the Australian market, as well as to Australian Federal and State departments and agencies and local government.

Oakton currently has over 1,100 employees and contractors.

In the financial year ended 30 June 2014, Oakton reported revenue of approximately $164 million and EBITDA of approximately $14 million.

5.3 Overview of operations

As a consulting and technology company, Oakton collaborates with its customers to deliver a broad range of consulting and technology-based services for them. Oakton delivers its services to a customer base that is diverse and spread across a range of government and commercial industry sectors and geographies (see the pie charts below). Oakton assists its customers with planning, implementing and operating the specific features of the consulting and technology services they require.

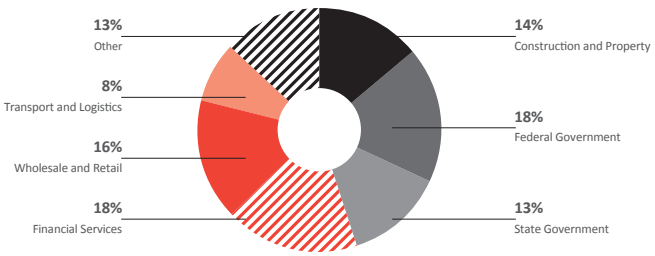
Oakton's consulting and technology-based services are generally directed at:

- supporting customers' core business functions; for example, their back office administration functions and their front office customer engagement functions;
- delivering online services for customers; for example, developing or supporting customers' website presence and providing ongoing support such as resolving any hardware or software performance issues and assisting with developing an internal help desk function; and
- assisting customers with their information management and analysis requirements; for example assisting customers with accessing broad sets of data to enable or improve analysis of their own customers, products and revenue-generating sources.

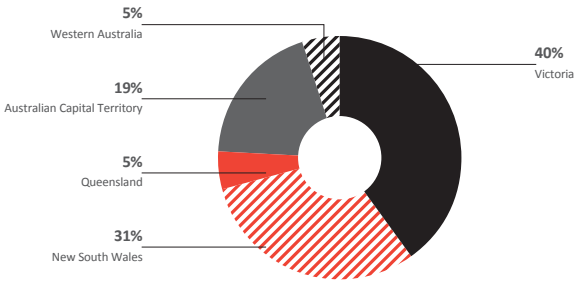
By way of example, three consulting and technology-based services that Oakton has recently delivered to its customers are as follows:

- developing a mobile based application for a retail liquor chain that enables its customers to redeem their loyalty points in-store, at point of sale via a mobile device;
- consolidating many disparate websites into one integrated website for a multi-national logistics group, giving it one consistent global web presence; and
- increasing the personalisation and self-service capability on a telecommunications website so that it is accessible in a more user-friendly way by its customers on their mobile devices.

FY2014 Revenue by Industry Sector



FY2014 Revenue by State

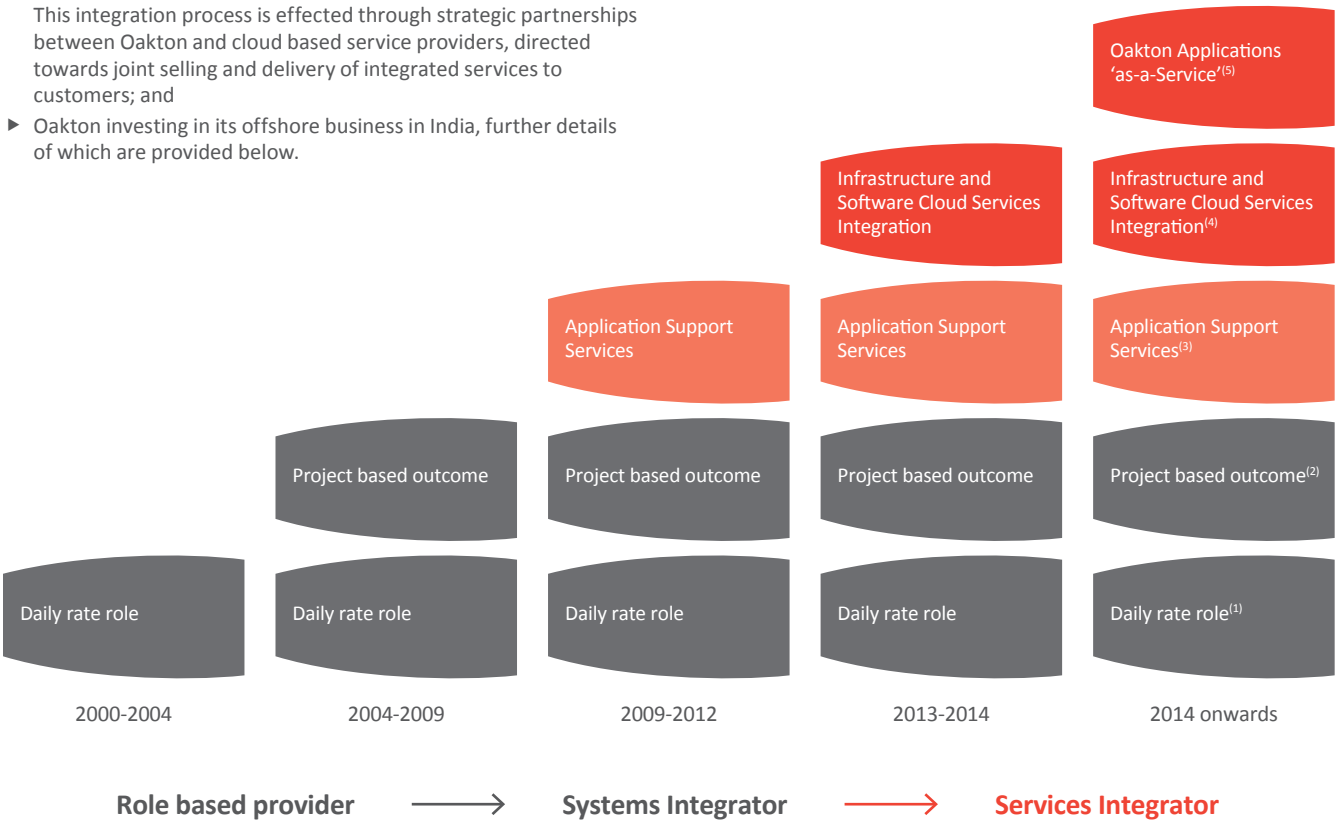


5. Profile of Oakton continued

Since its formation in 1988, Oakton has evolved from being a traditional installer and integrator of IT hardware and software into customers' business environments to also be a provider of a broader range of IT services that customers access and pay for on an on-going 'consumption' basis rather than on an 'installed' basis. This evolution in Oakton's business model is continuing and to date has included:

- Oakton developing its own intellectual property which it then integrates with third party providers of cloud-based services, to deliver a combined Oakton-branded service to its customers. This integration process is effected through strategic partnerships between Oakton and cloud based service providers, directed towards joint selling and delivery of integrated services to customers; and
- Oakton investing in its offshore business in India, further details of which are provided below.

The step chart below depicts the continuing evolution of Oakton's business model since 2000. This evolution has been driven by the rapid pace of changes in the IT industry and the corresponding need to ensure that Oakton's services remain relevant to its customers' changing technology requirements, in terms of what they need and how they want their services delivered.



1. **Daily rate role:** this involves the provision of a skilled person to provide their services as directed by the customer, with their time normally charged to the customer on an hourly or daily rate.
2. **Project based outcome:** this service involves the delivery of a customer's desired technology outcome on a project basis where the scope of the technology deliverable is agreed and the team works to a project budget and timeframe to deliver the expected outcome.
3. **Application Managed Services:** this service seeks to ensure that a customer's technology continues to operate on a day to day basis as planned. If and when any service level problems arise, there is a comprehensive process to identify and manage the rectification of the problem to ensure the environment returns to an 'as expected' service level.
4. **Infrastructure and Software Cloud Services Integration:** this service combines a set of cloud based software and hardware services with traditional in-house systems to provide an integrated service offer to the customer. For example, a customer may have an existing in-house customer billing system and may be seeking to take advantage of a cloud based sales system to manage its new and prospective customers. This service would integrate the customer's existing billing system with a cloud based sales system so that any new customers created in the sales system can seamlessly integrate into the billing system and all of the software and hardware connection points are managed as an integrated service offer.
5. **Oakton Applications 'as-a-Service':** this service provides customers with access to applications provided 'out of the box' that support specific industry and/or functional requirements. The applications are provided as an integrated set of cloud based services that, coupled with Oakton's configuration and tailoring intellectual property, provides a service that is paid for on a usage basis rather than as a capital investment. For example, a banking industry, customer matching application would be tailored to access typical banking data that can be matched in an industry standard manner without significant software or hardware installation requirements. This would be achieved in a timeframe that is much shorter than traditional software installation approaches and in a commercial model that does not require the customer to make a significant upfront capital investment.

5. Profile of Oakton continued

Oakton's traditional services (as described in notes 1, 2 and 3 above) continue to represent a key part of its business model, with the intellectual property gained from these services considered to be an integral driver of Oakton's new service offerings (as described in notes 4 and 5 above). Those new services offerings are founded on Oakton's expertise across Industry coverage, Domain services and Technology enablement (**IDT**).

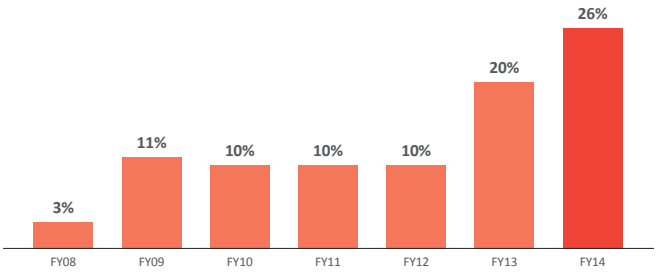
As a result of Oakton adding these new service offerings to its business model and currently positioning itself as a *Services Integrator*, Oakton is beginning to see the flow of new revenue streams that are driven by the fees charged by Oakton for providing on-going year-on-year contracted services (with the quantum of fees charged being based on the level of 'consumption' of those services by Oakton's customers). These new revenue streams are less reliant on daily or hourly charge rates. The addition of these new services offerings allows Oakton to generate additional revenue without increasing the number of its employees and contractors.

Oakton has also implemented an offshore resourcing model which involved Oakton establishing a purpose-built, wholly owned operation in Hyderabad, India in 2006. This facility employs a local skilled workforce to deliver Oakton's technology services to Australian customers.

Oakton's operations in India have expanded significantly since 2006 and as at 30 June 2014, approximately 26% of Oakton's total headcount was based in India. For FY2014, the offshore operation contributed approximately 26% of Oakton's total hours of services provided to customers.

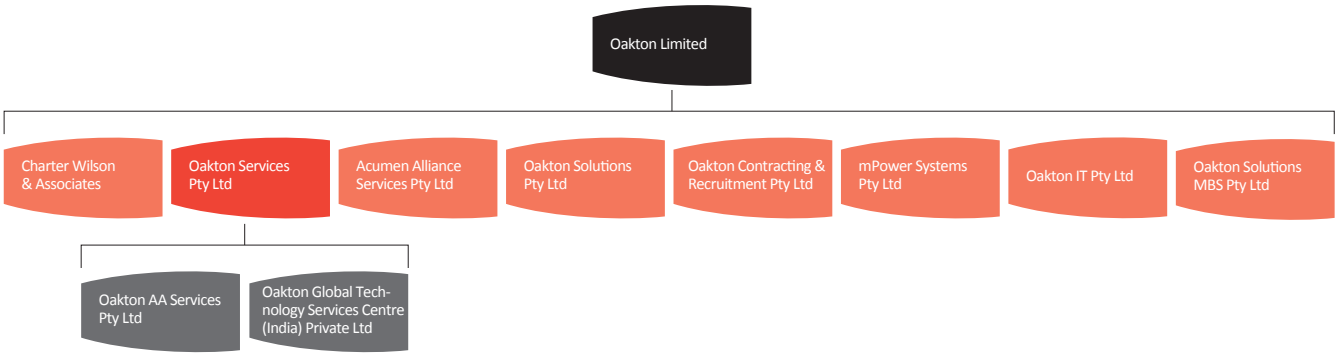
	Head Count as at 30 June 2014
Victoria	361
New South Wales	232
Australian Capital Territory	176
Queensland	56
Western Australia	23
India	309
National Shared Services	46
Total	1,203

Offshore % of Total Hours of Services to Customers



5.4 Oakton Group Structure

Oakton has nine wholly owned Australian subsidiaries and one wholly owned subsidiary incorporated in India.



5. Profile of Oakton continued

5.5 Historical financial information

The summary financial information below has been extracted from audited full year financial reports for Oakton for the financial years ended 30 June 2014, 30 June 2013 and 30 June 2012 respectively, published by Oakton on ASX. The summary financial information is intended to provide a high level overview of Oakton's historical financial position and is not intended to provide the level of detail or understanding which is available from a review of the published financial reports which are available on ASX's or Oakton's website.

It should be noted that past financial performance is not a reliable indicator of future performance.

(a) Consolidated statement of financial performance

	Full year ended 30-Jun-14	*Full year ended 30-Jun-13*	*Full year ended 30-Jun-12*
$'000			
Revenue			
Revenue from services	161,785	160,219	171,223
Other Revenue	2,680	2,209	1,217
	164,465	**162,428**	**172,440**
Administration	(3,787)	(3,817)	(1,471)
Business Development	(375)	(381)	(648)
Cost of third party software and disbursements	(6,329)	(3,515)	(2,482)
Finance costs	(373)	(271)	(393)
Human resources	(134,729)	(134,636)	(144,445)
Occupancy	(3,462)	(3,248)	(2,586)
Depreciation	(3,051)	(2,714)	(2,993)
Technology	(1,585)	(1,874)	(1,769)
Profit before income tax	10,774	11,972	15,653
Income tax expense	(2,451)	(2,816)	(3,816)
Total comprehensive income for the year attributable to the members of the parent	**8,323**	**9,156**	**11,837**
Basic earnings per share (cents per share)	9.3	10.1	12.6
Diluted earnings per share (cents per share)	9.2	10.0	12.6

5. Profile of Oakton continued

(b) Consolidated statement of financial position

	As at 30-Jun-14	*As at 30-Jun-13*	*As at 30-Jun-12*
$'000			
Current assets			
Cash and cash equivalents	2,354	6,947	9,318
Receivables	41,036	35,875	35,134
Total Current Assets	43,390	42,822	44,452
Non-current assets			
Deferred tax assets	2,460	1,997	2,082
Property, Plant and Equipment	10,765	8,283	9,367
Intangible assets	80,019	80,019	80,019
Total Non Current Assets	93,244	90,299	91,468
Total Assets	**136,634**	**133,121**	**135,920**
Current liabilities			
Payables	20,129	19,078	15,524
Current tax payable	631	41	2,044
Provisions	10,663	10,101	10,295
Total current liabilities	31,423	29,220	27,863
Non-current liabilities			
Provisions	1,061	706	1,137
Total Non-current liabilities	1,061	706	1,137
Total Liabilities	**32,484**	**29,926**	**29,000**
Net assets	**104,150**	**103,195**	**106,920**
Equity			
Contributed capital	49,052	48,858	52,439
Reserves	348	237	578
Retained earnings	54,750	54,100	53,903
Total Equity	**104,150**	**103,195**	**106,920**

5. Profile of Oakton continued

(c) Consolidated statement of cash flows

	Full year ended 30-Jun-14	*Full year ended 30-Jun-13*	*Full year ended 30-Jun-12*
$'000			
Cash flow from operating activities			
Receipts from customers	174,481	176,141	203,821
Payments to suppliers and employees	(163,265)	(158,864)	(174,880)
Interest received	135	432	188
Finance costs	(373)	(271)	(393)
Income tax paid	(2,287)	(4,729)	(2,165)
Net cash provided by operating activities	**8,691**	**12,709**	**26,571**
Cash flow from investing activities			
Payment for Property, Plant and Equipment	(5,533)	(1,630)	(2,280)
Net cash used in investing activities	**(5,533)**	**(1,630)**	**(2,280)**
Cash flow from financing activities			
Proceeds from share issue	119	65	5
Share Buy-back costs	–	(4,194)	(653)
Repayment of debt	–	–	(5,500)
Dividends paid	(7,870)	(9,321)	(9,849)
Net cash used by financing activities	**(7,751)**	**(13,450)**	**(15,997)**
Net increase/(decrease) in cash and cash equivalents	**(4,593)**	**(2,371)**	**8,294**
Cash and cash equivalents at the beginning of year	6,947	9,318	1,024
Cash and cash equivalents at end of the year	**2,354**	**6,947**	**9,318**

5.6 Material changes in the financial position of Oakton

Other than:

- the accumulation of profits in the ordinary course of trading; or
- as disclosed in this Explanatory Booklet or to ASX by Oakton,

no member of the Oakton Board is aware of any material change to the financial position of Oakton since 29 September 2014, being the date of its audited full year financial report for the financial year ended 30 June 2014.

Copies of Oakton's audited full year financial reports for Oakton for the financial years ended 30 June 2014, 30 June 2013 and 30 June 2012 respectively and any continuous disclosure notice given by Oakton after the lodgement of the audited full year financial results for the year ended 30 June 2014 may be obtained from Oakton's website at www.oakton.com.au, ASX's website (www.asx.com.au) or Oakton will provide a copy free of charge to anyone who requests a copy before the Scheme is approved by the Court.

5. Profile of Oakton continued

5.7 Oakton Securities and capital structure

(a) Oakton Shares on issue

As at the Last Practicable Date, Oakton had 89,990,235 Shares on issue. If the Scheme proceeds, all Oakton Shares on issue as at the Scheme Record Date will be transferred to Dimension Data, with the effect that Oakton will become a wholly owned subsidiary of Dimension Data and delisted from ASX. Please refer to Sections 8 and 9 for a description of how Oakton Shares will be dealt with in the context of the Scheme.

(b) Oakton Options on issue

As at the Last Practicable Date, Oakton had 512,500 Options on issue, comprising:

Number	*Issue date*	*Exercise Price ($)*	*Expiry Date*
25,000	4 June 2010	2.00	4 June 2015
100,000	23 July 2010	2.00	23 July 2015
225,000	10 August 2010	2.82	10 August 2015
12,500	31 January 2012	1.24	31 January 2017
150,000	1 October 2013	0.50	1 October 2017

All Oakton Options issued prior to 5 October 2011 were issued under the Oakton Limited Employee Option Plan. All Oakton Options issued after 5 October 2011 were issued under the Oakton Limited Equity Incentive Plan. Please refer to Section 8.6 for a description of how these Options are proposed to be dealt with in the context of the Scheme.

(c) Oakton Performance Rights outstanding

As at the Last Practicable Date, Oakton had 2,009,491 performance rights, comprising:

Number	*Issue Date*	*Expiry Date*
115,250	31 January 2012	31 January 2016
501,346	1 July 2012	1 July 2016
407,995	21 November 2012	21 November 2016
705,979	1 July 2013	1 July 2017
278,921	18 November 2013	18 November 2017

All Oakton Performance Rights were issued under the Oakton Limited Equity Incentive Plan. Please refer to Section 8.7 for a description of how these Performance Rights are proposed to be dealt with in the context of the Scheme.

5. Profile of Oakton continued

(d) Substantial shareholders

Based on publicly available information, as at the Last Practicable Date, Oakton has received notifications from the following substantial shareholders under section 671B of the Corporations Act.

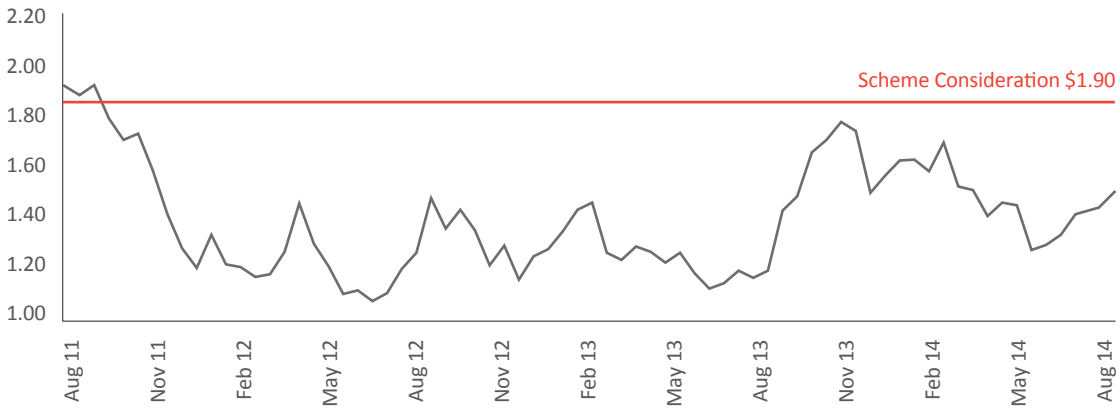
Shareholder name	*Number of Oakton Shares*	*Percentage shareholding*
National Australia Bank Limited[5]	10,047,969	11.17%
Paul Holyoake[6]	8,000,000	8.89%
Challenger Limited	6,408,540	7.12%
Celeste Funds Management Limited	6,299,062	7.00%
First Samuel Limited	5,499,498	6.06%
Australian Ethical Smaller Companies Trust	5,443,105	6.05%
Renaissance Smaller Companies Pty Ltd	4,703,951	5.23%
Australian Super Pty Ltd	4,690,012	5.21%

5.8 Recent Oakton Share performance

The Oakton Share price closed at $1.465 on 11 August 2014, being the last trading day prior to the announcement of the Scheme.

The chart below shows Oakton Share price performance over the last three years to 11 August 2014.

Oakton Share price performance over the last three years to 11 August 2014



Source: IRESS

5 National Australia Bank Limited's relevant interest is through its associated entities Navigator Australia Limited, National Nominees Limited and JP Morgan Nominees Australia Limited.

6 Paul Holyoake's relevant interest is held through his associated entities Oakdon Holdings Pty Ltd, Oakdon Holdings Pty Ltd (Glengary A/c) and HF Super Pty Ltd (The Holyoake Super Fund).

5. Profile of Oakton continued

5.9 Outlook

If the Scheme does not proceed, Oakton intends to continue to implement its strategy as outlined in its announcement to ASX on 19 August 2014 enclosing the FY2014 Full Year Results and Outlook.

In particular, Oakton intends to seek to increase its market share by continuing to build on its service integration capabilities and to grow its on-going year-on-year contracted revenue. This is expected to involve an increasing focus by Oakton on more cloud-based services revenue that is not reliant on hourly rates (i.e. an increasing focus on non-person based revenue). Oakton's expected increased focus on cloud-based services revenue is in response to an expected increase in customer demand for digital, cloud, mobility, information management and business system services, with these individually or in combination increasingly operating 'as a service'. Oakton also intends to increase its use of offshore and cloud service models to address the increase in focus by customers on costs and value for money. This will involve Oakton continuing to develop its strategic partnerships with third party technology service providers, as well as continuing to focus on people development and learning programs to increase retention and employee engagement.

Subject to successfully implementing these initiatives and subject also to the impact of current market conditions and demand from the Federal Government improving in FY2015, Oakton currently expects to achieve revenue growth and improved margins in FY2015.

Oakton is beginning to see the benefits of investments it has made in its offshore business, solution development and service integration partnerships over the last four years. However, your Directors believe that it will take further time and investment for Oakton to fully realise the benefits from these investments, noting that there can be no certainty that those benefits will be able to fully realised or realised within the timeframes reasonably contemplated by the Oakton Board. Your Directors further believe that the continuing transformation of Oakton carries execution risks, some of which may be outside the control of Oakton. For example, in announcing its results for the full year ended 30 June 2014, Oakton noted that market conditions remained challenging in FY2014 across all industry sectors and in particular, that there continues to be a large number of project deferrals and delays by customers in all sectors and that Oakton's revenue has been impacted by reduced Federal Government spending in New South Wales and the Australian Capital Territory.

Although it is not possible to predict future market conditions with any certainty, your Directors are not seeing any indications as at the date of this Explanatory Booklet that suggest to them that market conditions will materially improve in the short to medium term or that the other specific risks to which Oakton's business are subject, as described in Section 5.10, will materially diminish in the short to medium term.

Accordingly, if the Scheme does not proceed, Oakton Shareholders will continue to be subject to risks related to these initiatives as well as other Oakton business risks which are described in Section 5.10 below. Your Directors believe that these risks may have a material bearing on the continuing transformation of Oakton (as described in Section 5.3), its future performance and growth prospects.

5.10 Risks

There are risks relating to Oakton's business and an investment in Oakton which will continue to be relevant to Oakton Shareholders if the Scheme does not proceed. These risks include but are not limited to the following risks.

General risks

Oakton Shares carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The market price of Oakton Shares and future distributions made to Oakton Shareholders will be influenced by a number of factors, including factors beyond the control of Oakton Directors and management which may include changes in:

- consumer and business sentiment and overall performance of local and international stock markets;
- general economic outlook in Australia and internationally (especially in foreign countries where Oakton has business operations, such as India);
- government fiscal, monetary and regulatory policies;
- prevailing economic conditions including inflation, interest rates, foreign exchange rates and consumer demand; and
- accounting standards which affect the financial performance and position reported by Oakton.

Specific risks relating to Oakton

(a) Reliance on key personnel

Oakton is substantially reliant on the expertise, knowledge and specialist skills of its employees and contractors. Oakton's growth and profitability may be limited if a significant number of its key personnel leave Oakton. Oakton may also be adversely affected by the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.

(b) Revenue from government agencies

Approximately 31% of Oakton's revenue in FY2014 was derived from services rendered to Federal, State and local governments. Of this amount, approximately 18% of total revenue in FY2014 was from the Federal Government. A material decrease in demand for services from government agencies driven by restricted government spending or change in government (similar to that highlighted by Oakton in its announcement to ASX on 19 August 2014 enclosing the FY2014 Full Year Results and Outlook) may have a significant adverse impact on Oakton's revenue.

(c) Services (i.e. non person) based revenue

Since 2013, Oakton's business model has expanded to include new service offerings whose revenue is less reliant on hourly or daily rates and more reliant on the fees associated with the provision of IT hardware infrastructure and software as a customised service (e.g. Oakton's Applications as a Service and other cloud related service models). This model is designed to enable Oakton to grow its revenue without necessarily increasing employee and contractor head count and to enable greater scale and more recurring business. If the ongoing execution of this transition plan is materially delayed or is unsuccessful, this may adversely affect Oakton's financial performance and growth prospects.

(d) Contracted services

Oakton has entered into various strategic partnerships with third party software providers and providers of technology based infrastructure associated with its business, including Microsoft, Oracle, Sitecore, Adobe, Informatica, SAP, IBM and Dimension Data. In particular, Oakton's partnership with software vendors and cloud based IT infrastructure providers enables a more services based revenue stream (i.e. non-person based revenue stream), which in turn means that Oakton's growth and market share of a particular location will no longer be totally reliant on the increase in local employee numbers. There is no guarantee of renewal of these strategic partnership

arrangements on terms which are commercially attractive to Oakton, or at all, or that clients will continue to purchase such contracted services through Oakton. The loss, non-renewal or renewal on less favourable terms of such agreements may adversely affect Oakton's ability to conduct its business, or to maintain its profitability.

(e) Cash flow

As part of Oakton's strategic positioning to secure engagements on larger and longer projects, there is a risk that Oakton's cash flow may be impacted by reliance on the achievement of milestones or deferred timing of milestone payments on some engagements. Oakton's cash flow may also be impacted by project deferrals and delays by clients across industry sectors.

(f) Competition risk

Oakton operates in a highly competitive and dynamic industry. This exposes Oakton to a number of risks associated with maintaining its market position. These risks include:

- there being a material adverse effect on Oakton's business, results of operations and financial conditions as a result of certain pricing, service or marketing decisions or acquisitions made by Oakton as a strategic response to changes in the competitive environment;
- other parties developing products or services that compete with Oakton or supersede or supplant products or services of Oakton, or are more competitively priced than Oakton's products or services;
- there being unexpected changes in customer demands or expectations for Oakton's products or services; and
- professional indemnity, product and other liability claims being successfully made or asserted against Oakton, given that the testing, marketing, sale and implementation of technology based products and services entails an inherent risk of liability.

(g) Market share

Oakton's strategy for increasing (or at least maintaining) its market share relies on Oakton's ability to meet the changing service requirements and reduced price expectations of its customers. This strategy relies on Oakton continuing to successfully transform to a new service offer model and transitioning more work offshore (e.g. to its operations in India) and successfully integrating such work with its onshore activities. Any reduction in market share is likely to adversely impact Oakton's growth and profitability, absent offsetting factors.

(h) Technology changes

The environment in which Oakton operates is constantly evolving with new technologies which could act as substitutes for the services offered by Oakton. Similarly, to remain competitive, Oakton will need to gain relevant knowledge and expertise as and when new technologies emerge. There is no guarantee that Oakton can effectively keep pace with changes in technological developments. Failure to do so could result in Oakton finding it increasingly difficult to compete in its chosen target segments.

(i) Intellectual property

Oakton's success will increasingly depend, in part, on its ability to maintain trade secret and copyright protection of its intellectual property assets and operate without infringing on the proprietary rights of third parties or having third parties circumvent Oakton's rights. No guarantee can be given that such protection will be successfully and validly maintained by Oakton. While Oakton believes it has taken appropriate steps to protect its intellectual property assets, the law may not adequately protect it in all places Oakton does business, or enable Oakton's rights to be enforced with any adequacy or to the same extent as laws in Australia protect proprietary rights. There can be no assurance that the measures taken by Oakton have been, or will be, adequate to protect Oakton's proprietary technology.

(j) Litigation and disputes

As with any company, Oakton is exposed to the risks of claims and litigation (either as the complainant or as the defendant) which may have a material adverse effect on the financial position of Oakton. 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 financial performance. Moreover, even when such claims or litigation are covered by insurance, Oakton may be adversely affected by the requirement to pay the initial excess/deductible under the policy and potential increases in its future insurance premiums or deductibles.

(k) Taxation risk

Changes to income tax (including capital gains tax), GST, withholding tax, payroll tax, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change or adversely affect Oakton's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

(l) Dividends

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

5.11 Public information available for inspection

Oakton is listed on ASX. Oakton is a disclosing entity for the purposes of the Corporations Act and the ASX Listing Rules and is subject to regular reporting and disclosure obligations that require Oakton to immediately disclose to the market any information of which it is aware which a reasonable person may expect to have a material impact on the price or value of Oakton's Shares.

ASIC also maintains a record of documents lodged with it by Oakton, and these may be obtained from or inspected at any office of ASIC.

Oakton is required to prepare and lodge with ASIC and ASX both annual and half year financial statements accompanied by a statement and report from Oakton Directors and an audit or review report.

Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible from ASX's website at www.asx.com.au.

6. Profile of Dimension Data

Information contained in this Section 6 has been prepared by Dimension Data. The information concerning the Dimension Data Group and the NTT Group, and the intentions, views and opinions contained in this Section 6, are the responsibility of Dimension Data.

6.1 Introduction

Dimension Data is one of the largest networking and communication companies in Australia. It specialises in the provision and management of IT infrastructure solutions. In addition, it offers a range of services that includes network integration, security, converged communications, contact centre, and data centres and storage.

Dimension Data serves the healthcare, financial services, telecommunications, manufacturing, government and education sectors. Its client base now exceeds 2000. Dimension Data has strong employee engagement, a significant graduate program, and actively contributes to the community through its 'Heads, Hearts and Hands' corporate social responsibility program, and its environmental sustainability program. Its employee base has over 2000 ICT industry certifications.

Dimension Data had revenues in Australia of approximately AU$779 million for the financial year ended 30 September 2013, representing double-digit year-on-year revenue growth, contributing approximately 15% of global revenue. With a five-fold increase in employees since 2006, Dimension Data employs approximately 1,923 people, as at 30 June 2014.

Dimension Data is wholly owned by Dimension Data plc (a corporation incorporated in England and Wales and carrying on business in South Africa). Globally, Dimension Data plc has operating revenues of US$6 billion and 23,000 employees (for the financial year ended 30 September 2013).Through its various subsidiaries, the company has a direct presence in 58 countries across Asia, Australia, Europe, the Americas and the Middle East and Africa.

Dimension Data plc was established in 1983 and listed on the Johannesburg Securities Exchange (**JSE**) in 1987 and the London Stock Exchange (**LSE**) in 2000. Dimension Data plc was acquired by Japan-based NTT Corporation in 2010, one of the largest telecommunications service providers in the world.

NTT Corporation is the holding company of NTT Group and is listed on the Tokyo Stock Exchange and New York Stock Exchange with a market capitalization of US$76 billion (as at 31 August 2014). The Government of Japan currently owns (via the Minister of Finance) 35.65% of NTT Corporation's issued shares.

NTT Group is the largest provider of fixed and mobile voice related services, IP/packet communications services, sales of telecommunications equipment, system integration and other telecommunications-related services in Japan and operates one of the largest telephone networks in the world. The principal businesses of NTT Group are its regional communications business, long-distance and international communications business, mobile communications business, and data communications business.

6.2 Australian leadership

Dimension Data's executive management in Australia includes (as at 4 September 2014):

Name	*Position*
Rodd Cunico	Chief Executive Officer
Adam Todhunter	Chief Operating Officer
Debra Bordignon	Chief Technology Officer
Tania Balcombe	Chief Marketing Officer
Craig Goldberg	Chief Financial Officer
Mark Miller	Chief Information Officer
Duncan Brown	Director of Systems Integration Services
Keith Murray	Director of Transformational Services
Pete Murray	Director of Business Unit Operations
Kellie Reeves	Director of People & Culture
Gavin Douglas	Director of Sales
Phil Davies	General Manager, Professional Services

6.3 Rationale for Dimension Data's proposed acquisition of Oakton

Dimension Data and Oakton currently engage in a strategic partnership to provide ICT infrastructure integration, cloud and traditional outsourcing services bundled with Oakton's business application solutions and services. Dimension Data believes that there is a strong cultural alignment between it and Oakton, and that the rationale for a combination of the two companies is compelling.

The acquisition of Oakton will enable Dimension Data to deliver more comprehensive and complete services to a wide range of Australian Federal and State Government departments, and enterprises throughout Australia as they contemplate their transition to the cloud, or similar solutions as a service.

As part of the Dimension Data Group, Oakton would also have access to the full financial strength and resources of Dimension Data and NTT, allowing it to accelerate growth. Becoming part of the wider Dimension Data and NTT Group would also provide a broader set of opportunities for the Oakton business, and greatly expanded career opportunities for the Oakton Group's employees.

6.4 Intentions of Dimension Data if the Scheme is implemented

(a) Intentions generally

This Section 6.4 sets out Dimension Data's present intentions on the basis of facts and information concerning Oakton and the general business environment which are known to Dimension Data at the time of preparation of this Explanatory Booklet. Final decisions on some of these matters will only be made by Dimension Data in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section 6.4 are statements of current intention only and may change as new information becomes available or as circumstances change.

(b) General operational matters

Following implementation of the Scheme, Dimension Data intends to undertake a general review of Oakton's operations covering strategic, financial and operating matters. Any final decisions as to Dimension Data's intentions for Oakton would only be finalised following this review.

However, based on information available to Dimension Data at the date of this Explanatory Booklet, Dimension Data's intention is to provide Oakton with significant scope, autonomy and opportunity to continue to operate on an independent basis, whilst improving the combined business proposition that Dimension Data and Oakton deliver through their current strategic partnership.

(c) Specific intentions

If the Scheme is implemented:

- Oakton will be delisted from the ASX;
- Dimension Data will replace the current board of directors of Oakton with its own nominees.

Dimension Data considers the Oakton Group's employees are an integral part of the business's success. Subject to the general review to be undertaken following implementation of the Scheme, Dimension Data does not have any present intention to make any changes to the Oakton Group's current staffing, other than in relation to the position of Executive Chairman, which will be redundant on implementation of the Scheme. In particular, if the Scheme is implemented Dimension Data does not have any present intention to replace Oakton's Managing Director and Chief Executive Officer, Mr Neil Wilson.

(d) Other intentions

Other than as set out in this Section 6.4, Dimension Data has no current intention to make major changes to, or dispose of any parts of, the Oakton Group's business.

6.5 Funding of the Scheme Consideration

(a) Cash consideration

The consideration for the acquisition of the Scheme Shares will be satisfied wholly in cash.

If the Scheme becomes Effective, the maximum amount of cash that would be payable by Dimension Data to Scheme Shareholders would be approximately $171 million. In addition, if the Scheme becomes Effective, an additional amount of $8,273 would be payable to Optionholders on the Implementation Date to cancel their Oakton Options. A further aggregate amount of $255,000 would be payable to Optionholders who do not hold any Performance Rights in 2016 and a further aggregate additional amount of $3,744,009 would be payable to Performance Rights Holders in 2016 and 2017, provided that these persons remain employees.

(b) Details of funding arrangements

The cash consideration payable by Dimension Data under the Scheme will be provided to it by Dimension Data plc. Dimension Data plc has provided Oakton with a binding, unconditional undertaking that Dimension Data will have sufficient funds available to fund the Scheme Consideration.

(c) Deed Poll

Dimension Data has executed a deed poll dated 22 September 2014 in favour of each holder of Scheme Shares. In summary, in the Deed Poll, Dimension Data undertakes that, subject to the Scheme becoming Effective and in consideration for the transfer of each Scheme Share to it, it will pay the Scheme Consideration to each Scheme Shareholder on the Implementation Date.

A copy of the Deed Poll is contained in Appendix 5 to this Explanatory Booklet.

6.6 Interests in Oakton Shares

As at the date of this Explanatory Booklet, neither Dimension Data nor any of its associates has any relevant interest in any Oakton Shares or any voting power in Oakton.

Except for the Scheme Consideration to be provided under the Scheme, during the period of four months before the date of this Explanatory Booklet, neither Dimension Data nor any of its associates has provided or agreed to provide consideration for any Oakton Shares under a purchase or other agreement.

Except as disclosed elsewhere in this Explanatory Booklet, during the period of four months before the date of this Explanatory Booklet, neither Dimension Data nor any of its associates have given, or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or associate, to:

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

where the benefit was not offered to all Oakton Shareholders.

6.7 Other material information

(a) FIRB approval

As outlined in section 6.1, given the shareholding in NTT Corporation held by the Japanese Government, the Scheme is subject to the approval of the Treasurer of the Commonwealth of Australia under Australia's foreign investment policy. That approval was received on 22 September 2014.

(b) Review of Oakton information by Dimension Data

Dimension Data was given access by Oakton to confidential information for the purpose of assessing whether it wishes to acquire Oakton Shares. Access to this confidential information was granted by Oakton to Dimension Data pursuant to a non-disclosure agreement.

Except as disclosed in this Explanatory Booklet, none of the information to which Dimension Data was given access and which has not been publicly disclosed by Oakton is, in the opinion of Dimension Data, of such a nature which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Oakton Shares or would otherwise be material to a decision by an Oakton Shareholder whether or not to approve the Scheme.

7. Taxation implications

7.1 Introduction

This Section provides a summary of the Australian income tax, goods and services tax (GST) and stamp duty implications for Oakton Shareholders who participate in the Scheme and dispose of their Oakton Shares to Dimension Data.

This Section is relevant for Australian resident and foreign resident Oakton Shareholders who hold their Oakton Shares on capital account. This Section does not consider the Australian tax consequences for Oakton Shareholders:

- who hold their Oakton Shares as trading stock or as revenue assets;
- who hold their Oakton Shares as part of a profit making undertaking or scheme;
- who acquired their Oakton Shares through an employee share scheme;
- who are Australian tax residents but who hold their Oakton Shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country; or
- that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents.

The information contained in this Section is based on the taxation law at the date of this Explanatory Booklet. The taxation consequences outlined in this Section may alter if there is a change in the taxation law after the date of this Explanatory Booklet.

The information contained in this Section is general in nature and should not be relied upon by Oakton Shareholders as tax advice. This Section is not intended to be an authoritative or complete statement of the taxation law applicable to the particular circumstances of every Oakton Shareholder. Oakton Shareholders should obtain their own professional advice on the taxation consequences of disposing of their Oakton Shares under the Scheme.

7.2 Taxation consequences of disposal of Oakton Shares by Australian residents

A summary of the income tax consequences relevant for Oakton Shareholders who dispose of their Oakton Shares under the Scheme and that are Australian residents for tax purposes is outlined below.

Under the Scheme, Scheme Shareholders will dispose of their Scheme Shares to Dimension Data in exchange for the Scheme Consideration.

The disposal of Scheme Shares to Dimension Data under the Scheme will constitute a capital gains tax (**CGT**) event for Scheme Shareholders. The CGT event will happen at the time Scheme Shareholders transfer their Scheme Shares to Dimension Data under the Scheme (i.e. at the Implementation Date).

Scheme Shareholders will:

- make a capital gain if the capital proceeds received on the disposal of their Scheme Shares are more than the cost base of those Scheme Shares; or
- make a capital loss if the capital proceeds received on the disposal of their Scheme Shares are less than the reduced cost base of those Scheme Shares.

The capital proceeds on the disposal of the Scheme Shares should be the Scheme Consideration received by Scheme Shareholders.

The cost base (or reduced cost base) of Oakton Shares in the hands of the Scheme Shareholders will be broadly the original amount paid to acquire their Scheme Shares and any non deductible incidental costs.

Scheme Shareholders may be entitled to reduce any capital gain on the disposal of their Scheme Shares by either indexing their cost base or applying the CGT discount (discussed below).

Indexation

Where Scheme Shares were acquired (or are deemed to be acquired) by Scheme Shareholders at or before 11.45am on 21 September 1999, the cost base of the Scheme Shares may be increased for indexation based on the CPI movement from the date of acquisition to 30 September 1999.

Where Scheme Shareholders acquired (or are deemed to have acquired) their Scheme Shares after 11.45am on 21 September 1999, it is not possible to apply indexation to the cost base of the Scheme Shares.

CGT Discount

The CGT discount should be available to Scheme Shareholders who are individuals, trusts or complying superannuation funds and have held their Scheme Shares for at least 12 months before the time of the CGT event resulting in the disposal of the Scheme Shares under the Scheme.

Broadly, the CGT discount rules enable the Scheme Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and $33^{1}/_{3}$% for complying superannuation funds.

The CGT discount is not available to Scheme Shareholders that are companies or for Scheme Shareholders who have chosen to apply the indexation method to the cost base of their Scheme Shares.

Capital losses

A capital loss will arise where the capital proceeds received by the Scheme Shareholders on the disposal of their Scheme Shares are less than the reduced cost base of those shares.

A capital loss may be used to offset any other capital gains made by the Scheme Shareholders for the relevant year of income or may be carried forward to offset capital gains in future income years. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Scheme Shareholders should seek their own tax advice in relation to the operation of these rules.

7.3 Taxation consequences of disposal of Oakton Shares by foreign residents

A summary of the Australian income tax consequences relevant for Oakton Shareholders who dispose of their Oakton Shares under the Scheme and who are foreign residents for tax purposes is outlined below.

Generally, Oakton Shareholders who are foreign residents for Australian income tax purposes and who do not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their Oakton Shares, unless, broadly:

- the foreign resident Oakton Shareholders (together with their associates) held 10% or more of the issued shares in Oakton at the time of the CGT event resulting from the disposal of the Oakton Shares or for any continuous twelve month period within two years preceding the time of the CGT event; and
- more than 50% of the market value of Oakton is represented by real property in Australia (broadly, land situated in Australia).

Importantly, foreign resident Oakton Shareholders must assess whether they are exempt from CGT at the time of the CGT event resulting from the disposal of their Oakton Shares.

7. Taxation implications continued

Oakton Shareholders who are not resident in Australia for income tax purposes should note that the Australian tax consequences from the disposal of Oakton Shares may be affected by any double tax agreement between Australia and their country of residence.

7.4 Stamp Duty

No stamp duty should be payable by Scheme Shareholders on the disposal of Scheme Shares to Dimension Data under the Scheme.

7.5 GST

No GST will be payable by Scheme Shareholders in respect of the disposal of their Scheme Shares to Dimension Data under the Scheme.

Scheme Shareholders may however be charged GST on costs (such as advisor fees) that relate to their participation in the Scheme. Scheme Shareholders may be entitled to full or partial input tax credits for any GST payable on such costs, but this will depend on each Scheme Shareholder's individual circumstances.

Scheme Shareholders should seek independent advice in this regard.

8. The Scheme in further detail

8.1 Introduction

This Section:

- discusses the purpose and effect of the Scheme;
- provides a summary of the conditions and approvals required for the Scheme to proceed; and
- provides a summary of the rights of Oakton and Dimension Data to withdraw from the Scheme.

If the conditions for the Scheme are satisfied or waived (as applicable), the manner in which the Scheme will be implemented is described in Section 9.

8.2 Scheme

(a) Purpose

The purpose of the Scheme is to give effect to a proposed arrangement between Oakton and Scheme Shareholders. That arrangement in turn contemplates that Dimension Data will acquire 100% ownership and control of Oakton, in exchange for payment of the Scheme Consideration to the Scheme Shareholders. If the Scheme becomes Effective, Oakton will become a wholly-owned and controlled subsidiary of Dimension Data and will be delisted from ASX.

The terms of the Scheme are set out in Appendix 2 to this Explanatory Booklet.

(b) Legal effect

If the Scheme becomes Effective, it will constitute a binding arrangement between Oakton and each Scheme Shareholder under which:

- all Oakton Shares held by each Scheme Shareholder (including those who were not present at the Scheme Meeting, those who did not vote on the Scheme and those who voted against it) will be transferred to Dimension Data free of any security interest (in accordance with, without limitation, section 32(1) of the *Personal Property Securities Act 2009* (Cth) and Regulation 7.1 of the *Personal Property Securities Act Regulations 2010* (Cth)), without the need for any action on the part of the Scheme Shareholders; and
- each Scheme Shareholder (including those who were not present at the Scheme Meeting, those who did not vote on the Scheme and those who voted against it) will receive the Scheme Consideration, subject to any security interest which attaches to the Scheme Consideration in accordance with section 32(1) of the *Personal Property Securities Act 2009* (Cth), as consideration in full for the transfer of all of their Oakton Shares to Dimension Data.

(c) Scheme Meeting

At the First Court Hearing on 26 September 2014, the Court ordered Oakton to convene a meeting of Oakton Shareholders to consider and vote on the Scheme.

The resolution to be considered at the Scheme Meeting is contained in the Notice of Scheme Meeting in Appendix 3 to this Explanatory Booklet.

(d) Eligibility to vote at the Scheme Meeting

Each person who is registered on the Share Register as an Oakton Shareholder as at the Voting Entitlement Time (7.00pm on Wednesday, 29 October 2014) is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Oakton Shareholder, by a corporate representative.

Section 3 provides full details of how to vote at the Scheme Meeting. The proxy form for the Scheme Meeting accompanies this Explanatory Booklet.

(e) Voting majority required

The Scheme will only become Effective and be implemented if it is:

- agreed to by the requisite majority of holders of Oakton Shareholders at the Scheme Meeting; and
- approved by the Court at the Second Court Hearing.

Agreement to the Scheme by Oakton Shareholders requires the resolution at the Scheme Meeting to be agreed to by:

- a majority in number (more than 50%) of Oakton Shareholders present and voting (either in person or by proxy) at that Scheme Meeting (referred to as the Headcount Test); and
- at least 75% of the total number of votes cast on the resolution by Oakton Shareholders present and voting (either in person or by proxy) at the Scheme Meeting.

The Court has the power to approve the Scheme even if the Headcount Test has not been satisfied. For example, the Court may do so if there is evidence that the result of the vote has been unfairly influenced by activities such as Share Splitting.

(f) Your warranties under the Scheme

To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests, and interests of third parties of any kind, whether legal or otherwise.

Each Scheme Shareholder is deemed to have warranted to Oakton, and appointed and authorised Oakton as its attorney and agent to warrant to Dimension Data, that:

- all their Oakton Shares (including any rights and entitlements attaching to those shares) transferred to Dimension Data under the Scheme will, at the date of transfer, be fully paid and free from 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 other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their Oakton Shares (together with any rights and entitlements attaching to those shares) to Dimension Data under the Scheme; and
- they have no existing right to be issued any Oakton Shares, Oakton Options, Oakton Performance Rights, Oakton convertible notes or any other Oakton Securities, other than, in the case of any Scheme Shareholder who is also the holder of Oakton Options or Oakton Performance Rights, the right to be issued Oakton Shares on the exercise of those Oakton Options or Oakton Performance Rights before the Scheme Record Date in accordance with their terms.

(g) Deed Poll

Dimension Data has executed a Deed Poll in favour of the Scheme Shareholders in which it covenants in favour of Scheme Shareholders to perform the actions attributed to it under the Scheme and to provide the Scheme Consideration in accordance with the Scheme. A copy of the Deed Poll is set out in Appendix 5 to this Explanatory Booklet.

8. The Scheme in further detail continued

8.3 Scheme conditions

The Scheme is subject to the conditions noted in paragraphs (a), (b) and (c) below, all of which, other than Court approval, must be satisfied or waived (as applicable) by no later than the Delivery Time on the Second Court Date. These conditions are set out in clause 3 of the Scheme Implementation Deed, a copy of which is reproduced in Appendix 4 to this Explanatory Booklet and in clause 3(a) of the Scheme in Appendix 2 to this Explanatory Booklet.

(a) Scheme conditions that apply for the benefit of Dimension Data

The following conditions apply under the Scheme Implementation Deed for the sole benefit of Dimension Data and can only be waived by Dimension Data:

- (**No Oakton Prescribed Occurrence**) No Oakton Prescribed Occurrence occurs between 11 August 2014 and the Delivery Time on the Second Court Date.
- (**No Material Adverse Change**) No Material Adverse Change occurs between 11 August 2014 and the Delivery Time on the Second Court Date.
- (**No breach of Oakton Warranties**) The Oakton Warranties being true and correct in all material respects on 11 August 2014 and at the Delivery Time on the Second Court Date.
- (**Oakton Options and Performance Rights**) Oakton has at the Delivery Time on the Second Court Date:
  - taken all necessary steps under the Oakton Limited Equity Incentive Plan to ensure that the arrangements set out in Section 8.6 are implemented; and
  - used its reasonable endeavours to bring about the arrangements set out in Section 8.6.

(b) Scheme condition that applies for the benefit of Oakton

The following condition applies under the Scheme Implementation Deed for the sole benefit of Oakton and can only be waived by Oakton:

- (**No breach of Dimension Data Warranties**) The Dimension Data Warranties being true and correct in all material respects between 11 August 2014 and at the Delivery Time on the Second Court Date.

(c) Non-waivable conditions

The following conditions under the Scheme Implementation Deed are not capable of waiver:

- (**FIRB approval**) Receipt of regulatory approval from FIRB necessary for the implementation of the Scheme.
- (**No restraints**) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other material legal restraint or prohibition, preventing or delaying the Scheme is in effect at the Delivery Time on the Second Court Date.
- (**Shareholder approval**) The Scheme is agreed to by the requisite majorities of Oakton Shareholders (other than Excluded Shareholders).
- (**Court approval**) The Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act.

8.4 Termination rights

(a) Mutual termination rights

Either party may terminate the Scheme Implementation Deed by written notice to the other at any time before the Delivery Time on the Second Court Date if:

- the other party has materially breached any of its obligations under the Scheme Implementation Deed including any material breach of representation and warranty (and, in the case of Dimension Data, this includes any failure by it to pay an amount when due) and the other party has failed to remedy the breach within five Business Days (or by the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out the details of the relevant circumstance and requesting the other party to remedy the breach;
- any event occurs which would or is likely to prevent a condition precedent under the Scheme Implementation Deed that is incapable of waiver from being satisfied;
- the Court refuses to make any order directing Oakton to convene the Scheme Meeting, provided that both Oakton and Dimension Data have met and consulted and agreed that they do not wish to proceed with the Scheme; or
- the Effective Date of the Scheme has not occurred on or before the End Date.

(b) Dimension Data termination rights

In addition to the mutual termination rights, Dimension Data may terminate the Scheme Implementation Deed by written notice to Oakton at any time before the Delivery Time on the Second Court Date if:

- any director of Oakton withdraws or adversely modifies their recommendation of the Scheme or recommends or supports a Competing Proposal; or
- any event occurs which would or is likely to prevent a condition precedent under the Scheme Implementation Deed that applies for the benefit of Dimension Data being satisfied and that condition precedent is not waived by Dimension Data.

(c) Oakton termination rights

In addition to the mutual termination rights, Oakton may also terminate the Scheme Implementation Deed by written notice to Dimension Data at any time before the Delivery Time on the Second Court Date if:

- each of that number of Oakton Directors as constitutes a majority of the Oakton Board publicly recommends a Superior Proposal and does not, within three Business Days, reinstate their recommendation of this Scheme;
- any event occurs which would or is likely to prevent a condition precedent under the Scheme Implementation that applies for the benefit of Oakton being satisfied and that condition precedent is not waived by Oakton; or
- Dimension Data materially breaches any of its representations or warranties in the Scheme Implementation Deed and fails to remedy that breach within five Business Days of receipt by it of a notice in writing from Oakton setting out the details of the relevant circumstance and requesting Dimension Data to remedy the breach or the breach cannot be remedied by subsequent action on the part of Dimension Data before the Delivery Time on the Second Court Date.

8. The Scheme in further detail continued

8.5 Status of conditions and termination rights

As noted in Section 8.3(c), the implementation of the Scheme is conditional on FIRB approval. FIRB approval was received on 22 September 2014.

As at the date of this Explanatory Booklet, neither Oakton nor Dimension Data is aware of any circumstances which would cause any of the conditions summarised in Section 8.3 not to be satisfied or which could result in termination of the Scheme Implementation Deed.

Oakton will make a statement regarding the status of the conditions of the Scheme at the commencement of the Scheme Meeting.

8.6 Arrangements for Oakton Options

As at the Last Practicable Date, Oakton has on issue 512,500 Oakton Options to acquire, by way of issue or transfer (where applicable), Oakton Shares. 350,000 of these Oakton Options were issued under the Oakton Limited Employee Option Plan and the remaining 162,500 Oakton Options were issued under the Oakton Limited Equity Incentive Plan.

These Oakton Options are held by 25 employees within the Oakton Group. As at the Last Practicable Date, of these 25 employees, 11 are also Oakton Shareholders holding in aggregate 217,045 Oakton Shares and 205,000 Oakton Options. The exercise prices of the Oakton Options are either $0.50, $1.24, $2.00 or $2.82 per Oakton Option, depending on the tranche. The Oakton Options are not quoted on any financial market.

Under the Scheme Implementation Deed, Oakton has agreed with Dimension Data to the following arrangements for the treatment of Oakton Options.

Prior to the date of this Explanatory Booklet, Oakton entered into an agreement with each of the 25 employees who holds Oakton Options to give effect to the option cancellation arrangements described below, with the exception of one employee who has tendered his notice of resignation with effect from 13 October 2014 (**First Resigning Employee**). The First Resigning Employee holds 150,000 Oakton Options issued under the Oakton Limited Equity Incentive Plan, all of which have an exercise price of $0.50 per Oakton Option. Therefore, the 150,000 Oakton Options held by the First Resigning Employee are 'in the money' in that the exercise price of $0.50 that applies to each of his Oakton Options is below the Scheme Consideration of $1.90 per Share. 50,000 of the First Resigning Employee's Oakton Options will vest on 1 October 2014. Oakton has agreed with the First Resigning Employee that he will be allowed to retain and, if he wishes, exercise his 50,000 vested Oakton Options prior to the cessation of his employment on 13 October 2014. The remainder of the First Resigning Employee's 100,000 unvested Oakton Options will lapse under the Oakton Limited Equity Incentive Plan as a consequence of the cessation of his employment and will therefore no longer exist as at the Implementation Date. The Oakton Options held by the First Resigning Employee are the only Oakton Options that have an exercise price of $0.50. The First Resigning Employee is not an Oakton Shareholder.

Under the terms of the individual agreements entered into between Oakton and each of the remaining 24 holders of Oakton Options (who are each continuing employees and who collectively hold 362,500 Oakton Options), they have each agreed to have their Oakton Options cancelled with effect on or from 10.00am on the Implementation Date for the cash amounts set out in the following table:

Tranche number	*Number of Oakton Options*	*Issue date*	*Exercise Price*	*Vesting Status*	*Expiry date*	*Consideration payable*
Tranche 1	25,000	4 June 2010	$2.00	Fully vested	4 June 2015	$1.00 in aggregate
Tranche 2	100,000	23 July 2010	$2.00	Fully vested	23 July 2015	$1.00 in aggregate
Tranche 3	225,000	10 August 2010	$2.82	Fully vested	10 August 2015	$1.00 in aggregate
Tranche 4	12,500	31 January 2012	$1.24	6,250 will vest on 31 January 2015 6,250 will vest on 31 January 2016	31 January 2017	$0.66 per Oakton Option
Total	**362,500**					

These cash amounts have been determined by Dimension Data on the following basis.

There is one other Optionholder whose Oakton Options are 'in the money' in that the exercise price of $1.24 that applies to each of his Options is below the Scheme Consideration of $1.90 per Share (see Tranche 4 above). The consideration to be paid to that Optionholder will be $0.66 per Option, being the difference between the Scheme Consideration of $1.90 per Share and the $1.24 exercise price of each Option held by that Optionholder. This represents the 'intrinsic value' of those Options. The Optionholder whose Options are 'in the money' is not an Oakton Shareholder.

The remaining 23 Optionholders (Tranches 1, 2 and 3 above) hold Options that are 'out of the money' in that their exercise price is above the Scheme Consideration of $1.90 per Share. As at the Last Practicable Date, of those 23 Optionholders:

- 16 Optionholders do not hold Performance Rights and, of those 16, six are Oakton Shareholders holding in aggregate 67,672 Oakton Shares; and
- seven Optionholders hold Performance Rights and, of those seven, five are Oakton Shareholders holding in aggregate 149,373 Oakton Shares.

These Optionholders have agreed with Oakton that the consideration to be paid to each such Optionholder for the cancellation of their Options is $1.00 in aggregate. That payment has been agreed in the broader context of the following retention arrangements. If a holder of 'out of the money' Options does not also hold Performance Rights, they will receive a one-off cash retention payment on 15 December 2016, provided that they remain an employee of the new group as at that date and provided they have not resigned or given notice of the termination of their employment as at that date. As at the Last Practicable Date, the six Optionholders that will be receiving the one-off cash retention payment are Oakton Shareholders holding in aggregate 67,672 Oakton Shares. These six Optionholders will receive a total aggregate one-off cash retention payment of $105,000. Alternatively, if a holder of 'out of the money' Options also holds Performance Rights, they do not receive the above one-off cash retention payment, however, the vesting conditions attached to their Performance Rights will be amended as described in Section 8.7.

These contractual arrangements have no effect unless the Scheme is implemented on or before the End Date.

ASX has granted Oakton a waiver from Listing Rule 6.23.2 to the extent necessary to permit Oakton to cancel the Oakton Options in the manner described above without Oakton Shareholder approval. The waiver is conditional on the Scheme becoming Effective.

8.7 Arrangements for Oakton Performance Rights

Under the Oakton Limited Equity Incentive Plan, Oakton can issue Performance Rights to its employees. The Performance Rights Holders can acquire Oakton Shares, by way of issue or transfer, subject to the terms of the Oakton Limited Equity Incentive Plan.

As at the Last Practicable Date, Oakton has on issue 2,009,491 Performance Rights issued to 20 employees, including the First Resigning Employee and another employee who has also tendered his notice of resignation (**Second Resigning Employee**). The Second Resigning Employee is not an Oakton Shareholder. As at the Last Practicable Date, of the 20 Performance Rights Holders, seven are also Oakton Shareholders holding in aggregate 2,364,373 Oakton Shares and 1,309,945 Performance Rights (including Oakton's Managing Director and Chief Executive Officer, Mr Neil Wilson). The First Resigning Employee's Performance Rights (comprising 124,111 Performance Rights) will lapse when he ceases employment on 13 October 2014. The Second Resigning Employee's Performance Rights (comprising 50,487 Performance Rights) will lapse when he ceases employment on 3 October 2014. Some of the 18 continuing employees also hold Options, the arrangements for which are as described in Section 8.6. Based on the vesting entitlements calculated under the Oakton Limited Equity Incentive Plan for the 18 continuing employees, Oakton expects, in the absence of the Scheme, the total number of Oakton Shares that are eligible to be issued to Performance Rights Holders is 1,834,893 Oakton Shares. The last tranche of Performance Rights were issued on 18 November 2013.

Under the Scheme Implementation Deed, Oakton has agreed with Dimension Data to the following arrangements for the treatment of Oakton Performance Rights.

Prior to the reconstitution of the Oakton Board on the Implementation Date, Oakton must amend the Oakton Limited Equity Incentive Plan with the effect that:

- any performance hurdles or vesting conditions that relate to earnings per share and/or total shareholder return are removed; and
- the vesting of a Performance Right, in lieu of an entitlement to an Oakton Share, will entitle the Performance Right Holder to receive a cash payment at the time the Performance Right vests equal to the Scheme Consideration for each such Performance Right plus payment of:
  - 5% of that amount for any Performance Rights exercisable/ vesting in 2016; and
  - 10% of that amount for any Performance Rights exercisable/ vesting in 2017.

Under these proposed amended arrangements, any vesting condition that relates to any time based criteria will continue but will be amended as follows:

- any Performance Rights that have a vesting date on or before 31 December 2015, will have a new vesting date of 15 January 2016;[7] and
- any Performance Rights that have a vesting date on or after 1 January 2016, will have a new vesting date of 15 January 2017.[8]

Therefore, if the Scheme proceeds, the Performance Rights will continue to exist after the Implementation Date and will vest in due course (15 January 2016 and 15 January 2017) but without any 'performance testing' in those future years. On vesting, the holders of the vested Performance Rights will be entitled to be paid cash in the amount of $1.90 plus an additional amount on account of the time value of money per Performance Right, rather than Oakton Shares, where the time value of money reflects the position that the Performance Rights Holders are not receiving on the Implementation Date the cash amount of $1.90 for, or in respect of each, Performance Right through an acceleration of vesting of the Performance Rights. In this way, the Performance Rights Holders will have the certainty that they will be entitled to be paid $1.90 cash (plus an additional amount), not on implementation of the Scheme but on 15 January 2016 and/or 15 January 2017 when their Performance Rights will be tested in accordance with the criteria in the Oakton Limited Equity Incentive Plan as amended.

For example, if a Performance Rights Holder holds 10,000 Performance Rights that, under the new vesting dates, vest on 15 January 2016 and 10,000 Performance Rights that vest on 15 January 2017, that Performance Rights Holder will subject to all other vesting conditions being satisfied (i.e. continuing to be employed by Oakton), receive:

- on 15 January 2016, a cash amount of $19,950, comprising $19,000 (being $1.90 x 10,000 performance rights) plus $950 (being 5% of $19,000); and
- on 15 January 2017, a cash amount of $20,900, comprising $19,000 (being $1.90 x 10,000 performance rights) plus $1900 (being 10% of $19,000).

As disclosed in Section 10.2, Oakton's Managing Director and Chief Executive Officer Mr Neil Wilson holds a total of 2,200,000 Oakton Shares and 686,916 Performance Rights (but no Options). If the Scheme proceeds, Mr Wilson will receive $4,180,000 as Scheme Consideration in respect of his Shares. In addition, the effect of the intended arrangements described above with respect to Performance Rights is that if the Scheme proceeds, Mr Wilson will receive a further $1,396,894.91 when his Performance Rights will fall due to be tested in accordance with the criteria in the Oakton Limited Equity Incentive Plan as amended.

Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect (among other things) of reducing the exercise price for the options. In addition, Listing Rule 6.23.4 states that any change which is not prohibited by Listing Rule 6.23.3 can only be made with shareholder approval. Although Listing Rules 6.23.3 and 6.23.4 relate to 'Options', Oakton Performance Rights are substantially analogous to options for the purpose of Listing Rule 6.23. If the Scheme becomes Effective, Oakton will, prior to the reconstitution of the Oakton Board on the Implementation Date, amend the terms of the Oakton Limited Equity Incentive Plan in certain respects to facilitate the participation arrangements described above.

Those amendments may be construed as constituting a change that reduces the exercise price of the Performance Rights for the purpose of Listing Rule 6.23.3. In addition, the change to the entitlement of a Performance Rights Holder to receive cash in lieu of an Oakton Share will be a change which cannot be made without the approval of Oakton Shareholders under Listing Rule 6.23.4. For the avoidance of doubt, Oakton has sought and been granted a waiver of these Listing Rules from ASX to permit the above amendments, subject to the Scheme becoming Effective.

7 There are 957,025 Performance Rights falling within this category (excluding the 67,566 Performance Rights held by the First Resigning Employee which will lapse as a consequence of the cessation of his employment on 13 October 2014) held by 16 employees, of which 7 are also holders of Oakton Shares. The total aggregate amount payable in respect of this category of Performance Rights will be $1,909,264.88, of which $813,950.01 will be payable to Mr Neil Wilson.

8 There are 877,868 Performance Rights falling within this category (excluding the 56,545 Performance Rights held by the First Resigning Employee and 50,487 Performance Rights held by the Second Resigning Employee which will lapse as a consequence of the cessation of their employment on 13 October 2014 and 3 October 2014 respectively) held by 12 employees, of which 7 are also holders of Oakton Shares. The total aggregate amount payable in respect of this category of Performance Rights will be $1,834,744.12, of which $582,944.90 will be payable to Mr Neil Wilson.

9. Implementation

9.1 Introduction

If:

(a) the Scheme is approved by Oakton Shareholders at the Scheme Meeting; and

(b) all other conditions to the Scheme as described in Section 8.3 (other than Court approval of the Scheme) have been satisfied or waived (as applicable),

the further general steps required to implement the Scheme are as described in the remainder of this Section.

The description of these general steps is based on the obligations that Oakton and Dimension Data have under the Scheme Implementation Deed. Dimension Data has also signed the Deed Poll in which it covenants in favour of Scheme Shareholders to perform the actions attributed to it under the Scheme and to provide the Scheme Consideration in accordance with the Scheme. The Scheme Implementation Deed is contained in Appendix 4 to this Explanatory Booklet. The Deed Poll is contained in Appendix 5 to this Explanatory Booklet.

9.2 Apply to Court for approval of Scheme

At the Second Court Hearing, Oakton will apply to the Court for orders approving the Scheme. It is proposed that the Second Court Date will be on or about 7 November 2014. Any change to this date will be announced through ASX and will be available on ASX's website, asx.com.au.

The Court has a wide, overriding discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

9.3 Opposing the Scheme

If you wish to oppose approval of the Scheme by the Court at the Second Court Hearing you must file with the Court, and serve on Oakton, a notice of appearance in the form prescribed under the *Supreme Court (Corporations) Rules 2013* (Vic), together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Oakton at its address for service at least one day before the Second Court Date.

The address for service is: c/o Minter Ellison, Rialto Towers, 525 Collins Street, Melbourne VIC 3000, Attention: Scott Chesterman and Alberto Colla.

9.4 Receipt of Court orders

If the Court approves the Scheme:

(a) Oakton will make an announcement to ASX notifying the market of the receipt of Court approval, with that announcement proposed to be made on the day on which the Court approves the Scheme;

(b) that announcement will specify the Scheme Record Date; and

(c) as soon as possible and in any event by 5.00pm on the first Business Day after the day on which the Court approves the Scheme, Oakton will lodge an office copy of the Court's orders with ASIC under section 411(10) of the Corporations Act. On that date (currently proposed to be 10 November 2014), the Scheme will become Effective.

If the Scheme becomes Effective, Oakton and Dimension Data will become bound to implement the Scheme in accordance with the terms of the Scheme Implementation Deed, the Scheme and the Deed Poll. Only those persons who are registered as the holders of Oakton Shares on the Scheme Record Date will be Scheme Shareholders, being the only persons who will be bound by, and have the benefit of, the Scheme. Section 9.6 of this Explanatory Booklet describes the principles in the Scheme for determining the identity of Scheme Shareholders.

If the Scheme does not become Effective before the End Date, the Scheme will lapse.

9.5 Implementation of Scheme

(a) Suspension of trading of Oakton Shares

It is expected that suspension of trading on ASX in Oakton Shares will occur from close of trading on the Effective Date. On the current timetable, the Effective Date is proposed to be 10 November 2014.

(b) Scheme Record Date

Oakton Shareholders will be entitled to receive the Scheme Consideration if they are registered as the holders of Oakton Shares on the Scheme Record Date. The Scheme Record Date is 7.00pm on the date which is five Business Days after the Effective Date, and is currently proposed to be 7.00pm on 17 November 2014. In this Explanatory Booklet, those Oakton Shareholders and the Oakton Shares that they hold are referred to as 'Scheme Shareholders' and 'Scheme Shares', respectively.

(c) Transfer and registration of Scheme Shares

Under the Scheme, each Scheme Shareholder, without the need for any further act, irrevocably appoints Oakton and each of its directors, officers and secretaries, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any document necessary to give effect to the Scheme, including (without limitation) a master transfer of all or part of the Scheme Shares.

On the Implementation Date, the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to those shares as at the Implementation Date, will be transferred to Dimension Data without the need for any further act by any Scheme Shareholder, by Oakton executing and delivering a valid transfer or transfers of the Scheme Shares to Dimension Data under the Corporations Act.

Prior to the Implementation Date and prior to the transfer of any Scheme Shares to Dimension Data, Dimension Data will deposit into the Trust Account an amount equal to the aggregate amount of the Scheme Consideration to be provided to all Scheme Shareholders, with that amount to be held on trust for the Scheme Shareholders for the purpose of Oakton dispatching to each Scheme Shareholder the Scheme Consideration to which they are entitled, either by way of cheque or electronic funds transfer. The transfer of any Scheme Shares to Dimension Data will only take place once the Scheme Consideration has been dispatched by Oakton from the Trust Account to each Scheme Shareholder in the manner set out in Section 9.5(d).

(d) Payment of Scheme Consideration

After Dimension Data transfers the aggregate amount of the Scheme Consideration into the Trust Account, Oakton will on the Implementation Date either:

- send (or procure the Share Registry to send) the Scheme Consideration due to each Scheme Shareholder to their Registered Address by cheque in Australian currency drawn out of the Trust Account; or
- deposit (or procure the Share Registry to deposit) the Scheme Consideration due to each Scheme Shareholder into an account with any Australian ADI (as defined in the Corporations Act) notified to Oakton (or the Share Registry) by an appropriate authority from the Scheme Shareholder.

In the case of Scheme Shares held in joint names any cheque required to be sent under the Scheme will be made payable to the joint holders and sent, at the sole discretion of Oakton, to either the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

Where the calculation of the relevant Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

(e) Delisting of Oakton

At a time determined by Dimension Data following the implementation of the Scheme, Dimension Data will cause Oakton to apply for the termination of the official quotation of Oakton Shares on ASX and to have itself removed from the official list of ASX. It is expected that this will occur shortly after the Implementation Date.

9.6 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Shares or other alterations to the Share Register will only be recognised if:

- 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 Shares on or before the Scheme Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day on which the Scheme Record Date occurs at the place where the Share Register is kept.

Oakton must register registrable transmission applications or transfers received on or before 5.00pm on the day on which the Scheme Record Date occurs by or as soon as reasonably practicable after that time.

Oakton will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Oakton Shares received after 5.00pm on the day on which the Scheme Record Date occurs, other than to Dimension Data in accordance with the Scheme and any subsequent transfer by Dimension Data or its successors in title.

Under the terms of the proposed Scheme, from the Scheme Record Date until registration of Dimension Data as the holder of all Scheme Shares:

- Oakton Shareholders may not dispose of, or otherwise deal with, any Scheme Shares or any interest in them after the Scheme Record Date; and
- any disposals or dealings in Scheme Shares after the Scheme Record Date will not be recognised by the Share Registry.

For the purpose of determining entitlements to the Scheme Consideration, Oakton must maintain the Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

All statements of holding for Oakton Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of any Excluded Shareholders). As from the Scheme Record Date, each entry current at that date on the Share Register (other than entries in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Shares relating to that entry.

As soon as practicable after the Scheme Record Date and in any event within one Business Day after the Scheme Record Date, Oakton will ensure that details of the names, Registered Addresses and holdings of Oakton Shares for each Scheme Shareholder are available to Dimension Data in the form Dimension Data reasonably requires.

10. Additional Information

10.1 Introduction

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

In this Section, the terms 'associate', 'marketable securities', 'related body corporate' and 'subsidiary' have the meanings given to them in the Corporations Act. The term 'executive officer' is used to mean 'senior manager' as defined in the Corporations Act, including the company secretary.

10.2 Directors' interests and dealings in Oakton Securities

The table below sets out the Oakton Securities held by or on behalf of the Directors.

Director's name	*Position*	*Oakton Shares held by or on behalf of the Director*	*Oakton Options held by or on behalf of the Director*	*Oakton Performance Rights held by or on behalf of the Director*
Paul Holyoake	Executive Chairman	8,000,000	Nil	Nil
Neil Wilson	Managing Director and Chief Executive Officer	2,200,000	Nil	686,916*
Chris Gillies	Non Executive Director	26,000	Nil	Nil
Anthony Larkin	Non Executive Director	Nil	Nil	Nil
Martin Adams	Non Executive Director	74,757	Nil	Nil
Total		**10,300,757**	**Nil**	**686,916**

* 407,995 Performance Rights held by Neil Wilson were issued on 21 November 2012 and will vest on 15 January 2016 (under the amended vesting date and other arrangements described in Section 8.7). The remaining 278,921 Performance Rights held by Neil Wilson were issued on 18 November 2013 and will vest on 15 January 2017 (under the amended vesting date and other arrangements described in Section 8.7).

There have been no acquisitions or disposals of Oakton Securities by any Director or their associates in the six months prior to the date of this Explanatory Booklet.

10.3 Directors' interest and dealings in Dimension Data securities

No Director, nor any of his or her associates, has any relevant interest in any marketable security issued by Dimension Data or any of its respective related bodies corporate.

10.4 Directors' interests in any contracts with Dimension Data

No Director or any of his or her associates has entered into, or otherwise has any interest in, any contract entered into by Dimension Data or any of its associates.

10.5 Directors' interests in agreements connected with or conditional on the Scheme

No Director has an interest in any agreement connected with or conditional on the Scheme other than as set out in Section 10.2.

10.6 Retirement benefits

(a) Non-executive directors

No payment or other benefit is proposed to be made or given in connection with the Scheme to any non-executive Director of Oakton as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Oakton or in any related body corporate of Oakton.

(b) Executive directors

Paul Holyoake (Executive Chairman)

Under the terms of the contract of employment between Oakton and Mr Paul Holyoake, the Company may terminate Mr Holyoake's employment with six months written notice or payment in lieu of notice. No retirement benefits are due to Mr Holyoake apart from retirement benefits which accrue under statute (such as unpaid annual leave, long service leave and superannuation benefits). If the Scheme is approved and implemented, the Oakton Board will be reconstituted in accordance with the directions of Dimension Data. Following implementation, the reconstituted Oakton Board may terminate Mr Holyoake's employment in accordance with the intentions outlined by Dimension Data in Section 6.4(c), in which case the arrangements summarised above will apply.

Neil Wilson (Managing Director and Chief Executive Officer)

Based on the intentions outlined by Dimension Data in Section 6.4(c), Oakton understands that Mr Neil Wilson will continue in his current role immediately following the implementation of the Scheme.

(c) Other directors, secretary or executive officers

No payment or other benefit is proposed to be made or given in connection with the Scheme to any other director, secretary or executive officer of Oakton, or of any related body corporate of Oakton, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Oakton or in any related body corporate of Oakton, other than any payments or benefits arising from any applicable redundancy entitlements. Redundancy entitlements may arise under the terms of the relevant executive officer's contract of employment, applicable statutory entitlements, Oakton's policies or a combination of these. As at the date of this Explanatory Booklet, other than Mr Paul Holyoake, the Oakton Directors do not know which (if any) of the other executive officers within Oakton may be made redundant as a consequence of, or in connection with, the Scheme. This is a matter for Dimension Data to be determined by it as part of the post-implementation review referred to in Section 6.4.

(d) Company secretary

No payment or other benefit is proposed to be made or given in connection with the Scheme to any secretary of Oakton, or of any related body corporate of Oakton, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Oakton. Oakton's current secretary, Mr Michael Miers, is also an executive officer of Oakton, meaning that the arrangements in Section 10.6(c) potentially apply to him in that separate capacity.

10.7 Directors' intentions regarding the business, assets and employees of Oakton

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

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

in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, Dimension Data will have 100% ownership of Oakton's issued shares and will control Oakton. Please refer to Section 6.4 for a statement of Dimension Data's intentions for Oakton if the Scheme becomes Effective.

10.8 No unacceptable circumstances

The Oakton Board believes that the Scheme does not involve any circumstances in relation to the affairs of Oakton that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

10.9 Disclosure of fees and other benefits

No person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to a director or proposed director of Dimension Data:

- to induce them to become or to qualify as a director of Dimension Data; or
- for services provided by that person in connection with the formation or promotion of Dimension Data.

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

10.10 ASX waivers

Listing Rule 6.23.2 provides that the cancellation of unlisted options for consideration requires the approval of shareholders. ASX has granted Oakton a waiver from Listing Rule 6.23.2 to permit it entering into the contractual arrangements relating to the Oakton Options referred to in Section 8.6.

Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect (among other things) of reducing the exercise price for the options. In addition, Listing Rule 6.23.4 states that any change which is not prohibited by Listing Rule 6.23.3 can only be made with shareholder approval. Although Listing Rules 6.23.3 and 6.23.4 relate to 'Options', Oakton Performance Rights are substantially analogous to options for the purpose of Listing Rule 6.23. If the Scheme becomes Effective, Oakton intends to amend the terms of the Oakton Limited Equity Incentive Plan in certain respects to facilitate the participation arrangements described in Section 8.7.

Those amendments may be construed as constituting a change that reduces the exercise price of the Performance Rights for the purpose of Listing Rule 6.23.3. In addition, the change to the entitlement of a Performance Rights Holder to receive cash in lieu of an Oakton Share will be a change which cannot be made without the approval of Oakton Shareholders under Listing Rule 6.23.4. For the avoidance of doubt, Oakton has sought and been granted a waiver of these Listing Rules to permit the above amendments, subject to the Scheme becoming Effective.

10.11 Consents and disclaimers

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

- Minter Ellison as legal adviser to Oakton;
- Merrill Lynch Markets (Australia) Pty Ltd as financial adviser to Oakton;
- Ernst & Young as the Independent Expert; and
- Computershare Investor Services Pty Limited as the Share Registry.

Dimension Data has given, and has not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn its consent, to the inclusion of Dimension Data Information in this Explanatory Booklet and the references to that Section in the form and context in which they are included.

Ernst & Young has given, and has not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn its consent, to the inclusion of statements attributed to it in Sections 4.3(c) and 4.3(e) of this Explanatory Booklet and to the inclusion of the Independent Expert's Report set out in Appendix 1 to this Explanatory Booklet in the form and context in which they are included.

Each of the above persons:

- has not authorised or caused the issue of this Explanatory Booklet;
- does not make, or purport to make, any statement in this Explanatory Booklet or any statement on which a statement in this Explanatory Booklet is based other than a statement or report included in this Explanatory Booklet with the consent of that party;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Booklet,

10. Additional Information continued

other than as described in this Explanatory Booklet with the consent of that party; and

- except for Dimension Data, does not assume any responsibility for the accuracy, relevance or completeness of Dimension Data Information. The Dimension Data Information has been prepared by, and is the sole responsibility of, Dimension Data.

10.12 Independent advice

Oakton Shareholders should consult their financial, legal or other professional adviser if they have any queries regarding:

- the Scheme;
- the taxation implications for them if the Scheme is implemented;
- your Oakton Directors' recommendations and intentions in relation to the Scheme, as set out in Sections 1.5 and 4.1 of this Explanatory Booklet; or
- any other aspects of this Explanatory Booklet.

Oakton Shareholders may also call the Shareholder Information Line on 1300 485 967 (within Australia) or + 61 3 9415 4104 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Melbourne time) with any queries they may have on the Scheme.

10.13 Other material information

Except as set out in this Explanatory Booklet, in the opinion of the Oakton Board, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Oakton Director or of any related company of Oakton, which has not been previously disclosed to Oakton Shareholders.

Oakton will issue a supplementary document to this Explanatory Booklet if it becomes aware of any of the following between the date of lodgement of this Explanatory Booklet for registration by ASIC and the Effective Date:

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

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Oakton may circulate and publish any supplementary document by any one or more of the following methods:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Oakton Shareholders at their registered address as shown in the Share Register; and/or
- posting a statement on Oakton's corporate website,

as Oakton in its absolute discretion considers appropriate, subject to any approval that may be required from the Court. In particular, where the matter is not materially adverse to Oakton Shareholders such circulation and publication may be only by an announcement to ASX.

11. Glossary

The following terms used in this Explanatory Booklet (including the Notice of Scheme Meeting in Appendix 3 to this Explanatory Booklet) have the meanings given to them below, unless the context otherwise requires.

Appendix	an Appendix to this Explanatory Booklet
ASIC	the Australian Securities and Investments Commission
associate	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Explanatory Booklet and Oakton was the designated body
ASX	ASX Limited ACN 008 624 691 or, as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it
Board or Board of Directors or Oakton Board	the board of Directors of Oakton as at the date of this Explanatory Booklet
Business Day	any day that is a Business Day within the meaning given in the Listing Rules
CHESS	the Clearing House Electronic Subregister System, the system established and operated by ASX Settlement Pty Ltd ABN 49 088 504 532
Competing Proposal	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Corporations Act	the *Corporations Act 2001* (Cth)
Corporations Regulations	the *Corporations Regulations 2001* (Cth)
Court	the Supreme Court of Victoria or such other court of competent jurisdiction under the Corporations Act agreed in writing between Oakton and Dimension Data
Deed Poll	the deed poll executed by Dimension Data on 22 September 2014 in which Dimension Data undertakes to perform the actions attributed to it under the Scheme for the benefit of Scheme Shareholders. A copy of the executed Deed Poll is reproduced in Appendix 5 to this Explanatory Booklet
Delivery Time	in relation to the Second Court Date means 2 hours before the commencement of the hearing or, if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act
Dimension Data	Dimension Data Australia Pty Limited ACN 003 371 239, a wholly-owned subsidiary of Dimension Data Holdings plc (incorporated in England and Wales)
Dimension Data Group	means Dimension Data plc and each of its subsidiaries (excluding, at any time, Oakton and its subsidiaries to the extent that Oakton and its subsidiaries are subsidiaries of Dimension Data at that time). A reference to a member of the **Dimension Data Group** or a **Dimension Data Group Member** is a reference to Dimension Data plc or any such subsidiary.
Dimension Data Information	the information prepared by Dimension Data for inclusion in this Explanatory Booklet and for which Dimension Data is responsible, being Section 6
Dimension Data plc	Dimension Data Holdings plc Reg. No. 3704278 (a corporation incorporated in England and Wales and registered as an external company in the Republic of South Africa with registered number 2000/009053/10)
Dimension Data Warranties	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
EBITDA	earnings before interest, tax, depreciation and amortization
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme
Effective Date	the date on which the Scheme becomes Effective. The Effective Date is currently proposed to be 10 November 2014
End Date	31 December 2014 or such other date and time agreed in writing between Oakton and Dimension Data
Excluded Shareholder	a holder of one or more Oakton Shares who is a member of the Dimension Data Group
Explanatory Booklet	this explanatory booklet dated 29 September 2014 in relation to the Scheme
FIRB	Foreign Investment Review Board
First Court Date	the Court hearing on 26 September 2014, at which Oakton made an application to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting

11. Glossary continued

First Court Hearing	the hearing of the application made to the Court by Oakton for an order to convene the Scheme Meeting
FY2014	the financial year ended 30 June 2014
FY2015	the financial year ending 30 June 2015
Government Agency	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Headcount Test	the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Shareholders eligible to vote at the Scheme Meeting and who are present and voting, either in person or by proxy
ICT	information and communications technology
IT	information technology
Implementation Date	the date which the Scheme is to be implemented according to its terms, being the fifth Business Day after the Scheme Record Date or such other date as Oakton and Dimension Data agree in writing. The Implementation Date is currently proposed to be 21 November 2014
Independent Expert or **Ernst & Young**	Ernst & Young Transaction Advisory Services Limited
Independent Expert's Report	the report from the Independent Expert (a full copy of which is set out in Appendix 1 to this Explanatory Booklet), and any update to such report that the Independent Expert issues
Last Practicable Date	24 September 2014, being the last practicable day before finalising the information to which this definition relates
Listing Rules	the official listing rules of ASX
Material Adverse Change	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
NTT Corporation	Nippon Telegraph and Telephone Corporation, a company incorporated in Japan pursuant to the NTT Law (Law Concerning Nippon Telegraph and Telephone Corporation, Etc.) (Bill No. 85, 25 December 1984)
NTT Group	NTT Corporation and each of its controlled entities
Oakton	Oakton Limited ABN 50 007 028 711
Oakton Break Fee	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Oakton Directors or your Directors	the current directors of Oakton
Oakton Group	means Oakton and each of its subsidiaries
Oakton Information	all information included in this Explanatory Booklet other than: (a) Dimension Data Information; and (b) the information contained in the Independent Expert's Report
Oakton Limited Employee Option Plan	the Oakton Limited Employee Option Plan
Oakton Limited Equity Incentive Plan	the Oakton Limited Equity Incentive Plan approved by Oakton Shareholders at the 2011 Annual General Meeting held on 5 October 2011
Oakton Option or Option	an option granted by Oakton to acquire by way of issue one or more Oakton Shares under the Oakton Limited Employee Option Plan or an option granted by Oakton to acquire by way of issue or transfer one or more Oakton Shares under the Oakton Limited Equity Incentive Plan but does not include an Oakton Performance Right
Oakton Performance Rights	a performance right granted by Oakton to acquire by way of issue or transfer one or more Oakton Shares under the Oakton Limited Equity Incentive Plan but does not include an Oakton Option
Oakton Prescribed Occurrence	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Oakton Share or **Share**	a fully paid ordinary share in the capital of Oakton
Oakton Shareholder or **Shareholder**	a holder of one or more Oakton Shares (other than an Excluded Shareholder)

11. Glossary continued

Oakton Warranties	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Optionholder	a holder of one or more Oakton Options
Performance Right Holder	a holder of one or more Oakton Performance Rights
Proxy Form	the Proxy Form for the Scheme Meeting accompanying this Explanatory Booklet or, as the context requires, any replacement or substitute Proxy Form provided by or on behalf of Oakton
Registered Address	in relation to an Oakton Shareholder, the address shown in the Share Register as at the Scheme Record Date
relevant interest	has the meaning given in the Corporations Act
Scheme or **Scheme of Arrangement**	the scheme of arrangement under Part 5.1 of the Corporations Act between Oakton and the Scheme Shareholders under which Dimension Data proposes to acquire all of the Oakton Shares (other than Oakton Shares held by an Excluded Shareholder) as set out in Appendix 2 to this Explanatory Booklet, subject to any alterations or conditions agreed between Oakton and Dimension Data and approved by the Court or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Oakton and Dimension Data.
Scheme Conditions	the conditions precedent specified at clause 3.1 of the Scheme Implementation Deed
Scheme Consideration	$1.90 per Scheme Share
Scheme Implementation Deed	the deed dated 11 August 2014 between Oakton and Dimension Data setting out certain arrangements in relation to the Scheme. The Scheme Implementation Deed is reproduced in Appendix 4 to this Explanatory Booklet
Scheme Meeting	the meeting of Oakton Shareholders to be held on Friday, 31 October 2014 to consider and vote on the Scheme including any meeting convened and held following the postponement or adjournment of that meeting. The notice convening the Scheme Meeting is contained in Appendix 3 to this Explanatory Booklet
Scheme Record Date	the time and date for determining entitlements to the Scheme Consideration, being 7.00 pm on the fifth Business Day (or such other Business Day as Oakton and Dimension Data agree) following the date on which the Scheme becomes Effective. The Scheme Record Date is currently proposed to be 7.00pm on 17 November 2014
Scheme Resolution	the resolution to be put to Oakton Shareholders to approve the Scheme at the Scheme Meeting
Scheme Share	an Oakton Share on issue on the Scheme Record Date, other than any Oakton Shares then held by an Excluded Shareholder
Scheme Shareholder	a person who holds one or more Scheme Shares
Second Court Date	the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard. This date is currently proposed to be 7 November 2014
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme
Section	a section of this Explanatory Booklet
Share Register	the register of members of Oakton maintained by or on behalf of Oakton in accordance with section 168(1) of the Corporations Act
Share Registry	Computershare Investor Services Pty Limited ACN 078 279 277
Share Splitting	the splitting by a holder of Oakton Shares into two or more parcels of Oakton Shares whether or not it results in any change in beneficial ownership of Oakton Shares
Superior Proposal	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4 to this Explanatory Booklet)
Trust Account	an Australian dollar denominated trust account operated by Oakton as trustee for the benefit of Scheme Shareholders
Voting Entitlement Time	the date for determining voting eligibility at the Scheme Meeting, being (7.00pm on Wednesday, 29 October 2014)
VWAP	volume weighted average price

Appendix 1 – Independent Expert's Report

Independent Expert's Report and Financial Services Guide

In relation to the proposed Scheme of Arrangement between Oakton Limited and its shareholders, to effect the acquisition of Oakton Limited by Dimension Data Australia Pty Limited

25 September 2014

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PART 1 – INDEPENDENT EXPERT'S REPORT

25 September 2014

The Directors
Oakton Limited
Level 8
271 Collins Street
Melbourne VIC 3000

Dear Directors

Independent expert's report in relation to the proposed Scheme of Arrangement between Oakton and its shareholders, to effect the acquisition of Oakton Limited by Dimension Data Australia Pty Limited

Introduction

On 12 August 2014, Oakton Limited (**Oakton**) announced that it had entered into a scheme implementation deed with Dimension Data Australia Pty Limited (**Dimension Data**) to implement a proposal for Dimension Data to acquire 100% of the shares in Oakton (**Oakton Shares**) by way of a Scheme of Arrangement (**Scheme**). Under the terms of the proposed transaction (**Proposal**), if the Scheme is approved and implemented, Oakton shareholders (**Oakton Shareholders**) will receive consideration in the form of $1.90 cash per Oakton share (**Scheme Consideration**).

The proposed Scheme is subject to the satisfaction or waiver of various conditions, as well as the approval of Oakton Shareholders and the Supreme Court of Victoria. The Board of Oakton has unanimously recommended that Oakton Shareholders vote in favour of the Scheme, in the absence of a superior proposal. Further, Oakton directors intend to cause any Oakton Shares in which they have a relevant interest to be voted in favour of the Scheme in the absence of a superior proposal.

If the Scheme is approved and implemented, all of the Oakton Shares will be transferred to Dimension Data, and Oakton will become a wholly owned subsidiary of Dimension Data.

In order to assist Oakton Shareholders in assessing the merits of the proposed transaction, the directors of Oakton have engaged us to prepare an independent expert's report setting out whether, in our opinion, the proposed Scheme is in the best interests of Oakton Shareholders. Our report (including this letter) will accompany the Explanatory Booklet to be sent to Oakton security holders.

In preparing our report, we have had regard to Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 111 (**RG 111**) *Content of expert reports*. As the Scheme achieves the same outcome as a takeover bid, given Dimension Data proposes to acquire all of the outstanding shares in Oakton, we have evaluated the Scheme as a control transaction and formed an opinion as to whether the Scheme is "fair and reasonable". RG 111 provides guidance as to how the term "fair and reasonable" should be interpreted in a range of circumstances. With respect to a takeover bid:

- an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares."; and

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Appendix 1 – Independent Expert's Report continued

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- an offer is 'reasonable' if it is fair. It might also be "reasonable" if, despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.20 indicates that "if an expert would conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company". RG 111.78 also provides that an independent expert should usually give a range of values for the securities that are the subject of the offer. If the value of the consideration offered falls within the range of values of the securities, the offer is considered to be fair.

Summary of opinion

We have determined whether the proposed Scheme is fair by comparing the assessed value of an Oakton Share, on a controlling interest basis, to the fair market value of the Scheme Consideration that will be received by Oakton Shareholders in the event that the Scheme is approved and implemented. The table below presents a summary of the assessed value of the Scheme Consideration and an Oakton Share:

Comparison of the fair market value of an Oakton Share to the proposed Scheme Consideration

Currency: $	Low	High
Scheme Consideration (cash)	1.90	1.90
Assessed value of Oakton per share (on a control basis)	1.72	2.02

Source: EY

The value of the Scheme Consideration, being $1.90 cash per Oakton Share, is within the assessed value range of an Oakton Share on a fully diluted controlling interest basis of $1.72 to $2.02 per share.

The Scheme Consideration represents a premium to the share price of Oakton Shares prior to the announcement of the Scheme. The Scheme Consideration represents a premium of 29.7% to the closing price of $1.47 per Oakton Share on 11 August 2014, being the last trading day prior to the announcement of the Scheme. Further, the one month volume weighted average price (**VWAP**) to 11 August 2014 was $1.41 and the three month VWAP to 11 August 2014 was $1.33. Our assessed value range for Oakton Shares includes a premium for control.

As of 24 September 2014, the trading price of Oakton was $1.86. The current trading price for Oakton falls within our valuation, indicating that the share price includes a control premium associated with the proposed Scheme.

As the Scheme Consideration is consistent with the assessed value range of an Oakton Share we consider the terms of the proposed Scheme to be fair. Under the guidance provided by RG 111, as we consider the terms to be fair, we also consider the terms to be reasonable, and accordingly, in the best interests of Oakton Shareholders.

Other factors

Notwithstanding the above conclusion that the terms of the proposed Scheme are fair and reasonable, we have also considered other factors that Oakton Shareholders should consider in forming their views as to whether or not to vote in favour of the Scheme.

Advantages

Premium to the share price of Oakton prior to the announcement of the Scheme

The Scheme provides Oakton Shareholders with the opportunity to realise value for their Oakton Shares in excess of the price at which they traded prior to the announcement of the Scheme on 12 August 2014.

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The Scheme Consideration of $1.90 for each Oakton Share held represents a premium of 29.7% to the closing price of $1.47 per Oakton Share on 11 August 2014, being the last trading day prior to the announcement of the Scheme. Further, as the one month VWAP to 11 August 2014 was $1.41 and the three month VWAP to 11 August 2014 was $1.33, the Scheme Consideration represents a 35.5% and 42.6% premium respectively to these prices. In the absence of any acquisition, or similar form of transaction, Oakton Shareholders may be unable to realise a control premium above the minority interest value.

Share trading in the absence of the Proposal

Oakton Shares have not traded at high volumes on the Australian Securities Exchange (**ASX**) in recent years. This relatively low liquidity of Oakton Shares may have restricted Oakton Shareholders from being able to realise value by exiting their shareholdings.

The $1.90 cash per Oakton Share provides Oakton Shareholders with the opportunity to realise value for their Oakton Shares that may not otherwise be possible.

Further, the Proposal enables Oakton Shareholders to realise the value in their investment in Oakton at a cash price which incorporates a premium for control. In the absence of the Proposal or a similar transaction, Oakton Shareholders could only realise their investment by selling their Oakton Shares on the open market at a price which does not include a premium for control and would incur transaction costs (e.g. brokerage). We note that the last time Oakton Shares traded at $1.90 was 22 September 2011.

Timing and value certainty of cash

While there may be potential future value upside beyond the Scheme Consideration of $1.90 cash per Oakton Share, it is reasonable to conclude that the achievement of that value is uncertain due to business and other risks that Oakton is exposed to in the ordinary course. An assessment of the risks associated with the Oakton business and the impact those risks could have on Oakton's growth prospects is set out in Section 5.10 of the Explanatory Booklet.

The Proposal represents an opportunity for all Oakton Shareholders to realise value for their investment in Oakton Shares for cash, at a clearly identifiable time, and at a premium to the trading price of Oakton Shares on the ASX prior to the announcement of the Proposal.

Superior Proposal

Since the Proposal was announced on 12 August 2014, there has been opportunity for any other interested party to make a superior proposal. As at the date of this report, no such superior proposal has been made. In the absence of a superior proposal, we consider the Proposal to be fair and reasonable and therefore in the best interests of Oakton Shareholders.

Disadvantages

Costs associated with the Scheme

As at the date of the Explanatory Booklet, Oakton has incurred (or expects to incur) transaction costs of $1.12 million. Some of these costs will be incurred irrespective of whether or not the proposed Scheme was approved and implemented. In addition to the above, if the Scheme is not approved and implemented, Oakton may be obligated to pay a $1.8 million break fee (plus GST) to Dimension Data as set out in Clause 12.3 of the Scheme Implementation Deed, in certain circumstances. However, those circumstances do not include a situation where the Scheme does not proceed simply because Oakton shareholders do not approve the Scheme at the Scheme Meeting to be held on 31 October 2014.

Appendix 1 – Independent Expert's Report continued

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Inability to participate in possible future increases in the value of Oakton

If the Scheme is implemented, Oakton Shareholders will no longer hold Oakton Shares. This will mean that they will not be able to participate in any future potential upside that may result from being an Oakton Shareholder as they will receive cash consideration for their Oakton Shares. In addition, Oakton Shareholders will not be entitled to potential future dividend income from Oakton.

Exposure to the Australian IT Consulting Services industry

You may wish to maintain your current investment profile, including exposure to the Australian Information Technology (**IT**) Consulting Services industry, via Oakton Shares. If the Scheme is implemented, you will no longer hold your Oakton Shares. However, if you wish to maintain an investment exposure to the Australian IT Consulting Services industry, you may apply your Scheme Consideration towards the purchase of shares in other ASX listed companies in this industry sector, including those listed in Appendix E.

Other factors

If the Scheme is not approved the Oakton Share price would likely fall below current trading levels

If the Scheme is not approved, and in the absence of an alternative transaction, Oakton will continue to operate in its current form and be listed on the ASX. As a consequence:

- Oakton Shareholders will continue to own securities in Oakton.
- The advantages, disadvantages and risks of the Proposal, will not occur other than with respect to the one-off transaction costs of $1.12 million relating to the Proposal.
- The price of Oakton Shares will likely fall. We note that Oakton Shares rose by 28.7% on 12 August 2014 following announcement of the proposed Scheme. Since the announcement, Oakton Shares have up to 24 September 2014 continued to trade at around this premium. As such, it is likely that this premium would cease to be priced into the Oakton Shares, causing the price to decline significantly.

Potential for alternative superior proposals to emerge

While it is possible that an alternative proposal involving Oakton may emerge, we note that:

- Since the announcement of the Scheme, no superior proposals have been received and the directors of Oakton are not aware of any potential superior alternative proposal likely to emerge; and
- The terms of the Scheme Implementation Deed prevent Oakton and its representatives from actively seeking alternative acquirers or from negotiating or otherwise co-operating with them in the formulation of a proposal. Furthermore, a break fee of $1.8 million (plus GST) may be payable by Oakton in certain circumstances, such as Oakton entering into an alternative proposal.

These factors may reduce the likelihood of a superior proposal emerging.

Tax consequences

There may be certain tax implications for individual Oakton Shareholders in connection with the Scheme if it is approved and implemented. The exact nature and impact is uncertain and will depend on the profile of each Oakton Shareholder. These specific consequences need to be borne in mind by each Oakton Shareholder in weighing up the merits of the Scheme.

As such, Oakton Shareholders should refer to Section 7 of the accompanying Explanatory Booklet for a general outline of the potential tax consequences.

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Conclusion

Taking into consideration the matters outlined above and detailed in the attached independent expert's report, in our opinion the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders.

Other

In preparing this independent expert's report we have considered relevant regulatory guides issued by ASIC, with particular reference to Regulatory Guide 111 *Content of experts reports*, Regulatory Guide 112 *Independence of experts* and APES 225 *Valuation Services*.

This independent expert's report constitutes general financial product advice only. In forming our opinion we have considered the interests of Oakton Shareholders as a whole, and we have not considered, nor is it practical or possible to consider, the individual circumstances of each Oakton Shareholder. The decision to vote for or against the proposed Scheme is a matter for individual shareholders. Oakton Shareholders should consider the advice in the context of their own circumstances, including investment objectives, liquidity preferences, risk profiles, tax position and expectations of future market conditions.

This report should be considered in conjunction with, and not independently of, the information set out in the Notice of Scheme Meeting and Explanatory Booklet prepared by the directors (**Directors**) and management of Oakton (**Management**). Shareholders who are in doubt as to the action they should take in relation to the proposed Scheme should consult their own professional adviser.

Similarly it is a matter for individual shareholders as to whether to buy, hold or sell shares in Oakton. This is an investment decision upon which we do not offer an opinion and is independent of a decision to vote for or against the proposed Scheme. Shareholders should consult their own professional adviser in this regard.

Our opinion is as at the date of this letter and reflects circumstances and conditions as at that date. This letter must be read in conjunction with, and not independently of information set out in the remainder of this report, including the appendices.

Ernst & Young Transaction Advisory Services has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is included as Part 2 of this report.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited

John Selak
Director and Representative

Tim Hatherley
Director and Representative

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Appendix 1 – Independent Expert's Report continued

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1. Details of the proposed Scheme

1.1 Overview of the proposed Scheme

On 12 August 2014, Oakton Limited (**Oakton**) announced that it had entered into a scheme implementation deed (**Scheme Implementation Deed**) with Dimension Data Australia Pty Limited (**Dimension Data**) to implement a proposal for Dimension Data to acquire 100% of the shares in Oakton (**Oakton Shares**) by way of a Scheme of Arrangement (**Scheme**). Under the terms of the proposed transaction (**Proposal**), if the Scheme is approved and implemented, Oakton shareholders (**Oakton Shareholders**) will receive from Dimension Data consideration of $1.90 cash for each Oakton share they hold as at the record date for the Scheme (**Scheme Consideration**).

The Proposal is subject to the satisfaction or waiver of a number of conditions which are set out in full in the Scheme Implementation Deed accompanying the Explanatory Booklet. In summary, the key remaining conditions include:

- approval of the Scheme by Oakton Shareholders under Section 411(4)(a)(ii) of the Corporations Act;
- if that approval is obtained, approval of the Scheme by the Supreme Court of Victoria under Section 411(4)(b) of the Corporations Act;
- no "material adverse change" in Oakton as defined in the Scheme Implementation Deed; and
- all outstanding options (**Oakton Options**) and performance rights (**Oakton Performance Rights**) are dealt with in the manner contemplated in Clause 5 of the Scheme Implementation Deed.

The Board of Oakton has unanimously recommended that Oakton Shareholders vote in favour of the Scheme, in the absence of a superior proposal. Further, Oakton directors intend to vote all Oakton Shares they hold in favour of the Scheme, in the absence of a superior proposal.

The Scheme Implementation Deed includes various exclusivity provisions. Under these provisions Oakton may not solicit or encourage any competing proposal as set out in the accompanying Explanatory Booklet. A break fee of $1.8 million (plus GST) is payable by Oakton to Dimension Data in certain circumstances as set out in the Explanatory Booklet.

If the Scheme is approved by Oakton Shareholders and implemented, Dimension Data intends, subject to a review of all relevant material facts and circumstances at the time, to undertake the following:

- **General operational matters**
  - A general review of Oakton's operations covering strategic, financial and operating matters. Any final decisions as to Dimension Data's intentions for Oakton would only be finalised following this review.
  - However, based on information available to Dimension Data at the date of the Explanatory Booklet, Dimension Data's intention is to provide Oakton with significant scope, autonomy and opportunity to continue to operate on an independent basis, whilst improving the combined business proposition that Dimension Data and Oakton deliver through their current strategic partnership.
- **Specific intentions**
  - If the Scheme is implemented, Oakton will be delisted from ASX and Dimension Data will replace the current board of directors of Oakton with its own nominees.

Appendix 1 – Independent Expert's Report continued

Building a better working world

- Subject to the general review to be undertaken following implementation of the Scheme, Dimension Data does not have any present intention to make any changes to the Oakton Group's current staffing, other than in relation to the position of Executive Chairman, which will be redundant on implementation of the Scheme.

These views reflect Dimension Data's current intentions, as set out in Section 6.4 of the accompanying Explanatory Booklet, and may be subject to change following a more detailed review of the business by Dimension Data upon implementation of the Scheme.

2. Scope of the independent expert's report

2.1 Purpose of the independent expert's report

The proposed transaction is to be implemented by way of a Scheme of Arrangement under Section 411 of the Corporations Act, 2001 (**Act**) between Oakton and its shareholders. If approved by Oakton Shareholders, the Scheme will then be subject to approval by the Supreme Court of Victoria.

Part 3 of Schedule 8 to the Corporations Regulations 2001 (**Corporations Regulations**) prescribes the information to be sent to the security holders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state the reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Act or the Australian Securities Exchange Listing Rules (**Listing Rules**), the directors of Oakton have engaged us to prepare an independent expert's report setting out whether, in our opinion, the proposed Scheme is fair and reasonable to, and in the best interests of, Oakton Shareholders. Our report will accompany the Explanatory Booklet to be sent to Oakton security holders.

2.2 Basis of evaluation

There is no legal definition of the term "in the best interests of" in the Act or the Corporations Regulations. However, the Australian Securities and Investment Commission (**ASIC**) has issued Regulatory Guide 111 *Content of expert reports* (**RG 111**) which provides some direction as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

Importantly, RG 111 differentiates between the analysis required for control transactions and other transactions. In the context of a control transaction, where the transaction has a similar effect on the company's shareholding as a takeover bid then the transaction should be analysed as if it were a takeover bid. In these instances, the independent expert is required to distinguish between "fair" and "reasonable". A proposal that was "fair and reasonable" or "not fair but reasonable" is defined in RG 111 to be in the best interests of shareholders.

As the Scheme achieves the same outcome as a takeover bid, given Dimension Data proposes to acquire all of the outstanding shares in Oakton, we have evaluated the Scheme as a control transaction and formed an opinion as to whether the Scheme is "fair and reasonable".

RG 111 provides guidance as to how the term "fair and reasonable" should be interpreted in a range of circumstances. With respect to a takeover bid:

- an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares"; and
- an offer is 'reasonable' if it is fair. It might also be "reasonable" if, despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Appendix 1 – Independent Expert's Report continued

RG 111.78 also provides that an independent expert should usually give a range of values for the securities that are the subject of the offer. If the value of the consideration offered falls within the range of values of the securities, the offer is considered to be fair.

We have determined whether the proposed Scheme is fair by comparing the estimated value of Oakton, on a controlling interest basis, to the fair market value of the consideration being offered by Dimension Data. The proposed Scheme is considered fair if the proposed consideration falls within the range of underlying values estimated for Oakton. In considering whether the proposed Scheme is reasonable, we also considered the following matters:

- the strategic rationale for the transaction and Dimension Data's intention with respect to Oakton;
- the liquidity of and prices at which Oakton Shares have recently traded at on the ASX and the premium that Dimension Data is paying over pre-announcement trading levels;
- the existence of alternatives to the proposed Scheme and the consequences for Oakton Shareholders;
- the likelihood of a superior proposal being received;
- the likely impact on Oakton's share price in the event that the proposed transaction is not approved; and
- other advantages and disadvantages that Oakton Shareholders should consider in assessing whether to approve the Scheme.

In undertaking our assessment of the Scheme we have had regard to a number of references including ASIC Regulatory Guidelines, in particular, RG 111 and Regulatory Guide 112 *Independence of experts*, and relevant market valuation guidelines and generally accepted practices in the preparation of expert reports. This report has also been prepared in accordance with APES 225 *"Valuation Services"* issued by the Accounting Professional & Ethical Standards Board Limited in July 2008.

All amounts in this report are expressed in Australian dollars unless otherwise stated. A glossary detailing the abbreviations we have used in this report is contained in Appendix G - *Glossary*.

2.3 Fair market value

We have assessed the value of Oakton on a fair market value basis. Fair market value in this context is considered to be:

"*the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length*"

Fair market value does not incorporate any special value. Special value is the additional value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

2.4 Limitations and reliance on information

We have considered a number of sources of information in preparing our report and arriving at our opinion. These sources of information are detailed in Appendix B – *Sources of information*.

This independent expert's report is based upon financial and other information requested by us and provided by Oakton. We have considered and relied upon this information. The information provided to us has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the implementation of the proposed Scheme is in the best interests of Oakton Shareholders. We also held discussions with Oakton management (**Management**) in relation to the proposed Scheme,

as well as considering the operations, financial position and operating results of Oakton. However, we do not warrant that our enquiries have identified all of the matters that an audit, an extensive examination or tax investigation might disclose.

Preparation of this report does not imply that we have, in any way, audited the accounts or records of Oakton. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards and International Financial Reporting Standards, as applicable.

In forming our opinion we have also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the assessments by Oakton and its advisers with regard to legal, regulatory, tax and accounting matters relating to the transaction are complete and accurate;
- the information set out in the Notice of Scheme Meeting and Explanatory Booklet and accompanying documents to be sent by Oakton to Shareholders is complete, accurate and fairly presented in all material respects;
- the publicly available information relied upon by us in our analysis was accurate and not misleading; and
- the proposed Scheme will be implemented in accordance with its terms.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

The statements and opinions given in this independent expert's report are given in good faith and in the belief that such statements and opinions are not false or misleading. This report should be read in the context of the full qualifications, limitations and consents set out in Appendix A – *Statement of qualifications and declarations* of this report.

Our assessment of the proposed transaction is based on economic, market and other conditions prevailing as at the date of this independent expert's report. As evidenced in recent years these conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, our opinion could be different.

We provided draft copies of this independent expert's report to the directors and management of Oakton for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Amendments made to this independent expert's report as a result of this review by the directors and management of Oakton have not changed the conclusions reached by us.

2.5 Shareholders' decisions

This independent expert's report constitutes general financial product advice only. In forming our opinion we have considered the interests of Oakton Shareholders as a whole, and we have not considered, nor is it practical or possible to consider, the individual circumstances of each Oakton Shareholder. The decision to vote for or against the proposed Scheme is a matter for individual shareholders. Oakton Shareholders should consider the advice in the context of their own circumstances, including investment objectives, liquidity preferences, risk profiles, tax position and expectations of future market conditions.

Shareholders should also have regard to the Notice of Scheme Meeting and Explanatory Booklet prepared by Oakton. Shareholders who are in doubt as to the action they should take in relation to the proposed Scheme should consult their own professional adviser.

Appendix 1 – Independent Expert's Report continued

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Similarly it is a matter for individual shareholders as to whether to buy, hold or sell shares in Oakton. This is an investment decision upon which we do not offer an opinion and is independent of a decision to vote for or against the proposed Scheme. Shareholders should consult their own professional adviser in this regard.

Ernst & Young Transaction Advisory Services has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is included as Part 2 of this report.

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3. Overview of Oakton

3.1 Company overview

Oakton is an Australian consulting and information technology (**IT**) business, founded in 1988 and listed on the Australian Securities Exchange (**ASX**) in 2000. Traditionally, Oakton generated revenue through rate per hour roles and project based engagements, which focused on the delivery of particular aspects of an in-house IT department's IT capex requirements.

In line with the rapidly evolving IT environment, Oakton has been transforming its business over the past four years, moving away from a role/project based provider to an end-to-end provider of specialist consulting and IT services, with an increasing focus on outcome and annuity based engagements.

To facilitate this transformation, Oakton has invested in organic growth, through the establishment of offices across the country and in India, and inorganic growth, acquiring various IT consulting businesses such as Tier Technologies, Aston IT Group and Acumen Alliance.

Today, Oakton operates across Australia and from its purpose built, wholly owned operation in Hyderabad, India.

Timeline

- 1988 – Oakton established in Melbourne
- 2000 – Sydney office opened
- 2000 – Oakton listed on ASX
- 2000 – Acquisitions of Frontline Consulting and Charter Wilson
- 2003 – Acquisitions of Tier Technologies, Mpower and Aston IT Group
- 2006 – Oakton established off-shore business with the opening of Hyderabad office
- 2006 – Acquisition of Clickstream
- 2007 – Canberra and Brisbane offices opened
- 2007 – Acquisition of Acumen Alliance
- 2012 – Perth office opened

Oakton's services

As a consulting and technology firm, Oakton works with its clients to develop a broad range of solutions leveraging business and industry insight, intellectual property, the latest technologies and partnerships with cloud-based infrastructure and software providers.

The chart on the following page illustrates the strategy that Oakton is implementing in developing its end-to-end service based suite of offerings which enable Oakton to assist clients with planning, implementation and ongoing management of their solutions. This new model of service integration and solution delivery allows the re-use of knowledge and assets, resulting in a more streamlined and efficient method of delivering outcomes to clients. Oakton's traditional roles still represent a key part of the business, with the intellectual property gained from these roles considered to be an integral driver of the new service offerings. These new services stem from a foundation centred on expertise across industry coverage, domain services and technology enablement (**IDT**) and include the following:

- Infrastructure and software cloud services integration; and
- Oakton solutions 'as-a-service', which includes software-as-a-service, platform-as-a-service and infrastructure-as-a-service. These as-a-service offerings can be bundled together to allow Oakton to go to the market with an end-to-end cloud offering.

One of the features of these new service offerings is the introduction of the high margin non-person based revenue (**NPR**) streams, which allow Oakton to generate additional revenue without increasing headcount.

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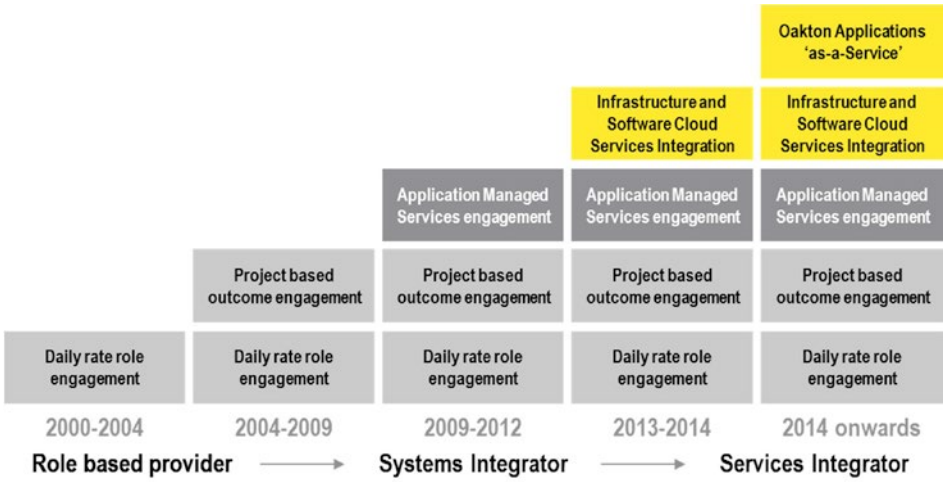
Building a better working world

Oakton market position



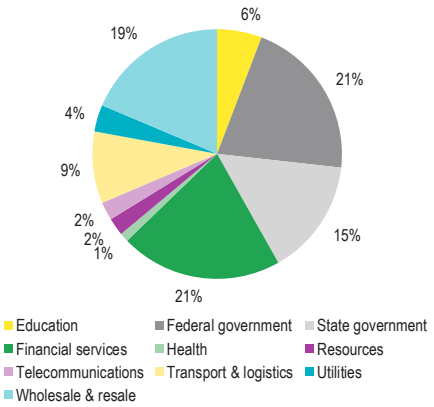
Source: "2014 Full year results Oakton Limited" released 19 August 2014

A key part of Oakton's ability to compete and meet market demands is its partnership model and its offshore business. Oakton has developed a partnership network of global and local market leaders, including Microsoft, Dimension Data, Oracle, IBM, SAP, Sitecore, Adobe and Informatica to assist in the delivery of leading edge specialised skills and tailored solutions to its clients.

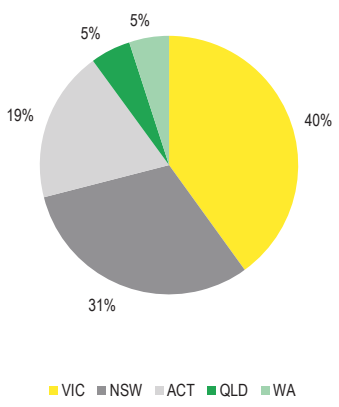
Oakton's offshore business in Hyderabad (India) has expanded rapidly since its establishment in 2006, such that 26% of Oakton's total headcount is based offshore. The offshore business enables Oakton to go to market with a mix of local and offshore expertise and capabilities that will deliver and deploy projects within a timeframe and budget that would not be achievable domestically.

Oakton's client base is diverse and spread across a range of government and commercial industry sectors and geographies as illustrated in the charts below.

FY14 revenue by sector



FY14 revenue by geography



Source: "2014 Full year results Oakton Limited" released 19 August 2014

Building a better working world

3.2 Financial performance

3.2.1 Historical financial performance

The table below summarises Oakton's consolidated financial performance for the three years ended 30 June 2012 to 30 June 2014.

Currency: A$'000	FY12A	FY13A	FY14A
Revenue from services	171,223	160,219	161,785
Research and development concession	1,029	1,777	2,545
Other	-	-	-
Total revenue	**172,252**	**161,996**	**164,330**
Administration	(1,471)	(3,817)	(3,787)
Business development	(648)	(381)	(375)
Cost of third party software and disbursements	(2,482)	(3,515)	(6,329)
Human resources	(144,445)	(134,636)	(134,729)
Occupancy	(2,586)	(3,248)	(3,462)
Technology	(1,769)	(1,874)	(1,585)
Total expenses	**(153,401)**	**(147,471)**	**(150,267)**
EBITDA	**18,851**	**14,525**	**14,063**
Depreciation	(2,993)	(2,714)	(3,051)
EBIT	**15,858**	**11,811**	**11,012**
Interest received	188	432	135
Finance costs	(393)	(271)	(373)
Income tax expense	(3,816)	(2,816)	(2,451)
Profit after tax	**11,837**	**9,156**	**8,323**
Revenue YoY growth	*(8.1%)*	*(6.0%)*	*1.4%*
EBITDA margin	*10.9%*	*9.0%*	*8.6%*
EBITDA YoY growth	*(10.1%)*	*(22.9%)*	*(3.2%)*

Source: Oakton annual report for financial years ended 30 June 2012 and 30 June 2013, Oakton Appendix 4E - Final Report lodged with ASX on 19 August 2014

In relation to Oakton's historical financial performance, we note:

- Revenue from services decreased from $171.2 million in FY12 to $160.2 million in FY13, reflective of difficult market conditions across most industry sectors resulting in reduced spend and continual project delays and deferrals.
- For the first time in three years, revenue from continuing operations increased year on year (**YoY**), by 1.4% from FY13 to FY14, largely reflecting Oakton's strategic positioning for larger engagements with longer term annuity streams. This revenue increase was supported by:
  - An increase in total production effort by over 11% from FY13 to FY14, reflecting an increase in market share in all locations;
  - An increasing contribution from Oakton's NPR streams;
  - Continued increase in market demand in the areas of digital customer and partner engagement solutions, information management solutions leveraging new data sources from social platforms and core system capability. There is a strong focus on delivery of these solutions in cloud based 'as-a-service' models; and
  - This is offset by an increase in the proportion of production generated by the India office to 26% of total production effort, which reduces revenue and profit per full time employee.

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- The backlog of committed revenue into FY15 and beyond was $140 million at the end of FY14.
- Oakton is continuing to invest in the business to ensure its service offering remains relevant to rapidly changing industry directions and its customers' evolving requirements.
- The research and development (**R&D**) concession revenue relates to concessions received or receivable in respect of eligible R&D as registered with AusIndustry. The R&D concession reflects the investment in new services offerings and is brought to account when the eligible R&D has been quantified.
- FY12 EBITDA includes a recovery of legal costs relating to the defence of the Tenix dispute of $2.0 million.
- Human resource expenses primarily relate to staff employee benefits, generally representing c.70% of total costs each year.
- Total expenses have tracked broadly with revenue over the past three years, decreasing from FY12 to FY13 and increasing in FY14.
- EBITDA margins have been contracting over the past three years, from 10.9% in FY12 to 8.6% in FY14. As a result, despite higher revenues in FY14, EBITDA decreased 3.2% from $14.5 million to $14.1 million.
- Management has advised that Oakton's FY15 financial performance to date is tracking materially in line with budget.

3.3 Financial position

The table below shows the financial position of Oakton as at 30 June 2013 and 30 June 2014.

Currency: A$000	Jun13A	Jun14A
Cash and cash equivalents	6,947	2,354
Receivables	35,875	41,036
Current assets	**42,822**	**43,390**
Deferred tax assets	1,997	2,460
Property, plant and equipment	8,283	10,765
Intangible assets	80,019	80,019
Non-current assets	**90,299**	**93,244**
Total Assets	**133,121**	**136,634**
Payables	19,078	20,129
Current tax payable	41	631
Provisions	10,101	10,663
Current liabilities	**29,220**	**31,423**
Provisions	706	1,061
Non-current liabilities	**706**	**1,061**
Total liabilities	**29,926**	**32,484**
Net assets	**103,195**	**104,150**
Contributed capital	48,858	49,052
Reserves	237	348
Retained earnings	54,100	54,750
Total equity	**103,195**	**104,150**

Source: Oakton annual report for financial year ended 30 June 2013, Oakton Appendix 4E - Final Report lodged with ASX 19 August 2014

In relation to the financial position of Oakton presented above, we note:

- Cash and cash equivalents as at 30 June 2014 totalled $2.4 million.
- Receivables include trade receivables, accrued revenue, other debtors and prepayments.
- Property, plant and equipment include leasehold improvements, plant and equipment and software.
- Intangible assets relates to goodwill, which is allocated to Oakton's one cash generating unit and is regularly tested for impairment in accordance with financial reporting requirements.
- Payables include trade payables, GST payable, payroll related payables, sundry creditors and income received in advance.
- Provisions relate to employee benefits.
- Oakton had no interest bearing liabilities as at 30 June 2014.
- Oakton had net assets of $104.2 million and net cash of $2.4 million as at 30 June 2014.
- We note that subsequent to 30 June 2014, Oakton paid a $3.6 million dividend on 16 September 2014 which was fully franked.
- Further, Management advised that there have been no material movements in its net asset position since 30 June 2014.

3.4 Capital structure and shareholders

As at 25 September 2014, Oakton had on issue 89,990,235 fully paid ordinary shares.

Shareholders with 5% or more of the shares in Oakton are set out in the table below.

Name of shareholder	No. of shares	% of shares held
National Australia Bank Limited[1]	10,047,969	11.17%
Paul Holyoake[2]	8,000,000	8.89%
Challenger Limited	6,408,540	7.12%
Celeste Funds Management Limited	6,299,062	7.00%
First Samuel Limited	5,499,498	6.06%
Australian Ethical Smaller Companies Trust	5,443,105	6.05%
Renaissance Smaller Companies Pty Ltd	4,703,951	5.23%
Australian Super Pty Ltd	4,690,012	5.21%
Total (shareholders with holdings of 5% or more)	51,092,137	**56.73%**
Total shares on issue	**89,990,235**	

Source: Explanatory Booklet

In relation to the share capital of Oakton, we note the following:

- Holders of ordinary shares are entitled to any dividends declared and proceeds on the winding up of the company in the proportion to the number of shares held. Each holder present in person or by proxy at a company meeting is entitled to one vote on a show of hands and one vote per share held on a poll.

[1] National Australia Bank Limited's relevant interest is through its associated entities Navigator Australia Limited, National Nominees Limited and JP Morgan Nominees Australia Limited.
[2] Paul Holyoake's relevant interest is held through his associated entities Oakton Holdings Pty Ltd, Oakton Holdings Pty Ltd (Glengary A/c) and HF Super Pty Ltd (The Holyoke Super Fund).

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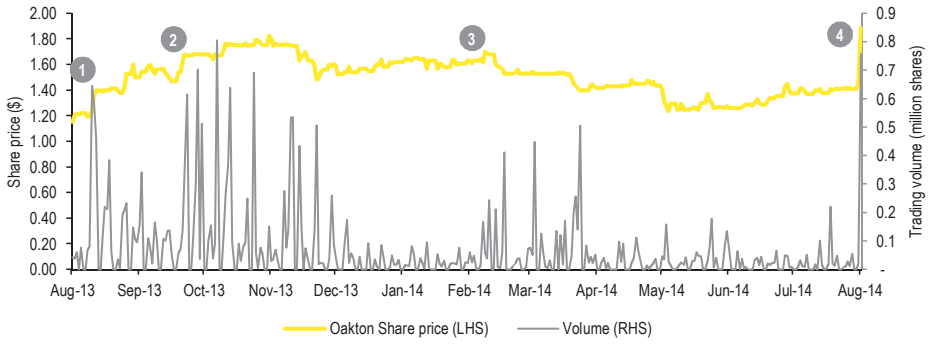
- Shareholders with 5% or more of the shares in Oakton represent approximately 56.73% of Oakton's equity capital.
- As at the date of the Scheme Implementation Deed, Oakton also had 692,500 options (**Oakton Options**) and 2,012,807 performance rights (**Oakton Performance Rights**).
- Under arrangements entered into pursuant to the Scheme Implementation Deed, all Oakton Options are to be cancelled. The Oakton Options are held by the existing employees and the consideration (other than those that have recently expired or will expire before the Scheme is due to be implemented) for the cancellation of their options will be integrated with staff retention arrangements to be put in place separately by Dimension Data for Oakton option holders. As such, the Oakton Options have not been considered in our consideration of the number of shares on issue.
- The Scheme Implementation Deed also puts in place a process for the Oakton Performance Rights. All performance hurdles attached to the Performance Rights are to be removed, with amended vesting dates and continuation of employment the only remaining conditions. The Scheme Implementation Deed proposes a mechanism for the payment of cash consideration to performance rights holders on vesting by Dimension Data. As such, the Oakton Performance Rights have not been considered in our consideration of the number of shares on issue.

3.5 Oakton Share price performance

Oakton Shares are listed on the ASX. The following graph depicts the daily share price and trading volumes for Oakton Shares for the period from 1 July 2013 to 12 August 2014:

Oakton share price and volume history
Source: Capital IQ



Oakton's share price has traded at an average price of $1.50 per share over the twelve month period prior to the announcement of the Scheme. Over the period, shares reached a low of $1.16 per share on 12 August 2013 and a high of $1.83 per share on 11 November 2013. The share price closed at $1.47 per share on 11 August 2014, the day prior to the announcement of the Scheme.

The table below summarises the key announcements that have affected the share price and/or the volume traded of Oakton Shares over the period.

Ref	Announcement date	Details
1	20 August 2013	Announcement of FY13 results
2	2 October 2013	Announcement of 2013 Managing Director's address to shareholders
3	18 February 2014	Announcement of FY14 half year results
4	12 August 2014	Announcement of the proposed Scheme

Source: ASX website

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The table below summarises the monthly share price range, volume and liquidity in Oakton Shares on the ASX over the 12 months prior to the announcement of the Scheme.

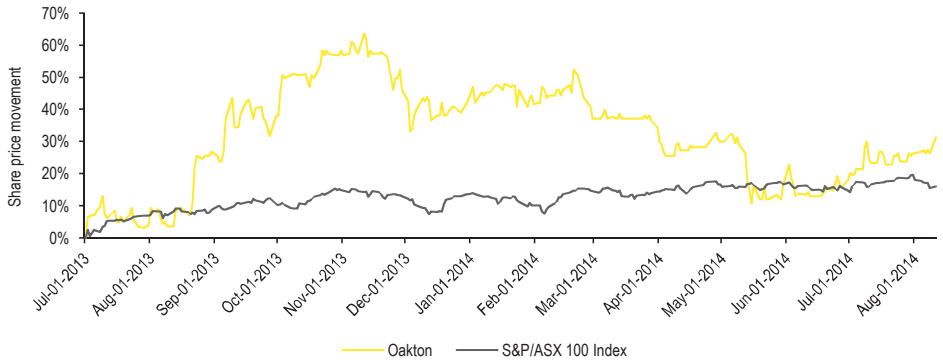
Oakton share price and volume history

$ per share	High	Low	Close	Monthly volume traded (million shares)	Monthly volume traded as a % of total shares on issue
August 2013	1.42	1.16	1.42	3.47	3.9%
September 2013	1.60	1.38	1.54	2.59	2.9%
October 2013	1.77	1.54	1.77	5.83	6.5%
November 2013	1.83	1.63	1.63	3.71	4.1%
December 2013	1.63	1.49	1.60	1.72	1.9%
January 2014	1.65	1.57	1.58	0.72	0.8%
February 2014	1.70	1.53	1.53	1.56	1.7%
March 2014	1.56	1.50	1.50	1.49	1.7%
April 2014	1.48	1.40	1.45	1.82	2.0%
May 2014	1.48	1.24	1.30	0.79	0.9%
June 2014	1.37	1.26	1.32	0.91	1.0%
July 2014	1.45	1.34	1.41	0.77	0.9%
Up to 11 August 2014	1.47	1.41	1.47	0.79	0.9%

Source: Capital IQ

Over the past twelve months, approximately 2% of the shares in Oakton were traded in each month, which indicates low levels of liquidity.

The chart below outlines Oakton's closing share price relative to the S&P ASX 100 Index for the period from 1 July 2013 through to 11 August 2014.



Oakton's Share price has outperformed the market since 1 July 2014.

- From 1 July 2013 through to 11 August 2014, being one day prior to the announcement of the proposed Scheme, the S&P ASX 100 index increased by 16%. Over the same period, Oakton's share price increased by 31%.
- Oakton's closing share price increased by 28.7% one day following the announcement of the proposed Scheme.

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3.6 Trading volume

Our analysis of the movements in Oakton's Share price and trading volumes indicates that its shares are relatively illiquid. Our analysis is supported by the following:

- Oakton's free float is approximately 68.9%[3]. The eight largest shareholders own 56.7% of the issued share capital.
- The average monthly volume over the twelve months prior to the announcement of the proposed Scheme on 12 August 2014 represented only 2.2% of shares on issue, or annual turnover of around 27.9% of total issued capital.
- A portion of the trading volumes in recent years is as a result of the Oakton share buy-back scheme.
- Oakton is neither a member of the ASX 100 nor ASX 200 and as such, many funds are not required to or may be restricted from holding its stock.

[3] Excludes company employees/ individual insider holdings as per Capital IQ

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4. Overview of the IT consulting industry

Oakton generates its revenues from activities within the Australian IT consulting industry (**Industry**), consisting of businesses that primarily provide expertise in the field of information technologies. Participants in the Industry are involved in hardware, software and internet consulting, computer programming, custom software development, software installation, systems analysis and computer facilities management.

This Industry has grown rapidly since the use of computers became commonplace in the workplace and has benefited from businesses outsourcing many non-essential operations. The strong reliance on the internet by general businesses has underpinned industry growth.

The core services of this Industry have centred around the provision of services to in-house IT sourcing, i.e. the management of the traditional people, process and technology issues of an IT department. Whilst this still represents the dominant IT sourcing model, there is a shift towards Industry participants delivering under outsourcing and cloud models.[4]

Cloud initiatives have already been implemented by many of the country's leading banks, and across sectors cloud adoption is spreading from storage and email to areas such as human resources management. The Australian government has adopted a six-year cloud computing strategy, setting out a timetable for migrating government agencies' computing systems to a public cloud environment, which could drive cloud computing spend to reach $4 billion by 2017.[5]

As a result of industry consolidation and competitive pressures, industry participants are integrating services with other consulting firms to cover the end to end business solutions process. Oakton traditionally operated in the rate per hour role and project based segment however is transitioning towards a more integrated service offering.

This Industry is expected to continue to grow as improvements in technology continue, in particular the shift towards cloud computing, and integration with other consulting firms continues to evolve to facilitate expansion into the management consultant industry. Summarised below are the key trends and factors influencing the performance of the Industry.

4.1 Industry performance

Despite the negative effects of the global financial crisis (**GFC**), during which business confidence fell considerably, over the past five years the Industry has expanded by an annualised 3.9%[6] over the five years to FY14. The Industry has benefited from spending on IT projects that clients could no longer defer and spending on new projects in the areas of education training, transport, health and medical services.

The Industry provides services to a diverse client base, primarily in Australia, that includes financial services, mining, manufacturing and retail companies and government bodies, as illustrated in the chart on the following page. The Industry's biggest market segments are the finance, banking and insurance industries, as well as State and Federal government agencies.

[4] IBISWorld Computer system design services in Australia industry report, June 2014
[5] Business Monitor International, Australia Information Technology Report Q3 2014
[6] IBISWorld Computer system design services in Australia industry report, June 2014

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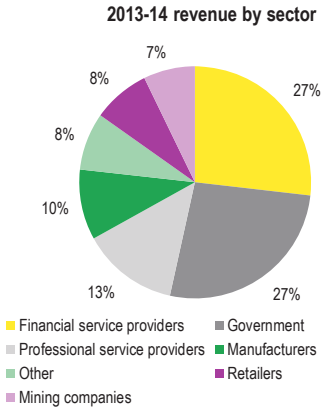
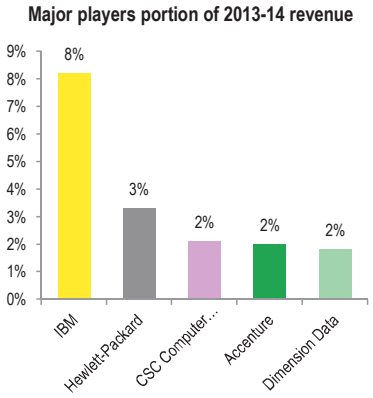




Source: IBISWorld Computer system design services in Australia industry report, June 2014

Despite the presence of high-profile multinational corporations, the five largest players account for less than 20%[7] of industry revenue. There is a high degree of competition in the industry, with players competing internally and externally as well as against the management consulting and accounting services industries. Competition in the Industry is based on price, quality of service, expertise and breadth of service offerings. Approximately 53%[8] of businesses in the Industry are small sole-contractor businesses.

The key drivers of performance in this sector are described below:

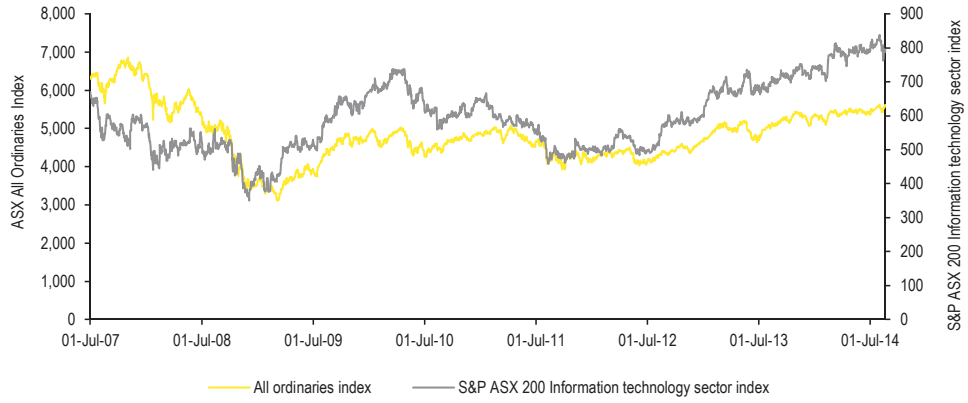
- External factors
  - General economic conditions which impact equity markets, in particular business confidence, as businesses tend to reduce spending on IT services (i.e. by delaying technology upgrades) during times of economic uncertainty.
  - The adoption of new and existing information technology by industries and government agencies drives the ongoing demand for consulting services.
  - Demand for IT services from financial and insurance services industries and expansion in government outsourcing expenditure, as these are significant clients for the Industry.
  - Capital expenditure on computer software by businesses, which increases their need for computer consultancy services.
  - The availability of substitutes such as offshore consultants, particularly in light of their strong cost advantages. Businesses in China and India are increasingly capable of providing services at a far lower cost than firms in Australia.
- Internal factors
  - Ongoing research and development of new products is imperative to staying competitive.
  - Strong management and marketing skills.
  - Ready access to investment funding, especially for project work and research and development.

[7] IBISWorld Computer system design services in Australia industry report, June 2014
[8] IBISWorld Computer system design services in Australia industry report, June 2014

- Access to a strong supply of highly trained IT staff, with growing importance on access to staff in low-wage countries.

Over the five years to June 2014, IBISWorld estimates that Industry revenue grew at a real compound annual growth rate (**CAGR**) of 3.9%[9]. Growth was slow in FY10 and FY11 due to the weak global environment over this time, consistent with the movements in the S&P ASX All Ordinaries Index, a benchmark for movements in equity markets in Australia, and the ASX 200 Information technology Index, as shown in the chart below. However, growth returned to pre-GFC levels in FY12, with the Industry exhibiting YoY growth of 6.2% and 8.1% respectively in FY12 and FY13.[10]

ASX All Ordinaries Index from pre GFC through to 19 August 2014

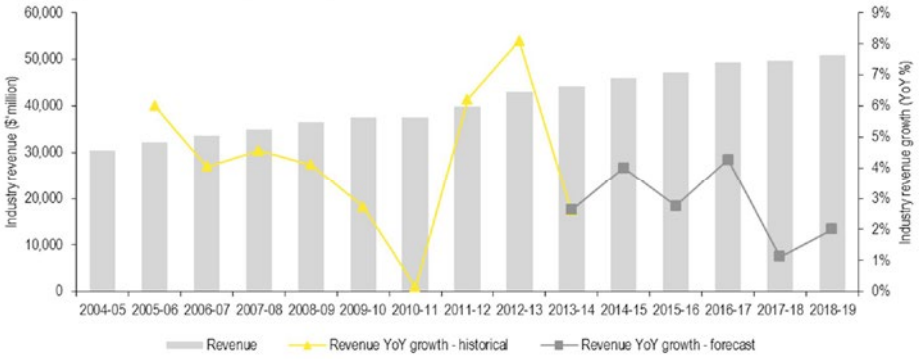


Source: Capital IQ

4.2 Industry outlook

The chart below shows historical revenue and forecast revenue for the industry.

IT consulting in Australia industry revenue performance



Source: IBISWorld Computer system design services in Australia industry report, June 2014

While the Industry has been impacted by poor economic conditions, revenue growth picked up in FY12 and FY13. Over the five year period to FY19, industry revenue is forecast by IBISWorld to grow at a

[9] IBISWorld Computer system design services in Australia industry report, June 2014
[10] IBISWorld Computer system design services in Australia industry report, June 2014

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CAGR of 2.8% (simple average of 4.0% as shown in the above chart)[11]. IBISWorld projects that over the same period, profit growth will be strong as companies prioritise operations with high margins, run by staff that can command high fees.

The performance of the industry over the coming years may be underpinned by:

- The move to embrace rapidly changing technology, which is opening new markets for the industry. In particular, upgrades to existing systems and hardware in education, training, transport, and health and medical services. However, the rate at which network-based services will be rolled out will be limited by the building of the National Broadband Network (**NBN**), which is expected to connect 93%[12] of the population by 2017.
- Government initiatives such as e-government, healthcare and education will drive significant opportunities to IT vendors over the medium term.
- The increased practice of providing start-to-finish services is projected to lead to consolidation among the major players. This will likely result in takeovers of smaller companies, i.e. large consultancies incorporating mid-size specialist firms, and alliances between major players in an effort to cover the entirety of the business solutions process.
- Significant domestic and international competition on product and price, in light of the continued growth of international outsourcing, with highly skilled but low-cost IT workforces in countries such as India and China.
- Continued recognition of IT services as a productivity tool.
- Volatile markets and business confidence.
- Increasing understanding of the benefits of cloud computing, data analytics and the efficiencies enabled by the NBN.

[11] IBISWorld Computer system design services in Australia industry report, June 2014
[12] Business Monitor International, Australia Information Technology Report Q3 2014

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5. Valuation approach

5.1 Valuation methodology and approach

A number of valuation approaches may be applied in determining the fair market value of an investment or business, with the appropriate approach dependent upon the specific circumstances. Details of the various accepted approaches are outlined in Appendix C – *Valuation approaches*, and typically comprise the income, market and cost approaches.

Having regard to the nature of Oakton's business and the available information, we have applied the market approach and specifically the capitalised earnings method as our primary methodology. We have adopted this approach for the following reasons:

- The Oakton business is established, with a track record of profitability.
- Information is available in respect of broadly comparable companies. We recognise that some IT consulting businesses form part of larger, diversified groups. However, there are quoted companies that operate in the same sector and recent transactions of IT consulting businesses, such that trading and transaction multiples are able to be drawn from the market to be applied to an assessment of Oakton's earnings.
- No longer term projections are available to enable us to apply the income approach, nor are long term forecasts typically prepared by companies in this industry.

The capitalised earnings methodology requires an assessment of the following:

- The earnings stream that may be considered representative for the business going forward. In this respect we have adopted EBITDA as the appropriate earnings basis for our analysis. This is considered appropriate as:
  - Multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on other earnings measures such as EBIT or NPAT.
  - Companies in this industry are typically valued using EBITDA multiples.

  Our selected future maintainable EBITDA is based on historical earnings trends, adjusted to exclude any one-off or non-recurring items of revenue or expense, and has regard to recent analyst forecasts for FY15.
- An appropriate earnings multiple to apply to the selected future maintainable EBITDA, having regard to comparable listed companies, relevant comparable transactions, growth prospects and other factors specific to Oakton.
- Any net cash/debt, surplus assets or other adjustments to arrive at the equity value.

In applying this methodology we considered the fair market value of one share in Oakton on a controlling interest basis. Our assessment of the appropriate control premium is discussed further in Section 6.2.3 of this report.

We then cross checked our value range to the historical share price of Oakton Shares prior to the announcement of the Scheme, as adjusted for a control premium.

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5.2 Control premium

In valuing an Oakton Share, we have assumed 100% of the shares are available for sale and we have therefore incorporated a premium for control. This is consistent with the requirements of RG 111.

The above approach reflects the fact that Dimension Data is seeking to obtain control of Oakton.

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6. Valuation of Oakton

As discussed in Section 5 of this report, our fair market valuation of one Oakton Share has been conducted on a controlling interest basis using the capitalisation of earnings methodology.

When considering the value of one Oakton Share, we have performed the following:

- An assessment of the future maintainable earnings for Oakton on an EBITDA basis.
- An assessment of an appropriate EBITDA multiple to apply to the future maintainable earnings assessed in order to derive an enterprise value for the business of Oakton on a control basis.
- Considered any net debt, surplus assets or other adjustments to arrive at the equity value.
- Calculated the total number of Oakton Shares outstanding to arrive at a fair market value per Oakton Share on a controlling interest basis.
- Considered the reasonableness of our value range by comparing the value per Oakton Share to the share price of Oakton Shares post the announcement of the Scheme.

6.1 Future maintainable earnings

The table below summarises our assessment of normalised EBITDA of Oakton for the financial years ended 30 June 2012 to 2014. The table below also includes the current broker consensus EBITDA estimate for Oakton in FY15.

The detailed adjustments made to reported EBITDA are presented in *Appendix D – Oakton EBITDA normalisation*.

Currency: $ millions	FY12A	FY13A	FY14A	Consensus estimates FY15
Reported EBITDA	**18.9**	**14.5**	**14.1**	**16.2**
Adjustments for non-recurring items	(1.4)	1.7	1.7	n/a
Normalised EBITDA	**17.5**	**16.2**	**15.8**	**16.2**

Source: Oakton Annual Reports, Oakton 2014 full year presentation, discussions with Management, Capital IQ

In arriving at our estimate of future maintainable EBITDA, we have had regard to the following factors:

- The historical financial performance of Oakton as set out in Section 3.2 of this Report. As noted, Oakton's EBITDA in FY13 was particularly impacted by the downturn in Federal Government spending, which continued into FY14.
- As discussed in the Company Overview (Section 3.1), Oakton has transformed its business over the past four years, moving away from a role based provider to an end-to-end provider of specialist consulting and IT services, with an increasing focus on outcome and annuity based engagements. As such, in considering a future maintainable EBITDA range, we have given greater consideration to the more recent financial performance of Oakton.
- No specific guidance has been provided by Oakton to the market as to expected financial results for the year ending 30 June 2015. However, Management has advised that they anticipate reasonable revenue growth and improved margins in FY15, subject to the impact of current market conditions, particularly in the Federal Government.

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- The analyst forecasts for FY15 show a range of anticipated EBITDA results, varying from $15.2 million through to $17.9 million and reflecting a simple average of $16.2 million. The simple average of these forecasts implies moderate growth over underlying FY14 performance.

Based on the above factors, we have selected a maintainable EBITDA range of between $15.5 million and $16.5 million.

6.2 Earnings multiples

We have capitalised the selected maintainable EBITDA range at a multiple that we consider reasonably reflects the business and growth prospects of Oakton.

In assessing appropriate earnings multiples we considered the current trading multiples of companies that may be considered broadly comparable to Oakton. In addition, we analysed the multiples implied from recent acquisitions of companies with similar operations.

6.2.1 Trading multiples

Presented in the table below are the trading multiples of the selected comparable companies.

These multiples are based on the observed share prices of minority parcels of shares as at 9 September 2014 and are therefore not reflective of a premium for control. Further information on these comparable companies is provided in Appendix E – *Trading multiples and data*.

Trading multiples in the IT consulting sector

	Enterprise value (A$m)	EBITDA margin (LTM)	FY14 EV/EBITDA	FY15 EV/EBITDA
Oakton Ltd.	132	9%	8.3x	8.2x
RXP Services Limited	75	17%	8.4x	5.5x
ASG Group Limited	153	12%	7.9x	6.8x
DWS Limited	144	19%	7.8x	7.8x
UXC Limited	303	5%	9.9x	7.4x
SMS Management & Technology Ltd.	276	7%	13.0x	10.8x
Low		5%	7.8x	5.5x
Mean		**12%**	**9.4x**	**7.7x**
Median		**12%**	**8.4x**	**7.4x**
High		19%	13.0x	10.8x

Source: Capital IQ
Note: All low, median, mean and high have been shown excluding the multiples of Oakton
LTM = last 12 months
1: Oakton market capitalisation as at 11 August 2014, one day prior to the Scheme announcement, has been used. Oakton normalised EBITDA as per Section 6.1 has been used

6.2.2 Transaction multiples

The table on the following page summarises the transaction multiples implied by recent transactions involving companies with operations broadly comparable to those of Oakton. Further details regarding the transactions are presented in Appendix F – *Recent transactions*.

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Recent transactions in the IT consulting industry

Announcement Date	Target	Acquirer	Implied 100% enterprise value	EBITDA (H)	EV/EBITDA (H)
May-14 Pending	*Bull Société Anonyme*	*Atos SE*	*648*	*95*	*6.9x*
Apr-14 Pending	*Groupe Steria SCA*	*Sopra Group*	*1,422*	*171*	*8.4x*
Dec-13	Dynamics Research Corporation	Engility Holdings, Inc.	227	30	7.4x
Dec-12	Datacom Group Limited[1]	NZ Super Fund	357	49	7.2x
May-12	Logica PLC	CGI Group	3,252	494	6.6x
May-12	CSG Solutions Pty Ltd. and CSG Services Pty Ltd.[3]	NEC Australia Pty Ltd	260	34	7.8x
Aug-11	Vangent, Inc.	General Dynamics Information Technology, Inc.	1,239	81	14.9x
Apr-11	SRA International, Inc.	Providence Equity Partners LLC	1,716	158	10.9x
Jan-11	Patni Computer Systems Ltd[2]	iGate	1,395	131	10.5x
Aug-10	Diamond Management & Technology Consultants, Inc.	PricewaterhouseCoopers	355	26	14.5x
Jul-10	Dimension Data Holdings Plc	NTT Corporation	3,346	303	10.6x
Jun-10	Intelligroup, Inc.	NTT Data International L.L.C.	201	18	10.7x
May-10	Stanley, Inc.	CGI Federal Inc.	1,197	99	11.6x
Sep-09	Affiliated Computer Systems	Xerox Corporation	9,181	1,287	7.7x
Sep-09	Perot Systems Corporation	Dell Inc.	4,373	342	13.7x
Low					6.6x
Mean					**10.1x**
Median					**10.6x**
High					14.9x

Source: Capital IQ, MergerMarket, company announcements, company filings
H: last financial year earnings
Note 1: Acquired a 35% interest
Note 2: Acquired a 63% interest
Note 3: Includes earn-out
Note 4: Transactions listed in italics are still pending at the date of this report

6.2.3 Assessment of earnings multiples

In assessing an appropriate range of earnings multiples to apply in valuing Oakton on a control basis, we considered the following factors:

- Oakton sits within the range of market capitalisations of the selected comparable companies, however is at the lower end of the range with respect to the size of the target companies involved in the recent transactions analysis. Based on EBITDA margins achieved in the last twelve months (**LTM**), Oakton generates margins at the middle of the range of the selected comparable companies.
- The comparable companies have relatively low levels of trading in their shares, which we have taken into consideration when analysing their implied multiples.
- Prior to the announcement of the Scheme, Oakton's share price (on a minority interest basis) implied a FY14 EBITDA multiple of 8.3x, based on an adjusted EBITDA as per Section 6.1. This is marginally below the median of the selected comparable companies of 8.4x.
- The FY14 EBITDA multiples of the comparable companies range from 7.8x (ASG Group Ltd) through to 13.0x (SMS Management & Technology Ltd), with a median of 8.4x.
    - The FY14 EBITDA multiples observed for SMS Management & Technology Ltd are impacted by softer earnings figures, with FY14 reported EBITDA declining by 29% from FY13. Analysts are expecting EBITDA to return to prior levels by FY16.

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- The trading multiples presented in Section 6.2.1 are based on the market price for minority or portfolio share holdings and therefore do not include a premium for control. A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as:
  - The ability to realise some synergistic benefits, for example by merging the operations with those of the acquiring entity;
  - Access to cash flows and payment of dividends;
  - Access to tax benefits; and
  - Control of the board of directors and the direction of the company.

  Historically, control premiums on successful takeovers in Australia have frequently been in the range of 20% to 40% with the premium varying significantly from circumstance to circumstance. It was observable during the global financial crisis however that control premiums increased when equity markets were heavily sold down. Control premiums in the current environment have been observed to approximate 30%, or even higher where there is the potential for significant synergies to be realised.[13]
- Including a premium for control of around 30% would imply an increase in Oakton's share price from $1.47 per share prior to announcement of the Scheme, to $1.90 per share. This would imply an FY14 EBITDA multiple (after normalisations) of around 10.8x.
- The mean and median of the EBITDA multiples implied by the transactions were 10.1x and 10.6x, respectively. These multiples are broadly consistent with those observed for the listed companies once a premium for control is considered. We highlight the following transactions, which we consider to be most relevant to the proposed Scheme:
  - The NTT acquisition of Dimension Data in 2010 at an implied EBITDA multiple of 10.6x. Whilst this transaction was considerably larger than the proposed Scheme, the operations of Dimension Data are closely aligned to those of Oakton.
  - The most recent transactions in Australia and New Zealand.
    - NZ Super acquired Datacom Group in December 2012 at an implied EBITDA multiple of 7.2x. As this transaction involved a minority interest (35%), we would include an additional premium for control when considering in the context of the Scheme.
    - NEC acquired the technology business of CSG in May 2012 at an implied EBITDA multiple 7.8x. We note that CSG's share price declined by over 60% in the two years leading up to the transaction, which may have resulted in a lower multiple achieved.

  We note that the transactions presented on the previous page show a general decline in implied EBITDA multiples in recent years. We consider this to be more reflective of the smaller size of the more recent transactions, rather than suggesting an industry wide downward trend.

After considering the above factors we have selected a multiple range of 10.0x to 11.0x on a control basis to apply to the selected maintainable EBITDA range of Oakton.

[13] As presented in the MergerStat control premium study at 30 June 2014, the median 12 month control premium observed for transactions globally in the business services sector was 36%.

6.3 Net debt

As set out in Section 3.3, Oakton had net cash of $2.4 million as at 30 June 2014. Management has advised that as at the date of Scheme implementation, Oakton is not expected to have material surplus cash (with the cash balance used for operational working capital and dividend payments).

Oakton announced that Oakton Shareholders who held Oakton Shares on the Dividend record date (29 August 2014) were eligible to receive a fully franked final dividend of 4.0 cents per Oakton Share. The payment of the Dividend was not conditional on the Scheme proceeding and paid regardless of whether the Scheme proceeds. The final dividend payment date was 16 September 2014. We have excluded the expected dividend payment from our valuation in order to present our analysis on an ex-dividend basis.

6.4 Other assets and liabilities

Management has advised that as at the date of this report, there are no significant surplus assets or liabilities which require inclusion within the valuation.

6.5 Shares outstanding

As detailed in Section 3.4 of this report, as at the date of the Scheme Implementation Deed, Oakton had 89,990,235 ordinary shares outstanding as well as 692,500 Oakton Options and 2,012,807 Oakton Performance Rights.

Under arrangements entered into pursuant to the Scheme Implementation Deed, all Oakton Options are to be cancelled (other than those that have recently expired or will expire before the Scheme is due to be implemented) with consideration for the cancellation to be integrated with staff retention arrangements to be put in place separately by Dimension Data for Oakton option holders. The Scheme Implementation Deed also puts in place a process for the Oakton Performance Rights. All performance hurdles attached to the Performance Rights are to be removed, with amended vesting dates and continuation of employment the only remaining conditions. The Scheme Implementation Deed sets out a mechanism for the payment of consideration to performance rights holders on vesting by Dimension Data. As such, the Oakton Options and Oakton Performance Rights have not been considered in our consideration of the number of shares on issue.

Therefore, on a diluted basis, the number of ordinary shares outstanding for the purposes of our valuation analysis is also 89,990,235.

6.6 Summary of valuation analysis

We summarise our fair market valuation of Oakton on a control basis as follows:

Currency: $ millions	Ref	Low	High
Future Maintainable EBITDA	6.1	15.5	16.5
Assessed earnings multiple	6.2	10.0	11.0
Enterprise value of Oakton		**155.0**	**181.5**
less: Net debt (cash)	6.3	0.0	0.0
Total equity value of Oakton (control basis)		**155.0**	**181.5**
Ordinary shares outstanding	6.5	89,990,235	89,990,235
Total ordinary shares		**89,990,235**	**89,990,235**
Value per Oakton Share ($) (control basis)		**1.72**	**2.02**

Source: EY

Our analysis results in a fair market value per Oakton Share of between $1.72 and $2.02 per share on a controlling interest basis.

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6.7 Valuation cross check

6.7.1 Cross check to Oakton Share price

We also considered the reasonableness of our valuation by comparing the assessed value per Oakton Share to recent traded prices in Oakton Shares post the announcement of the proposed Scheme.

In this respect, we note the following:

- The last closing price prior to the date of the announcement on 11 August 2014 was $1.47 per Oakton Share. The share price subsequently rose to $1.89 per Oakton Share upon announcement of the Scheme.
- The last closing price on 24 September 2014 was $1.86 per Oakton Share. This falls within our assessed valuation range, indicating that equity markets are factoring in, at least to an extent, a control premium associated with the proposed Scheme being approved and implemented. Equally, the market may not be factoring in the full control premium given the Scheme currently remains subject to various approvals.

While Oakton Shares are relatively illiquid, we consider the above supportive of our valuation given our fair market valuation per Oakton Share is consistent with the trading price range over the period following the announcement of the proposed Scheme.

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7. Evaluation of the proposed Scheme

7.1 Approach

In forming our opinion as to whether the proposed Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders, we have considered a number of factors, including:

- whether the estimated value of an Oakton Share, on a controlling interest basis, is higher or lower than the fair market value of the Scheme Consideration that will be received by Oakton Shareholders in the event that the proposed Scheme is approved and implemented;
- the price at which the Oakton Shares are proposed to be acquired relative to the listed market price of Oakton prior to the announcement of the Scheme, and whether a premium for control is reflected in the Scheme Consideration and is appropriate in the circumstances;
- the existence of alternatives to the proposed Scheme and the consequences for Oakton Shareholders;
- the likelihood of an alternative superior proposal being received;
- the likely market price and liquidity of Oakton Shares in the event that the proposed Scheme is not approved; and
- other advantages and disadvantages that Oakton Shareholders should consider in assessing whether to approve the proposed Scheme.

7.2 Fairness

In determining whether the Scheme is fair, we have compared the assessed value of an Oakton Share, on a controlling interest basis, to the fair market value of the Scheme Consideration that will be received by Oakton Shareholders in the event that the Scheme is approved and implemented. The following table summarises this comparison:

Comparison of the fair market value of an Oakton Share to the proposed Scheme Consideration

Currency: $	Low	High
Scheme Consideration (cash)	1.90	1.90
Assessed value of Oakton per share (on a control basis)	1.72	2.02

Source: EY

The value of the Scheme Consideration, being $1.90 cash per Oakton Share, is within the assessed value range of an Oakton Share on a fully diluted controlling interest basis of $1.72 to $2.02 per share.

7.3 Reasonableness & best interests

As the Scheme Consideration is within the assessed value range of an Oakton Share we consider the terms of the proposed Scheme to be fair. Under the guidance provided by RG 111, as we consider the terms to be fair, we also consider the terms to be reasonable. Given we conclude that the terms of the Scheme are fair and reasonable, we also consider them to be in the best interests of Scheme Shareholders.

7.4 Other factors

Notwithstanding the above conclusion that the terms of the proposed Scheme are fair and reasonable, we have also considered other factors that Oakton Shareholders should consider in forming their views as to whether or not to vote in favour of the Scheme.

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7.4.1 Advantages of the Scheme

Premium to the share price of Oakton prior to the announcement of the Scheme

The Scheme provides Oakton Shareholders with the opportunity to realise value for their Oakton Shares in excess of the price at which they traded prior to the announcement of the Scheme on 12 August 2014.

The Scheme Consideration of $1.90 for each Oakton Share held represents a premium of 29.7% to the closing price of $1.47 per Oakton Share on 11 August 2014, being the last trading day prior to the announcement of the Scheme. Further, as the one month VWAP to 11 August 2014 was $1.41 and the three month VWAP to 11 August 2014 was $1.33, the Scheme Consideration represents a 35.5% and 42.6% premium respectively to these prices. In the absence of any acquisition, or similar form of transaction, Oakton Shareholders may be unable to realise a control premium above the minority interest value.

Share trading in the absence of the Proposal

Oakton Shares have not traded at high volumes on the ASX in recent years. This relatively low liquidity of Oakton Shares may have restricted Oakton Shareholders from being able to realise value by exiting their shareholdings.

The $1.90 cash per Oakton Share provides Oakton Shareholders with the opportunity to realise value for their Oakton Shares that may not otherwise be possible.

Further, the Proposal enables Oakton Shareholders to realise the value in their investment in Oakton at a cash price which incorporates a premium for control. In the absence of the Proposal or a similar transaction, Oakton Shareholders could only realise their investment by selling their Oakton Shares on the open market at a price which does not include a premium for control and would incur transaction costs (e.g. brokerage). We note that the last time Oakton Shares traded at $1.90 was 22 September 2011.

Timing and value certainty of cash

While there may be potential future value upside beyond the Scheme Consideration of $1.90 cash per Oakton Share, it is reasonable to conclude that the achievement of that value is uncertain due to business and other risks that Oakton is exposed to in the ordinary course. An assessment of the risks associated with the Oakton business and the impact those risks could have on Oakton's growth prospects is set out in Section 5.10 of the Explanatory Booklet.

The Proposal represents an opportunity for all Scheme Shareholders to realise value for their investment in Oakton Shares for cash, at a clearly identifiable time, and at a premium to the trading price of Oakton Shares on the ASX prior to the announcement of the Proposal.

Superior Proposal

Since the Proposal was announced on 12 August 2014, there has been opportunity for any other interested party to make a superior proposal. As at the date of this report, no such superior proposal has been made. In the absence of a superior proposal, we consider the Proposal to be fair and reasonable and therefore in the best interests of Oakton Shareholders.

7.4.2 Disadvantages of the Scheme

Costs associated with the Scheme

As at the date of the Explanatory Booklet, Oakton has incurred (or expects to incur) transaction costs of $1.12 million. Some of these costs would be incurred irrespective of whether or not the proposed Scheme was approved and implemented. In addition to the above, if the Scheme is not approved and

implemented, Oakton may, in certain circumstances, be obligated to pay a $1.8 million break fee (plus GST) to Dimension Data as set out in Clause 12.3 of the Scheme Implementation Deed. However, those circumstances do not include a situation where the Scheme does not proceed simply because Oakton shareholders do not approve the Scheme at the Scheme Meeting to be held on 31 October 2014.

Inability to participate in possible future increases in the value of Oakton

If the Scheme is implemented, Oakton Shareholders will no longer hold Oakton Shares. This will mean that they will not be able to participate in any future potential upside that may result from being an Oakton Shareholder as they will receive cash consideration for their Oakton Shares. In addition, Oakton Shareholders will not be entitled to potential future dividend income from Oakton.

Exposure to the Australian IT Consulting Services industry

You may wish to maintain your current investment profile, including exposure to the Australian IT Consulting Services industry, via Oakton Shares. If the Scheme is implemented, you will no longer hold your Oakton Shares. However, if you wish to maintain an investment exposure to the Australian IT Consulting Services industry, you may apply your Scheme Consideration towards the purchase of shares in other ASX listed companies in this industry sector, including those listed in Appendix E.

7.4.3 Other factors

If the Scheme is not approved the Oakton Share price would likely fall below current trading levels

If the Scheme is not approved, and in the absence of an alternative transaction, Oakton will continue to operate in its current form and be listed on the ASX. As a consequence:

- Oakton Shareholders will continue to own securities in Oakton.
- The advantages, disadvantages and risks of the Proposal, will not occur other than with respect to the one-off transaction costs of $1.12 million relating to the Proposal.
- The price of Oakton Shares will likely fall. We note that Oakton Shares rose by 28.7% on 12 August 2014 following announcement of the proposed Scheme. Since the announcement, Oakton Shares have up to 24 September 2014 continued to trade at around this premium. As such, it is likely that this premium would cease to be priced into the Oakton Shares, causing the price to decline significantly.

Potential for alternative superior proposals to emerge

While it is possible that an alternative proposal involving Oakton may emerge, we note that:

- since the announcement of the Scheme, no superior proposals have been received and the directors of Oakton are not aware of any potential superior alternative proposal likely to emerge; and
- the terms of the Scheme Implementation Deed prevent Oakton and its representatives from actively seeking alternative acquirers or from negotiating or otherwise co-operating with them in the formulation of a proposal. Furthermore, a break fee of $1.8 million (plus GST) may be payable by Oakton in certain circumstances, such as Oakton entering into an alternative proposal.

These factors may reduce the likelihood of a superior proposal emerging.

Tax consequences

There may be certain tax implications for individual Oakton Shareholders in connection with the Scheme if it is approved and implemented. The exact nature and impact is uncertain and will depend on the

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profile of each Oakton Shareholder. These specific consequences need to be borne in mind by each Oakton Shareholder in weighing up the merits of the Scheme.

As such, Oakton Shareholders should refer to Section 7 of the accompanying Explanatory Booklet for a detailed explanation of the potential tax consequences.

7.5 Conclusions

Taking into consideration the matters outlined above and detailed in the attached independent expert's report, in our opinion the Scheme is fair and reasonable and therefore in the best interests of Oakton Shareholders.

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Appendix A Statement of qualifications and declarations

Ernst & Young Transaction Advisory Services Limited, which is wholly owned by Ernst & Young, holds an Australian Financial Services Licence under the Corporations Act and its representatives are qualified to provide this report. The directors and representatives of Ernst & Young Transaction Advisory Services Limited responsible for this report have not provided financial advice to Oakton or Dimension Data.

Prior to accepting this engagement we considered our independence with respect to Oakton and Dimension Data with reference to ASIC Regulatory Guide 112 *Independence of experts*. Ernst & Young, and global affiliates thereof, have not provided any services to either party in relation to the Scheme other than the preparation of this report. Ernst & Young has not provided any advice to either party in relation to the proposed transaction. We are not aware of any conflict of interest either in relation to the firm or the individual professional staff involved in this engagement which would impact on our ability to provide an independent and unbiased opinion with respect to the proposed transaction.

This report has been prepared specifically for the security holders of Oakton. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young, nor any member or employee thereof, undertakes responsibility to any person, other than the Oakton security holders, in respect of this report, including any errors or omissions howsoever caused.

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report we have relied upon and considered information believed after due inquiry to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld from us. We have evaluated the information provided to us by Oakton, its advisors, as well as other parties, through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base our report. We do not imply and it should not be construed that we have audited or in any way verified any of the information provided to us, or that our inquiries could have verified any matter which a more extensive examination might disclose. Oakton has provided an indemnity to us for any claims arising out of any mis-statement or omission in any material or information provided to us in the preparation of this report.

We provided draft copies of this report to the directors and management of Oakton for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Changes made to this report as a result of this review by the directors and management of Oakton have not changed the approach or conclusions reached by us.

We will receive a professional fee based on time spent in the preparation of this report estimated at approximately A$123,750 inclusive of GST. We will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the preparation of this report. No part of the fee is contingent on the conclusions reached, the content or the future use of this report.

The principal persons responsible for the preparation of this report are John Selak and Tim Hatherley. John Selak, a director and representative of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young Australia has over 25 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered. Tim Hatherley, a director and representative of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young Australia has over 16 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered.

The preparation of this report has had regard to relevant ASIC Regulatory Guides and APES 225 *Valuation Services* issued by the Accounting Professional and Ethical Standards Board Limited in July 2008. It is not intended that the report should be used for any other purpose other than to accompany the Explanatory Booklet to be sent to Oakton Shareholders. In particular, it is not intended

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that this report should be used for any other purpose other than as an expression of our opinion as to whether or not the proposed Scheme is in the best interests of Oakton security holders.

Any forward looking information prepared by Oakton and used as a basis for the preparation of this report reflects the judgement of Oakton management based on present circumstances, as to both the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the relevant future period will almost always differ from the forward looking information and such differences may be material. To the extent that our conclusions are based on such forward looking information, we express no opinion on the achievability of that information.

We consent to the issue of this report in the form and context in which it is included in the Explanatory Booklet to be sent to Oakton security holders.

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Appendix B Sources of information

In preparing this report, we have had regard to the following sources of information:

- Annual reports of Oakton for the years ending 30 June 2012 and 2013
- Financial report of Oakton for the year ending 30 June 2014
- Oakton results presentations for the interim and annual periods over 2012 to 2014
- Various announcements to the ASX and shareholder updates, including in relation to the announced Scheme
- Analyst reports prepared in respect of Oakton
- Draft copies of the Explanatory Booklet
- Oakton company website
- External information sources including IBISWorld, Business Monitor International, Capital IQ, Merger Market, ThomsonOne, Reuters, ASX and other relevant exchange websites and company websites
- Mergerstat control premium study as at 30 June 2014

In addition, we held discussions with various members of senior management of Oakton.

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Appendix C Valuation approaches

Most valuation approaches can be categorised under one or more of the following broad approaches:

- The income approach under which an asset is valued as the present value of the future net economic benefits that are expected to accrue to the owner from the use or sale of the asset.
- The market approach under which an asset is valued by reference to evidence (if any) of prices obtained in sales of interests in the asset that is the subject of the valuation, or by reference to the value of comparable assets related to some common variable such as earnings, cash flow or revenue.
- The cost approach under which an asset is valued by reference to its historical cost or replacement cost.

Each of these approaches is appropriate in certain circumstances. The decision as to which approach and methodology to utilise generally depends on the availability of appropriate information and type of business.

Income approach

The most common methodology within the income approach is the discounted cash flow (**DCF**) methodology. The DCF methodology involves calculating the net present value of cash flows that are expected to be derived from future activities. The forecast cash flows are discounted by a rate that reflects the time value of money and the risk inherent in the cash flows.

This methodology is particularly appropriate in valuing projects, businesses and companies that are in a start up phase and are expecting considerable volatility and/or growth in earnings during the growth phase, as well as businesses with a finite life. The utilisation of this methodology generally requires management to be able to provide long term cash flows for the company, asset or business.

Market approach

The main methodology within the market approach is the capitalisation of earnings methodology. This involves capitalising the earnings of a business at an appropriate multiple, which reflects the risks underlying the earnings together with growth prospects. This methodology requires consideration of the following factors:

- Estimation of normalised earnings having regard to historical and forecast operating results, abnormal or non-recurring items of income and expenditure and other factors. The normalised earnings are generally based on net profit after tax, EBIT, EBITA or EBITDA.
- Determination of an appropriate earnings multiple reflecting the risks inherent in the business, growth prospects and other factors. Multiples may be derived from quoted comparable trading companies and well as implied from recent acquisitions of similar companies.
- Earnings multiples applied to net profit after tax are known as price earnings multiples and are commonly used in relation to listed public companies. Earnings multiples applied to EBIT, EBITA or EBITDA are known, respectively, as EBIT, EBITA or EBITDA multiples, and are commonly used in respect of companies comprising a number of businesses where debt cannot be precisely allocated or in acquisition scenarios where the purchaser is likely to influence the capital structure.
- An adjustment for financial debt, in the event that maintainable earnings are based on EBIT, EBITA or EBITDA.
- An assessment of any surplus assets and liabilities, being those which are not essential to the generation of the future maintainable earnings.

This methodology is appropriate where a company or business is expected to generate a relatively stable record of earnings.

Cost approach

The main method within the cost approach is the net realisable value of assets methodology. This involves the determination of the net realisable value of the assets of a business or company, assuming an orderly realisation of those assets. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their fair market value.

This methodology is appropriate for asset intensive businesses, or where a business does not generate an adequate return on its assets.

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Appendix D Oakton EBITDA normalisation

The table below presents the normalisation adjustments made to Oakton's reported EBITDA for the financial years ended 30 June 2012 to 2014.

These normalisations are considered part of determining a future maintainable EBITDA range for Oakton.

Currency: $ millions	FY12A	FY13A	FY14A
Reported EBITDA	**18.9**	**14.5**	**14.1**
Adjustments:			
Redundancy costs	0.8	1.2	0.7
One-off costs associated with the establishment of the Perth office (FY13 only)	-	0.5	-
Reversal of ESOP expenses (written against P&L) (FY12 only)	(0.2)	-	-
One off costs associated with Oakton Solutions (FY14 only)	-	-	1.0
Reversal of Tenix recovery of costs	(2.0)	-	-
Normalised EBITDA	**17.5**	**16.2**	**15.8**

Source: Oakton Annual Reports, Oakton 2014 full year presentation, discussions with Management, Capital IQ.

As summarised in the table above, we have made the following normalisation adjustments to Oakton's reported EBITDA as a result of one-off/non-recurring items:

- Redundancy costs considered to be one-off in FY12, FY13 and FY14 of $0.8 million, $1.2 million and $0.7 million respectively.
- One off costs associated with the set-up of the Perth office in FY13 of $0.5 million and Oakton Solutions in FY14 of $1.0 million.
- The reversal of the ESOP expenses charged against reported EBITDA of Oakton in FY12 of $0.2 million.
- The reversal of the recovery of legal costs associated with Tenix in FY12 of $2.0 million.
- Management confirmed there were no proposed transaction costs included in the FY14 EBITDA result.

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Appendix E Trading multiples and data

Comparable company trading multiples

The table summarises current trading multiples of listed companies operating in the Australian IT consulting industry as at 9 September 2014.

These multiples are shown exclusive of any premium for control.

	Enterprise value (A$m)	EBITDA margin (LTM)	FY14 EV/EBITDA	FY15 EV/EBITDA
Oakton Ltd.	132	9%	8.3x	8.2x
RXP Services Limited	75	17%	8.4x	5.5x
ASG Group Limited	153	12%	7.9x	6.8x
DWS Limited	144	19%	7.8x	7.8x
UXC Limited	303	5%	9.9x	7.4x
SMS Management & Technology Ltd.	276	7%	13.0x	10.8x
Low		5%	7.8x	5.5x
Mean		**12%**	**9.4x**	**7.7x**
Median		**12%**	**8.4x**	**7.4x**
High		19%	13.0x	10.8x

Source: Capital IQ

Note: all low, median, mean and high have been shown excluding the multiples of Oakton
LTM = last 12 months
Note 1: Calculated based on share price as at 11 August 2014, one day prior to the Scheme announcement, and normalised EBITDA as per Section 6.1

Appendix 1 – Independent Expert's Report continued

Building a better working world

Description of comparable companies

A brief overview of the comparable companies is provided below:

RXP Services Limited

- RXP Services Limited (**RXP**) provides information and communications technology consulting, development, support, and maintenance services in Australia. RXP offers strategic advisory services in the areas of strategic alignment and sourcing; service optimization; governance, risk, and compliance; business and enterprise architecture; and portfolio management. It also provides information management and business intelligence solutions, enterprise service management services, infrastructure and cloud services, and web and mobile development services.

ASG Group

- ASG Group Limited (**ASG**) provides information technology services in Australia. ASG's services include business solutions, managed application services, reporting and analytic solutions, professional services, infrastructure as a managed service solutions, platform-as-a-service solutions, software-as-a-service solutions, and consulting services.

DWS Limited

- DWS Limited (**DWS**) provides information technology services to S&P/ASX 50 corporations and government bodies across Australia. DWS offers solutions and services in the areas of strategy and architecture, program and project management, business analysis, business process automation, application development, solution testing and quality management, information management, system integration and data management, insight analytics, iSolutions cloud products, and managed services.

UXC Limited

- UXC Limited (**UXC**) provides business solutions in the areas of information, communication, and technology in Australia and New Zealand. It operates in three segments: Consulting, Applications, and IT Infrastructure. The Consulting segment offers services in the areas of training, business transformation, information management, telecommunications consulting, project, program and portfolio management, change management, IT research, IT strategy and architecture, IT professional services, and mobility. The Applications segment consults and implements enterprise resource plan systems for mid to large size organizations, as well as individually represents Microsoft Dynamics, SAP, and Oracle in the market. The IT Infrastructure segment specializes in the areas of workspace innovation, contact centre, security, mobility, cloud, entertainment and content, managed services, data centre optimization, and outsourcing.

SMS Management & Technology Limited

- SMS Management & Technology Limited (**SMS**) provides consulting, technology, and managed services primarily in Australia. It operates through two segments, SMS Consulting and M&T Resources. The SMS Consulting segment offers a range of value added management and technology related business services. The M&T Resources segment provides recruitment and contract labour services primarily in the information technology sector.

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Appendix F Recent transactions

The table below summarises the multiples implied by recent transactions in the IT consulting sector. All transactions involved the acquisition of a 100% interest, except as otherwise noted.

Recent transactions in the IT consulting sector

Announcement Date	Target	Acquirer	Implied 100% enterprise value	EBITDA (H)	EV/EBITDA (H)
May-14 Pending	*Bull Société Anonyme*	*Atos SE*	*648*	*95*	*6.9x*
Apr-14 Pending	*Groupe Steria SCA*	*Sopra Group*	*1,422*	*171*	*8.4x*
Dec-13	Dynamics Research Corporation	Engility Holdings, Inc.	227	30	7.4x
Dec-12	Datacom Group Limited[1]	NZ Super Fund	357	49	7.2x
May-12	Logica PLC	CGI Group	3,252	494	6.6x
May-12	CSG Solutions Pty Ltd. and CSG Services Pty Ltd.[3]	NEC Australia Pty Ltd	260	34	7.8x
Aug-11	Vangent, Inc.	General Dynamics Information Technology, Inc.	1,239	81	14.9x
Apr-11	SRA International, Inc.	Providence Equity Partners LLC	1,716	158	10.9x
Jan-11	Patni Computer Systems Ltd[2]	iGate	1,395	131	10.5x
Aug-10	Diamond Management & Technology Consultants, Inc.	PricewaterhouseCoopers	355	26	14.5x
Jul-10	Dimension Data Holdings Plc	NTT Corporation	3,346	303	10.6x
Jun-10	Intelligroup, Inc.	NTT Data International L.L.C.	201	18	10.7x
May-10	Stanley, Inc.	CGI Federal Inc.	1,197	99	11.6x
Sep-09	Affiliated Computer Systems	Xerox Corporation	9,181	1,287	7.7x
Sep-09	Perot Systems Corporation	Dell Inc.	4,373	342	13.7x
Low					6.6x
Mean					**10.1x**
Median					**10.6x**
High					14.9x

Source: Capital IQ, MergerMarket, company announcements, company filings

H: last financial year earnings
Note 1: Acquired a 35% interest
Note 2: Acquired a 63% interest
Note 3: Includes earn-out
Note 4: Transactions listed in italics are still pending as at the date of this report

Appendix 1 – Independent Expert's Report continued

Building a better working world

Description of transactions

A brief overview of the transactions is provided below:

- On 26 May 2014, Atos announced its offer to acquire Bull, a France based provider of technology solutions for a consideration of €4.9 per share and €5.5 per OCEANEs. This transaction is still pending completion, however based on current progress it is valuing Bull at approximately €648 million.
- On 4 April 2014, Sopra Group and Groupe Steria announced a merger of equals. The offer consists of a share exchange of 1 Sopra share for 4 Steria shares, implying an offer price of €22 per Steria share at closing on announcement date and an enterprise value of Steria of approximately A$1.4 billion. Sopra is engaged in consulting, systems and solutions integration, and software development businesses across Europe. Steria is a provider of IT enabled business services for private and public sector organisations worldwide. This transaction is still pending completion.
- On 23 December 2013, Engility announced its acquisition of Dynamics Research at a price of US$11.50 in cash for each outstanding share, implying an enterprise value of Dynamics Research of approximately US$200 million. Dynamics Research is a US provider of management consulting, science, engineering, technical and IT services and solutions.
- On 17 December 2012, New Zealand Post announced the sale of its 35% shareholding in Datacom to NZ Super Fund for a total purchase price of NZ$142 million. Datacom is a provider of IT and business process outsourcing services in New Zealand, Australia and Asia.
- On 31 May 2012, CGI announced its recommended cash acquisition of Logica for £1.05 per ordinary share equivalent to a total purchase price of £1.7 billion plus the assumption of Logica's net debt of £322 million as of 31 December 2011. Logica is a business and technology service company providing business consulting, systems integration, and outsourcing services to various companies in Europe and internationally.
- On 30 May 2012, NEC announced the acquisition of Australian ICT company CSG's technology solutions businesses (CSG Services and CSG Solutions) for a base consideration of $227.5 million plus a potential earn-out payment of up to $32.5 million. CSG Services offers desktop and server services and network management services. CSG Solutions offers IT consulting, application development, business process solution management and desktop infrastructure management services.
- On 16 August 2011, General Dynamics announced the acquisition of Vangent in a cash transaction valued at approximately US$960 million. Vangent provides information management and business process outsourcing services in the United States and internationally.
- On 1 April 2011, Providence Equity Partners announced the acquisition of SRA International for US$31.25 in cash per share of common stock, for a total value of approximately US$1.88 billion. SRA International provides technology and strategic consulting services and solutions primarily to the federal government organisations in the United States.
- On 10 January 2011, iGate announced its acquisition of a majority stake in Patni Computer Systems in a transaction valued at approximately US$1.22 billion, including the mandatory open offer to the public shareholders of Patni. Patni provides IT consulting, software development, and business process outsourcing services primarily in North America, Europe and Asia Pacific.
- On 24 August 2010, PwC announced its acquisition of Diamond Management & Technology Consultants for US$12.50 cash per share, implying an enterprise value of Diamond of approximately US$290 million. Diamond provides management and technology consulting services worldwide.

- On 15 July 2010, NTT announced the acquisition of Dimension Data in a cash transaction for approximately £2.1 billion. Dimension Data provides and manages IT infrastructure solutions and services globally.

- On 14 June 2010, NTT Data and Intelligroup announced that they had entered into a merger agreement pursuant to which NTT Data will acquire Intelligroup for approximately US$199 million through an all-cash tender offer, followed by a second step merger to acquire all remaining shares at the same price paid in the tender offer. Intelligroup provides consulting, technology and outsourcing services and is based in the United States. Intelligroup is a services partner of SAP, Oracle and Microsoft in multiple regions.

- On 7 May 2010, CGI Group announced the acquisition of Stanley through a cash tender offer at US$37.50 per share, representing an enterprise value of approximately US$1.07 billion. Stanley provides IT services and solutions to the United States defence, intelligence and federal civilian government agencies.

- On 28 September 2009, Xerox announced the acquisition of Affiliated Computer Services for a combination of US$18.60 cash and 4.935 Xerox shares per Affiliated Computer Services share, or US$6.4 billion. Affiliated Computer Services provides business outsourcing and IT services worldwide.

- On 21 September 2009, Dell announced the acquisition of Perot Systems for US$30 per share in a transaction valued at approximately US$3.9 billion. Perot Systems provides IT services and business solutions.

Appendix 1 – Independent Expert's Report continued

Building a better working world

Appendix G Glossary

Term	Meaning
A$	Australian dollars
Act	Corporations Act 2001
AFSL	Australian Financial Services Licence
ASG	ASG Group Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Board or Board of Directors or Oakton Board	The board of Directors of Oakton
CAGR	Compound annual growth rate
Corporations Act	The Corporations Act, 2001 (Cth)
Corporations Regulations	Corporations Regulations, 2001
Dimension Data	Dimension Data Australia Pty Limited
DCF	Discounted cash flow
DWS	DWS Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Ernst & Young Transaction Advisory Services, "we" or "us"	Ernst & Young Transaction Advisory Services Limited
Explanatory Booklet	Accompanying booklet being provided to Oakton Shareholders
FSG	Financial Services Guide
FYXX	Fiscal year ended 30 June 20XX
GFC	Global financial crisis
IDT	Industry coverage, domain services and technology enablement
Independent Expert's Report	This report
Industry	The Australian IT consulting industry
IT	Information Technology
Listing Rules	The official listing rules of ASX
LTM	Last twelve months
Management	Oakton management
NBN	National Broadband Network
NPR	Non-person based revenue
Oakton	Oakton Limited
Oakton Final Dividend	A fully franked dividend of $0.04 cash per Oakton Share in respect of the year ended 30 June 2014, to be paid by Oakton as at the Final Dividend Record Date
Oakton Option	An option granted by Oakton to acquire by way of issue one or more Oakton Shares under the Oakton Limited Employee Option Plan or an option granted by Oakton to acquire by way of issue or transfer one or more Oakton Shares under the Oakton Limited Equity Incentive Plan, but does not include an Oakton Performance Right
Oakton Performance Rights	A performance right granted by Oakton to acquire by way of issue one or more Oakton Shares under the Oakton Limited Equity Incentive Plan but does not include an Oakton Option
Oakton Share	A fully paid ordinary share in the capital of Oakton
Oakton Shareholder or Shareholder	A holder of one or more Oakton Shares
Optionholder	A holder of one or more Oakton Options
Performance Right Holder	A holder of one or more Oakton Performance Rights
Proposal	The proposed scheme of arrangement between Dimension Data and Oakton
RXP	RXP Services Limited
NPAT	Net profit after tax
PE	Price to earnings
R&D	Research and development
RG 111	Regulatory Guide 111 *Content of expert reports*
Scheme	The scheme of arrangement under Part 5.1 of the Corporations Act between Oakton and the Scheme Shareholders
Scheme Consideration	$1.90 per Scheme Share
Scheme Implementation Deed	The deed between Oakton and Dimension Data setting out certain arrangements in relation to the Scheme.
Scheme Share	An Oakton Share on issue on the Scheme Record Date, other than any Oakton Shares then held by an Excluded Shareholder
Scheme Shareholder	a person who holds one or more Scheme Shares
SMS	SMS Management & Technology Limited
UXC	UXC Limited
VWAP	Volume weighted average price
YoY	Year on year

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PART 2 – FINANCIAL SERVICES GUIDE

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT EXPERT'S REPORT

25 September 2014

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Expert's Report ("Report") in connection with a financial product of another person. The Report is set out in Part 1.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $123,750 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

Appendix 1 – Independent Expert's Report continued

Building a better working world

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572

Explanatory Booklet,
Appendix 2

Scheme of Arrangement

Oakton Limited ABN 50 007 028 711

Scheme Shareholders

MinterEllison
LAWYERS

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
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ME_115775884_7 (W2007)

Appendix 2 – Scheme continued

Scheme of Arrangement

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Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Oakton Limited ABN 50 007 028 711 of Level 8, 271 Collins Street, Melbourne, Victoria 3000

and

Each Scheme Shareholder

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, or as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

Business Day means a business day as defined in the Listing Rules.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

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

Court means the Supreme Court of Victoria or such other court of competent jurisdiction under the Corporation Act agreed in writing between Oakton and Dimension Data.

Deed Poll means the deed poll dated 22 September 2014 executed by Dimension Data under which Dimension Data covenants in favour of the Scheme Shareholders to perform the actions attributed to it under this Scheme.

Delivery Time means, in relation to the Second Court Date, 2 hours before the commencement of the hearing or, if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve this Scheme in accordance with section 411(4)(b) of the Corporations Act.

Dimension Data means Dimension Data Australia Pty Limited ACN 003 371 239.

Dimension Data Group means Dimension Data and each of its Subsidiaries (excluding, at any time, Oakton and its Subsidiaries to the extent that Oakton and its Subsidiaries are subsidiaries of Dimension Data at that time). A reference to a **member of the Dimension Data Group** or a **Dimension Data Group Member** is a reference to Dimension Data or any such Subsidiary.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

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

End Date means the 'End Date' determined in accordance with the Scheme Implementation Deed.

Appendix 2 – Scheme continued

Excluded Shareholder means any person who:

(a) is registered in the register maintained by Oakton under section 168(1) of the Corporations Act as a holder of one or more Shares; and

(b) is a member of the Dimension Data Group.

Implementation Date means the fifth Business Day after the Record Date or such other date after the Record Date agreed to in writing between Oakton and Dimension Data.

Listing Rules means the official listing rules of ASX as amended from time to time.

Oakton Final Dividend means a cash dividend, not exceeding $0.04 cents per Share, to be paid by Oakton (in its absolute discretion) with or without declaration between the date of the Scheme Implementation Deed and the Implementation Date in respect of the year ended 30 June 2014 and which is not franked in excess of the then available franking credits of Oakton.

Oakton Registry means Computershare Investor Services Pty Ltd ACN 078 279 277 or any replacement provider of share registry services to Oakton.

Oakton Shareholder means a person who is registered in the register maintained by Oakton under section 168(1) of the Corporations Act as a holder of one or more Shares but excludes an Excluded Shareholder.

Option means an option granted by Oakton to acquire by way of issue one or more Shares but does not include a Performance Right.

Performance Right means a right granted under Oakton's executive performance rights plan to acquire by way of issue or transfer one or more Shares subject to the terms of such plan but does not include an Option.

Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between Oakton and Dimension Data.

Registered Address means, in relation to a Oakton Shareholder, the address shown in the Share Register as at the Record Date.

Regulatory Authority means:

(a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;

(b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or

(c) any regulatory organisation established under statute,

in Australia whether federal, state, territorial or local.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Oakton and the Scheme Shareholders, subject to any alterations or conditions agreed between Oakton and Dimension Data and approved by the Court or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Oakton and Dimension Data.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, $1.90 per Share.

Scheme Implementation Deed means the scheme implementation deed dated 11 August 2014 between Oakton and Dimension Data.

Scheme Meeting means the meeting of Oakton Shareholders ordered by the Court to be convened under section 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.

Scheme Share means a Share on issue as at the Record Date other than any Share then held by an Excluded Shareholder.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Settlement Rules means the ASX Settlement Operating Rules.

Share means an issued fully paid ordinary share in the capital of Oakton.

Share Register means the register of members of Oakton maintained in accordance with the Corporations Act.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Trust Account means an Australian dollar denominated trust account operated by Oakton as trustee for the benefit of Scheme Shareholders.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

(a) The singular includes the plural, and the converse also applies.

(b) A gender includes all genders.

(c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.

(e) A reference to a clause or schedule is a reference to a clause of or schedule to this Scheme.

(f) A reference to an **agreement** or **document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.

(g) A reference to a party to this Scheme or an agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).

(h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.

(j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document

Appendix 2 – Scheme continued

includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.

(k) A reference to **dollars** and **$** is to Australian currency.

(l) All references to time are to Melbourne, Australia time.

(m) Mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included.

(n) A reference to, an **officer** or subsidiary is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any act, matter or thing under this Scheme is to be done is not a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 Listing requirements included as law

A listing rule or business rule of a financial market will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 Oakton

(a) Oakton is a public company limited by shares, registered in Victoria and admitted to the official list of ASX.

(b) The Shares are officially quoted on ASX. As at 29 September 2014:

(i) 89,990,235 Shares were on issue which are officially quoted on ASX;

(ii) 512,500 Options were on issue which are not quoted on any financial market; and

(iii) 2,009,491 Performance Rights were on issue which are not quoted on any financial market.

2.2 Dimension Data

Dimension Data is a proprietary company limited by shares registered in New South Wales, Australia.

2.3 General

(a) Oakton and Dimension Data have agreed by executing the Scheme Implementation Deed to implement this Scheme.

(b) This Scheme attributes actions to Dimension Data but does not itself impose an obligation on it to perform those actions, as Dimension Data is not a party to this Scheme. Dimension Data has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision of the Scheme Consideration to the Scheme Shareholders.

2.4 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective:

(a) Dimension Data will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and

(b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to Dimension Data, and Oakton will enter Dimension Data in the Share Register as the holder of the Scheme Shares with the result that Oakton will become a wholly-owned subsidiary of Dimension Data.

3. Conditions

(a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(i) of the Scheme Implementation Deed (Court approval)) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the Delivery Time on the Second Court Date;

(ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms by no later than the Delivery Time on the Second Court Date;

(iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by Oakton and Dimension Data;

(iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied; and

(v) the orders of the Court made under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date Oakton and Dimension Data agree in writing).

(b) The satisfaction of the conditions referred to in clause 3(a) of this document is a condition precedent to the operation of clauses 4 and 5.

4. Implementation

4.1 Lodgement of Court orders

Oakton must lodge with ASIC office copies of any Court orders under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme as soon as possible and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the payment by Oakton of the Scheme Consideration in the manner contemplated by clause 5.2(b), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Dimension Data, without the need for any further act by any Scheme Shareholder (other than acts performed by Oakton or its officers as agent and attorney of the Scheme Shareholders under clause 8.6 or otherwise), by:

Appendix 2 – Scheme continued

(i) Oakton delivering to Dimension Data a duly completed and executed share transfer form to transfer all the Scheme Shares to Dimension Data, executed on behalf of the Scheme Shareholders by Oakton; and

(ii) Dimension Data duly executing such transfer form and delivering it to Oakton for registration; and

(b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), Oakton must enter, or procure the entry of, the name of Dimension Data in the Share Register in respect of the Scheme Shares transferred to Dimension Data in accordance with this Scheme.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration.

5.2 Payment of Scheme Consideration

(a) Dimension Data must, by no later than the Business Day before the Implementation Date, deposit in cleared funds into the Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Shareholders, such amount to be held by Oakton on trust for the Scheme Shareholders and for the purpose of sending the aggregate Scheme Consideration to the Scheme Shareholders (except that any interest on the amount will be for the account of Dimension Data).

(b) On the Implementation Date and subject to funds having been deposited in accordance with clause 5.2(a), Oakton must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Trust Account by doing any of the following at its election:

(i) sending (or procuring the Oakton Registry to send) it to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the Trust Account; or

(ii) depositing (or procuring the Oakton Registry to deposit) it into an account with any Australian ADI (as defined in the Corporations Act) notified to Oakton (or the Oakton Registry) by an appropriate authority from the Scheme Shareholders.

(c) To the extent that, following satisfaction of Oakton's obligations under clause 5.2(b), there is a surplus in the amount held in the Trust Account, that surplus may be paid by Oakton to Dimension Data.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

(a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent at the sole discretion of Oakton, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders; and

(b) any other document required to be sent under this Scheme, will be forwarded, at the sole discretion of Oakton, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders.

5.4 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.5 Unclaimed monies

(a) Oakton may cancel a cheque sent under this clause 5 if the cheque:

(i) is returned to Oakton; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of 11 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Oakton (or the Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Oakton must reissue a cheque that was previously cancelled under clause 5.5(a).

(c) The *Unclaimed Moneys Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 3 of the *Unclaimed Moneys Act 2008* (Vic)).

5.6 Order of a court or Regulatory Authority

If:

(a) written notice is given to Oakton (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Oakton in accordance with this clause 5, then Oakton may procure that payment is made in accordance with that order or direction; or

(b) written notice is given to Oakton (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that prevents Oakton from making a payment to any particular Scheme Shareholder in accordance with clause 5.2(b), or such payment is otherwise prohibited by applicable law, Oakton may retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by Oakton (or the Share Registry) will constitute the full discharge of Oakton's obligations under clause 5.2(b) with respect of the amount so paid or retained until, in the case of clause 5.6(b), it is no longer required to be retained.

5.7 Definition of 'sending'

For the purposes of clause 5, the expression **sending** means, in relation to each Scheme Shareholder:

(a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Shareholder as at the Record Date; or

(b) delivery to the Registered Address of that Scheme Shareholder as at the Record Date by any other means at no cost to the recipient.

Appendix 2 – Scheme continued

6. Dealings in Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in 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 Shares on or before 7.00pm on the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day on which the Record Date occurs at the place where the Share Register is kept,

and Oakton will not accept for registration, nor recognise for any purpose (except a transfer to Dimension Data under this Scheme and any subsequent transfer by Dimension Data 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) (**Registration of transfers**) Oakton must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by or as soon as reasonably practicable after the Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires Oakton to register a transfer that would result in a Oakton Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (as defined in the Settlement Rules).

(b) (**No registration after Record Date**) Oakton will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after 5.00pm on the day on which the Record Date occurs, other than to Dimension Data in accordance with this Scheme and any subsequent transfer by Dimension Data or its successors in title.

(c) (**Maintenance of Share Register**) For the purpose of determining entitlements to the Scheme Consideration, Oakton must maintain the Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) (**No disposal after Record Date**) From the Record Date until registration of Dimension Data in respect of all Scheme Shares under clause 4, no Oakton Shareholder may dispose or otherwise deal with Shares in any way except as set out in this Scheme and any attempt to do so will have no effect and Oakton shall be entitled to disregard any such disposal or dealing.

(e) (**Statements of holding from Record Date**) All statements of holding for Shares will cease to have effect from the Record Date as documents of title in respect of those shares (other than statements of holding in favour of any Excluded Shareholders). As from the Record Date, each entry current at that date on the Share Register (other than entries in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Shares relating to that entry.

(f) (**Provision of Scheme Shareholder details**) As soon as practicable after the Record Date and in any event within one Business Day after the Record Date, Oakton will ensure that details of the names, Registered Addresses and holdings of Shares for each Scheme

Shareholder are available to Dimension Data in the form Dimension Data reasonably requires.

7. Quotation of Shares

(a) Oakton will apply to ASX to suspend trading on the ASX in Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Dimension Data, and only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), Oakton will apply:

(i) for termination of the official quotation of Shares on ASX; and

(ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Oakton may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which Dimension Data has consented in writing; and

(b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel for Oakton has consented.

8.2 Binding effect of Scheme

This Scheme binds Oakton and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of Oakton.

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

(a) agrees to the transfer of their Shares together with all rights and entitlements attaching to those Shares in accordance with this Scheme;

(b) agrees to any variation, cancellation or modification of the rights attached to their Shares constituted by or resulting from this Scheme;

(c) agrees to, on the direction of Dimension Data, destroy any share certificates relating to their Shares; and

(d) acknowledges and agrees that this Scheme binds Oakton and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

(a) Each Scheme Shareholder is deemed to have warranted to Oakton, in its own right and for the benefit of Dimension Data, that as at the Implementation Date:

(i) all of its Shares which are transferred to Dimension Data under this Scheme, including any rights and entitlements attaching to those Shares, will, at the time of transfer, be 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

Appendix 2 – Scheme continued

parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) all of its Shares which are transferred to Dimension Data under this Scheme will, on the date on which they are transferred to Dimension Data, be fully paid;

(iii) it has full power and capacity to transfer its Shares to Dimension Data together with any rights attaching to those shares; and

(iv) it has no existing right to be issued any Shares, Options, Performance Rights, Oakton convertible notes or any other Oakton securities, other than, in the case of any Scheme Shareholder who is also the holder of Options or Performance Rights, the right to be issued Shares on the exercise of those Options or Performance Rights before the Record Date in accordance with their terms.

(b) Oakton undertakes that it will provide the warranties in clause 8.4(a) to Dimension Data as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred 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) On and from the Implementation Date, immediately after the payment by Oakton of the Scheme Consideration in the manner contemplated in clause 5.2(b), Dimension Data will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Oakton of Dimension Data in the Share Register as the holder of the Scheme Shares.

8.6 Authority given to Oakton

(a) Scheme Shareholders will be deemed to have authorised Oakton to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2.

(b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Oakton and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

8.7 Appointment of sole proxy

Immediately after the payment by Oakton of the Scheme Consideration in the manner contemplated in clause 5.2(b) until Oakton registers Dimension Data as the holder of all Shares in the Share Register, each Scheme Shareholder:

(a) is deemed to have irrevocably appointed Dimension Data as its attorney and agent (and directed Dimension Data in such capacity) to appoint an officer or agent nominated by Dimension Data as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Oakton, exercise the votes attaching to the Scheme Shares registered in its name and sign any Shareholders' resolution;

(b) undertakes not to otherwise attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as under clause 8.7(a);

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Dimension Data reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), Dimension Data and any officer or agent nominated by Dimension Data under clause 8.7(a) may act in the best interests of Dimension Data as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Shareholder to Oakton binding or deemed binding between the Scheme Shareholder and Oakton relating to Oakton or Shares (including any email addresses, instructions relating to communications from Oakton, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from Oakton) will be deemed from the Implementation Date (except to the extent determined otherwise by Dimension Data in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Dimension Data until that instruction, notification or election is revoked or amended in writing addressed to Dimension Data at its registry.

9. General

9.1 Stamp duty

Dimension Data must pay all stamp duty payable in connection with the transfer of the Scheme Shares to Dimension Data.

9.2 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to Oakton, 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 Oakton's registered office or at the office of the Oakton Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non- receipt of such a notice by any Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further assurances

(a) Oakton must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.

(b) Each Scheme Shareholder consents to Oakton doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 Governing law and jurisdiction

(a) This Scheme is governed by the laws of 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.

Appendix 3 – Notice of Scheme Meeting

OAKTON LIMITED
ABN 50 007 028 711

NOTICE OF COURT ORDERED
MEETING OF OAKTON LIMITED SHAREHOLDERS

Notice is given that, by an Order of the Supreme Court of Victoria (**Court**) made on 26 September 2014 under section 411(1) of the Corporations Act, the Court has directed that a meeting of the holders of fully paid ordinary shares of Oakton Limited (**Oakton**) (other than Excluded Shareholders) be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on 31 October 2014 commencing at 10.00am.

The Court has also directed that Mr Paul Holyoake or, if he is unable or unwilling to attend, Mr Neil Wilson, act as Chairman of the meeting.

PURPOSE OF THE MEETING

The purpose of the meeting is to consider and, if thought fit, to agree (with or without any alterations or conditions agreed between Oakton and Dimension Data Australia Pty Limited (**Dimension Data**) and approved by the Court or any alterations or conditions required by the Court to which Oakton and Dimension Data agree) to a scheme of arrangement proposed to be made between Oakton and the holders of its ordinary shares (other than Excluded Shareholders) (**Scheme**).

A copy of the Scheme and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Explanatory Booklet of which this notice forms part.

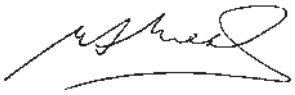
RESOLUTION

The meeting will be asked to consider and, if thought fit, pass the following resolution:

*That under and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the members (other than Excluded Shareholders) agree to the arrangement proposed between Oakton Limited and the holders of its fully paid ordinary shares (other than Excluded Shareholders), designated the **Scheme**, as contained in and more particularly described in the Explanatory Booklet accompanying the notice convening this meeting (with or without any alterations or conditions agreed between Oakton Limited and Dimension Data Australia Pty Limited (**Dimension Data**) and approved by the Court or any alterations or conditions required by the Court to which Oakton and Dimension Data agree) and, subject to approval of the Scheme by the Court, the Board of Directors of Oakton is authorised to implement the Scheme with any such alterations or conditions.*

DATED 29 September 2014

BY ORDER OF THE COURT



Michael Miers
Company Secretary

Appendix 3 – Explanatory notes for the Scheme Meeting

1. General

(a) Capitalised words and phrases contained in this Notice of Meeting (including the proposed resolution) have the same meaning as set out in the Glossary in Section 11 of the Explanatory Booklet, of which this notice forms part.

(b) This notice should be read in conjunction with the entire Explanatory Booklet of which this notice forms part. The Explanatory Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Explanatory Booklet includes a copy of the Scheme (refer Appendix 2) and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme (the explanatory statement being all Sections of this Explanatory Booklet, other than this Appendix 3).

2. Voting entitlements

For the purposes of the Scheme Meeting, only those persons registered in the Share Register as a holder of Oakton Shares at 7.00pm (Melbourne time) on 29 October 2014 (other than Excluded Shareholders) are entitled to attend and vote at the Scheme Meeting in respect of each Oakton Share held by them at that time, either in person, by proxy or attorney or, in the case of a corporate Oakton Shareholder, by corporate representative.

3. Required voting majority

(a) The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

(b) The resolution to approve the Scheme must be approved by:

(i) unless the Court orders otherwise, a majority in number (more than 50%) of holders of eligible Oakton Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, attorney or, in the case of a corporate Oakton Shareholder, by corporate representative); and

(ii) eligible Oakton Shareholders whose Oakton Shares in aggregate account for at least 75% of the votes cast on the resolution.

(c) The vote at the Scheme Meeting will be conducted by poll.

4. Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without any alterations or conditions agreed between Oakton and Dimension Data and approved by the Court or any alterations or conditions required by the Court to which Oakton and Dimension Data agree) must also be approved by an order of the Court and an office copy of the orders must be lodged with ASIC. If the Scheme is approved by the requisite majorities of Oakton Shareholders at the Scheme Meeting, Oakton intends to apply to the Court for orders approving the Scheme.

5. How to vote

Oakton Shareholders who are entitled to vote at the Scheme Meeting may vote:

(a) by attending the meeting and voting in person, or by appointing an attorney to attend the meeting and vote on their behalf or, in the case of corporate Oakton Shareholders, a corporate representative to attend the meeting and vote on its behalf; or

(b) by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this notice (which may be lodged online). A proxy may be an individual or a body corporate.

6. Jointly held Oakton Shares

If you hold Oakton Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the Scheme Meeting, only the vote of the holder whose name appears first on the Share Register will be counted.

7. Voting in person (or by attorney or corporate representative)

(a) Eligible Oakton Shareholders wishing to vote in person or their attorneys or, in the case of a corporate Oakton Shareholder, corporate representatives should attend the Scheme Meeting and bring a form of personal identification (such as their driver's licence).

(b) The relevant parties who plan to attend the Scheme Meeting in person are asked to arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, so that their shareholding may be checked against the Share Register and attendances noted.

(c) The power of attorney appointing your attorney to attend and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, Oakton Limited), and the attorney, and also specify the meeting at which the appointment may be used. The appointment may be a standing one.

(d) To vote by attorney at this meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Share Registry before 10.00 am (Melbourne time) on Wednesday, 29 October 2014 in any of the following ways:

(i) **By post** in the provided reply paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) to the Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria Australia 3001

(ii) **By hand delivery**[8] to the Share Registry at:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067

(iii) **By fax** to the Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

(e) Your appointment of an attorney does not preclude you from attending in person and voting at the Scheme Meeting. The appointment of your attorney is not revoked merely by your attendance and taking part in the Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.

(f) To vote in person, you or your attorney or, in the case of a corporate Oakton Shareholder, corporate representative must attend the Scheme Meeting to be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on Friday, 31 October 2014 commencing at 10.00am.

(g) A vote cast in accordance with the appointment of a power of attorney is valid even if before the vote was cast the appointor:

(i) died;

(ii) became mentally incapacitated;

(iii) revoked the power; or

(iv) transferred the shares in respect of which the vote was cast,

unless Oakton received written notification of the death, mental incapacity, revocation or transfer at least 48 hours before the meeting or, if applicable, any adjourned meeting.

8 Please note that hand deliveries may only be made Monday to Friday between the hours if 9.00am to 5.00pm (Melbourne time).

Appendix 3 – Explanatory notes for the Scheme Meeting continued

(h) To vote by corporate representative at the meeting, a corporate Oakton Shareholder should obtain an *Appointment of Corporate Representative Form* from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged at the registration desk on the day of the meeting.

(i) The appointment of a representative may set out restrictions on the representative's powers.

(j) The *Appointment of Corporate Representative Form*, a certified copy of the *Appointment of Corporate Representative Form*, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

8. Voting by proxy

Eligible Oakton Shareholders wishing to appoint a proxy to vote on their behalf at this meeting must:

(a) complete and sign or validly authenticate the proxy form accompanying this Explanatory Booklet ; and

(b) either:

(i) deliver the signed and completed proxy form to the Share Registry by 10.00 am (Melbourne time) on Wednesday, 29 October 2014; or

(ii) lodge your proxy vote online,

both in accordance with the instructions below.

9. Submitting proxies

Eligible Oakton Shareholders wishing to appoint a proxy to attend and vote on their behalf at the Scheme Meeting must return the provided proxy form to the Share Registry in any of the following ways:

(a) **By post** in the enclosed reply paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) provided to the Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria Australia 3001

(b) **By hand delivery**[9] to the Share Registry at:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067

(c) **By fax** to the Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Alternatively, eligible Oakton Shareholders may lodge their proxy online in any of the following ways:

- if you are an Oakton Shareholder, at www.investorvote.com.au, by using the control number noted on the front of your proxy form along with your SRN/HIN number (as applicable) and your postcode and by following the instructions on that website; or
- if you are a custodian (for intermediary online subscribers only), at www.intermediaryonline.com, and by following the instructions on that website.

As the cut off date for receipt of proxies is 10.00 am (Melbourne time) on Wednesday, 29 October 2014, you should ensure that it is posted, delivered or lodged online in sufficient time for it to be received by the Share Registry by that time.

10. Notes for proxy appointments

(a) Your proxy must attend the Scheme Meeting to be held at Oakton's offices located at Level 8, 271 Collins Street, Melbourne Victoria on Friday, 31 October 2014 commencing at 10.00am and are asked to arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, so that their shareholding may be checked against the Share Register and attendances noted.

(b) An Oakton Shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote at the meeting on behalf of that Oakton Shareholder's behalf.

(c) A proxy need not be an Oakton Shareholder.

(d) 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 you must specify the names of each proxy and the percentage of votes or number of securities for each proxy on the proxy form. Replacement proxy forms can also be obtained from the Share Registry.

(e) If you hold Oakton Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the proxy form.

(f) A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on the resolution. If an appointment directs the way the proxy is to vote on the resolution:

(i) if the proxy is the chair – the proxy must vote on the poll and must vote in the way directed; and

(ii) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote in the way directed.

(g) If a proxy appointment is signed or validly authenticated by an Oakton Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman may either:

(i) act as proxy in respect of the resolution to be considered at the Scheme Meeting; or

(ii) complete the proxy appointment by inserting the name or names of one or more Directors or the Company secretary to act as proxy under the appointment, in respect of the resolution to be considered at the Scheme Meeting.

(h) If:

(i) an Oakton Shareholder nominates the Chairman of the meeting as their proxy; or

(ii) the Chairman is otherwise appointed to act as proxy,

then the person acting as Chairman in respect of an item of business at the meeting must act as proxy in respect of the resolution to be considered at the Scheme Meeting.

(i) The Chairman intends to vote undirected proxies of which he is appointed as proxy in favour of the resolution to approve the Scheme (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

9 Please note that hand deliveries may only be made Monday to Friday between the hours if 9.00am to 5.00pm (Melbourne time).

(j) A vote cast in accordance with the appointment of a proxy is valid even if before the vote was cast the appointor:

(i) died;

(ii) became mentally incapacitated;

(iii) revoked the proxy; or

(iv) transferred the shares in respect of which the vote was cast,

unless Oakton received written notification of the death, mental incapacity, revocation or transfer at least 48 hours before the meeting or, if applicable, any adjourned meeting.

11. Advertisement

Where this notice of meeting is advertised unaccompanied by the Explanatory Booklet, a copy of the Explanatory Booklet can be obtained by anyone entitled to attend the Scheme Meeting from Oakton's website www.oakton.com.au, or by contacting the Company Secretary of Oakton Limited or the Share Registry

Appendix 4 – Scheme Implementation Deed

Execution version

Scheme Implementation Deed

Project Kestrel

Oakton Limited (**Oakton**)
Dimension Data Australia Pty Limited (**Bidder**)

MinterEllison
LAWYERS

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
AUSTRALIA DX 204 MELBOURNE
T +61 3 8608 2000 F +61 3 8608 1000
www.minterellison.com

ME_114361317_9 (W2007)

Scheme Implementation Deed

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Details

Date

11 August 2014

Parties

Name	**Oakton Limited** of Level 8, 271 Collins Street, Melbourne, Victoria 3000
ABN	50 007 028 711
Short form name	**Oakton**
Name	**Dimension Data Australia Pty Limited** of Ground Floor, 11 – 17 Dorcas Street, South Melbourne 3205
ABN	65 003 371 239
Short form name	**Bidder**

Background

A Oakton and Bidder have agreed to implement the Proposed Transaction on and subject to the terms and conditions of this deed.

B Oakton and Bidder have agreed certain other matters in connection with the Proposed Transaction as set out in this deed.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

Adviser means in relation to an entity:

(a) a financier to the entity in connection with the Proposed Transaction; or

(b) a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Proposed Transaction by the entity.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this deed and Oakton was the designated body.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

Authorised Person means, in respect of a person:

(a) a director, officer, member or employee of the person;

(b) an Adviser of the person; and

(c) a director, officer or employee of an Adviser of the person.

Bidder Group means Bidder and each of its Subsidiaries (excluding, at any time, Oakton and its Subsidiaries to the extent that Oakton and its Subsidiaries are Subsidiaries of Bidder at that time). A reference to a **member of the Bidder Group** or a **Bidder Group Member** is a reference to Bidder or any such Subsidiary.

Bidder Information means such information regarding the Bidder Group that is provided or approved by Bidder or any of their Advisors to Oakton or the Independent Expert:

(a) to enable the Explanatory Booklet to be prepared and completed in compliance with all applicable laws;

(b) to enable applications for Regulatory Approvals to be made; and

(c) otherwise in compliance with Bidder's obligations under clause 6.2(a).

Bidder Parties means the members of the Bidder Group and their respective Authorised Persons.

Bidder Warranties means the representations and warranties of Bidder set out in clause 9.1.

Business Day means a business day as defined in the ASX Listing Rules.

Appendix 4 – Scheme Implementation Deed continued

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means any offer, proposal or expression of interest (including, by way of takeover bid or scheme of arrangement) under which, if ultimately completed, a person or two or more persons who are Associates would:

(a) acquire an interest in or become the holder of:

(i) more than 20% of the Shares; or

(ii) the whole or a material part of the business or property of Oakton or the Oakton Group; or

(b) acquire control of Oakton, within the meaning of section 50AA of the Corporations Act; or

(c) otherwise acquire or merge with Oakton.

For the purposes of clause 12.3 only, paragraph (a)(i) of this definition is taken to read 'more than 50% of the Shares'.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidentiality Deed means the Confidentiality Deed between Oakton and Bidder dated 7 July 2014.

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

Court means Supreme Court of Victoria or such other Court of competent jurisdiction agreed between Oakton and Bidder.

Deed Poll means the deed poll to be executed by Bidder prior to the date the Explanatory Booklet is despatched to Oakton Shareholders, in the form set out in Schedule 2 or in such other form as is agreed in writing between the parties.

Delivery Time in relation to the Second Court Date means not later than 2 hours before the commencement of the hearing or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.

Disclosure Letter means the letter so entitled from Oakton provided to Bidder on or before the date of this deed.

Due Diligence Material means:

(a) all documents and written information disclosed by or on behalf of Oakton and its Subsidiaries (including management presentations and all written responses provided in response to written questions or requests for information) to the Bidder Parties prior to the date of this deed for the purposes of the Proposed Transaction; and

(b) all documents and information disclosed by or on behalf of Oakton and its Subsidiaries (including management presentations) contained in the Project Kestrel online data room, the index for which materials have been initialled for identification by Oakton's solicitors on behalf of Oakton and by Bidder's solicitors on behalf of Bidder.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means:

(a) 31 December 2014; or

(b) such other date and time agreed in writing between Bidder and Oakton.

Excluded Shareholder means any Oakton Shareholder who is a member of the Bidder Group.

Exclusivity Period means the period commencing on the date of this deed and ending on the earliest of:

(a) the End Date;

(b) the Effective Date of the Scheme; and

(c) the date this deed is terminated in accordance with its terms.

Explanatory Booklet means the explanatory booklet to be prepared by Oakton in respect of the Proposed Transaction in accordance with the terms of this deed and to be despatched to Oakton Shareholders.

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

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister 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.

Implementation Date means the fifth Business Day after the Record Date or such other date after the Record Date agreed to in writing between the parties.

Independent Expert means the independent expert in respect of the Scheme appointed by Oakton.

Independent Expert's Report means a report (including any updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interest of Oakton Shareholders.

Insolvency Event means in relation to a person:

(a) **insolvency official**: the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;

Appendix 4 – Scheme Implementation Deed continued

(b) **arrangements**: the entry by the person into a compromise or arrangement with its creditors generally;

(c) **winding up**: the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;

(d) **suspends payments**: the person suspends or threatens to suspend payment of its debts as and when they become due;

(e) **ceasing business**: the person ceases or threatens to cease to carry on business;

(f) **insolvency**: the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;

(g) **deregistration**: if the person is a company, the person being deregistered as a company or otherwise dissolved;

(h) **deed of company arrangement**: the person executing a deed of company arrangement;

(i) **person as trustee or partner**: the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:

  (i) a breach of trust or obligation as partner by the person;

  (ii) the person acting outside the scope of its powers as trustee or partner;

  (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability;

  (iv) the assets of the trust or partnership being insufficient to discharge the liability; or

(j) **analogous events**: anything analogous to those set out in any of paragraphs (a) to (g) inclusive occurs in relation to the person under the laws of a foreign jurisdiction.

Listing Rules means the official listing rules of ASX as amended from time to time.

Material Adverse Change means an event, change, condition, matter, circumstance or thing that becomes known to the Oakton Board or Bidder on or after the date of this deed (an **Event**) which, whether individually or when aggregated with all other such Events, has had or would be considered reasonably likely to have:

(a) the effect of diminishing the value of the consolidated net assets of the Oakton Group as set out in the balance sheet for the financial year ended 30 June 2014 by $12.5 million or more; or

(b) the effect of diminishing the consolidated earnings before interest, tax, depreciation and amortisation of the Oakton Group for the financial year ending on 30 June 2015 by an amount that is equal to or more than $2.5 million,

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

(a) required or permitted by this deed, the Scheme or the transactions contemplated by either;

(b) agreed to in writing by Bidder;

(c) arising from changes in economic or business conditions that impact Bidder and its competitors in a similar manner;

(d) that Oakton has Fairly Disclosed in the Due Diligence Material or the Disclosure Letter; or

(e) that Oakton has Fairly Disclosed in an announcement made by it to ASX, or a document lodged by it with ASIC, in the three year period prior to the date of this deed.

Oakton Board means the board of directors of Oakton as constituted from time to time (or any committee of the board of directors of Oakton constituted from time to time to consider the Proposed Transaction on behalf of Oakton).

Oakton Final Dividend means a cash dividend, not exceeding $0.04 cents per Share, to be paid by Oakton (in its absolute discretion) with or without declaration between the date of this deed and the Implementation Date in respect of the year ended 30 June 2014 and which is not franked in excess of the then available franking credits of Oakton.

Oakton Group means Oakton and its Subsidiaries.

Oakton Information means information to be included by Oakton in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the *Corporations Regulations 2001* (Cth), and any other information that is material to the making of a decision by Oakton Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of Oakton's directors and has not previously been disclosed to Oakton Shareholders, but does not include the Bidder Information and the Independent Expert's Report.

Oakton Parties means each member of the Oakton Group and their Related Bodies Corporate and Authorised Persons.

Oakton Prescribed Occurrence means the occurrence of any of the following on or after the date of this deed:

(a) Oakton converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);

(b) any member of the Oakton Group resolves to reduce its share capital in any way;

(c) any member of the Oakton Group:

  (i) enters into a buy-back agreement; or

  (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;

(d) any member of the Oakton Group issues shares, or grants a performance right or an option over its shares, or agrees to make such an issue or grant such a right or an option other than pursuant to the exercise of an option or performance right before the Record Date where that option or performance right was on issue immediately before the date of this deed;

Appendix 4 – Scheme Implementation Deed continued

(e) any member of the Oakton Group issues, or agrees to issue, convertible notes or any other security or instrument that is convertible into shares;

(f) any member of the Oakton Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) any member of the Oakton Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over 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;

(h) any member of the Oakton Group resolves to be wound up;

(i) a liquidator or provisional liquidator of any member of the Oakton Group is appointed;

(j) a court makes an order for the winding up of any member of the Oakton Group;

(k) an administrator of any member of the Oakton Group is appointed under section 436A, 436B or 436C of the Corporations Act;

(l) any member of the Oakton Group executes a deed of company arrangement;

(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Oakton Group; or

(n) Oakton declares or pays a dividend, other than the Oakton Final Dividend,

provided that an Oakton Prescribed Occurrence will not include any matter:

(o) required to be done or procured by Oakton pursuant to this deed or which is otherwise contemplated by this deed or the Scheme;

(p) Fairly Disclosed in filings of Oakton with the ASX prior to the date of this deed;

(q) to the extent it is Fairly Disclosed in the Due Diligence Materials or the Disclosure Letter; or

(r) the undertaking of which Bidder has approved in writing.

Oakton Shareholder means each person who is registered in the register maintained by Oakton under section 168(1) of the Corporations Act as a holder of one or more Shares.

Oakton Warranties means the representations and warranties of Oakton set out in clause 9.3.

Option means an option granted by Oakton to acquire by way of issue one or more Shares but does not include a Performance Right.

Optionholder means the person who is recorded in the register maintained by Oakton under section 168(1) of the Corporations Act as the holder of one or more Options.

Performance Right means a right granted under Oakton's executive performance rights plan to acquire by way of issue a Share subject to the terms of such plan but does not include an Option.

Performance Rights Holder means a person who holds one or more Performance Rights.

Proposed Transaction means:

(a) the proposed acquisition by Bidder in accordance with the terms and conditions of this deed, of all of the Shares (other than the Shares held by an Excluded Shareholder) through the implementation of the Scheme; and

(b) all associated transactions and steps contemplated by this deed.

Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between the parties.

Regulatory Approvals means the approval set out in clause 3.1(a).

Related Body Corporate of a person, means a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

RG 60 means ASIC Regulatory Guide 60.

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Oakton and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, $1.90 per Share.

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

Scheme Share means a Share on issue as at the Record Date other than any Share then held by an Excluded Shareholder (but including any such Share so held on behalf of one or more third parties who are not Excluded Shareholders or otherwise in a fiduciary capacity on behalf of persons who are not Excluded Shareholders).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Senior Manager means an employee of any member of the Oakton Group reporting directly to the managing director or chief financial officer of Oakton.

Share means an issued fully paid ordinary share in the capital of Oakton.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which in the determination of the Oakton Board acting reasonably and in order to satisfy what the Oakton Board reasonably considers to be its fiduciary or statutory duties is more favourable to Oakton Shareholders as a whole than the Proposed Transaction having regard to matters including consideration, conditionality, funding, certainty and timing.

Appendix 4 – Scheme Implementation Deed continued

Third Party means any person or entity other than a member of the Bidder Group or a member of the Oakton Group.

Timetable means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

Treasurer means the Treasurer of the Commonwealth of Australia.

1.2 Interpretation

In this deed, except where the context otherwise requires:

(a) the singular includes the plural, and the converse also applies;

(b) gender includes other genders;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;

(e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(f) a reference to **A$**, **$A**, **dollar** or **$** is to Australian currency;

(g) a reference to time is to Victoria, Australia time;

(h) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(j) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;

(k) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;

(l) a reference to conduct includes an omission, statement or undertaking, whether or not in writing;

(m) the meaning of general words is not limited by specific examples introduced by **including**, **for example** or similar expressions;

(n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;

(o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and

(p) a reference to **Fairly Disclosed** means disclosed in writing to a member of the Bidder Group or their respective Authorised Persons (or, where the context requires, to the ASX) in sufficient detail and with sufficient specificity so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Proposed Transaction in the information technology solutions and services industry to identify and understand the nature and scope of the relevant matter, event or circumstance.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

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 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.6 Listing requirements included as law

A listing rule or operating rule of a financial market or of a clearing and settlement facility will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.7 Reasonable and best endeavours

Any provision of this deed which requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

(a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency; or

(b) to commence any legal action or proceeding against any person,

except where that provision expressly specifies otherwise.

2. Agreement to propose Scheme

(a) Oakton agrees to propose and implement the Scheme on and subject to the terms and conditions of this deed, and substantially in accordance with the Timetable.

(b) Bidder agrees to assist Oakton to propose and implement the Scheme on and subject to the terms of this deed.

Appendix 4 – Scheme Implementation Deed continued

3. Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

(a) (**FIRB**) before the Delivery Time on the Second Court Date, Bidder has received written notice under the FATA or Australia's Foreign Investment Policy, by or on behalf of the Treasurer of the Commonwealth of Australia, stating that the Commonwealth Government does not object to Bidder acquiring the Scheme Shares pursuant to this Scheme;

(b) (**No Oakton Prescribed Occurrence**) no Oakton Prescribed Occurrence occurs between the date of this deed and the Delivery Time on the Second Court Date;

(c) (**No Material Adverse Change**) no Material Adverse Change occurs between the date of this deed and the Delivery Time on the Second Court Date;

(d) (**Restraints**) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other material legal restraint or prohibition, preventing or delaying the Proposed Transaction is in effect at the Delivery Time on the Second Court Date;

(e) (**Oakton Warranties**) the Oakton Warranties being true and correct in all material respects on the date of this deed and at the Delivery Time on the Second Court Date;

(f) (**Bidder Warranties**) the Bidder Warranties being true and correct in all material respects on the date of this deed and at the Delivery Time on the Second Court Date;

(g) (**Shareholder approval**) the Scheme is approved by Oakton Shareholders (other than Excluded Shareholders) at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act; and

(h) (**Oakton Options and Performance Rights**) Oakton has at the Delivery Time:

  (i) complied with its obligations under clause 5.1(a); and

  (ii) taken all necessary steps to effect the amendments to the Performance Rights Plan Rules contemplated by clause 5.2; and

(i) (**Court approval**) the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).

3.2 Benefit and waiver of Conditions

(a) The Conditions in clauses 3.1(b) (No Oakton Prescribed Occurrence), 3.1(c) (No Material Adverse Change), 3.1(e) (Oakton Warranties) and 3.1(h) (Oakton Options and Performance Rights) are for the sole benefit of Bidder and any breach or non-fulfilment of them may only be waived by Bidder giving its written consent.

(b) The Condition in clauses 3.1(f) (Bidder Warranties) is for the sole benefit of Oakton and any breach or non-fulfilment of it may only be waived by Oakton giving its written consent.

(c) A party entitled to waive a Condition pursuant to this clause 3.2 may do so in its absolute discretion. Any waiver of a Condition by a party for whose benefit the condition applies must take place on or prior to the Delivery Time on the Second Court Date.

(d) The Conditions in clauses 3.1(a) (FIRB), 3.1(d) (Restraints), 3.1(g) (Shareholder approval) and 3.1(i) (Court approval) cannot be waived.

(e) If a party waives the breach or non-fulfilment of any of the Conditions in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this deed including without limitation a breach that resulted in the non-fulfilment of the Condition that was waived.

3.3 Reasonable endeavours

(a) Oakton and Bidder will use their respective reasonable endeavours to procure that each of the Conditions is satisfied as soon as reasonably practicable after the date of this deed or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).

(b) Without limiting clauses 3.4 and 3.5 below, each of Oakton and Bidder must:

(i) promptly apply for all relevant Regulatory Approvals and provide the other party with a copy of all applications for Regulatory Approvals and all material communications with Regulatory Authorities in relation to Regulatory Approvals;

(ii) take all the steps for which it is responsible as part of the Regulatory Approvals process;

(iii) provide the other party with all information and assistance reasonably requested in connection with the applications for Regulatory Approvals; and

(iv) consult with the other party in advance in relation to the progress of obtaining the Regulatory Approvals.

3.4 Notifications

Each of Bidder and Oakton must:

(a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;

(b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and

(c) promptly notify the other in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.3).

3.5 Certificate

Before the Delivery Time on the Second Court Date:

(a) Bidder and Oakton will provide a joint certificate to the Court confirming whether or not the Condition set out in clause 3.1(d) (Restraints) has been satisfied or waived in accordance with the terms of this deed;

(b) Oakton will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(b) (No Oakton Prescribed Occurrence), 3.1(c) (No Material Adverse

Appendix 4 – Scheme Implementation Deed continued

Change), 3.1(e) (Oakton Warranties), 3.1(g) (Shareholder approval) and 3.1(h) (Oakton Options and Performance Rights) have been satisfied or waived in accordance with the terms of this deed;

(c) Bidder will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a) (FIRB) and 3.1(f) (Bidder Warranties) have been satisfied or waived in accordance with the terms of this deed;

(d) Oakton will provide a certificate to Bidder confirming whether or not it has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breaches; and

(e) Bidder will provide a certificate to Oakton confirming whether or not it has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breaches.

3.6 Conditions not capable of being fulfilled

(a) If:

(i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this deed for its satisfaction (or an event occurs which would or is likely to prevent a condition precedent being satisfied by the date specified in this deed);

(ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled and, if the Condition is able to be waived by a party under clause 3.2, the party does not waive the Condition within seven Business Days after the occurrence of the circumstance; or

(iii) the Scheme does not become Effective by the End Date,

and neither of the following has occurred:

(i) the Independent Expert opines to the effect that the Scheme is not in the best interest of Oakton Shareholders; or

(ii) a Superior Proposal has been publicly recommended by a majority of the Oakton Board,

then Oakton and Bidder must consult reasonably with a view to determining whether:

(iii) the Scheme may proceed by way of alternative means or methods;

(iv) to extend the relevant time or date for satisfaction of the Condition;

(v) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or

(vi) to extend the End Date.

(b) Subject to clause 3.6(c), if a Condition becomes incapable of being satisfied before the End Date and Oakton and Bidder are unable to reach agreement under clause 3.6(a) within five Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by the Delivery Time on the Second Court Date), then unless the relevant Condition (where capable of waiver) is waived:

(i) in relation to the Condition in clauses 3.1(a) (FIRB), 3.1(d) (Restraints) or 3.1(g) (Shareholder approval) either Bidder or Oakton may terminate this deed by giving the other notice without any liability to any party by reason of that termination alone;

(ii) in relation to the Conditions in clauses 3.1(b) (No Oakton Prescribed Occurrence), 3.1(c) (No Material Adverse Change), 3.1(e) (Oakton Warranties) and 3.1(h) (Oakton Options and Performance Rights), Bidder may terminate this deed by giving Oakton notice without any liability to any party by reason of that termination alone; and

(iii) in relation to the Condition in clause 3.1(f) (Bidder Warranties), Oakton may terminate this deed by giving Bidder notice without any liability to any other party by reason of that termination alone.

(c) A party will not be entitled to terminate this deed pursuant to clause 3.6(b) if the relevant Condition has not been satisfied as a result of:

(i) a breach of this deed by that party; or

(ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.

3.7 Interpretation

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being fulfilled if:

(a) in the case of a Condition relating a Regulatory Approval – the relevant Government Agency makes or has made a final adverse determination in writing to the effect that it will not provide the Regulatory Approval; and

(b) in all other cases – there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this deed).

4. Transaction Steps

4.1 Scheme

Oakton must, as soon as reasonably practicable after the date of this deed and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.

4.2 Scheme Consideration

Bidder covenants in favour of Oakton (in Oakton's own right and separately as trustee for each Scheme Shareholder) that, in consideration of the transfer to Bidder of the Scheme Shares under the terms of the Scheme), on the Implementation Date, Bidder will:

(a) accept that transfer; and

(b) provide each Scheme Shareholder the Scheme Consideration,

in accordance with the Scheme.

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4.3 Deed Poll

Bidder covenants in favour of Oakton (in Oakton's own right and separately as trustee for each of the Scheme Shareholders) to execute, deliver and perform the Deed Poll prior to the despatch of the Explanatory Booklet.

5. Treatment of Options and Performance Rights

5.1 Options

(a) As soon as reasonably practicable after the date of this deed, Oakton must use all reasonable endeavours to obtain the written agreement of each person who is a holder of Oakton Options to have their Options cancelled, subject to all other holders of Options agreeing to have their Options cancelled and to the Scheme becoming Effective and with effect from the Effective Date, under private treaty agreement between Bidder, Oakton and each Option holder. The form of agreement to be used for this purpose must be agreed to by Bidder and must reflect the consideration set out in clause 5.1(b). Oakton agrees to seek a waiver as soon as reasonably practicable after the date of this deed from ASX Listing Rule 6.23.2 to allow for the cancellation of up to all Oakton Options.

(b) Oakton agrees that:

(i) the consideration to be paid to a holder of an Oakton Option with an exercise price less than the Scheme Consideration, is the difference between the Scheme Consideration and the exercise price; and

(ii) the consideration to be paid to a holder of an Oakton Option with an exercise price equal to or greater than the Scheme Consideration, is the greater of a $1 aggregate payment for all such Oakton Options held by that holder and such other amount specified by Bidder.

(c) If, within 20 Business Days of the date of this deed, Oakton has not obtained the agreement of each person who is a holder of Oakton Options to have their options cancelled in accordance with clause 5.1(a):

(i) Oakton agrees, if directed to do so by Bidder:

(A) to propose a creditors' scheme of arrangement under Part 5.1 of the Corporations Act between Oakton and all holders of Oakton Options (including, for the avoidance of doubt, any holder of Oakton Options who provides a written agreement within the terms contemplated by clause 5.1(a)), the purpose of which is to cancel all of the Oakton Options on issue for the consideration to be determined in accordance with clause 5.1(c); and

(B) to use its reasonable endeavours to procure that ASX grants a waiver from ASX Listing Rule 6.23.2 in respect of that creditors' scheme of arrangement;

(ii) the creditors' scheme of arrangement contemplated by clause 5.1(c)(i), if required, will be in a form to be agreed between the parties acting reasonably; and

(iii) the approval and implementation of the Scheme will not be conditional on the approval and implementation of the creditors' scheme of arrangement contemplated by clause 5.1(c)(i), if that scheme is required.

(d) Before Bidder gives Oakton a direction under clause 5.1(c)(i), Bidder agrees to give due and reasonable consideration to the alternative of Bidder initiating after the Implementation Date the compulsory acquisition of any Oakton Options that remain on issue as at that date, under Part 6A.2 (Division 2) of the Corporations Act.

5.2 Performance Rights

(a) Prior to the reconstitution of the Oakton Board under clause 8.1, Oakton must take all necessary steps to amend the terms and conditions of each Performance Right with effect from the Implementation Date such that:

(i) any performance hurdles or vesting conditions that relate to earnings per share and/or total shareholder return are removed; and

(ii) the vesting of a Performance Right, in lieu of an entitlement to a Share, will entitle the holder to receive a cash payment equal to the Scheme Consideration for each such Performance Right plus payment of:

(A) 5% of that amount for any Performance Rights exercisable in 2016; and

(B) 10% of that amount for any Performance Rights exercisable in 2017.

(b) Oakton must not make any changes to the terms and conditions of the Performance Rights that are not contemplated by clause 5.2(a) and, for the avoidance of doubt, under no circumstances will implementation of the Scheme result in vesting of the Performance Rights.

(c) Oakton must provide to Bidder a copy of any document prepared for the purpose of taking the steps contemplated by clause 5.2(a) at least five Business Days before the document is to be finalised and must consider, acting reasonably and in good faith, any comments from Bidder on that document.

6. Implementation

6.1 Oakton's obligations

Oakton must take all steps reasonably necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement the Scheme as soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, including taking each of the following steps:

(a) (**Explanatory Booklet**) prepare the Explanatory Booklet in accordance with clause 6.3;

(b) (**Independent Expert**) promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Booklet;

(c) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the Oakton Board, or of a committee of the Oakton Board appointed for the

Appendix 4 – Scheme Implementation Deed continued

purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;

(d) (**draft to ASIC**) as soon as reasonably practicable after the date of this deed:

(i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with clauses 6.1(c) and 6.2(e), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and

(ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet and keep Bidder reasonably informed of any matters raised by ASIC in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with Bidder, to resolve any such matters;

(e) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the Oakton Board, or of a committee of the Oakton Board appointed for the purpose, is held to consider approving the Explanatory Booklet for despatch to the Oakton Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;

(f) (**section 411(17)(b) statements**) apply to ASIC for the production of:

(i) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and

(ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

(g) (**first Court hearing**) lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 6.1(e) and 6.2(f) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Oakton to convene the Scheme Meeting;

(h) (**registration of explanatory statement**) request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;

(i) (**convening Scheme Meeting**) take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Oakton Shareholders and convening and holding the Scheme Meeting;

(j) (**Court approval application if parties agree that conditions are capable of being satisfied**) if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act, and if the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the remaining Conditions will be satisfied or waived prior to the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;

(k) (**appeal process**) if the Court refuses to make any orders directing Oakton to convene the Scheme Meeting or approving the Scheme, Oakton and Bidder must:

(i) consult with each other, each acting reasonably, as to whether to appeal the Court's decision; and

(ii) appeal the court decision unless the parties agree otherwise or an independent senior counsel instructed by Oakton opines that, in his or her view, an appeal would have no reasonable prospect of success;

(l) (**implementation of Scheme**) if the Scheme is approved by the Court:

(i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;

(ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;

(iii) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to Bidder on the Implementation Date; and

(iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;

(m) (**regulatory notifications**) in relation to the Regulatory Approvals, lodge with any Government Agency within the relevant time periods all documentation and filings required by law to be so lodged by Oakton in relation to the Proposed Transaction;

(n) (**Bidder Information**) without the prior written consent of Bidder, not use the Bidder Information for any purposes other than those expressly contemplated by this deed or the Scheme;

(o) (**Documents**) consult with Bidder in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider, for the purpose of amending drafts of those documents, comments from Bidder on those documents;

(p) (**Shareholder support**) promote to its Shareholders the merits of the Scheme, including soliciting proxy votes in favour of the Scheme; and

(q) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

6.2 Bidder's obligations

Bidder must take all steps reasonably necessary to assist Oakton to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable including taking each of the following steps:

(a) (**Bidder Information**) provide to Oakton, in a form appropriate for inclusion in the Explanatory Booklet, all information regarding Bidder, the arrangements Bidder has in place to fund the Scheme Consideration, and Bidder's intentions with respect to the assets, business and employees of Oakton if the Scheme is approved and implemented that is required by all applicable law, the Listing Rules and ASIC Regulatory Guides for inclusion in the Explanatory Booklet, which information must (without limiting the foregoing):

(i) contain all information necessary to enable Oakton to ensure that the Explanatory Booklet complies with the requirements of RG 60;

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(ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and

(iii) be updated by all such further or new material information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);

(b) (**regulatory notifications**) in relation to the Regulatory Approvals, lodge with any regulatory authority within the relevant time periods all documentation and filings required by law to be so lodged by Bidder in relation to the Proposed Transaction;

(c) (**assist Independent Expert**) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Booklet;

(d) (**review drafts of Explanatory Booklet**) as soon as reasonably practicable after delivery, review the drafts of the Explanatory Booklet prepared by Oakton and provide comments on those drafts;

(e) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the appropriate decision-making organ of Bidder is held to consider approving those sections of that draft that relate to Bidder as being in a form appropriate for provision to ASIC for review;

(f) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the appropriate decision-making organ of Bidder is held to consider approving those sections of the Explanatory Booklet that relate to Bidder as being in a form appropriate for despatch to Oakton Shareholders, subject to approval of the Court;

(g) (**Representation**) procure that, if requested by Bidder or Oakton, Bidder is represented by counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act;

(h) (**Oakton Information**) without the prior written consent of Oakton, not use Oakton Information for any purposes other than those expressly contemplated by this deed or the Scheme;

(i) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations; and

(j) (**No denigration**) from the date of this deed until the date the Independent Expert's Report is received, Bidder will ensure that Bidder and its Authorised Persons do not publicly (or otherwise to third parties) denigrate the Proposed Transaction or Oakton in any way.

6.3 Explanatory Booklet - preparation principles

(a) As soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, Oakton must prepare the Explanatory Booklet in compliance with:

(i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and

(ii) this clause 6.3.

(b) The Explanatory Booklet will include:

(i) the terms of the Scheme;

(ii) the notice of Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;

(iii) the Oakton Information;

(iv) the Bidder Information;

(v) a copy of this deed (without the schedules or annexures) or a summary of it;

(vi) a copy of the executed Deed Poll; and

(vii) a copy of the Independent Expert's Report.

(c) The Explanatory Booklet must include a statement that:

(i) other than the Bidder Information and the Independent Expert's Report, the Explanatory Booklet has been prepared by Oakton and is the responsibility of Oakton, and that Bidder assumes no responsibility for the accuracy or completeness of the Explanatory Booklet (other than the Bidder Information); and

(ii) the Bidder Information has been provided by Bidder and is the responsibility of Bidder, and Oakton assumes no responsibility for the accuracy or completeness of the Bidder Information.

(d) Oakton must make available to Bidder drafts of the Explanatory Booklet (excluding any draft of the Independent Expert's Report), consult with Bidder in relation to the content of those drafts (other than the Bidder Information), and consider acting reasonably and in good faith, for the purpose of amending those drafts, comments from Bidder on those drafts. Bidder acknowledges and agrees that Oakton has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as expressly provided in this deed with respect to the Bidder Information.

(e) Oakton must seek approval from Bidder for the form and context in which the Bidder Information appears in the Explanatory Booklet, which approval Bidder must not unreasonably withhold or delay, and Oakton must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Bidder.

(f) Oakton must take all reasonable steps to ensure that the Explanatory Booklet (other than the Bidder Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to Oakton Shareholders.

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(g) Bidder must take all reasonable steps to ensure that the Bidder Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to Oakton Shareholders.

(h) Oakton must provide to Bidder all such further or new information of which Oakton becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.

(i) Bidder must provide to Oakton all such further or new information of which Bidder becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Bidder Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.

(j) Oakton and Bidder each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Oakton Shareholders and Bidder and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 6.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

6.4 Oakton Board recommendation

(a) Subject to clause 6.4(b), each member of the Oakton Board must:

(i) unanimously recommend (in Oakton's public announcements and the Explanatory Booklet) that Oakton Shareholders vote in favour of the Scheme, including that each Oakton Director states (in Oakton's public announcements and in the Explanatory Booklet) that he or she intends to vote all Shares held or controlled by him or her in favour of the Scheme (qualified only by the words to the effect of 'in the absence of a superior proposal' and, other than in respect of the Explanatory Booklet or any document issued after the issue of the Explanatory Booklet, 'subject to the Independent Expert opining at all times prior to the Second Court Date that the Scheme is in the best interest of Oakton Shareholders'); and

(ii) not subsequently change or withdraw its recommendation or statement.

(b) Clause 6.4(a) will cease to apply in either of the following circumstances:

(i) the Independent Expert opines either prior to the despatch of the Explanatory Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interest of Oakton Shareholders; or

(ii) a Competing Proposal is made and the Oakton Board determines it is a Superior Proposal.

7. Conduct of business before the Implementation Date

7.1 Conduct of Oakton business

(a) Subject to clause 7.2(a), from the date of this deed up to and including the Implementation Date, Oakton must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:

(i) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;

(ii) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;

(iii) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;

(iv) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the Oakton Group is a party, and with laws, authorisations and licenses applicable to each member of the Oakton Group; and

(v) not take any action or fail to take any action where the action or failure (as the case may be) constitutes or would lead to the occurrence of an Oakton Prescribed Occurrence or that could reasonably be expected to result in an Oakton Prescribed Occurrence.

(b) Without limiting clause 7.1(a) but subject to clause 7.2(a), Oakton must not, and must procure that its Subsidiaries do not, from the date of this deed up to and including the Implementation Date, do any of the following (or agree or offer to do any of the following):

(i) other than as Fairly Disclosed in the Due Diligence Material or the Disclosure Letter before the execution of this deed, incur any additional financial indebtedness (except for draw-downs on existing banking facilities to satisfy the Oakton Group's ordinary course business obligations) or guarantee or indemnify the obligations of any person other than a member of the Oakton Group;

(ii) except as required by law, make any material change to the terms of employment of (including, except as required under an existing contract in place as at the date of this deed, increasing the remuneration or compensation of) any director, executive or Senior Manager of any member of the Oakton Group;

(iii) except as required by law or as required under an existing contract in place as at the date of this deed, grant or pay any bonus, retention, severance or termination payment to, any director, executive or Senior Manager of any member of the Oakton Group;

(iv) except as required under any contractual arrangements in effect on the date of this deed, enter into any enterprise bargaining agreement or similar collective employment agreement;

(v) engage any new permanent employee with an annual remuneration in excess of $275,000 per annum (inclusive of superannuation) for that employee;

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(vi) terminate or encourage the resignation of an employee, except in accordance with current personnel practices or for good cause;

(vii) in respect of any single transaction or series of related or similar transactions, acquire or dispose of any interest in a business, real property, asset, entity or undertaking, the value of which exceeds $1.0 million, individually or when aggregated with all such businesses, real property, assets, entities or undertakings the subject of the transaction or series of related or similar transactions;

(viii) incur or enter into commitments involving capital expenditure of more than $1.0 million whether in one transaction or a series of related transactions;

(ix) enter into, vary or terminate any contract, joint venture, partnership or commitment involving total expenditure (excluding salary and wages) greater than $2.0 million per annum, individually or when aggregated with all such contracts, joint ventures, partnerships or commitments;

(x) enter into any contract, joint venture, partnership or commitment involving total revenue greater than $1.0 million per annum on an individual basis;

(xi) cancel any existing insurance policy in the name of or for the benefit of an Oakton Group company unless a replacement policy (on terms no less favourable to the Oakton Group company, if available in the market place) has been put in place;

(xii) settle any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount exceeds $200,000;

(xiii) dispose of, cancel, relinquish or materially amend any regulatory licence or other approval necessary for its operations or material software licence;

(xiv) take any action in respect of its information technology systems which would have a material adverse impact on those systems; or

(xv) amend its constitution.

7.2 Permitted activities

(a) The obligations of Oakton under clause 7.1 do not apply in respect of any matter:

(i) required to be done or procured by Oakton pursuant to this deed or the Scheme;

(ii) subject to clause 7.2(b), Fairly Disclosed in the Due Diligence Material or the Disclosure Letter as being actions that the Oakton Group may carry out between the date of this deed and the Implementation Date;

(iii) comprising or relating directly or indirectly to the declaration of, setting a record or payment date for or paying or facilitating the payment (with our without declaration) of, the Oakton Final Dividend where the record date to determine entitlements to the Oakton Final Dividend occurs on or before the Record Date; or

(iv) the undertaking of which Bidder has approved in writing (which approval must not be unreasonably withheld).

(b) Oakton must, in respect of any matter referred to in clause (ii) above that it proposes to undertake:

(i) if the Disclosure Letter permits the carrying out of the action only in accordance with certain conditions, ensure those conditions are met;

(ii) not undertake that matter (or commit to undertake that matter) without first having consulted with Bidder; and

(iii) promptly provide Bidder with any information regarding the matter reasonably requested by Bidder.

For the avoidance of doubt, clause 7.2(b) does not operate to provide Bidder with a veto right in respect of any matter referred to in clause (ii).

7.3 Access

(a) In the period from the date of this deed to the Implementation Date and for so long as the Oakton Board continues to publicly recommend that Oakton Shareholders vote in favour of the resolution to be proposed at the Scheme Meeting to approve the Scheme, Oakton must:

(i) procure that the Oakton CEO meets with representatives of Bidder on a fortnightly basis to assist with providing Bidder with access to information and people it may request under clause 7.3(a)(ii);

(ii) provide to Bidder any management, financial and operational reports provided to the Oakton Board on the same day that that report is provided to the Oakton Board;

(iii) promptly following a request by Bidder, provide Bidder (and its Authorised Persons) with reasonable access to:

(A) documents and information relating to the Oakton Group; and

(B) executives and Senior Managers of the Oakton Group,

to the extent reasonably required for the purpose of:

(C) planning the transition of the Oakton Group and other matters relating to the conduct of the Oakton Group following the Implementation Date; and

(D) otherwise facilitating the Proposed Transaction.

(b) Nothing in this clause 7.3 obliges Oakton to provide to Bidder or its Authorised Persons any information:

(i) concerning the Oakton Directors' or Senior Managers' consideration of the Scheme; or

(ii) which would breach an obligation of confidentiality to any person or any applicable privacy laws.

(c) Oakton will provide reasonable assistance to Bidder for the purpose of satisfying Oakton's obligations under this clause 7.3 but nothing in this clause 7.3 requires Oakton to provide access to its people or documentation or to take any other action which would involve refreshing or updating the Due Diligence Material or which would disrupt the usual and ordinary course of Oakton's businesses and operations.

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(d) For the avoidance of doubt, the parties agree and acknowledge that nothing in this clause 7.3 requires Oakton to provide any information that is materially different from or materially in addition to, the documentation that Oakton prepares or generates in the usual and ordinary course of its business.

(e) Bidder is entitled to have two observers (being Rodd Cunico and Peter Lees) present at any Oakton board meeting after the Scheme becomes Effective.

7.4 Change of control rights

As soon as practicable after the date of this deed, Oakton and Bidder must seek to identify any change of control or similar provisions in material contracts to which Oakton or a Oakton Group company is a party which may be triggered by the implementation of the Proposed Transaction. In respect of those contracts, the parties agree as follows:

(a) Oakton and Bidder will agree a proposed course of action and then jointly initiate contact with the relevant counter-parties and request that they provide any consents required. None of Bidder or any of its Authorised Persons may contact any counter-parties without Oakton's prior written consent (which is not to be unreasonably withheld or delayed);

(b) Oakton must cooperate with, and provide reasonable assistance to, Bidder to obtain such consents as expeditiously as possible, including by:

(i) promptly providing any information reasonably required by counterparties; and

(ii) making representatives available, where necessary, to meet with counterparties to deal with issues arising in relation to the change of control of Oakton.

(c) A failure by a member of the Oakton Group to obtain any third party consent will not constitute a breach of this deed by Oakton.

7.5 Collaboration regime for key customers of the Oakton Group

As soon as practicable after the date of this deed, Oakton and Bidder must:

(a) make all reasonable efforts to jointly meet with representatives of each counterparty to the material customer contracts identified in the side letter entered into by Oakton and Bidder on or about the date of this deed; and

(b) use reasonable endeavours to preserve ongoing business relationships with these material customers.

8. Actions on and following Implementation Date

8.1 Reconstitution of the board of each member of the Oakton Group

(a) On the Implementation Date, but subject to the Scheme Consideration having been paid in full by Bidder to Oakton and receipt by Oakton of signed consents to act, Oakton must take all actions necessary (and in accordance with the constitution of the Oakton Group member, the Corporations Act and the Listing Rules) to appoint the persons nominated by Bidder as new Oakton Directors and new directors of each Subsidiary.

(b) Without limiting clause 8.1(a)), on the Implementation Date, but subject to receipt by Oakton of written notices of resignation to the effect that the outgoing directors have no claim outstanding against any member of the Oakton Group, Oakton must procure that:

(i) all outgoing Oakton Directors resign from the Oakton Board; and

(ii) all outgoing directors of each Subsidiary of Oakton resign from their office.

8.2 Sequence of actions on the Implementation Date

On the Implementation Date, the transactions which form part of the Scheme and the ancillary transactions contemplated by this deed will be implemented in the following sequence:

(a) Bidder will provide the Scheme Consideration to Oakton in accordance with the Scheme;

(b) Oakton will disburse the Scheme Consideration to Scheme Shareholders in accordance with the Scheme;

(c) the Oakton Board will take the steps contemplated by clause 5.2 to accelerate the vesting of Performance Rights and to make the cash payments to which holders of Performance Rights are entitled under that clause;

(d) the Oakton Board and the board of each Subsidiary of Oakton will be reconstituted in accordance with clause 8.1;

(e) Bidder will acquire all of the Scheme Shares in accordance with the Scheme;

(f) subject to any alternative course of action agreed under clause 5, all Oakton Options will be cancelled; and

(g) Bidder will provide the consideration to those holders of Oakton Options with whom Bidder has entered into private treaty arrangements for the cancellation of their Options.

9. Representations and warranties

9.1 Bidder representations

(a) Bidder represents and warrants to Oakton (on its own behalf and separately as trustee for each of the other Oakton Parties) each of the matters set out in clause 9.1(b) as at the date of this deed and on each subsequent day until the Delivery Time on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

(b) Bidder represents and warrants that:

(i) Bidder is a validly existing corporation registered under the laws of its place of incorporation;

(ii) the execution and delivery of this deed has been properly authorised by all necessary corporate action and Bidder has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;

(iii) this deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Bidder is a party or is bound;

(iv) the Bidder Information provided to Oakton in accordance with clause 6.2(a) for inclusion in the Explanatory Booklet will:

(A) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and

Appendix 4 – Scheme Implementation Deed continued

(B) be provided on the understanding that each of the Oakton Parties will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;

(v) all information provided by or on behalf of the Bidder Group to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in a timely and diligent manner and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet;

(vi) as at the date the Explanatory Booklet is despatched to Oakton Shareholders, the Bidder Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);

(vii) Bidder will, as a continuing obligation, provide to Oakton all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Bidder Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);

(viii) all factual information Bidder has provided to Oakton prior to this deed is, to the best of Bidder's knowledge, accurate in all material respects and not misleading in any material respect (whether by omission or otherwise), including that there are reasonable grounds for all statements as to future matters and a reasonably basis for all statements of opinion in that information;

(ix) as at the date of this deed Bidder has a reasonable basis to expect that it will, by the Implementation Date, have available to it sufficient cash amounts (whether from internal cash resources or external funding arrangements (including debt and equity financing) or a combination of both) to satisfy Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll;

(x) by the Delivery Time on the Second Court Date, Bidder will have available to it on an unconditional basis (other than conditions relating to the approval of the Court and other conditions within the control of Bidder) sufficient cash amounts (whether from internal cash resources or external funding arrangements (including debt and equity financing) or a combination of both) to satisfy Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll;

(xi) Bidder will have available to it on the Implementation Date sufficient cash amounts (whether from internal cash resources or external funding (including debt and equity financing) arrangements or a combination of both) to satisfy Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll; and

(xii) between the date of this Deed and the Record Date, Bidder will not, and will procure that each other member of the Bidder Group does not, enter into any arrangement under which it obtains the beneficial interest in any Oakton Shares, unless the shares are registered in the name of Bidder.

9.2 Bidder's indemnity

Bidder agrees with Oakton (on Oakton's own behalf and separately as trustee or nominee for each of the other Oakton Parties) to indemnify and keep indemnified the Oakton Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Oakton Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 9.1(a) or 9.1(b).

9.3 Oakton representations

(a) Oakton represents and warrants to Bidder each of the matters set out in clause 9.3(b) as at the date of this deed and on each subsequent day until on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

(b) Oakton represents and warrants that:

(i) Oakton is a validly existing corporation registered under the laws of its place of incorporation;

(ii) the execution and delivery of this deed by Oakton has been properly authorised by all necessary corporate action and Oakton has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;

(iii) this deed constitutes legal, valid and binding obligations on Oakton and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Oakton or any of its Subsidiaries is a party or to which they are bound;

(iv) the Oakton Information contained in the Explanatory Booklet will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60;

(v) as at the date the Explanatory Booklet is despatched to Oakton Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Bidder Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise and with any statement of belief or opinion having been formed on a reasonable basis);

(vi) as at the date of this deed, and so far as the Oakton Board and senior management are aware:

(A) all information which has been disclosed by Oakton under its continuous disclosure obligations under the Listing Rules was true and correct in all material respects at the time it was disclosed; and

Appendix 4 – Scheme Implementation Deed continued

(B) Oakton has complied with its continuous disclosure obligations under Listing Rule 3.1 and, other than for this Proposed Transaction and in relation to the preparation or audit of financial statements for the year ended 30 June 2014, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;

(vii) as at the date of this deed, the total issued capital of Oakton is:

(A) 89,990,235 Shares;

(B) 692,500 Options; and

(C) 2,012,807 Performance Rights,

and there are no other Oakton options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing); and

(viii) so far as the Oakton Board and senior management are aware, no information specifically requested by Bidder for inclusion in the Due Diligence Material was knowingly withheld from the Due Diligence Material that would render that material misleading in any material respect as at the date of this deed

9.4 Oakton's indemnity

Oakton agrees with Bidder (on Bidder's own behalf and separately as trustee or nominee for each of the other Bidder Parties) to indemnify and keep indemnified the Bidder Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Bidder Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 9.3(a) or 9.3(b).

9.5 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 9.

9.6 Survival of representations

Each representation and warranty in clauses 9.1 and 9.3:

(a) is severable;

(b) will survive the termination of this deed; and

(c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

9.7 Survival of indemnities

Each indemnity in this deed (including those in clauses 9.2 and 9.4) will:

(a) be severable;

(b) be a continuing obligation;

(c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and

(d) survive the termination of this deed.

10. Confidentiality and Public Announcement

10.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Deed save that the terms of this deed will prevail over the Confidentiality Deed to the extent of any inconsistency.

10.2 Public Announcements on execution

Immediately after the execution of this deed, the parties must issue public announcements in a form previously agreed to in writing between them.

10.3 Further public announcements

Subject to clause 10.4, any further public announcements by Oakton or Bidder in relation to, or in connection with, the Proposed Transaction or any other transaction the subject of this deed or the Scheme may only be made in a form approved by each party in writing (acting reasonably) subject to where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to, or in connection with, the Proposed Transaction or any other transaction the subject of this deed or the Scheme.

10.4 Required announcement

Where a party is required by applicable law, the ASX Listing Rules or any other applicable financial market regulation to make any announcement or to make any disclosure in connection with the Proposed Transaction or any other transaction the subject of this deed or the Scheme, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practical.

10.5 Statements on termination

The parties must use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end but without limitation, clauses 10.3 and 10.4 apply to any such statements or disclosures.

11. Termination

11.1 Termination by notice

(a) Bidder or Oakton may, by notice in writing to the other, terminate this deed at any time prior to the Second Court Date:

(i) if the other is in material breach of any of its obligations under this deed (including a material breach of a representation or warranty and in the case of Bidder includes any failure by it to pay an amount when due (including an amount of damages or amounts due under an indemnity) and the other party has failed to remedy that breach within five Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach;

(ii) in accordance with clause 3.6;

Appendix 4 – Scheme Implementation Deed continued

(iii) if the Court refuses to make any order directing Oakton to convene the Scheme Meeting, provided that both Oakton and Bidder have met and consulted and agreed that they do not wish to proceed with the Scheme; or

(iv) if the Effective Date for the Scheme has not occurred on or before the End Date.

(b) Oakton may, by notice in writing to Bidder, terminate this deed at any time prior to the Delivery Time on the Second Court Date if at any time before then:

(i) each of that number of Oakton Directors as constitutes a majority of the Oakton Board publicly recommend a Superior Proposal and do not, within three Business Days, reinstate their recommendation of the Proposed Transaction; or

(ii) Bidder materially breaches a representation or warranty contained in clause 9.1(b) (for this purpose any breach of clauses (x) to (xi) (inclusive) is deemed to be a material breach) and Bidder fails to remedy that breach within five Business Days of receipt by it of a notice in writing from Oakton setting out details of the relevant circumstance and requesting Bidder to remedy the breach or the breach cannot be remedied by subsequent action on the part of Bidder before the Delivery Time on the Second Court Date.

(c) Bidder may, by notice in writing to Oakton, terminate this deed at any time prior to the Delivery Time on the Second Court Date if at any time before then any director of Oakton withdraws or adversely modifies their recommendation of the Proposed Transaction or recommends or supports a Competing Proposal.

11.2 Automatic termination

Without limiting any other term of this deed, this deed will terminate automatically if the Scheme is not approved by the necessary majorities at the Scheme Meeting.

11.3 Effect of termination

(a) In the event of termination of this deed under clause 3.6, 11.1 or 11.2, this deed will become void and have no effect, except that the provisions of clauses 9.6, 9.7, 10, 12 and 16.3 to 16.14 (inclusive) survive termination.

(b) Termination of this deed does not affect any accrued rights of a party in respect of a breach of this deed prior to termination or in respect of right to payment of a fee under clause 12.

12. Oakton Break Fee

12.1 Background

(a) Oakton and Bidder acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, Bidder will incur significant costs including those described in clause 12.2.

(b) In the circumstances referred to in clause 12.1(a), Bidder has requested that provision be made for the payments outlined in clause 12.3, without which Bidder would not have entered into this deed.

(c) The Oakton Board believes that the Scheme will provide benefit to Oakton and Oakton Shareholders and that it is appropriate for Oakton to agree to the payments referred to in this clause 12 in order to secure Bidder's participation in the Proposed Transaction.

12.2 Costs incurred by Bidder

(a) The fee payable under clause 12.3 has been calculated to reimburse Bidder for the following:

(i) fees for legal and financial advice in planning and implementing the Proposed Transaction;

(ii) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;

(iii) costs of management and directors' time in planning and implementing the Proposed Transaction;

(iv) out of pocket expenses incurred in planning and implementing the Proposed Transaction; and

(v) costs associated with the financing arrangements in respect of the Proposed Transaction;

in each case, incurred by Bidder directly or indirectly as a result of having entered into this deed and pursuing the Proposed Transaction.

(b) The parties acknowledge that:

(i) the amount of fees, costs and losses referred to in this clause 12.2 is inherently unascertainable and that, even after termination of this deed, the costs will not be able to be accurately ascertained; and

(ii) the amount of the costs payable under clause 12.3 is a genuine and reasonable pre-estimate of those fees, costs and losses.

12.3 Payment by Oakton to Bidder

(a) Oakton agrees to pay to Bidder $1.80 million (exclusive of GST) (**Oakton Break Fee**) if:

(i) both of the following occur:

(A) a Competing Proposal is publicly announced during the period commencing on the date of this deed and ending on:

(I) if this deed is terminated by Oakton, the End Date; or

(II) if this deed is terminated by Bidder, the earlier of the End Date and the date of termination of this deed by Bidder; and

(B) within nine months from the date of the public announcement of such Competing Proposal:

(I) the Competing Proposal is implemented or completed substantially in the terms described in the public announcement; or

(II) without limiting clause 12.3(a)(A)(I), the proponent of that Competing Proposal acquires a relevant interest in at least 50% of Oakton Shares; or

(ii) during the period commencing on the date of this deed and ending on the End Date, any member of the Oakton Board:

Appendix 4 – Scheme Implementation Deed continued

(A) withdraws or adversely modifies their recommendation of the Proposed Transaction except where the Independent Expert has opined that the Scheme is not in the best interests of Oakton Shareholders other than for the reason of the existence of a Competing Proposal; or

(B) recommends or supports a Competing Proposal; or

(iii) Bidder terminates this deed under clause 11.1(a)(i).

(b) Oakton must pay Bidder the Oakton Break Fee within five Business Days of receipt by Oakton of a demand for payment from Bidder made after the occurrence of the event referred to in clause 12.3(a).

(c) For the avoidance of doubt, the Oakton Break Fee is not payable merely because the resolution submitted to the Scheme Meeting in respect of the Scheme is not approved by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

(d) The Oakton Break Fee is only payable once and the maximum amount payable by Oakton under this clause 12.3 is $1.80 million (exclusive of GST).

(e) Where the Oakton Break Fee becomes payable to Bidder under this clause 12.3 and is actually paid to Bidder, Bidder (for itself and as agent of every member of the Bidder Group):

(i) releases all rights against and agrees with Oakton that Bidder will not make a Claim against any Oakton Party (other than a claim under this clause 12.3) in connection with:

(A) the event that gave rise to the right to or the right to demand the payment of the Oakton Break Fee; nor

(B) any other event, matter or circumstance that may give rise to a separate right to the Oakton Break Fee or that constitutes or may constitute a breach of this deed; and

(ii) indemnifies any Oakton Party against a Claim that is made contrary to the release under clause 12.3(e)(i),

with the effect that the payment of the Oakton Break Fee represents the sole and exclusive remedy of any Bidder Group Member.

12.4 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Oakton Break Fee (**Oakton Impugned Amount**):

(a) is unlawful;

(b) involves a breach of directors' duties; or

(c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,

then:

(d) the requirement to pay the Oakton Break Fee does not apply to the extent of the Oakton Impugned Amount; and

(e) if Bidder has received the Oakton Impugned Amount, it must refund it within five Business Days of the final determination being made.

Oakton must not seek any such determination and must use all reasonable endeavours to ensure that no such determination is made.

13. Exclusivity

13.1 No shop restriction

During the Exclusivity Period, Oakton must not, and must ensure that none of the other Oakton Parties, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

13.2 No talk restriction

During the Exclusivity Period, Oakton must not, and must ensure that none of the other Oakton Parties, (whether directly or indirectly) enter into, continue or participate in negotiations or discussions with, or enter into any agreement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:

(a) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Oakton; or

(b) the Competing Proposal has been publicly announced,

unless:

(c) the Oakton Board, acting reasonably (including taking advice from its Adviser which is a legal adviser), determines that, where there is a Competing Proposal, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Oakton Board proposes to take; and

(d) the Oakton Board, acting reasonably (including taking advice from Adviser which is a legal adviser), determines that failing to respond to that Competing Proposal would constitute or would be likely to constitute a breach of the Oakton Board's fiduciary or statutory duties,

but only if that Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Oakton or any of its Representatives in a manner that would breach its obligations under this clause 13.2 or clauses 13.1 or 13.3.

13.3 No due diligence

(a) Without limiting the general nature of clause 13.2, during the Exclusivity Period Oakton must not, and must ensure that the other Oakton Parties do not, make available to any Third Party, or permit any Third Party, to receive any non public information relating to any member of the Oakton Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal, unless:

(i) the Competing Proposal has not been directly or indirectly solicited, invited, encouraged or initiated by Oakton or any of its Representatives in a manner that would breach its obligations under this clause or clause 13.1 or 13.2; and

Appendix 4 – Scheme Implementation Deed continued

(ii) the Oakton Board, acting reasonably (including taking advice from its Adviser which is a legal adviser), determines that:

(A) the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Oakton Board proposes to take; and

(B) failing to provide any non-public information to a Third Party would constitute or would be likely to constitute a breach of the Oakton Board's fiduciary or statutory duties.

(b) If Oakton proposes that any non-public information be provided to a Third Party, then:

(i) before Oakton provides such information, the Third Party must enter into a confidentiality agreement which contains obligations on the recipient of that information which are no less onerous in any material respect than the obligations of Bidder and Oakton under the Confidentiality Deed; and

(ii) any non-public information provided to that Third Party must also be provided to Bidder (unless the information has already been provided to Bidder or an Authorised Person).

13.4 Notice of Competing Proposal

(a) During the Exclusivity Period, Oakton must promptly notify Bidder if it or any of the other Oakton Parties receive any Competing Proposal in writing and must provide Bidder with the price and material terms and conditions of the Competing Proposal (excluding the identity of the party making the Competing Proposal) (a **Competing Proposal Notice**).

(b) If Oakton gives Bidder a Competing Proposal Notice, Bidder agrees that the notice will be Confidential Information of Oakton (as defined in the Confidentiality Deed).

13.5 Response to Competing Proposal

(a) During the Exclusivity Period, Oakton must not recommend a Competing Proposal or enter into a relevant agreement to implement a Competing Proposal unless it has first notified Bidder in writing of the material terms of the Competing Proposal and the identity of the person proposing the Competing Proposal. Bidder will have the right, but not the obligation, at any time until the expiration of three Business Days following receipt of the notice to:

(i) offer to amend the terms of the Scheme; or

(ii) to propose any other transaction,

which must be submitted to Oakton in writing (each a **Bidder Counterproposal**), and if Bidder does so, the Oakton Board must review the Bidder Counterproposal in a manner that the Oakton Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Bidder Counterproposal is more favourable to Oakton Shareholders than the Competing Proposal.

(b) If the Oakton Board determines, acting reasonably and in order to satisfy what the Oakton Board considers to be its fiduciary and statutory duties, that the Bidder Counterproposal is equal to or more favourable to Oakton Shareholders than the Competing Proposal, then:

(i) if the Bidder Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending this deed in relation to the Scheme and reflecting the Bidder Counterproposal; and

(ii) if the Bidder Counterproposal contemplates any other transaction, Oakton must make an announcement as soon as reasonably practicable recommending the Bidder Counterproposal, in the absence of a more favourable proposal, and the parties must diligently pursue implementation of the Bidder Counterproposal.

13.6 Fiduciary carve out to notification right

The obligations of Oakton under clause 13.4 do not apply to the extent:

(a) it restricts the Oakton Board from taking or refusing to take any action with respect to a Competing Proposal which is or may reasonably be expected to lead to a Superior Proposal (which was not solicited, invited, encouraged or initiated (whether directly or indirectly) by Oakton or any of its Authorised Persons in contravention of clause 13.1); and

(b) the Oakton Board, acting reasonably (including taking advice from its Adviser which is a legal adviser), determines that complying with such obligation would be likely to involve a breach of the Oakton Board's fiduciary or statutory duties.

14. Notices

Any communication under or in connection with this deed:

(a) must be in writing;

(b) must be addressed as shown below:

Oakton

Address:	Level 8, 271 Collins Street, Melbourne, Victoria, 3000
Facsimile:	+613 9621 1951
Email:	Neil Wilson neil.wilson@oakton.com
For the attention of:	Managing Director
with a copy to:	John Phillips, email, john.phillips@oakton.com

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Bidder

Address:	Ground Floor, 11 – 17 Dorcas Street, South Melbourne 3205
Facsimile:	+61 3 9696 0913
Email:	rodd.cunico@dimensiondata.com
For the attention of:	Rodd Cunico

(or as otherwise notified by that party to the other party from time to time);

(c) must be signed or sent by the party making the communication or by a person duly authorised by that party;

(d) must be delivered to the address, or sent by fax or email to the number or email address, of the addressee, in accordance with clause 14(b); and

(e) will be deemed to be received by the addressee:

(i) (**in the case of email**) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered;

(ii) (**in the case of fax**) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and

(iii) (**in the case of delivery by hand**) on delivery at the address of the addressee as provided in clause 14(b), unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

15. Releases

15.1 Oakton Parties

(a) Without limiting Bidder's rights under clause 11, Bidder (for itself and as agent of every member of the Bidder Group) releases all rights against and agrees with Oakton that it will not make a Claim against, any Oakton Party (other than Oakton) in connection with:

(i) Oakton's execution or delivery of this deed;

(ii) any breach of any representation, covenant and warranty of Oakton in this deed;

(iii) the implementation of the Scheme; or

(iv) any disclosure made by any Oakton Party including in the Due Diligence Material or the Disclosure Letter that contains any statement which is false or misleading whether in content or by omission,

(v) except to the extent the relevant Oakton Party has not acted in good faith or has engaged in wilful misconduct or to the extent the Claim is actually covered under

an insurance policy that is paid for by the Oakton Group where the relevant insurer accepts liability for the Claim.

(b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Oakton receives and holds the benefit of this clause as trustee for each other Oakton Party.

15.2 Bidder Parties

(a) Without limiting Oakton's rights under clause 11, Oakton releases its rights against, and agrees with Bidder that it will not make a Claim against, any Bidder Party (other than Bidder) in connection with:

(i) Bidder's execution or delivery of this deed;

(ii) any breach of any representation, covenant and warranty of Bidder in this deed;

(iii) the implementation of the Scheme; or

(iv) any disclosure made by any Bidder Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant Bidder Party has not acted in good faith or has engaged in wilful misconduct.

(b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Bidder receives and holds the benefit of this clause as trustee for each other Bidder Party.

15.3 Directors' and officers' insurance

Bidder acknowledges that Oakton will:

(a) prior to the Effective Date, arrange for the cover currently provided under its directors' and officers' insurance policy (**Policy**) to be extended for a further period of 12 months; and

(b) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a 7 year period from the end of the term of the Policy, and pay all premiums required so as to ensure that insurance over is provided under the Policy on those terms until that date.

15.4 Obligations in relation to directors' and officers' insurance

From the Implementation Date, Oakton must not:

(a) vary or cancel the Policy; or

(b) unless required under the Policy, commit any act or omission that may prejudice any claim by a director or officer of Oakton under the Policy as extended under clause 15.3(b) above.

Nothing in clauses 15.3 or 15.4 shall require Bidder or Oakton to incur any additional premium after the Implementation Date or require Oakton to not fulfil its contractual obligations under the Policy.

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16. General

16.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this deed.

16.2 Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties.

16.3 Payments

Unless otherwise expressly provided in this deed, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this deed, that amount shall be paid:

(a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and

(b) without deduction, withholding or set-off.

16.4 GST

(a) Any reference in this clause 16.4 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.

(b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.

(c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this deed but for the application of this clause 16.4(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 16.4(c) does not apply to any taxable supply under or in connection with this deed that is expressly stated to include GST.

(d) The amount on account of GST payable in accordance with this clause 16.4 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

(e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

16.5 Stamp duty

Bidder must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme

(including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme).

16.6 Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this deed and the Explanatory Booklet and the proposed, attempted or actual implementation of this deed and the Scheme.

16.7 Amendments

This deed may only be varied by a document signed by or on behalf of each of the parties.

16.8 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.

16.9 Waiver

(a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this deed.

(b) Any waiver or consent given by any party under this deed will only be effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of any term of this deed will operate as a waiver of another breach of that term or of a breach of any other term of this deed.

(d) Nothing in this deed obliges a party to exercise a right to waive any conditional term of this deed that may be in its power.

16.10 Counterparts

(a) This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.

(b) This deed is binding on the parties on the exchange of duly executed counterparts.

(c) The parties agree that a copy of an original executed counterpart sent by facsimile machine to the facsimile number of the other party specified in clause 13.6, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

16.11 Entire agreement

(a) This deed:

(i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and

Appendix 4 – Scheme Implementation Deed continued

(ii) supersedes any prior agreement (whether or not in writing) between the parties.

(b) Despite clause 16.11(a), the Confidentiality Deed continues to apply to the parties in accordance with its terms, except to the extent of any express inconsistency, in which case this deed prevails.

16.12 No representation or reliance

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed.

(b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

16.13 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

16.14 Governing law

(a) This deed is governed by and will be construed according to the laws of Victoria.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria and of the courts competent to determine appeals from those courts.

Schedule 1 - Indicative Timetable

[Not reproduced here. Refer to Important Date and Times section at page 2 of this Explanatory Booklet]

Appendix 4 – Scheme Implementation Deed continued

Schedule 2 - Deed Poll

[Not reproduced here. Refer to Appendix 5]

Schedule 3 – Scheme

[Not reproduced here. Refer to Appendix 2]

Appendix 4 – Scheme Implementation Deed continued

Signing page

EXECUTED as a deed.

Executed by **Oakton Limited** in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

PAUL HOLYOAKE

Name of director (print)

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

NEIL WILSON

Name of director/company secretary (print)

Executed by Dimension Data Australia Pty Limited in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

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

Name of director/company secretary (print)

Signing page

EXECUTED as a deed.

Executed by **Oakton Limited** in accordance with Section 127 of the *Corporations Act 2001*

Signature of director ←

Name of director (print)

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

Name of director/company secretary (print)

Executed by Dimension Data Australia Pty Limited in accordance with Section 127 of the *Corporations Act 2001*

Signature of director ←

RODD CUNICO

Name of director (print)

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

PETER LEES

Name of director/company secretary (print)

Appendix 5 – Deed Poll

Deed Poll

Dimension Data Australia Pty Limited ACN 003 371 239
(**Dimension Data**)

MinterEllison
LAWYERS

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
AUSTRALIA DX 204 MELBOURNE
T +61 3 8608 2000 F +61 3 8608 1000
www.minterellison.com

ME_115786827_4 (W2007)

Deed Poll

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Appendix 5 – Deed Poll continued

Details

Date

22 September 2014

Parties

Name	Dimension Data Australia Pty Limited **ACN 003 371 239**
Short form name	**Dimension Data**
Notice details	Ground Floor, 11 – 17 Dorcas Street, South Melbourne 3205 Facsimile: + 61 3 9696 0913 Attention: Rodd Cunico

Background

A On 11 August 2014, Oakton and Dimension Data entered into the Scheme Implementation Deed to provide for (among other matters) the implementation of the Scheme.

B The effect of the Scheme will be to transfer all Scheme Shares to Dimension Data in return for the Scheme Consideration.

C Dimension Data enters this deed poll to covenant in favour of Scheme Shareholders to:

(i) perform the actions attributed to it under the Scheme; and

(ii) provide the Scheme Consideration in accordance with the Scheme.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Scheme Implementation Deed means the Scheme Implementation Deed dated 11 August 2014 between Oakton and Dimension Data.

Oakton means Oakton Limited ACN 007 028 711 of Level 8, 271 Collins Street, Melbourne, Victoria 3000 as trustee for the Scheme Shareholders.

1.2 Terms defined in Scheme Implementation Deed

Words and phrases defined in the Scheme Implementation Deed have the same meaning in this deed poll unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme Implementation Deed form part of this deed poll as if set out at length in this deed poll but with 'deed poll' substituted for 'deed' and with any reference to 'party' being taken to include the Scheme Shareholders.

2. Nature of this deed poll

Dimension Data agrees that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

3. Conditions

3.1 Conditions

The obligations of Dimension Data under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

This deed poll and the obligations of Dimension Data will automatically terminate and this deed poll will be of no further force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms before the Scheme becomes Effective; or

(b) the Scheme is not Effective on or before the End Date or any later date as the Court, with the consent of Oakton and Dimension Data, may order.

3.3 Consequences of termination

If this deed poll terminates under clause 3.2, in addition and without prejudice to any other rights, powers or remedies available to them:

(a) Dimension Data is released from its obligation to further perform this deed poll; and

(b) each Scheme Shareholder retains the rights they have against Dimension Data in respect of any breach of this deed poll which occurred before it terminated.

Appendix 5 – Deed Poll continued

4. Performance of obligations

4.1 Generally

Subject to clause 3, Dimension Data undertakes in favour of Scheme Shareholders to perform the actions attributed to it under the Scheme and otherwise comply with the Scheme as if Dimension Data was a party to the Scheme.

4.2 Provision of Scheme Consideration

Subject to clause 3, Dimension Data 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.

5. Warranties

Dimension Data represents and warrants to each Scheme Shareholder that:

(a) (**status**) it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;

(b) (**power**) it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) (**corporate authorisations**) it has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) (**documents binding**) this deed poll is valid and binding on it and enforceable against it in accordance with its terms;

(e) (**transactions permitted**) the execution and performance by it of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it;

(ii) its constitution or other constituent documents; or

(iii) any other document which is binding on it or its assets; and

(f) (**solvency**) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up, deregistration or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

6.1 Deed poll irrevocable

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

(a) Dimension Data has fully performed its obligation under this deed poll; and

(b) termination of this deed poll under clause 3.2.

6.2 Variation

A provision of this deed poll may not be varied unless:

(a) before the Second Court Date, the variation is agreed to in writing by Oakton; or

(b) on or after the Second Court Date, the variation is agreed to in writing by Oakton and is approved by the Court,

in which event Dimension Data will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. Notices

Any notice, demand or other communication (a **Notice**) to Dimension Data in respect of this deed poll:

(a) must be in writing and signed by the sender or a person duly authorised by it;

(b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number specified in the Details; and

(c) will be conclusively taken to be duly given or made:

(i) in the case of delivery in person, when delivered at the address of the addressee as provided in clause 7(b), unless that delivery is not made on a Business Day, or is made after 5.00pm on a Business Day, in which case that Notice will be deemed to be received at 9.00am on the next Business Day;

(ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and

(iii) in the case of fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

8. General Provisions

8.1 Assignment

(a) The rights and obligations of Dimension Data and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of Oakton and Dimension Data.

(b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 Cumulative rights

The rights, powers and remedies of Dimension Data and each Scheme Shareholder under this deed poll are cumulative with and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

8.3 No waiver

(a) Dimension Data 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.

Appendix 5 – Deed Poll continued

(b) If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.

(c) No Scheme Shareholder may rely on words or conduct of Dimension Data as a waiver of any right unless the waiver is in writing and signed by Dimension Data, as appropriate.

(d) The meanings of the terms used in this clause 8.3 are set out below.

conduct includes delay in the exercise of a right.

right means any right arising under or in connection with this deed poll and includes the right to rely on this clause.

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4 Stamp duty

Dimension Data:

(a) must pay or procure the payment of all stamp duty (if any) and any related fines, penalties and interest in respect of the Scheme and this deed poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under or pursuant to the Scheme and this deed poll; and

(b) indemnifies and undertakes to keep indemnified each Scheme Shareholder against any liability arising from failure to comply with clause 8.4(a).

8.5 Further assurances

Dimension Data will, at its own expense, do all things reasonably required of it to give full effect to this deed poll.

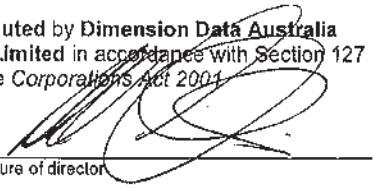
8.6 Governing law and jurisdiction

This deed poll is governed by the laws of the State of Victoria. In relation to it and related non-contractual matters Dimension Data irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

Signing page

EXECUTED as a deed poll.

Executed by **Dimension Data Australia Pty Limited** in accordance with Section 127 of the *Corporations Act 2001*:



Signature of director

RODD CUNICO

Name of director (print)

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

PETER LEES

Name of director/company secretary (print)

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Corporate Directory

Oakton Limited
ABN 50 007 028 711
Level 8
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Telephone: +61 3 9617 0200
Facsimile: +61 3 9621 1951
Website: www.oakton.com.au

Directors
Paul Holyoake
Neil Wilson
Chris Gillies
Anthony Larkin
Martin Adams

Company Secretary
Michael Miers

Appointed Auditor
Pitcher Partners

Share Registry
Computershare Investor Services Pty Limited
ACN 078 279 277
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or +61 3 9473 2555 (outside Australia)

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Consulting Technology

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