

# Form 603

## Corporations Act 2001 Section 671B

### Notice of initial substantial holder

To Company name/Scheme **Simonds Group Limited**

A.C.N. or A.R.S.N. **ACN 143 841 801**

#### 1 Details of substantial holder (1)

Name **Simonds Group Limited**

ACN/ARSN (if applicable)

**ACN 050 199 365**

The holder became a substantial holder on 20 November 2014

#### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4)    | Number of securities | Person's votes (5) | Voting power (6) |
|----------------------------|----------------------|--------------------|------------------|
| Fully paid ordinary shares | 60,987,716           | 60,987,716         | 40.28%           |

#### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7)   | Class and number of securities        |
|-----------------------------|---|---------------------------------------|
| Simonds Group Limited       | Restriction on disposal of shares under voluntary escrow arrangements disclosed in Simonds Group Limited's prospectus dated 22 October 2014 gives Simonds Group Limited a technical "relevant interest" in its own shares under section 608(1)(c) of the <i>Corporations Act 2001</i> (Cth). However, Simonds Group Limited has no right to acquire these shares or to control the voting rights attaching to these shares. | 60,987,716 fully paid ordinary shares |

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities   | Person entitled to be registered as holder (8)  | Class and number of securities        |
|-----------------------------|---|---|---------------------------------------|
| Simonds Group Limited       | <ul style="list-style-type: none"><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 1 Family Trust</li><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 2 Family Trust</li><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 3 Family Trust</li><li>- Simonds Constructions Pty Ltd as trustee for the Simonds Homes Discretionary Trust</li><li>- Madisson Constructions Pty Ltd as trustee for the Madisson Homes Trust</li><li>- Silver Street Investments Pty Ltd in its capacity as trustee of Silver</li></ul> | <ul style="list-style-type: none"><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 1 Family Trust</li><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 2 Family Trust</li><li>- Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 3 Family Trust</li><li>- Simonds Constructions Pty Ltd as trustee for the Simonds Homes Discretionary Trust</li><li>- Madisson Constructions Pty Ltd as trustee for the Madisson Homes Trust</li><li>- Silver Street Investments Pty Ltd in its capacity as trustee of Silver</li></ul> | 60,987,716 fully paid ordinary shares |

|  |  |  |  |
|--|--|--|--|
|  | Street Trust<br>- McMahon Property Nominees Pty Ltd as custodian for McMahon SF Pty Ltd as trustee of the McMahon Superannuation Fund<br>- Mark Vujovich<br>- Robert Stubbs and Geoffrey Charles Stubbs as trustees of the R.G. Stubbs Executive Superannuation Fund<br>- Jason Vujovich | Street Trust<br>- McMahon Property Nominees Pty Ltd as custodian for McMahon SF Pty Ltd as trustee of the McMahon Superannuation Fund<br>- Mark Vujovich<br>- Robert Stubbs and Geoffrey Charles Stubbs as trustees of the R.G. Stubbs Executive Superannuation Fund<br>- Jason Vujovich |  |
|--|--|--|--|

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) |   | Class and number of securities        |
|-----------------------------|---------------------|-------------------|---|---------------------------------------|
|                             |                     | Cash              | Non-cash  |                                       |
| Simonds Group Limited       | 20 November 2014    |                   | Non-cash pursuant to voluntary restriction agreements between Simonds Group Limited and each registered holder of securities listed in Item 4 attached as Annexure A. | 60,987,716 fully paid ordinary shares |

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A                               | N/A                   |

#### 7. Addresses

The addresses of persons named in this form are as follows:

| Name  | Address   |
|---|---|
| Simonds Group Limited   | Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004     |
| Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 1 Family Trust  | Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004     |
| Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 2 Family Trust  | Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004     |
| Simonds Custodians Pty Ltd as trustee for the Gary Simonds No 3 Family Trust  | Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004     |
| Simonds Constructions Pty Ltd as trustee for the Simonds Homes Discretionary Trust                                  | Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004     |
| Madisson Constructions Pty Ltd as trustee for the Madisson Homes Trust  | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |
| Silver Street Investments Pty Ltd in its capacity as trustee of Silver Street Trust                                 | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |
| McMahon Property Nominees Pty Ltd as custodian for McMahon SF Pty Ltd as trustee of the McMahon Superannuation Fund | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |
| Mark Vujovich   | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |
| Robert Stubbs and Geoffrey Charles Stubbs as trustees of the R.G. Stubbs Executive Superannuation Fund              | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |
| Jason Vujovich  | c/- Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004 |

## Signature

print name **Robert Stubbs**

capacity **Secretary**

sign here



date

20 November 2014


### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
  - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - (4) The voting shares of a company constitute one class unless divided into separate classes.
  - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
  - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - (7) Include details of:
    - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
  - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Simonds Group Limited (ACN 143 841 801)**

**Annexure A**

This is Annexure A of 169 pages referred to in Form 603 – Notice of initial substantial holder:

Signed: 

Date: 20 November 2014

Name: Robert Stubbs



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Simonds Custodians Pty Ltd**

and

**Vallence Gary Simonds**

Ref TK:DW:316579

Doc ID 209647693/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +613 8644 3500  
Facsimile 1300 365 323 (Australia) +613 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 4        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>5</b> |
| 4.1       | Application  | 5        |
| 4.2       | Consent  | 5        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 7        |
| 5.4       | Effect of Breach of Warranty                       | 7        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>8</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>8</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 9         |
| <b>10.</b> | <b>General</b>                 | <b>10</b> |
| 10.1       | Amendments                     | 10        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

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|         |  |
|---------|--|
| Parties | <b>Simonds Group Limited ACN 143 841 801</b><br><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Entity)   |
|         | <b>Simonds Custodians Pty Ltd ACN 050 199 365</b> in its capacity as trustee for the <b>Gary Simonds No 1 Family Trust</b><br><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Holder) |
|         | <b>Vallence Gary Simonds</b><br><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Controller)   |

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|          |  |
|----------|--|
| Recitals | A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement. |
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The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

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#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

|                             |   |
|-----------------------------|---|
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.   |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>        | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                 | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted</b>           | means the securities set out in <b>item 4</b> of the Schedule.  |

## Securities

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;

- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### **1.3 Business Day**

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### **1.4 Definitions in the Listing Rules**

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## **2. Escrow Restrictions**

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### **2.1 Escrow Restrictions – Holder**

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### **2.2 Escrow Restrictions – Controller**

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### **2.3 Exceptions**

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### 2.4 Reinstatement of no Dealing undertaking

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### 2.5 Notice

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### 3. Rights Attaching to Restricted Securities

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Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### 4. Holding Lock

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#### 4.1 Application

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### 4.2 Consent

The Holder and the Controller consent to:



- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHES holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

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#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

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### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

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The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

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The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

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### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

(b) if to the Holder:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

(c) if to the Controller:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

## 10. General

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### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

#### 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

#### 10.3 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 agreement.

#### 10.4 Time of the Essence

Time is of the essence of this agreement.

#### 10.5 Liability

*An obligation of two or more persons binds them separately and together.*

#### 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Simonds Custodians Pty Ltd ACN 050 199 365 in its capacity as trustee for the Gary Simonds No 1 Family Trust of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004   |
| Each Controller's (if any) name and address:   | Vallence Gary Simonds of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 6,560,004 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:



Signature of Director

PAUL A. MCMAHON

Full name (print)

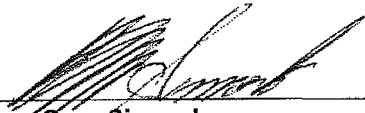


Signature of ~~Director~~ Company Secretary

Robert G. STUBBS

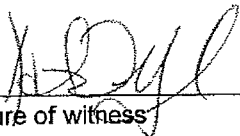
Full name (print)

**Executed by Simonds Custodians Pty Ltd**  
**ACN 050 199 365** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:



**Vallence Gary Simonds**  
Sole Director/Secretary

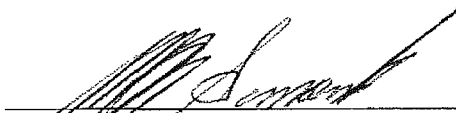
**Signed, sealed and delivered by Vallence**  
**Gary Simonds** in the presence of:



Signature of witness

David Peter Woodford

Full name of witness (print)



Signature of **Vallence Gary Simonds**

126, 530 Collins Street

Address of witness (print)

Melbourne



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Simonds Custodians Pty Ltd**

and

**Vallence Gary Simonds**

Ref TK:DW:316579

Doc ID 212191003/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500  
Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 4        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>5</b> |
| 4.1       | Application  | 5        |
| 4.2       | Consent  | 5        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 7        |
| 5.4       | Effect of Breach of Warranty                       | 7        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>8</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>8</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 9         |
| <b>10.</b> | <b>General</b>                 | <b>10</b> |
| 10.1       | Amendments                     | 10        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
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| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

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Parties

**Simonds Group Limited ACN 143 841 801**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Entity)

---

**Simonds Custodians Pty Ltd ACN 050 199 365** in its capacity as  
trustee for the **Gary Simonds No 2 Family Trust**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Holder)

---

**Vallence Gary Simonds**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Controller)

---

Recitals

A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement.

---

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

---

#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

|                             |   |
|-----------------------------|---|
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.   |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>        | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                 | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted</b>           | means the securities set out in <b>item 4</b> of the Schedule.  |

## **Securities**

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## **1.2 Interpretation**

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;

- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### **1.3 Business Day**

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### **1.4 Definitions in the Listing Rules**

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## **2. Escrow Restrictions**

---

### **2.1 Escrow Restrictions – Holder**

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### **2.2 Escrow Restrictions – Controller**

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### **2.3 Exceptions**

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### **2.4 Reinstatement of no Dealing undertaking**

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### **2.5 Notice**

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

It must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### **3. Rights Attaching to Restricted Securities**

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Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### **4. Holding Lock**

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#### **4.1 Application**

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### **4.2 Consent**

The Holder and the Controller consent to:



(a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and

(b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

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#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

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### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

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The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

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### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

(b) if to the Holder:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

(c) if to the Controller:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

#### 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

#### 10.3 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 agreement.

#### 10.4 Time of the Essence

Time is of the essence of this agreement.

#### 10.5 Liability

An obligation of two or more persons binds them separately and together.

#### 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Simonds Custodians Pty Ltd ACN 050 199 365 in its capacity as trustee for the Gary Simonds No 2 Family Trust of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004   |
| Each Controller's (if any) name and address:   | Vallence Gary Simonds of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 9,840,006 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

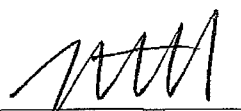
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(Cth) by:



Signature of Director

Paul A. McMahon

Full name (print)



Signature of ~~Director~~ Company Secretary

Robert G. Stubbins

Full name (print)

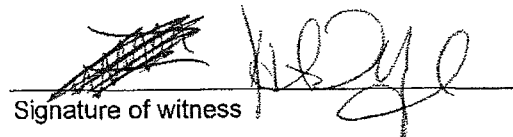
**Executed by Simonds Custodians Pty Ltd**  
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section 127(1) of the *Corporations Act 2001*  
(Cth) by:



Vallenge Gary Simonds

Sole Director/Secretary

**Signed, sealed and delivered by Vallenge**  
**Gary Simonds** in the presence of:



Signature of witness

David Peter Woodford

Full name of witness (print)



Signature of Vallenge Gary Simonds

126, 530 Collins Street,  
Melbourne

Address of witness (print)



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Simonds Custodians Pty Ltd**

and

**Vallence Gary Simonds**

Ref TK:DW:316579

Doc ID 208849633/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500

Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

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|           |  |          |
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|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

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|         |  |
|---------|--|
| Parties | <b>Simonds Group Limited ACN 143 841 801</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Entity)   |
|         | <b>Simonds Custodians Pty Ltd ACN 050 199 365</b> in its capacity as trustee for the <b>Gary Simonds No 3 Family Trust</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Holder) |
|         | <b>Vallence Gary Simonds</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br>(Controller)   |

---

|          |  |
|----------|--|
| Recitals | A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement. |
|----------|--|

---

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

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#### 1.1 Definitions

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| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>        | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                 | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted</b>           | means the securities set out in <b>item 4</b> of the Schedule.  |

## **Securities**

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## **1.2 Interpretation**

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;

- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### **1.3 Business Day**

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### **1.4 Definitions in the Listing Rules**

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## **2. Escrow Restrictions**

---

### **2.1 Escrow Restrictions – Holder**

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### **2.2 Escrow Restrictions – Controller**

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### **2.3 Exceptions**

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### **2.4 Reinstatement of no Dealing undertaking**

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### **2.5 Notice**

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### **3. Rights Attaching to Restricted Securities**

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### **4. Holding Lock**

---

#### **4.1 Application**

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### **4.2 Consent**

The Holder and the Controller consent to:



- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

---

#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) If the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

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### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

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The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

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The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

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### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

(b) if to the Holder:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

(c) if to the Controller:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

## 10. General

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### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

#### **10.2 Counterparts**

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

#### **10.3 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 agreement.

#### **10.4 Time of the Essence**

Time is of the essence of this agreement.

#### **10.5 Liability**

An obligation of two or more persons binds them separately and together.

#### **10.6 Governing Law and Jurisdiction**

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Simonds Custodians Pty Ltd ACN 050 199 365 in its capacity as trustee for the Gary Simonds No 3 Family Trust of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004   |
| Each Controller's (if any) name and address:   | Vallence Gary Simonds of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 16,400,010 fully paid ordinary shares   |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

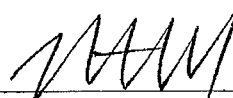
Executed by **Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:



Signature of Director

Paul A Newman

Full name (print)

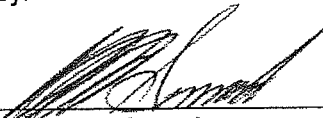


Signature of ~~Director~~ / Company Secretary

Robert G ROBBS.

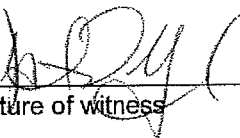
Full name (print)

Executed by **Simonds Custodians Pty Ltd**  
**ACN 050 199 365** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:



Vallence Gary Simonds  
Sole Director/Secretary

Signed, sealed and delivered by **Vallence Gary Simonds** in the presence of:



Signature of witness


David Peter Woodford

Full name of witness (print)

126, 530 Collins Street,

Address of witness (print)

Melbourne



Signature of Vallence Gary Simonds



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Simonds Constructions Pty Ltd**

and

**Valience Gary Simonds**

Ref TK:DW:316579

Doc ID 209650463/V1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500

Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (international)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 4        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>5</b> |
| 4.1       | Application  | 5        |
| 4.2       | Consent  | 5        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 7        |
| 5.4       | Effect of Breach of Warranty                       | 7        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>8</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>8</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 9         |
| <b>10.</b> | <b>General</b>                 | <b>10</b> |
| 10.1       | Amendments                     | 10        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

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|         |  |
|---------|--|
| Parties | <b>Simonds Group Limited ACN 143 841 801</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br>(Entity)   |
|         | <b>Simonds Constructions Pty Ltd ACN 137 871 982</b> in its capacity as trustee for the <b>Simonds Homes Discretionary Trust</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br>(Holder) |
|         | <b>Vallence Gary Simonds</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br>(Controller)   |

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|          |  |
|----------|--|
| Recitals | A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement. |
|----------|--|

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The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

---

#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

|                             |   |
|-----------------------------|---|
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.   |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>        | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                 | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted</b>           | means the securities set out in <b>item 4</b> of the Schedule.  |

## **Securities**

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## **1.2 Interpretation**

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;

- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### 1.3 Business Day

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### 1.4 Definitions in the Listing Rules

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## 2. Escrow Restrictions

---

### 2.1 Escrow Restrictions – Holder

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### 2.2 Escrow Restrictions – Controller

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### 2.3 Exceptions

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### **2.4 Reinstatement of no Dealing undertaking**

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### **2.5 Notice**

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### **3. Rights Attaching to Restricted Securities**

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### **4. Holding Lock**

---

#### **4.1 Application**

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### **4.2 Consent**

The Holder and the Controller consent to:



- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

---

#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

---

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

(b) if to the Holder:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

(c) if to the Controller:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

## 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

## 10.3 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 agreement.

## 10.4 Time of the Essence

Time is of the essence of this agreement.

## 10.5 Liability

An obligation of two or more persons binds them separately and together.

## 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.


## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Simonds Constructions Pty Ltd ACN 137 871 982 in its capacity as trustee for the Simonds Homes Discretionary Trust of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004   |
| Each Controller's (if any) name and address:   | Vallence Gary Simonds of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 21,485,018 fully paid ordinary shares   |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:


  
\_\_\_\_\_  
Signature of Director

Paul A McMahon  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of ~~Director~~ Company Secretary

Robert G Scobbs  
\_\_\_\_\_  
Full name (print)

**Executed by Simonds Constructions Pty**  
**Ltd ACN 137 871 982** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:

  
\_\_\_\_\_  
**Vallence Gary Simonds**  
Sole Director/Secretary

**Signed, sealed and delivered by Vallence**  
**Gary Simonds** in the presence of:

  
\_\_\_\_\_  
Signature of witness

David Peter Woodford  
\_\_\_\_\_  
Full name of witness (print)

  
\_\_\_\_\_  
Signature of **Vallence Gary Simonds**

Level 26, 530 Collins Street  
\_\_\_\_\_  
Address of witness (print)  
Melbourne



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Madisson Constructions Pty Ltd**

and

**Vallence Gary Simonds**

Ref TK:DW:316579

Doc ID 209651233/V1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500  
Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 4        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>5</b> |
| 4.1       | Application  | 5        |
| 4.2       | Consent  | 5        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 7        |
| 5.4       | Effect of Breach of Warranty                       | 7        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>8</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>8</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 9         |
| <b>10.</b> | <b>General</b>                 | <b>10</b> |
| 10.1       | Amendments                     | 10        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

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Parties

**Simonds Group Limited**

ACN 143 841 801 of Level 4, 570 St Kilda Road, Melbourne, Victoria,  
3004

(Entity)

---

**Madisson Constructions Pty Ltd ACN 141 838 726** in its capacity as  
trustee for the **Madisson Homes Trust** of Level 4, 570 St Kilda Road,  
Melbourne, Victoria, 3004

(Holder)

**Vallence Gary Simonds**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Controller)

---

Recitals

- A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement.
- 

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

---

#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

|                             |   |
|-----------------------------|---|
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.   |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>        | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                 | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted</b>           | means the securities set out in <b>item 4</b> of the Schedule.  |

## **Securities**

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## **1.2 Interpretation**

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;

- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### 1.3 Business Day

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### 1.4 Definitions in the Listing Rules

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## 2. Escrow Restrictions

---

### 2.1 Escrow Restrictions – Holder

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### 2.2 Escrow Restrictions – Controller

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### 2.3 Exceptions

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

## 2.4 Reinstatement of no Dealing undertaking

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

## 2.5 Notice

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

# 3. Rights Attaching to Restricted Securities

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

# 4. Holding Lock

---

## 4.1 Application

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

## 4.2 Consent

The Holder and the Controller consent to:



- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

---

#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

---

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

(b) if to the Holder:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

(c) if to the Controller:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: marisa.cucuzza@simonds.com.au

Facsimile: N/A

Attention: Gary Simonds

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

## **10.2 Counterparts**

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

## **10.3 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 agreement.

## **10.4 Time of the Essence**

Time is of the essence of this agreement.

## **10.5 Liability**

An obligation of two or more persons binds them separately and together.

## **10.6 Governing Law and Jurisdiction**

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

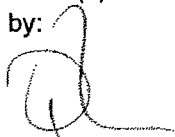
## Schedule

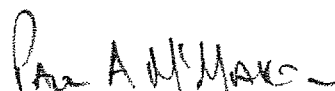
|  |   |
|--|---|
| Holder's name and address:                     | Madisson Constructions Pty Ltd ACN 141 838 726 as trustee for the Madisson Homes Trust of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004   |
| Each Controller's (if any) name and address:   | Vallence Gary Simonds of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year, or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 1,572,678 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

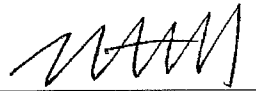
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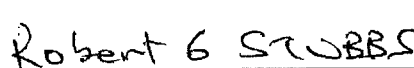
Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:


  
\_\_\_\_\_  
Signature of Director

  
\_\_\_\_\_  
Full name (print)

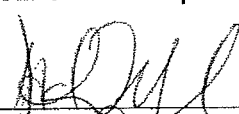
  
\_\_\_\_\_  
Signature of ~~Director~~/Company Secretary

  
\_\_\_\_\_  
Full name (print)


**Executed by Madisson Constructions Pty**  
**Ltd ACN 141 838 726** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:

  
\_\_\_\_\_  
**Vallence Gary Simonds**  
Sole Director/Secretary

**Signed, sealed and delivered by Vallence**  
**Gary Simonds** in the presence of:

  
\_\_\_\_\_  
Signature of witness

  
\_\_\_\_\_  
Full name of witness (print)

  
\_\_\_\_\_  
Address of witness (print)  
Melbourne

  
\_\_\_\_\_  
Signature of Vallence Gary Simonds



## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Silver Street Investments Pty Ltd**

and

**Paul Anthony McMahon**

Ref TK:DW:316579

Doc ID 211963163/V1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500

Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>2</b> |
| 1.1       | Definitions  | 2        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 5        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>6</b> |
| 4.1       | Application  | 6        |
| 4.2       | Consent  | 6        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 8        |
| 5.4       | Effect of Breach of Warranty                       | 8        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>9</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>9</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 10        |
| <b>10.</b> | <b>General</b>                 | <b>11</b> |
| 10.1       | Amendments                     | 11        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

---

Parties

**Simonds Group Limited ACN 143 841 801**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Entity)

---

**Silver Street Investments Pty Ltd ACN 602 023 834** in its capacity as trustee for the **Silver Street Trust**

of [REDACTED]

(Holder)

---

**Paul Anthony McMahon**

of [REDACTED]

and

**Vicky Louise McMahon**

of [REDACTED]

(each is a "Controller" and collectively the "Controllers")

---

Recitals

- A. At the request of the Entity, the Holder and the Controllers enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement.
- 

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

## 1. Definitions and interpretation clauses

---

### 1.1 Definitions

In this agreement:

|                             |   |
|-----------------------------|---|
| <b>ASX</b>                  | means ASX Limited ABN 98 008 624 691.   |
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.   |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>              | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.  |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.   |

|                              |  |
|------------------------------|--|
| <b>Listing Rules</b>         | means the official listing rules of ASX as amended from time to time.  |
| <b>PPSA</b>                  | means the <i>Personal Property Securities Act 2009</i> (Cth).  |
| <b>Restricted Securities</b> | means the securities set out in <b>item 4</b> of the Schedule.   |
| <b>Security Interest</b>     | means an interest or power: <ul style="list-style-type: none"> <li>(a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or</li> <li>(b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and</li> <li>(c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.</li> </ul> |
| <b>Shares</b>                | means fully paid ordinary shares in the capital of the Entity.   |

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;

- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### 1.3 Business Day

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### 1.4 Definitions in the Listing Rules

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## 2. Escrow Restrictions

---

### 2.1 Escrow Restrictions – Holder

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### 2.2 Escrow Restrictions – Controller

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### 2.3 Exceptions

During the Escrow Period, the Holder or Controllers may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

### 2.4 Reinstatement of no Dealing undertaking

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

### 2.5 Notice

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

## 3. Rights Attaching to Restricted Securities

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.



## 4. Holding Lock

---

### 4.1 Application

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

### 4.2 Consent

The Holder and each Controller consent to:

- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

## 5. Warranties, Representations and Undertaking

---

### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or

Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);

- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;
- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

### 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and each Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

---

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;

- (c) if transmitted by e-mail, on the first Business Day after the date of transmission;  
or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

- (b) if to the Holder:

Address: [REDACTED]

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon and Vicky Louise McMahon

- (c) if to the Controllers:

Address: [REDACTED]

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon and Vicky Louise McMahon

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

### 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

### 10.3 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 agreement.

### 10.4 Time of the Essence

Time is of the essence of this agreement.

### 10.5 Liability

An obligation of two or more persons binds them separately and together.

### 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

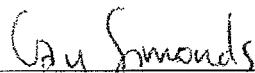
|  |   |
|--|---|
| Holder's name and address:                     | Silver Street Investments Pty Ltd ACN 602 023 834 in its capacity as trustee for the Silver Street Trust of [REDACTED]<br>[REDACTED]  |
| Each Controller's (if any) name and address:   | Paul Anthony McMahon of [REDACTED]<br>[REDACTED]<br><br>Vicky Louise McMahon of [REDACTED]<br>[REDACTED]  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 3,300,000 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

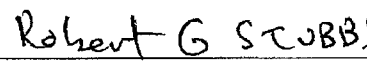
Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:

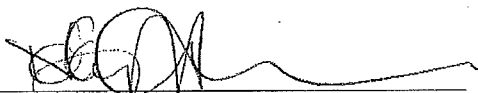
  
\_\_\_\_\_  
Signature of Director

  
\_\_\_\_\_  
Full name (print)


  
\_\_\_\_\_  
Signature of ~~Director~~ Company Secretary

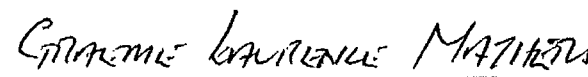
  
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Full name (print)

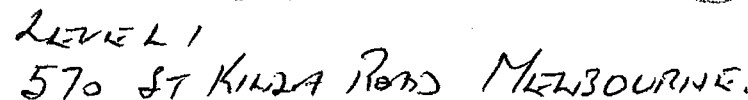
**Executed by Silver Street Investments**  
**Pty Ltd ACN 602 023 834** in accordance  
with section 127(1) of the *Corporations Act*  
*2001* (Cth) by:

  
\_\_\_\_\_  
**Vicky Louise McMahon**  
Sole Director/Secretary

**Signed, sealed and delivered by Vicky**  
**Louise McMahon** in the presence of:

  
\_\_\_\_\_  
Signature of witness

  
\_\_\_\_\_  
Full name of witness (print)


  
\_\_\_\_\_  
Address of witness (print)

  
\_\_\_\_\_  
Signature of **Vicky Louise McMahon**

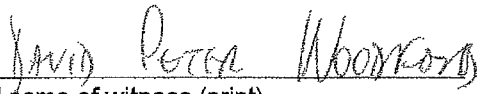
  
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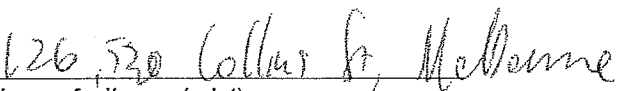


Signed, sealed and delivered by Paul  
Anthony McMahon in the presence of:

  
\_\_\_\_\_  
Signature of witness

  
\_\_\_\_\_  
Signature of Paul Anthony McMahon

  
\_\_\_\_\_  
Full name of witness (print)

  
\_\_\_\_\_  
Address of witness (print)

## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**McMahon Property Nominees Pty Ltd**

and

**Paul Anthony McMahon**

Ref TK:DW:316579

Doc ID 213516773/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +613 8644 3500  
Facsimile 1300 365 323 (Australia) +613 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>2</b> |
| 1.1       | Definitions  | 2        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 5        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>6</b> |
| 4.1       | Application  | 6        |
| 4.2       | Consent  | 6        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 8        |
| 5.4       | Effect of Breach of Warranty                       | 8        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>9</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>9</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 10        |
| <b>10.</b> | <b>General</b>                 | <b>11</b> |
| 10.1       | Amendments                     | 11        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

Parties

**Simonds Group Limited ACN 143 841 801**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Entity)

**McMahon Property Nominees Pty Ltd ACN 156 275 115** as custodian  
for McMahon SF Pty Ltd ACN 152 687 039 as trustee of the McMahon  
Superannuation Fund ABN 21 693 164 477

of [REDACTED]

(Holder)

**Paul Anthony McMahon**

of [REDACTED]

and

**Vicky Louise McMahon**

of [REDACTED]

(each is a "Controller" and collectively the "Controllers")

Recitals

- A. At the request of the Entity, the Holder and the Controllers enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement.

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

## 1. Definitions and interpretation clauses

---

### 1.1 Definitions

In this agreement:

|                             |  |
|-----------------------------|--|
| <b>ASX</b>                  | means ASX Limited ABN 98 008 624 691.  |
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.  |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.  |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.   |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.  |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).  |
| <b>Dealing</b>              | in respect of any Restricted Security, means to: <ol style="list-style-type: none"> <li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li> <li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li> <li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li> </ol> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.   |
| <b>Escrow Period</b>        | means the periods set out in item 3 of the Schedule.   |

|                              |  |
|------------------------------|--|
| <b>Listing Rules</b>         | means the official listing rules of ASX as amended from time to time.  |
| <b>PPSA</b>                  | means the <i>Personal Property Securities Act 2009</i> (Cth).  |
| <b>Restricted Securities</b> | means the securities set out in <b>item 4</b> of the Schedule.   |
| <b>Security Interest</b>     | means an interest or power: <ul style="list-style-type: none"> <li>(a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or</li> <li>(b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and</li> <li>(c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.</li> </ul> |
| <b>Shares</b>                | means fully paid ordinary shares in the capital of the Entity.   |

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;

- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### **1.3 Business Day**

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### **1.4 Definitions in the Listing Rules**

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## **2. Escrow Restrictions**

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### **2.1 Escrow Restrictions – Holder**

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### **2.2 Escrow Restrictions – Controller**

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.



### 2.3 Exceptions

During the Escrow Period, the Holder or Controllers may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

### 2.4 Reinstatement of no Dealing undertaking

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

### 2.5 Notice

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

## 3. Rights Attaching to Restricted Securities

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

## 4. Holding Lock

---

### 4.1 Application

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

### 4.2 Consent

The Holder and each Controller consent to:

- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

## 5. Warranties, Representations and Undertaking

---

### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or

Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);

- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;
- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettlement the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

### 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

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### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

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The Holder and each Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

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The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;

- (c) if transmitted by e-mail, on the first Business Day after the date of transmission;  
or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

- (b) if to the Holder:

Address: [REDACTED]

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon and Vicky Louise McMahon

- (c) if to the Controllers:

Address: [REDACTED]

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon and Vicky Louise McMahon

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

### 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

### 10.3 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 agreement.

### 10.4 Time of the Essence

Time is of the essence of this agreement.

### 10.5 Liability

An obligation of two or more persons binds them separately and together.

### 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | <b>McMahon Property Nominees Pty Ltd ACN 156 275 115</b> as custodian for McMahon SF Pty Ltd ACN 152 687 039 as trustee of the McMahon Superannuation Fund ABN 21 693 164 477<br>of [REDACTED]                      |
| Each Controller's (if any) name and address:   | Paul Anthony McMahon of [REDACTED]<br>Vicky Louise McMahon of [REDACTED]  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 700,000 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

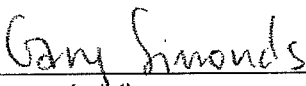


## Signing page


Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:

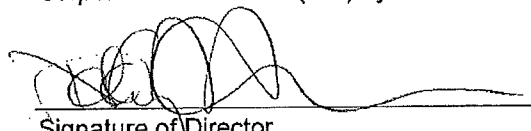
  
\_\_\_\_\_  
Signature of Director


  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of ~~Director~~/Company Secretary

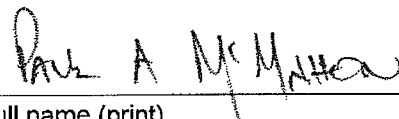
  
\_\_\_\_\_  
Full name (print)

**Executed by McMahon Property**  
**Nominees Pty Ltd ACN 156 275 115** in  
accordance with section 127(1) of the  
*Corporations Act 2001* (Cth) by:

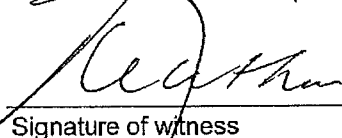
  
\_\_\_\_\_  
Signature of Director

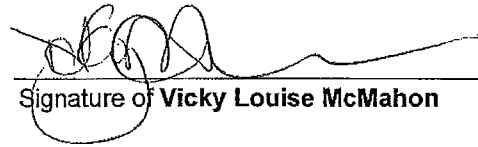
  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of Director/Company Secretary

  
\_\_\_\_\_  
Full name (print)

Signed, sealed and delivered by Vicky  
Louise McMahon in the presence of:

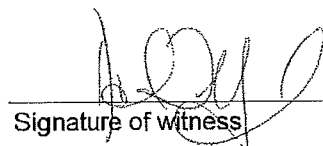
  
\_\_\_\_\_  
Signature of witness

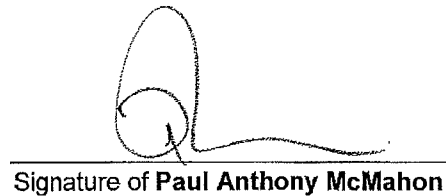
  
\_\_\_\_\_  
Signature of Vicky Louise McMahon

CAROLINE LAURENCE MATTHEWS  
Full name of witness (print)

LEVEL 1  
576 ST KILDA ROAD MELBOURNE  
Address of witness (print)

Signed, sealed and delivered by Paul  
Anthony McMahon in the presence of:

  
\_\_\_\_\_  
Signature of witness

  
\_\_\_\_\_  
Signature of Paul Anthony McMahon

David Peter Woodford  
Full name of witness (print)

126 530 Collins Street  
Address of witness (print)  
Melbourne

## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Mark Vujovich**

Ref TK:DW:316579

Doc ID 212149963/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500

Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
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|------------|--------------------------------|-----------|
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| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

---

|         |  |   |
|---------|--|---|
| Parties | <b>Simonds Group Limited ACN 143 841 801</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br><b>Mark Vujovich</b><br>of <b>[REDACTED]</b><br><br>Not applicable | <b>(Entity)</b><br><br><br><br><br><br><b>(Holder)</b><br><br><br><br><br><br><b>(Controller)</b> |
|---------|--|---|

---

|          |    |   |
|----------|----|---|
| Recitals | A. | At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement. |
|----------|----|---|

---

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

---

#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

|                              |   |
|------------------------------|---|
| <b>Business Day</b>          | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                 | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b>  | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>      | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>               | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>        | each have a corresponding meaning.  |
| <b>Escrow Period</b>         | means the periods set out in item 3 of the Schedule.  |
| <b>Listing Rules</b>         | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                  | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted Securities</b> | means the securities set out in item 4 of the Schedule.   |

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne time;



- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### 1.3 Business Day

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### 1.4 Definitions in the Listing Rules

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## 2. Escrow Restrictions

---

### 2.1 Escrow Restrictions – Holder

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### 2.2 Escrow Restrictions – Controller

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### 2.3 Exceptions

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### **2.4 Reinstatement of no Dealing undertaking**

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### **2.5 Notice**

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### **3. Rights Attaching to Restricted Securities**

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### **4. Holding Lock**

---

#### **4.1 Application**

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### **4.2 Consent**

The Holder and the Controller consent to:

- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHES holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

---

#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

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The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: Not applicable

Attention: Paul McMahon

(b) if to the Holder:

Address: [REDACTED]

Email: mark.vujovich@simonds.com.au

Facsimile: Not applicable

Attention: Mark Vujovich

(c) if to the Controller:

Address: Not applicable

Email: Not applicable

Facsimile: Not applicable

Attention: Not applicable

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

## **10.2 Counterparts**

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

## **10.3 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 agreement.

## **10.4 Time of the Essence**

Time is of the essence of this agreement.

## **10.5 Liability**

An obligation of two or more persons binds them separately and together.

## **10.6 Governing Law and Jurisdiction**

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.



## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Mark Vujovich of [REDACTED]   |
| Each Controller's (if any) name and address:   | Not applicable  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 880,000 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:

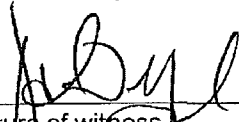
  
\_\_\_\_\_  
Signature of Director

Paul A McManus  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of ~~Director~~ Company Secretary

Robert G Scrubbs  
\_\_\_\_\_  
Full name (print)

**Signed, sealed and delivered by Mark**  
**Vujovich** in the presence of:

  
\_\_\_\_\_  
Signature of witness

David Peter Woodford  
\_\_\_\_\_  
Full name of witness (print)

  
\_\_\_\_\_  
Signature of **Mark Vujovich**

Level 26, 530 Collins Street  
\_\_\_\_\_  
Address of witness (print)  
Melbourne

## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Robert Geoffrey Stubbs**

and

**Geoffrey Charles Stubbs**

Ref TK:DW:316579

Doc ID 213519813/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500  
Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>2</b> |
| 1.1       | Definitions  | 2        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 5        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>6</b> |
| 4.1       | Application  | 6        |
| 4.2       | Consent  | 6        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 8        |
| 5.4       | Effect of Breach of Warranty                       | 8        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>9</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>9</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 10        |
| <b>10.</b> | <b>General</b>                 | <b>11</b> |
| 10.1       | Amendments                     | 11        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

---

Parties

**Simonds Group Limited ACN 143 841 801**

of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

(Entity)

---

**Robert Geoffrey Stubbs and Geoffrey Charles Stubbs** in their  
capacity as trustees of the R.G. Stubbs Executive Superannuation Fund

of [REDACTED]

(Holder)

---

**Robert Geoffrey Stubbs**

of [REDACTED]

and

**Geoffrey Charles Stubbs**

of [REDACTED]

(each is a "Controller" and collectively the "Controllers")

---

Recitals

- A. At the request of the Entity, the Holder and the Controllers enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement.
- 

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

## 1. Definitions and interpretation clauses

---

### 1.1 Definitions

In this agreement:

|                             |  |
|-----------------------------|--|
| <b>ASX</b>                  | means ASX Limited ABN 98 008 624 691.  |
| <b>ASX Settlement</b>       | means ASX Settlement Pty Limited ACN 008 504 532.  |
| <b>Business Day</b>         | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.  |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.   |
| <b>Controller Interests</b> | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.  |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).  |
| <b>Dealing</b>              | in respect of any Restricted Security, means to: <ul style="list-style-type: none"> <li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li> <li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li> <li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li> </ul> |
| <b>Deal and Dealt</b>       | each have a corresponding meaning.   |
| <b>Escrow Period</b>        | means the periods set out in <b>item 3</b> of the Schedule.  |

|                              |  |
|------------------------------|--|
| <b>Listing Rules</b>         | means the official listing rules of ASX as amended from time to time.  |
| <b>PPSA</b>                  | means the <i>Personal Property Securities Act 2009</i> (Cth).  |
| <b>Restricted Securities</b> | means the securities set out in <b>item 4</b> of the Schedule.   |
| <b>Security Interest</b>     | means an interest or power: <ul style="list-style-type: none"> <li>(a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or</li> <li>(b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and</li> <li>(c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.</li> </ul> |
| <b>Shares</b>                | means fully paid ordinary shares in the capital of the Entity.   |

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;



- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne time;
- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### 1.3 Business Day

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### 1.4 Definitions in the Listing Rules

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

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Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### 2.2 Escrow Restrictions – Controller

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

## 2.3 Exceptions

During the Escrow Period, the Holder or Controllers may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

## 2.4 Reinstatement of no Dealing undertaking

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

## 2.5 Notice

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

## 3. Rights Attaching to Restricted Securities

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

## 4. Holding Lock

---

### 4.1 Application

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

### 4.2 Consent

The Holder and each Controller consent to:

- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

## 5. Warranties, Representations and Undertaking

---

### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or

Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);

- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;
- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

### 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and each Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

---

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;

- (c) if transmitted by e-mail, on the first Business Day after the date of transmission;  
or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: N/A

Attention: Paul McMahon

- (b) if to the Holder:

Address: [REDACTED]

Email: Robert.stubbs@simonds.com.au

Facsimile: N/A

Attention: Robert Stubbs

- (c) if to the Controllers:

Address: [REDACTED]

Email: Robert.stubbs@simonds.com.au

Facsimile: N/A

Attention: Robert Stubbs

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.

### 10.2 Counterparts

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

### 10.3 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 agreement.

### 10.4 Time of the Essence

Time is of the essence of this agreement.

### 10.5 Liability

An obligation of two or more persons binds them separately and together.

### 10.6 Governing Law and Jurisdiction

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.



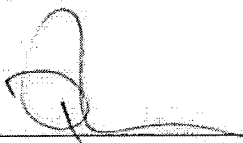
## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Robert Geoffrey Stubbs and Geoffrey Charles Stubbs in their capacity as trustees of the R.G. Stubbs Executive Superannuation Fund of [REDACTED]   |
| Each Controller's (if any) name and address:   | Robert Geoffrey Stubbs of [REDACTED]<br><br>Geoffrey Charles Stubbs of [REDACTED]   |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br><br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year; or<br><br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 125,000 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:


  
\_\_\_\_\_  
Signature of Director

Paul A McMahon  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of Director/Company Secretary

Gary Simonds  
\_\_\_\_\_  
Full name (print)

**Signed, sealed and delivered by Robert**  
**Geoffrey Stubbs** in the presence of:

  
\_\_\_\_\_  
Signature of witness

David Peter Woodward  
\_\_\_\_\_  
Full name of witness (print)

  
\_\_\_\_\_  
Signature of Robert Geoffrey Stubbs

126,530 Cairns St, Melbourne  
\_\_\_\_\_  
Address of witness (print)

Signed, sealed and delivered by **Geoffrey Charles Stubbs** in the presence of:

P. Donnelly.  
Signature of witness

Geoff Stubbs  
Signature of **Geoffrey Charles Stubbs**

PADRAIG DONNELLY.  
Full name of witness (print)

11570 STILLDA ROAD  
Address of witness (print)

## Voluntary Restriction Agreement

**Simonds Group Limited**

and

**Jason Vujovich**

Ref TK:DW:316579

Doc ID 212151423/v1

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia  
PO Box 3, Collins Street West VIC 8007 Australia  
DX 564 Melbourne

Telephone +61 3 8644 3500

Facsimile 1300 365 323 (Australia) +61 3 9034 3257 (International)  
hwlebsworth.com.au

## Table of contents

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Definitions and interpretation clauses</b>      | <b>1</b> |
| 1.1       | Definitions  | 1        |
| 1.2       | Interpretation                                     | 3        |
| 1.3       | Business Day                                       | 4        |
| 1.4       | Definitions in the Listing Rules                   | 4        |
| <b>2.</b> | <b>Escrow Restrictions</b>                         | <b>4</b> |
| 2.1       | Escrow Restrictions – Holder                       | 4        |
| 2.2       | Escrow Restrictions – Controller                   | 4        |
| 2.3       | Exceptions   | 4        |
| 2.4       | Reinstatement of no Dealing undertaking            | 5        |
| 2.5       | Notice   | 5        |
| <b>3.</b> | <b>Rights Attaching to Restricted Securities</b>   | <b>5</b> |
| <b>4.</b> | <b>Holding Lock</b>                                | <b>5</b> |
| 4.1       | Application  | 5        |
| 4.2       | Consent  | 5        |
| 4.3       | Removal of Holding Lock                            | 6        |
| <b>5.</b> | <b>Warranties, Representations and Undertaking</b> | <b>6</b> |
| 5.1       | Giving of Warranties                               | 6        |
| 5.2       | Warranties and Representations                     | 6        |
| 5.3       | Undertaking  | 7        |
| 5.4       | Effect of Breach of Warranty                       | 7        |
| 5.5       | Survival of Warranties and Representations         | 8        |
| <b>6.</b> | <b>Disputes</b>                                    | <b>8</b> |
| 6.1       | Consequences of breach                             | 8        |
| 6.2       | Injunctive Relief or Specific Performance          | 8        |
| <b>7.</b> | <b>Disclosure to ASX</b>                           | <b>8</b> |
| <b>8.</b> | <b>Confidentiality</b>                             | <b>8</b> |

|            |                                |           |
|------------|--------------------------------|-----------|
| <b>9.</b>  | <b>Notices</b>                 | <b>9</b>  |
| 9.1        | Form of Notice                 | 9         |
| 9.2        | Receipt                        | 9         |
| 9.3        | Address for notices            | 9         |
| <b>10.</b> | <b>General</b>                 | <b>10</b> |
| 10.1       | Amendments                     | 10        |
| 10.2       | Counterparts                   | 11        |
| 10.3       | Further Acts                   | 11        |
| 10.4       | Time of the Essence            | 11        |
| 10.5       | Liability                      | 11        |
| 10.6       | Governing Law and Jurisdiction | 11        |
|            | <b>Schedule</b>                | <b>12</b> |
|            | <b>Signing page</b>            | <b>13</b> |

## Voluntary Restriction Agreement

Date

---

|         |  |   |
|---------|--|---|
| Parties | <b>Simonds Group Limited ACN 143 841 801</b><br>of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004<br><br><b>Jason Vujovich</b><br>of [REDACTED]<br><br>Not applicable | <b>(Entity)</b><br><br><br><br><br><b>(Holder)</b><br><br><br><b>(Controller)</b> |
|---------|--|---|

---

|          |  |
|----------|--|
| Recitals | A. At the request of the Entity, the Holder and the Controller enter into this agreement to restrict the Holder's ability to Deal in the Restricted Securities for the Escrow Period on the terms contained in this agreement. |
|----------|--|

---

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

### 1. Definitions and interpretation clauses

---

#### 1.1 Definitions

In this agreement:

**ASX** means ASX Limited ABN 98 008 624 691.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

|                              |   |
|------------------------------|---|
| <b>Business Day</b>          | means a day on which banks are open for business in the State of Victoria, Australia, excluding a Saturday, Sunday or public holiday.   |
| <b>CHESS</b>                 | means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.  |
| <b>Controller Interests</b>  | means, in respect of a Controller, the securities, substantial economic or beneficial interest in the Restricted Securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 5 of the Schedule.   |
| <b>Corporations Act</b>      | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Dealing</b>               | <p>in respect of any Restricted Security, means to:</p> <ul style="list-style-type: none"><li>(a) dispose of, or agree or offer to dispose of, that Restricted Security or any legal, beneficial or economic interest in that Restricted Security;</li><li>(b) create, or agree or offer to create, any Security Interest in that Restricted Security or any legal, beneficial or economic interest in that Restricted Security; or</li><li>(c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Security or any legal, beneficial or economic interest in that Restricted Security.</li></ul> |
| <b>Deal and Dealt</b>        | each have a corresponding meaning.  |
| <b>Escrow Period</b>         | means the periods set out in <b>item 3</b> of the Schedule.   |
| <b>Listing Rules</b>         | means the official listing rules of ASX as amended from time to time.   |
| <b>PPSA</b>                  | means the <i>Personal Property Securities Act 2009</i> (Cth).   |
| <b>Restricted Securities</b> | means the securities set out in <b>item 4</b> of the Schedule.  |



**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power; and
- (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

**Shares** means fully paid ordinary shares in the capital of the Entity.

## 1.2 Interpretation

In this agreement, unless the context requires otherwise:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this the have a corresponding meaning;
- (e) a reference to a "person" includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate and any Government Agency (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this agreement and a reference to this agreement includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne time;

- (k) the word person means a natural person and any association, body or entity whether incorporated or not;
- (l) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (m) a covenant or agreement on the part of two or more persons binds them jointly and severally;
- (n) no rule of construction applies to the disadvantage of a party because this agreement is prepared by (or on behalf of) that party; and
- (o) a reference to any thing is a reference to the whole and each part of it.

### **1.3 Business Day**

If anything under this agreement is required to be done by or on a day that is not a Business Day that thing must be done by or on the next Business Day.

### **1.4 Definitions in the Listing Rules**

Unless otherwise defined in this agreement, terms defined in the Listing Rules have that defined meaning in this agreement.

## **2. Escrow Restrictions**

---

### **2.1 Escrow Restrictions – Holder**

Subject to clause 2.3, the Holder must not Deal in the Restricted Securities during the Escrow Period.

### **2.2 Escrow Restrictions – Controller**

Subject to clause 2.3, each Controller must not Deal in its Controller Interests during the Escrow Period.

### **2.3 Exceptions**

During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Securities or Controller Interests (as relevant) if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under Chapter 6 of the Corporations Act in respect for some or all of the Shares;
- (b) the transfer or cancellation of the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act,

or if the Dealing is required by applicable law (including an order of a court of competent jurisdiction).

#### **2.4 Reinstatement of no Dealing undertaking**

If a takeover bid referred to in clause 2.3(a) does not become unconditional or a scheme of arrangement referred to in clause 2.3(b) does not take effect, the obligations in clauses 2.1 and 2.2 will be reinstated for the duration of the Escrow Period.

#### **2.5 Notice**

If the Holder or a Controller becomes aware:

- (a) that a Dealing in any Restricted Securities or its Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Securities or its Controller Interests during the Escrow Period,

it must notify the Entity as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

### **3. Rights Attaching to Restricted Securities**

---

Nothing in this agreement, including clause 2, affects or in any way restricts the following rights attaching to the Restricted Securities:

- (a) the right to vote;
- (b) the right to receive dividends or other forms of distribution, including in-specie distributions or capital returns; and
- (c) the right to participate in any form of rights, entitlement or other pro-rata offer to shareholders or any bonus or dividend reinvestment plan.

### **4. Holding Lock**

---

#### **4.1 Application**

The Entity must apply a holding lock to the Restricted Securities during the Escrow Period (if the Restricted Securities are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if they are held in a CHESS holding).

#### **4.2 Consent**

The Holder and the Controller consent to:

- (a) the Entity entering the Restricted Securities on the Entity's issuer sponsored subregister; and
- (b) the application of a holding lock to such Restricted Securities,

during the Escrow Period. The Entity must take all steps necessary to ensure the Restricted Securities become fully transferable at the end of the Escrow Period.

#### 4.3 Removal of Holding Lock

At least 10 Business Days prior to the expiry of the relevant Escrow Period, the Entity must apply to remove any holding lock applied to the applicable Restricted Securities under clause 4.1 (if they are held on an issuer sponsored subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if they are in a CHES holding). The removal of the holding lock is to take effect from the day after the last day of the relevant Escrow Period.

### 5. Warranties, Representations and Undertaking

---

#### 5.1 Giving of Warranties

The Holder and each Controller give the warranties and representations in favour of the Entity as at:

- (a) the date of this agreement; and
- (b) at all times until expiry of the Escrow Period.

#### 5.2 Warranties and Representations

The Holder and each Controller jointly and severally represent and warrant that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this agreement (including, if the Holder or Controller has entered into this agreement as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**);
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;
- (c) this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this agreement does not and will not violate, breach or result in a contravention of:
- (e) any applicable law, regulation or authorisation;

- (f) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (g) any agreement, undertaking, Security Interest, or document which is binding on it;
- (h) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in the Restricted Securities such that it will take effect during the Escrow Period;
- (i) the Restricted Securities are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (j) there is no person who has, or will have, at or immediately following Completion, any substantial economic or beneficial interest in the Restricted Securities other than the Holder and the Controller;
- (k) the Holder will at Completion, hold the Restricted Securities set out in item 4 of the Schedule and each Controller will at Completion, hold its Controller Interests set out in item 5 of the Schedule;
- (l) if the Holder or a Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (m) if the Holder or a Controller is a Trustee:
  - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (ii) the Trust has not been terminated and there is not effective proposal or requirement to wind up, deregister, terminate, reconstitute or settle the Trust.

### 5.3 Undertaking

The Holder and each Controller undertakes to the Entity:

- (a) to comply in all respects with this agreement; and
- (b) not to seek any waiver or variation of this agreement without the prior written consent of the Entity.

### 5.4 Effect of Breach of Warranty

A breach of any of the warranties set out in clause 5.1 is a breach of this agreement.

## 5.5 Survival of Warranties and Representations

The warranties and representations set out in clause 5.1 survive termination of this agreement.

## 6. Disputes

---

### 6.1 Consequences of breach

If the Holder or a Controller breaches this agreement (Defaulting Party), each of the following applies:

- (a) as soon as practicable after becoming aware of the breach, the Entity must take the steps as necessary to prevent the breach, or to enforce the Agreement, including seeking injunctive relief;
- (b) the Entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Entity; and
- (c) the Defaulting Party will cease to be entitled to any dividends, distributions or voting rights attaching to the Restricted Securities while the breach continues.

### 6.2 Injunctive Relief or Specific Performance

The parties agree that damages would be an insufficient remedy for breach of clauses 2.1 and 2.2 and each of the Holder and Controller agrees that the Entity is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controller's obligation under clause 2.1 or clause 2.2 without proof of actual damage and without prejudice to any of its rights or remedies.

## 7. Disclosure to ASX

---

The Holder and the Controller authorise the Entity to disclose to the ASX such information relating to the terms of this agreement as is required by ASX under the Listing Rules or otherwise, including disclosure in compliance with Listing Rule 3.10A.

## 8. Confidentiality

---

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this agreement and the transactions contemplated by it (including the execution of documents) other than as required by law or the Listing Rules.

## 9. Notices

---

### 9.1 Form of Notice

All notices, requests, demands, consents, approvals, agreements or other communications (**notices**) to or by a party given for the purposes of Agreement must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party or, where transmitted by e-mail, sent by the party giving notice or a person duly authorised by that party;
- (c) directed to the recipient's address (as specified in clause 9.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by email or facsimile to that address,

and will be taken to be duly given or made (in the case of delivery in person or by post or email or facsimile transmission) when delivered, received or left at the address of the recipient shown in this agreement or to any other address which it may have notified the sender.

### 9.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered at or before 4.00 pm on a Business Day, on delivery, otherwise at 9.30 am on the next Business Day;
- (b) if sent by prepaid post, on the seventh Business Day after the date of posting;
- (c) if transmitted by e-mail, on the first Business Day after the date of transmission; or
- (d) if transmitted by facsimile at or before 4.00 pm on a Business Day, at the time recorded on the transmission report indicating successful transmission of the entire notice, otherwise at 9.30 am on the next Business Day.

### 9.3 Address for notices

Unless varied by notice in accordance with this clause 9.3, the parties' addresses and other details are:

- (a) if to the Entity:

Address: Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004

Email: paul.mcmahon@simonds.com.au

Facsimile: Not applicable

Attention: Paul McMahon

(b) if to the Holder:

Address: [REDACTED]

Email: jason.vujovich@simonds.com.au

Facsimile: Not applicable

Attention: Jason Vujovich

(c) if to the Controller:

Address: Not applicable

Email: Not applicable

Facsimile: Not applicable

Attention: Not applicable

## 10. General

---

### 10.1 Amendments

This agreement may only be varied by a document signed by or on behalf of the parties.



## **10.2 Counterparts**

- (a) The parties may execute this agreement in two or more counterparts.
- (b) The parties deem that each counterpart is an original.
- (c) All counterparts together constitute one instrument.

## **10.3 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 agreement.

## **10.4 Time of the Essence**

Time is of the essence of this agreement.

## **10.5 Liability**

An obligation of two or more persons binds them separately and together.

## **10.6 Governing Law and Jurisdiction**

- (a) This agreement is governed by the laws of Victoria.
- (b) Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of Victoria.

## Schedule

|  |   |
|--|---|
| Holder's name and address:                     | Jason Vujovich of [REDACTED]  |
| Each Controller's (if any) name and address:   | Not applicable  |
| Escrow Period:                                 | From the date of this agreement to the earlier of:<br>(a) date of release of the Entity's Appendix 4E (Preliminary Final Report) for the 2016 financial year, or<br>(b) two years after the date of this Agreement. |
| Particulars of Restricted Securities:          | 125,000 fully paid ordinary shares  |
| Particular's of Controller Interests (if any): | Beneficial interest in the Restricted Securities  |

## Signing page

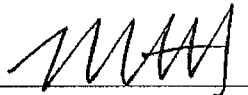
Executed as a deed

**Executed by Simonds Group Limited**  
**ACN 143 841 801** in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth) by:



Signature of Director

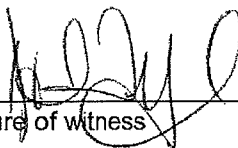
PAUL A McMahon  
Full name (print)



Signature of ~~Director~~/Company Secretary

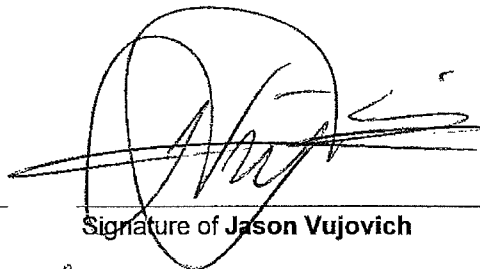
Robert G STUBBS  
Full name (print)

**Signed, sealed and delivered by Jason**  
**Vujovich** in the presence of:



Signature of witness

David Peter Woodford  
Full name of witness (print)



Signature of Jason Vujovich

126 530 Collins Street  
Address of witness (print)  
Melbourne

## Deed Poll

|            |  |
|------------|--|
| Date       |  |
| Parties    |  |
|            | <p><b>Simonds Group Limited ACN 143 841 801</b> of Level 4, 570 St Kilda Road, Melbourne, Victoria, 3004</p> <p style="text-align: right;">(Company)</p>   |
| Background |  |
| A.         | The Company has issued the Prospectus and applied to be admitted to the Official List of ASX Limited ( <b>ASX</b> ).   |
| B.         | The ASX has given conditional approval to the Company to be admitted to its Official List. One of the conditions to ASX approval is that the Company provide a deed of undertaking on the terms of this deed poll. |

## Operative Provisions

## 1. Defined meanings

Words used in this deed and the rules of interpretation that apply are set out and explained in the definitions and interpretation at clause 4.

## 2. Undertaking

The Company hereby covenants and undertakes to the ASX that it will:

- (a) not enforce the relevant clauses in the voluntary escrow deeds it has entered into in relation to the escrowed Shares (as referred to on page 115 of the Prospectus), that relate to the removal or change of a Shareholders' right to vote or receive dividends (**Relevant Clauses**) (as set out in clause 6.1(c)), which is contrary to listing rule 6.10; and
- (b) inform each of those escrowed Shareholders that it will not enforce the Relevant Clauses.

## 3. General provisions

## 3.1 Governing law and jurisdiction

This document is governed by and construed under the law in the State of Victoria and any legal action in relation to this document against any party or its property may be brought in any court of competent jurisdiction in the State of Victoria.

### 3.2 Amendments

Any amendment to this document has no force or effect, unless effected by a document executed by the Company and the ASX.

## 4. Definitions and interpretations

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### 4.1 Definitions

In this document unless the context otherwise requires:

**Official List** means the official list of ASX;

**Prospectus** means the prospectus issued by the Company and Simonds SaleCo Limited dated 22 October 2014;

**Shareholder** means a holder of Shares; and

**Shares** means fully paid ordinary shares in the Company.


### 4.2 Interpretation

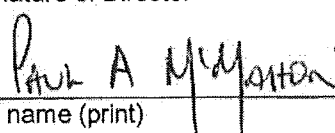
In this document unless the context otherwise requires:

- (a) clause and subclause headings are for reference purposes only;
- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) reference to a person includes any other entity recognised by law and vice versa;
- (e) any reference to a party to this document includes its successors and permitted assigns.

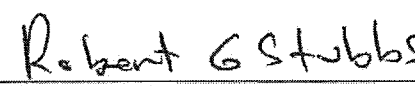
### Executed as a deed poll

Executed by **Simonds Group Limited ACN 143 841 801** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

  
\_\_\_\_\_  
Signature of Director

  
\_\_\_\_\_  
Full name (print)

  
\_\_\_\_\_  
Signature of ~~Director~~/Company Secretary

  
\_\_\_\_\_  
Full name (print)