

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Adairs Limited

ACN/ARSN 147 375 451

**1. Details of substantial holder (1)**

Name Adairs Limited

ACN/ARSN (if applicable) 147 375 451

The holder became a substantial holder on 17/06/2015

**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	74,809,795	74,809,795	45.1%

**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
Adairs Limited	Restriction on disposal of shares under voluntary escrow arrangements disclosed in Adairs Limited's prospectus dated 29 May 2015 gives Adairs Limited a technical "relevant interest" in its own shares under section 608(1)(c) of the Corporations Act 2001 (Cth). However, Adairs Limited has no right to acquire these shares or to control the voting rights attaching to these shares.	74,809,795 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
Adairs Limited	-Catalyst Buyout Fund 2A Pty Ltd atf Catalyst Buyout Trust 2A -Catalyst Buyout Fund 2B Pty Ltd atf Catalyst Buyout Trust 2B -Catalyst General Partner 2 Limited as general partner for Catalyst Buyout Fund 2 LP -BB Retail Capital Pty Ltd atf The Blundy Family Trust -David MacLean Investments Pty Ltd atf the David MacLean ARG Retail Trust -Michael Cherubino Investments Pty Ltd atf the Michael Cherubino Investment Trust -Mark Ronan -Mark Ronan and Emily Black atf the Ronan Black Family Trust -Utadi Doi Murphy atf the Murphy Family Trust -Paul Randall -Jenny Hides atf the Jenny Hides Trust -Hatz (Administration Services) Pty Ltd atf the Hatzis Family Trust	-Catalyst Buyout Fund 2A Pty Ltd atf Catalyst Buyout Trust 2A -Catalyst Buyout Fund 2B Pty Ltd atf Catalyst Buyout Trust 2B -Catalyst General Partner 2 Limited as general partner for Catalyst Buyout Fund 2 LP -BB Retail Capital Pty Ltd atf The Blundy Family Trust -David MacLean Investments Pty Ltd atf the David MacLean ARG Retail Trust -Michael Cherubino Investments Pty Ltd atf the Michael Cherubino Investment Trust -Mark Ronan -Mark Ronan and Emily Black atf the Ronan Black Family Trust -Utadi Doi Murphy atf the Murphy Family Trust -Paul Randall -Jenny Hides atf the Jenny Hides Trust -Hatz (Administration Services) Pty Ltd atf the Hatzis Family Trust	74,809,795 fully paid ordinary shares

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	
Adairs Limited	17 June 2015	Non-cash pursuant to voluntary escrow deeds between Adairs Limited and each of the registered holders listed at 4 and as attached as Annexure A.		74,809,795 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
Adairs Limited	2 International Court, Scoresby Vic 3179
Catalyst Buyout Fund 2A as trustee for Catalyst Buyout Trust 2A	Level 9, 151 Macquarie Street, Sydney NSW 2000
Catalyst Buyout Fund 2B as trustee for Catalyst Buyout Trust 2B	Level 9, 151 Macquarie Street, Sydney NSW 2000
Catalyst General Partner 2 Limited as general partner of Catalyst Buyout Fund 2 LP	Kleinwort Benson House Wests Centre, St Helier Jersey JE48PN, United Kingdom
David MacLean Investments Pty Ltd as trustee for the David MacLean ARG Retail Trust	Freshwater Place, Level 13 2 Southbank Boulevard Southbank VIC 3006
Michael Cherubino Investments Pty Ltd as trustee for the Michael Cherubino Investment Trust	Freshwater Place, Level 13 2 Southbank Boulevard Southbank VIC 3006
BB Retail Capital Pty Ltd as trustee for the Blundy Family Trust	Level 14, 71 Macquarie Street Sydney NSW 2000
Mark Ronan and Mark Ronan and Emily Black atf the Ronan Black Family Trust	109-111 Gosford Crescent, Park Orchards, VIC 3114
Utadi Doi Murphy atf the Murphy Family Trust	40 Gratten Road, Montrose 3765
Paul Randall	1/19 Norwood Road, Caulfield North, Victoria 3161
Jenny Hides atf the Jenny Hides Trust	60 Campbell Street, Coburg 3058
Hatz (Administration Services) Pty Ltd atf the Hatzis Family Trust	79 Belford Road, East Kew, Victoria 3102

Signature

print name Mark Ronan capacity Company Secretary

sign here



date

16 /06/2015

#### 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, moneys 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.

**Adairs Limited (ACN 147 375 451)**

**Annexure A**

This is Annexure A of 137 pages referred to in Form 603 – Notice of initial substantial holder

Signed: 

Name: Mark Ronan

Date: 16/06/2015.



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Utadi Murphy)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



# Contents

## Table of contents

---

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	3
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period .....	4
2.3	Escrow restrictions .....	4
2.4	Exceptions .....	5
2.5	Notice .....	5
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	6
4.3	Acknowledgment.....	7
4.4	Survival of representations and warranties .....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>7</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	8
7.4	Notices .....	8
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:

# 1 Definitions and interpretation

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## 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"> <li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li> </ul>



Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).



Term	Meaning
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"><li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li><li>any securities in the Company attaching to or arising out of those Shares.</li></ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"><li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li><li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li><li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li></ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;



- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

### 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

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### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.

### 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

### 2.3 Escrow restrictions

The parties acknowledge and agree that:



- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
  - (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

### 3 Termination

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This deed terminates if the Company is not admitted to the official list of the ASX by 30 September 2015.

### 4 Warranties and acknowledgment

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#### 4.1 Giving of warranties

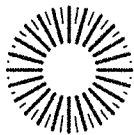
The Holder and the Controller each give the warranties and representations in favour of the Company as at:

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

#### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:
  - (1) any applicable law, regulation or authorisation;
  - (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
  - (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;



- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

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- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).



- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

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This deed may not be amended without the prior written consent of the parties.

## 7 General

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### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.

### 7.3 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

### 7.4 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;



- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

## **7.5 Time of Essence**

Time is of the essence to this deed.





## Schedule 1

### Details

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<b>Item 1</b>	1	Holder	Utadi Doi Murphy as trustee for the Murphy Family Trust
	2	Holder address	40 Gratten Rd, Montrose, 3765

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<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
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<b>Item 3</b>	1	Controller	N/A
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	2	Controller Interests	N/A
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## Signing page

Executed as a deed


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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
Company Secretary/Director

print name MARK LONAN

sign here ►   
Director

print name MICHELE CHERUBINO

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### Holder

Signed sealed and delivered by  
**Utadi Doi Murphy as trustee for the Murphy Family Trust**

sign here ► \_\_\_\_\_

print name \_\_\_\_\_

in the presence of

sign here ► \_\_\_\_\_  
Witness

print name \_\_\_\_\_

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## Signing page

Executed as a deed

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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ► \_\_\_\_\_  
Company Secretary/Director

print name \_\_\_\_\_

sign here ► \_\_\_\_\_  
Director

print name \_\_\_\_\_

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### Holder

Signed sealed and delivered by  
**Utadi Doi Murphy as trustee for the Murphy Family Trust**

sign here ► Utadi Doi Murphy

print name Utadi Doi Murphy

in the presence of

sign here ► Fay Hatzis  
Witness

print name FAY HATZIS

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HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (BBRC)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



# Contents

## Table of contents

---

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>5</b>
2.1	Holder restrictions during Escrow Period.....	5
2.2	Controller restrictions during Escrow Period.....	5
2.3	Escrow restrictions .....	5
2.4	Exceptions.....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	7
4.3	Acknowledgment.....	8
4.4	Survival of representations and warranties.....	8
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	9
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
------------	--

---

Holder	The party identified in Item 1 of Schedule 1
--------	--

---

This deed witnesses as follows:



## 1 Definitions and interpretation

---

### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Company VWAP</b>	the volume weighted average price of the Shares (calculated to two decimal places of one cent) traded on ASX 'On-market' (as that term is defined in the ASX Operating Rules), excluding special crossings, overseas trades, trades pursuant to the exercise of options or overnight trades, as determined by ASX in accordance with its customary practice.
<b>Company VWAP Period</b>	any 10 consecutive Trading Days commencing after the Relevant Date.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of

Term	Meaning
	Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"> <li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored</b>	the part of the Company's register for shares that is administered by





Term	Meaning
<b>Subregister</b>	the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Relevant Date</b>	means the date on which the half-yearly results of the Company for the period ending 3 January 2016 are provided to ASX.
<b>Restricted Shares</b>	<ul style="list-style-type: none"><li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li><li>any securities in the Company attaching to or arising out of those Shares.</li></ul>
<b>Security Interest</b>	an interest or power: <ul style="list-style-type: none"><li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li><li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li><li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li></ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.

Term	Meaning
Share	a share in the Company.
Trading Day	a 'trading day' as defined in the Listing Rules.
Voluntary Escrow Deed	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;
- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

## 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and



- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

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### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.

### 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

### 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

### 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; or



provided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or

- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, if both of the following conditions have been satisfied:
  - (1) the half-yearly results of the Company for the period ending 3 January 2016 have been provided to ASX; and
  - (2) the Company VWAP calculated over the Company VWAP Period is at least 20% higher than the Offer Price.

For the avoidance of doubt, the Company VWAP on each Trading Day on or before the Relevant Date is not relevant to determining whether the exception in this clause 2.4(b) will apply.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

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This deed terminates if the Company is not admitted to the official list of the ASX by 30 September 2015.

## 4 Warranties and acknowledgment

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### 4.1 Giving of warranties

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

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

## 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:
  - (1) any applicable law, regulation or authorisation;
  - (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
  - (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and

- (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

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- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

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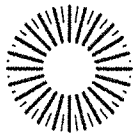
This deed may not be amended without the prior written consent of the parties.

## 7 General

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### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.



- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

## **7.2 Counterparts**

This deed may be executed in any number of counterparts.

## **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

## **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

## **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

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<b>Item 1</b>	1 Holder	BB Retail Capital Pty Limited ACN 006 175 033 as trustee for The Blundy Family Trust
	2 Holder address	Level 14, 71 Macquarie Street, Sydney NSW 2000

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<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the unaudited financial reports of the Company for the financial year ending 3 July 2016 are provided to ASX.
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<b>Item 3</b>	1 Controller	Brett Blundy
	2 Controller Interests	Majority shareholder

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## Signing page

Executed as a deed

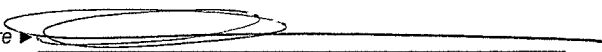
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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
\_\_\_\_\_  
Company Secretary/Director

print name MARK LEWAN

sign here ►   
\_\_\_\_\_  
Director

print name MICHELE CHERMSINO

---

### Holder

Signed sealed and delivered by  
**BB Retail Capital Pty Limited ACN 006 175 033 as trustee for The Blundy  
Family Trust**  
by

sign here ► \_\_\_\_\_  
Company Secretary/Director

print name \_\_\_\_\_

sign here ► \_\_\_\_\_  
Director

print name \_\_\_\_\_



HERBERT  
SMITH  
FREEHILLS

## Signing page

Executed as a deed

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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►

Company Secretary/Director

print name

sign here ►

Director

print name

---

### Holder

Signed sealed and delivered by  
**BB Retail Capital Pty Limited ACN 006 175 033 as trustee for The Blundy  
Family Trust**  
by

sign here ►

Company Secretary/Director

print name

sign here ►

Director

print name



HERBERT  
SMITH  
FREEHILLS

Signing page

**Controller**

Signed sealed and delivered by  
**Brett Blundy**

sign here ▶

print name

BRETT BLUNDY

in the presence of

sign here ▶

Witness

print name

JASON MAHENDRAN



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Catalyst)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



## Contents

### Table of contents

---

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>5</b>
2.1	Holder restrictions during Escrow Period.....	5
2.2	Controller restrictions during Escrow Period.....	5
2.3	Escrow restrictions .....	5
2.4	Exceptions.....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties.....	7
4.3	Acknowledgment.....	8
4.4	Survival of representations and warranties.....	8
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	9
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► *28 May* 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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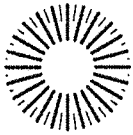
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:



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<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Company VWAP</b>	the volume weighted average price of the Shares (calculated to two decimal places of one cent) traded on ASX 'On-market' (as that term is defined in the ASX Operating Rules), excluding special crossings, overseas trades, trades pursuant to the exercise of options or overnight trades, as determined by ASX in accordance with its customary practice.
<b>Company VWAP Period</b>	any 10 consecutive Trading Days commencing after the Relevant Date.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of

Term	Meaning
	Schedule 1.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dealing	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"> <li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
Dispose	has the meaning given to that term in the Listing Rules.
Escrow Period	the period set out in Item 2 of Schedule 1.
Governmental Agency	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
Holder	the party specified in Item 1 of Schedule 1.
Holding Lock	has the meaning in Section 2 of the Settlement Operating Rules.
Issuer Sponsored	the part of the Company's register for shares that is administered by





Term	Meaning
<b>Subregister</b>	the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
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<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
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<b>Restricted Shares</b>	<ul style="list-style-type: none"><li>• all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li><li>• any securities in the Company attaching to or arising out of those Shares.</li></ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"><li>• reserved in or over an interest in any securities including, but not limited to, any retention of title;</li><li>• created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li><li>• any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li></ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.



Term	Meaning
Share	a share in the Company.
Trading Day	a 'trading day' as defined in the Listing Rules.
Voluntary Escrow Deed	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

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In this deed including the recitals unless the contrary intention appears:

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- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
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For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and



- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

---

### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.

### 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

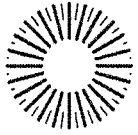
### 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period, including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

### 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; or



provided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or

- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, if both of the following conditions have been satisfied:
  - (1) the half-yearly results of the Company for the period ending 3 January 2016 have been provided to ASX; and
  - (2) the Company VWAP calculated over the Company VWAP Period is at least 20% higher than the Offer Price.

For the avoidance of doubt, the Company VWAP on any Trading Day on or before the Relevant Date is not relevant to determining whether the exception in this clause 2.4(b) will apply.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

---

This deed terminates if the Company is not admitted to the official list of the ASX by 30 September 2015.

## 4 Warranties and acknowledgment

---

### 4.1 Giving of warranties

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

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



## 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:
  - (1) any applicable law, regulation or authorisation;
  - (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
  - (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and



- (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettlement the Trust.

#### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

#### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

### 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

### 6 Amendment

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This deed may not be amended without the prior written consent of the parties.

### 7 General

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#### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.



- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

## **7.2 Counterparts**

This deed may be executed in any number of counterparts.

## **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

## **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

## **7.5 Time of Essence**

Time is of the essence to this deed.

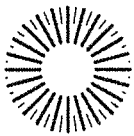


## Schedule 1

### Details

Item 1	Holder 1	Catalyst Buyout Fund 2A Pty Ltd ACN 126 936 703 as trustee for the Catalyst Buyout Trust 2A
	Holder 1 address	Level 9, 151 Macquarie Street, Sydney NSW 2000
	Holder 2	Catalyst Buyout Fund 2B Pty Ltd ACN 126 936 712 as trustee for the Catalyst Buyout Trust 2B
	Holder 2 address	Level 9, 151 Macquarie Street, Sydney NSW 2000
	Holder 3	Catalyst General Partner 2 Limited as general partner of Catalyst Buyout Fund 2 LP
	Holder 3 address	Kleinwort Benson House Wests Centre, St Helier, Jersey JE48PN, United Kingdom
Item 2	Escrow Period	The period commencing on the Allotment Date and ending on the date that the unaudited financial reports of the Company for the financial year ending 3 July 2016 are provided to ASX.
Item 3	Controller of Holder 1	Catalyst Investment Managers Pty Ltd ACN 118 410 101
	Controller of Holder 2	Catalyst Investment Managers Pty Ltd ACN 118 410 101
	Controller of Holder 3	N/A
	Controller Interests (of Controller of Holder 1)	Ultimate holding company
	Controller Interests (of Controller of Holder 2)	Ultimate holding company
	Controller Interests (of Controller of Holder 3)	N/A






## Signing page

Executed as a deed

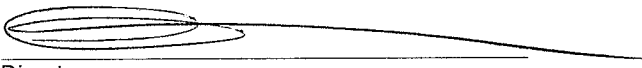
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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
Company Secretary/Director

print name DAVID MACLEAN

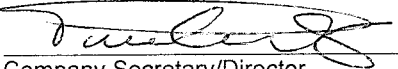
sign here ►   
Director

print name MICHELLE CHE RUBINO

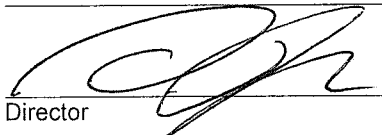
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### Holder

Signed sealed and delivered by  
**Catalyst Buyout Fund 2A Pty Ltd ACN 126 936 703 as trustee for the  
Catalyst Buyout Trust 2A**  
by

sign here ►   
Company Secretary/Director

print name TRENT PETERSON

sign here ►   
Director

print name SIMON DIKTON



**Holder**

Signed sealed and delivered by  
**Catalyst Buyout Fund 2B Pty Ltd ACN 126 936 712 as trustee for the  
Catalyst Buyout Trust 2B**  
by

sign here ►   
Company Secretary/Director

print name TRENT PETERSON

sign here ►   
Director

print name SIMON DIGGIN


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**Holder**

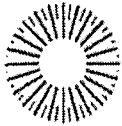
Signed sealed and delivered by  
**Catalyst General Partner 2 Limited as general partner of Catalyst Buyout  
Fund 2 LP**  
by

sign here ►   
Company Secretary/Director

print name ANDREW AUDRAIN

sign here ►   
Director

print name Robin de Gruchy-Wilson  
Director



HERBERT  
SMITH  
FREEHILLS

Signing page

**Controller**

Signed sealed and delivered by  
**Catalyst Investment Managers Pty Ltd ACN 118 410 101**  
by

sign here ►

  
\_\_\_\_\_  
Company Secretary/Director

print name

TRENT PETERSON  
\_\_\_\_\_

sign here ►

  
\_\_\_\_\_  
Director

print name

Simon Dutton  
\_\_\_\_\_

\_\_\_\_\_



HERBERT  
SMITH  
FREEHILLS

## Deed

# Voluntary escrow deed (David MacLean Investments)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited

# Contents

## Table of contents

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period.....	4
2.2	Controller restrictions during Escrow Period.....	5
2.3	Escrow restrictions.....	5
2.4	Exceptions.....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties.....	6
4.3	Acknowledgment.....	7
4.4	Survival of representations and warranties.....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:



## 1 Definitions and interpretation

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### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	in respect of any Restricted Share or Controller Interest, means to directly or indirectly: <ul style="list-style-type: none"><li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li></ul>

Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Executive</b>	David MacLean
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended





Term	Meaning
	or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"><li>• all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li><li>• any securities in the Company attaching to or arising out of those Shares.</li></ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"><li>• reserved in or over an interest in any securities including, but not limited to, any retention of title;</li><li>• created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li><li>• any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li></ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;
- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

## 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

---

### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.



## 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

## 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial



reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

---

This deed terminates automatically if:

- (a) the Company is not admitted to the official list of the ASX by 30 September 2015; or
- (b) the Executive dies or is permanently incapacitated prior to the end of the Escrow Period.

## 4 Warranties and acknowledgment

---

### 4.1 Giving of warranties

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

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

### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:

- (1) any applicable law, regulation or authorisation;
- (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.



## 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

---

This deed may not be amended without the prior written consent of the parties.

## 7 General

---

### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.



### **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

### **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

### **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

---

<b>Item 1</b>	1 Holder	David MacLean Investments Pty Ltd (ACN 065 412 731) as trustee for the David MacLean ARG Retail Trust  Freshwater Place, Level 13 2 Southbank Boulevard, Southbank VIC 3006
	2 Holder address	

---

<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
---------------	---------------	---

---

<b>Item 3</b>	1 Controller	N/A
---------------	--------------	-----

---

	2 Controller Interests	N/A
--	------------------------	-----

---





## Signing page

Executed as a deed


---

### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
Company Secretary/Director

print name MARK ROWAN


sign here ►   
Director

print name MICHELE CAPARINO

---

### Holder

Signed sealed and delivered by  
**David MacLean Investments Pty Ltd as trustee for the David MacLean ARG  
Retail Trust**  
by

sign here ►   
Sole Director and sole Company Secretary

print name DAVID MACLEAN



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Fay Hatzis)

---

The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



## Contents

### Table of contents

---

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period .....	5
2.3	Escrow restrictions .....	5
2.4	Exceptions .....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	6
4.3	Acknowledgment .....	7
4.4	Survival of representations and warranties .....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

---

Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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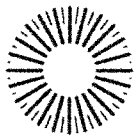
Controller	The party identified in Item 3 of Schedule 1
------------	--

---

Holder	The party identified in Item 1 of Schedule 1
--------	--

---

This deed witnesses as follows:



## 1 Definitions and interpretation

---

### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	in respect of any Restricted Share or Controller Interest, means to directly or indirectly: <ul style="list-style-type: none"><li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li></ul>

Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Executive</b>	Fay Hatzis
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended

Term	Meaning
	or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"> <li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li> <li>any securities in the Company attaching to or arising out of those Shares.</li> </ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"> <li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li> <li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li> <li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li> </ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.



## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;
- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

## 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

---

### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.



## 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

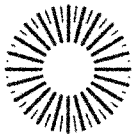
## 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
  - (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial



reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

---

This deed terminates automatically if:

- (a) the Company is not admitted to the official list of the ASX by 30 September 2015; or
- (b) the Executive dies or is permanently incapacitated prior to the end of the Escrow Period.

## 4 Warranties and acknowledgment

---

### 4.1 Giving of warranties

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

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

### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:

- (1) any applicable law, regulation or authorisation;
- (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

---

This deed may not be amended without the prior written consent of the parties.

## 7 General

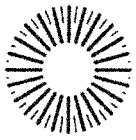
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### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.



### **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

### **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

### **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

---

<b>Item 1</b>	1 Holder	Hatz (Administration Services) Pty Ltd as trustee for the Hatzis Family Trust
	2 Holder address	79 Belford Rd, East Kew, Victoria 3102

---

<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
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---

<b>Item 3</b>	1 Controller	Fay Hatzis
	2 Controller Interests	Shareholder

---



## Signing page

Executed as a deed

---

### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
Company Secretary/Director

print name MAREK LONAD

sign here ►   
Director

print name MICHELE CHAUSSE

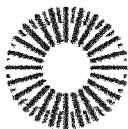
---

### Holder

Signed sealed and delivered by  
**Hatz (Administration Services) Pty Ltd as trustee for the Hatzis Family Trust**  
by

sign here ► \_\_\_\_\_  
Sole Director and sole Company Secretary

print name \_\_\_\_\_



## Signing page

Executed as a deed

---

### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ► \_\_\_\_\_  
Company Secretary/Director

print name \_\_\_\_\_


sign here ► \_\_\_\_\_  
Director

print name \_\_\_\_\_

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### Holder

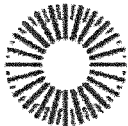
Signed sealed and delivered by  
**Hatz (Administration Services) Pty Ltd as trustee for the Hatzis Family Trust**  
by

sign here ►  \_\_\_\_\_  
Sole Director and sole Company Secretary

print name FAY HATZIS

---





HERBERT  
SMITH  
FREEHILLS

Signing page

**Controller**

Signed sealed and delivered by  
**Fay Hatzis**

sign here ►

print name

FAY HATZIS

in the presence of

sign here ►

Witness

print name

SARAH THORNTON



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Jenny Hides)

---

The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



# Contents

## Table of contents

---

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	3
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period .....	4
2.3	Escrow restrictions .....	4
2.4	Exceptions .....	5
2.5	Notice .....	5
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	6
4.3	Acknowledgment.....	7
4.4	Survival of representations and warranties .....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>7</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	8
7.4	Notices .....	8
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

---

Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
---------	--

---

Controller	The party identified in Item 3 of Schedule 1
------------	--

---

Holder	The party identified in Item 1 of Schedule 1
--------	--

---

This deed witnesses as follows:

# 1 Definitions and interpretation

---

## 1.1 Definitions

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<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	in respect of any Restricted Share or Controller Interest, means to directly or indirectly: <ul style="list-style-type: none"> <li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li> </ul>

Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).

Term	Meaning
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"> <li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li> <li>any securities in the Company attaching to or arising out of those Shares.</li> </ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"> <li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li> <li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li> <li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li> </ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;



- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

### **1.3 Compliance with Listing Rules**

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## **2 Escrow**

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### **2.1 Holder restrictions during Escrow Period**

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.

### **2.2 Controller restrictions during Escrow Period**

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

### **2.3 Escrow restrictions**

The parties acknowledge and agree that:





- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
  - (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

### 3 Termination

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This deed terminates if the Company is not admitted to the official list of the ASX by 30 September 2015.

### 4 Warranties and acknowledgment

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#### 4.1 Giving of warranties

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

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

#### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:
  - (1) any applicable law, regulation or authorisation;
  - (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
  - (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;



- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

#### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

#### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

### 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).



- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

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This deed may not be amended without the prior written consent of the parties.

## 7 General

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### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.

### 7.3 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

### 7.4 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;



- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

## **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

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Item 1	1	Holder	Jenny Hides as trustee for the Jenny Hides Trust
	2	Holder address	60 Campbell Street, Coburg 3058

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Item 2		Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
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Item 3	1	Controller	N/A
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	2	Controller Interests	N/A
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## Signing page

Executed as a deed


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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
\_\_\_\_\_  
Company Secretary/Director

print name Mark Lenan

sign here ►   
\_\_\_\_\_  
Director

print name MICHELE CITERASU

---

### Holder

Signed sealed and delivered by  
**Jenny Hides as trustee for the Jenny Hides Trust**

sign here ► \_\_\_\_\_

print name \_\_\_\_\_

in the presence of

sign here ► \_\_\_\_\_  
Witness

print name \_\_\_\_\_



HERBERT  
SMITH  
FREEHILLS

## Signing page

Executed as a deed

---

### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ► \_\_\_\_\_  
Company Secretary/Director

print name \_\_\_\_\_

sign here ► \_\_\_\_\_  
Director

print name \_\_\_\_\_

---

### Holder

Signed sealed and delivered by  
**Jenny Hides as trustee for the Jenny Hides Trust**

sign here ► Jenny Hides.

print name Jenny Hides.

in the presence of

sign here ► [Signature]  
Witness

print name FAY HATZIS

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HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Mark Ronan)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



# Contents

## Table of contents

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<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period.....	5
2.3	Escrow restrictions .....	5
2.4	Exceptions.....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties.....	6
4.3	Acknowledgment.....	7
4.4	Survival of representations and warranties.....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:



## 1 Definitions and interpretation

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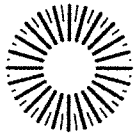
### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"><li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li></ul>

Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Executive</b>	Mark Ronan
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended

Term	Meaning
	or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"> <li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li> <li>any securities in the Company attaching to or arising out of those Shares.</li> </ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"> <li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li> <li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li> <li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li> </ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.



## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;
- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

## 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

---

### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.



## 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

## 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial





reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

---

This deed terminates automatically if:

- (a) the Company is not admitted to the official list of the ASX by 30 September 2015; or
- (b) the Executive dies or is permanently incapacitated prior to the end of the Escrow Period.

## 4 Warranties and acknowledgment

---

### 4.1 Giving of warranties

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

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

### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:

- (1) any applicable law, regulation or authorisation;
- (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettlement the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

---

This deed may not be amended without the prior written consent of the parties.

## 7 General

---

### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.



### **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

### **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

### **7.5 Time of Essence**

Time is of the essence to this deed.

## Schedule 1

### Details

<b>Item 1</b>	Holder 1	Mark Ronan
	Holder 1 address	109-111 Gosford Crescent, Park Orchards, VIC 3114
	Holder 2	Mark Ronan & Emily Black as trustees for the Ronan-Black Family Trust
	Holder 2 address	109-111 Gosford Crescent, Park Orchards, VIC 3114
<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
<b>Item 3</b>	Controller of Holder 1	N/A
	Controller of Holder 2	N/A
	Controller Interests (of Controller of Holder 1)	N/A
	Controller Interests (of Controller of Holder 2)	N/A



## Signing page

Executed as a deed

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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

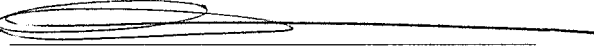
sign here ►

  
\_\_\_\_\_  
Company Secretary/Director

print name

DAVID MACLEAN

sign here ►

  
\_\_\_\_\_  
Director

print name

MICHELE CHERUBINO

---

### Holder

Signed sealed and delivered by  
**Mark Ronan**

sign here ►


  
\_\_\_\_\_

print name

MARK RONAN

in the presence of

sign here ►

  
\_\_\_\_\_  
Witness

print name

Cecilia Mell



**Holder**

Signed sealed and delivered by

**Mark Ronan and Emily Black as trustees of the Ronan-Black Family Trust**

sign here ► Mark Ronan Emily Black

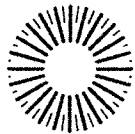
print name MARK RONAN EMILY BLACK

in the presence of

in the presence of

sign here ► Cecilia Mehl Darren Holland  
Witness Witness

print name Cecilia Mehl DARREN HOLLAND



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Michael Cherubino Investments)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited





## Contents

### Table of contents

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<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	4
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period .....	5
2.3	Escrow restrictions .....	5
2.4	Exceptions .....	5
2.5	Notice .....	6
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	6
4.3	Acknowledgment .....	7
4.4	Survival of representations and warranties .....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>8</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts .....	8
7.3	Further assurances .....	9
7.4	Notices .....	9
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>



## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:

# 1 Definitions and interpretation

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## 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>Allotment Date</b>	the date Shares are issued and transferred pursuant to the Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
<b>Business Hour</b>	9.00 am to 5.00 pm on any Business Day.
<b>Controller</b>	the party specified in Item 3 of Schedule 1.
<b>Controller Interest</b>	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing</b>	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"> <li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li> </ul>

Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"> <li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li> <li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li> <li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li> </ul> <p>Deal and Dealt each have a corresponding meaning.</p>
<b>Dispose</b>	has the meaning given to that term in the Listing Rules.
<b>Escrow Period</b>	the period set out in Item 2 of Schedule 1.
<b>Executive</b>	Michele Cherubino
<b>Governmental Agency</b>	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
<b>Holder</b>	the party specified in Item 1 of Schedule 1.
<b>Holding Lock</b>	has the meaning in Section 2 of the Settlement Operating Rules.
<b>Issuer Sponsored Subregister</b>	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
<b>Listing Rules</b>	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended

Term	Meaning
	or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).
<b>Offer</b>	means the offer of Shares pursuant to the Prospectus.
<b>Offer Price</b>	has the meaning given to that term in the Prospectus.
<b>Prospectus</b>	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
<b>Restricted Shares</b>	<ul style="list-style-type: none"> <li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li> <li>any securities in the Company attaching to or arising out of those Shares.</li> </ul>
<b>Security Interest</b>	<p>an interest or power:</p> <ul style="list-style-type: none"> <li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li> <li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li> <li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li> </ul>
<b>Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Share</b>	a share in the Company.
<b>Trading Day</b>	a 'trading day' as defined in the Listing Rules.
<b>Voluntary Escrow Deed</b>	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;
- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

## 1.3 Compliance with Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## 2 Escrow

---

### 2.1 Holder restrictions during Escrow Period

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.



## 2.2 Controller restrictions during Escrow Period

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

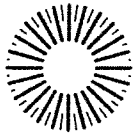
## 2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial



reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

## 3 Termination

---

This deed terminates automatically if:

- (a) the Company is not admitted to the official list of the ASX by 30 September 2015; or
- (b) the Executive dies or is permanently incapacitated prior to the end of the Escrow Period.

## 4 Warranties and acknowledgment

---

### 4.1 Giving of warranties

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

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

### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:



- (1) any applicable law, regulation or authorisation;
- (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

---

- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).
- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

---

This deed may not be amended without the prior written consent of the parties.

## 7 General

---

### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.



### **7.3 Further assurances**

Each party must do all things and execute all further documents required to give full effect to this deed.

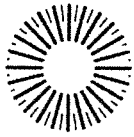
### **7.4 Notices**

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

### **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

---

<b>Item 1</b>	1 Holder	Michael Cherubino Investments Pty Ltd (ACN 128 535 811) as trustee for the Michael Cherubino Investment Trust
	2 Holder address	Freshwater Place, Level 13 2 Southbank Boulevard, Southbank VIC 3006

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<b>Item 2</b>	Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
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<b>Item 3</b>	1 Controller	Michele Cherubino
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	2 Controller Interests	Sole shareholder
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## Signing page

Executed as a deed

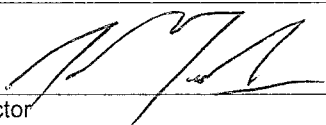
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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
\_\_\_\_\_  
Company Secretary/Director

print name mark renan


sign here ►   
\_\_\_\_\_  
Director

print name DAVID MACLEAN

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### Holder

Signed sealed and delivered by  
**Michael Cherubino Investments Pty Ltd as trustee for the Michael  
Cherubino Investment Trust**  
by

sign here ►   
\_\_\_\_\_  
Sole Director and sole Company Secretary

print name Michael Cherubino



**Controller**

Signed sealed and delivered by  
**Michele Anthony Cherubino**

sign here ►

print name

MICHELE CHERUBINO

in the presence of

sign here ►

  
Witness

print name

Cecilia Meli



HERBERT  
SMITH  
FREEHILLS

Deed

## Voluntary escrow deed (Paul Randall)

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The party specified in Item 1 of Schedule 1 (Holder)

The party specified in Item 3 of Schedule 1 (Controller)

Home & Decor Holdings Limited



## Contents

### Table of contents

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<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions.....	1
1.2	Interpretation .....	3
1.3	Compliance with Listing Rules .....	4
<b>2</b>	<b>Escrow</b>	<b>4</b>
2.1	Holder restrictions during Escrow Period .....	4
2.2	Controller restrictions during Escrow Period .....	4
2.3	Escrow restrictions .....	4
2.4	Exceptions.....	5
2.5	Notice .....	5
<b>3</b>	<b>Termination</b>	<b>6</b>
<b>4</b>	<b>Warranties and acknowledgment</b>	<b>6</b>
4.1	Giving of warranties .....	6
4.2	Warranties .....	6
4.3	Acknowledgment.....	7
4.4	Survival of representations and warranties.....	7
<b>5</b>	<b>Consequences of breaching this deed</b>	<b>7</b>
<b>6</b>	<b>Amendment</b>	<b>8</b>
<b>7</b>	<b>General</b>	<b>8</b>
7.1	Governing law and jurisdiction .....	8
7.2	Counterparts.....	8
7.3	Further assurances .....	8
7.4	Notices .....	8
7.5	Time of Essence .....	9
	<b>Schedule 1</b>	<b>10</b>
	<b>Signing page</b>	<b>11</b>





## Voluntary escrow deed

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Date ► 28 May 2015

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Between the parties

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Company	Home & Decor Holdings Limited (to be renamed Adairs Limited) ACN 147 375 451 of 2 International Court, Scoresby, VIC 3179
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Controller	The party identified in Item 3 of Schedule 1
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Holder	The party identified in Item 1 of Schedule 1
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This deed witnesses as follows:



## 1 Definitions and interpretation

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### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
Allotment Date	the date Shares are issued and transferred pursuant to the Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the market it operates as the context requires.
ASX Settlement	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
Business Day	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in Melbourne.
Business Hour	9.00 am to 5.00 pm on any Business Day.
Controller	the party specified in Item 3 of Schedule 1.
Controller Interest	in respect of a Controller, the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 3 of Schedule 1.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dealing	<p>in respect of any Restricted Share or Controller Interest, means to directly or indirectly:</p> <ul style="list-style-type: none"><li>• sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or Controller Interest or any legal, beneficial or economic</li></ul>



Term	Meaning
	<p>interest in that Restricted Share or Controller Interest;</p> <ul style="list-style-type: none"><li>• create, or agree or offer to create, any Security Interest in that Restricted Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest;</li><li>• enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share or Controller Interest; or</li><li>• 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 Share or Controller Interest or any legal, beneficial or economic interest in that Restricted Share or Controller Interest.</li></ul> <p>Deal and Dealt each have a corresponding meaning.</p>
Dispose	has the meaning given to that term in the Listing Rules.
Escrow Period	the period set out in Item 2 of Schedule 1.
Governmental Agency	any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.
Holder	the party specified in Item 1 of Schedule 1.
Holding Lock	has the meaning in Section 2 of the Settlement Operating Rules.
Issuer Sponsored Subregister	the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
Listing Rules	the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).



Term	Meaning
Offer	means the offer of Shares pursuant to the Prospectus.
Offer Price	has the meaning given to that term in the Prospectus.
Prospectus	means the prospectus to be issued by the Company and Adairs SaleCo Limited dated on or about 2 June 2015 and lodged with ASIC on that date.
Restricted Shares	<ul style="list-style-type: none"><li>all of the Shares in the Company held by the Holder on the Allotment Date excluding those Shares (if any) transferred by the Holder to SaleCo for an offer of Shares under the Prospectus and as disclosed in the Prospectus; and</li><li>any securities in the Company attaching to or arising out of those Shares.</li></ul>
Security Interest	<p>an interest or power:</p> <ul style="list-style-type: none"><li>reserved in or over an interest in any securities including, but not limited to, any retention of title;</li><li>created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and</li><li>any agreement to grant or create any interest or power referred to in paragraphs (1) or (2) of this definition.</li></ul>
Settlement Operating Rules	means the operating rules of ASX Settlement.
Share	a share in the Company.
Trading Day	a 'trading day' as defined in the Listing Rules.
Voluntary Escrow Deed	a voluntary escrow deed entered into in connection with the initial public offering of Shares in the Company.

## 1.2 Interpretation

In this deed including the recitals unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representatives and transferees;



- (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
- (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
- (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Settlement Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
- (f) the schedules form part of this deed.

### **1.3 Compliance with Listing Rules**

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

## **2 Escrow**

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### **2.1 Holder restrictions during Escrow Period**

Subject to clause 2.4, the Holder must not Deal in the Restricted Shares during the Escrow Period.

### **2.2 Controller restrictions during Escrow Period**

Subject to clause 2.4, the Controller must not Deal in the Controller Interests during the Escrow Period.

### **2.3 Escrow restrictions**

The parties acknowledge and agree that:



- (a) as soon as practicable following the issue or transfer of the Restricted Shares to the Holder or the commencement of trading of the Restricted Shares on the ASX pursuant to the Offer, as applicable, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
  - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this deed; and
  - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

## 2.4 Exceptions

- (a) During the Escrow Period, the Holder or the Controller may Deal in any of its Restricted Shares or Controller Interests (as relevant) if the Dealing arises solely as a result of:
  - (1) the acceptance of a bona fide third party takeover bid made under chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any Voluntary Escrow Deed, and to which the offers under the bid relate, have accepted the bid; or
  - (2) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act; orprovided, in each case, that, if for any reason any or all Restricted Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Holder agrees that the restrictions applying to the Restricted Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Restricted Shares not so transferred or cancelled; or
- (3) a requirement of applicable law (including an order of a court of competent jurisdiction).
- (b) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may deal in up to 50% of its Restricted Shares (in one or more transactions) and the Controller may deal in the Controller Interests that correspond to those Restricted Shares, on and from the date that the financial reports of the Company for the financial year ending 3 July 2016 are provided to ASX.

## 2.5 Notice

If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or 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 Shares or Controller Interests during the Escrow Period,

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

### 3 Termination

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This deed terminates if the Company is not admitted to the official list of the ASX by 30 September 2015.

### 4 Warranties and acknowledgment

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#### 4.1 Giving of warranties

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

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

#### 4.2 Warranties

Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed 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 deed in accordance with its terms;
- (c) this deed 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 deed does not and will not violate, breach or result in a contravention of:
- (1) any applicable law, regulation or authorisation;
  - (2) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
  - (3) any agreement, undertaking, Security Interest or document which is binding on it;
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) subject to clause 2.4, the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;



- (g) there is no person who has, or will have at or immediately following completion of the Offer, any economic or beneficial interest in the equity or Restricted Shares of the Holder other than the Controller;
- (h) the Holder holds the Restricted Shares and the Controller holds the Controller Interests set out in Item 3 of Schedule 1;
- (i) the Restricted Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company;
- (j) the Controller Interests set out in Item 3 of Schedule 1 are all the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller has an interest;
- (k) if the Holder or 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
- (l) if the Holder or Controller is a Trustee:
  - (1) 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 deed 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 Holder or Controller has not released or disposed of its equitable lien over that trust; and
  - (2) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettlement the Trust.

### 4.3 Acknowledgment

The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 4 is a breach of this deed.

### 4.4 Survival of representations and warranties

The representations and warranties in this clause 4 survive termination of this deed.

## 5 Consequences of breaching this deed

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- (a) If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
  - (1) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
  - (2) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).





- (b) If the Holder or Controller breach this deed, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
- (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 or clause 2.2 and each of the Holder and Controller agrees that the Company 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 other rights or remedies.

## 6 Amendment

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This deed may not be amended without the prior written consent of the parties.

## 7 General

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### 7.1 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.
- (c) Each of the parties irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each of the parties irrevocably waives any immunity in respect of its obligations under this deed which that party may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

### 7.2 Counterparts

This deed may be executed in any number of counterparts.

### 7.3 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

### 7.4 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;



- (b) that other party gives Notice within the next Business Day, to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile, other than during Business Hours, in which case, that Notice is regarded as given by that party at the beginning of the next Business Hour.

## **7.5 Time of Essence**

Time is of the essence to this deed.



## Schedule 1

### Details

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Item 1	1	Holder	Paul Randall
	2	Holder address	1/19 Norwood Rd, Caulfield North, Victoria 3161
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Item 2		Escrow Period	The period commencing on the Allotment Date and ending on the date that the financial reports of the Company for the financial year ending 2 July 2017 are provided to ASX.
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Item 3	1	Controller	N/A
	<hr/>		
	2	Controller Interests	N/A
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## Signing page

Executed as a deed

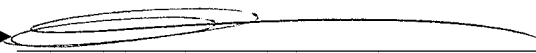
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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ►   
\_\_\_\_\_  
Company Secretary/Director

print name MARK LONAN

sign here ►   
\_\_\_\_\_  
Director

print name MICHELLE CITERUBINO

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### Holder

Signed sealed and delivered by  
**Paul Randall**

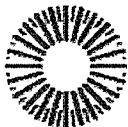
sign here ► \_\_\_\_\_

print name \_\_\_\_\_

in the presence of

sign here ► \_\_\_\_\_  
Witness

print name \_\_\_\_\_



HERBERT  
SMITH  
FREEHILLS

## Signing page

Executed as a deed

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### Company

Signed sealed and delivered by  
**Home & Decor Holdings Limited**  
by

sign here ► \_\_\_\_\_  
Company Secretary/Director

print name \_\_\_\_\_

sign here ► \_\_\_\_\_  
Director

print name \_\_\_\_\_

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### Holder

Signed sealed and delivered by  
**Paul Randall**

sign here ► \_\_\_\_\_

print name Paul Randall

in the presence of

sign here ► \_\_\_\_\_  
Witness

print name PAUL HATZIS

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