

ASX Announcement

5 December 2014

Proposed Restructure of the Fiducian Group

The Federal Court of Australia has today made orders convening a meeting of the shareholders of Fiducian Portfolio Services Limited (**Fiducian**) to consider and vote on the scheme of arrangement (**Scheme**) for the restructure of the Fiducian Group as referred to in Fiducian's announcement dated 10 November 2014.

The Scheme meeting will be held at 10.00am on Monday, 2 February 2015 at the Sydney offices of Fiducian located at Level 4, 1 York Street, Sydney, New South Wales 2000.

As announced by Fiducian to the ASX on 10 November 2014, if the Scheme is approved and all conditions precedent are satisfied, the proposed corporate restructure will result in:

- a new ASX-listed holding company (**NewCo**) being imposed or 'top-hatted' above Fiducian, with Fiducian becoming a wholly owned subsidiary of NewCo;
- Fiducian shareholders (other than certain ineligible foreign shareholders) exchanging their Fiducian shares for NewCo shares on a one-on-one basis; and
- various properties (including contracts and other assets) and liabilities of Fiducian being transferred to one or more other companies within the Fiducian Group. In summary, the effect of this will be that the activities of Fiducian will, after the restructure, be limited to being the trustee of a public offer superannuation fund and the other activities currently being conducted by Fiducian will be conducted by other companies within the Fiducian Group.

The Independent Expert, Pitcher Partners, has concluded that the Scheme is in the best interests of the Fiducian shareholders.

The Fiducian directors unanimously recommend that Fiducian shareholders vote in favour of the Scheme.

The expected timetable for the proposed restructure is as follows:

Date	Event
2 February 2015	Meeting of Fiducian shareholders to vote on the restructure
5 February 2015	Final court hearing to approve the restructure
20 February 2015	Shareholders (other than certain ineligible foreign shareholders) exchange their Fiducian shares for NewCo shares
1 March 2015	Various properties (including contracts and other assets) and liabilities transferred from Fiducian to one or more companies within the Fiducian Group

Further information relating to the Scheme, including the notice convening the Scheme meeting, is contained in the attached scheme booklet which will be sent to Fiducian shareholders.

Fiducian is being advised by Herbert Smith Freehills (as legal advisor) and HLB Mann Judd (as tax adviser).

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about how to deal with this document, you should contact your financial adviser or legal adviser immediately.



Fiducian Portfolio Services Limited

(ABN 13 073 854 931)

Scheme Booklet

**This Scheme Booklet relates to a proposed restructure of
the Fiducian Group**

**The Fiducian Directors unanimously recommend that you
vote in favour of the Scheme.**

IMPORTANT NOTICES

Nature of this document

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

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are capitalised and have the meanings set out in Section 9.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculations may differ from the calculations set out in this booklet.

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

The fact that under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

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

No endorsement

The fact that under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or other expression of opinion on, the Scheme.

ASIC

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

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

No account of personal circumstances

This Scheme Booklet and the recommendations contained in it should not be taken as, and do not constitute, personal financial advice as they do not take into account your individual objectives, financial and taxation situation or particular needs. As such, the Fiducian Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

Foreign jurisdictions

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

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

See section 3.17 for further detail regarding United Kingdom and United States jurisdictions.

Disclaimer as to forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. All forward looking statements in this Scheme Booklet (including in the Independent Expert's Report) reflect views only as at the date of this Scheme Booklet, and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending",

"foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Fiducian or NewCo are or may be forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Fiducian and members of the Fiducian Group operate, such as the risks and uncertainties in relation to competition, customer renewals, international operations, sales leads and web traffic, currency fluctuations, development of existing products, key employees, defects or errors, third party intellectual property, service providers, privacy concerns, security and change in practices, law and regulation. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Fiducian, NewCo or any other member of the Fiducian Group, their respective subsidiaries or their respective directors, officers and employees, any persons named in this Scheme Booklet with their consent, or any person involved in the preparation of this Scheme Booklet, makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place reliance on any forward looking statement.

Responsibility statements

Fiducian has prepared, and is responsible for, the Fiducian Information in this Scheme Booklet.

NewCo has prepared, and is responsible for, the NewCo Information in this Scheme Booklet.

Pitcher Partners has prepared, and is responsible for, the Independent Expert's Report. None of Fiducian, NewCo or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the Independent Expert's Report, except in the case of Fiducian and NewCo in relation to information given by them respectively to the Independent Expert.

HLB Mann Judd has prepared, and is responsible for, the report included in Section 6 of this Scheme Booklet on the Australian and New Zealand taxation consequences of the Scheme for Fiducian Shareholders. None of Fiducian, NewCo or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the material contained in Section 6, except in the case of Fiducian and NewCo in relation to information given by them to HLB Mann Judd.

Charts, maps and diagrams

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

References to time

Unless otherwise stipulated, all references to time in this Scheme Booklet are to AEDT.

Privacy

Fiducian and NewCo may collect personal information in the process of implementing the Scheme. The type of information that they may collect about you includes your name, contact details and information on your security holding in Fiducian and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Fiducian and NewCo to conduct the Scheme Meeting and implement the Scheme. Without this information, Fiducian, and NewCo may be hindered in their ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Fiducian Registry, print and mail service providers and Related Bodies Corporate of the Fiducian Group. If you would like to obtain details of information about you held by Fiducian, please contact Computershare at 1300 721 832 (for callers within Australia) or +61 3 9415 4288 (for callers outside Australia).

Date

This Scheme Booklet is dated 5 December 2014.

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FIDUCIAN

INTEGRITY • TRUST • EXPERTISE

Fiducian Portfolio Services Limited

ABN 13 073 845 931

5 December 2014

Dear Fiducian Shareholder,

PROPOSED RESTRUCTURE OF THE FIDUCIAN GROUP

As foreshadowed in the 'Joint Report of the Chairman and the Managing Director' dated 26 August 2014 and the 'Chairman's Address' at Fiducian's annual general meeting on 23 October 2014 (copies of which were released to the ASX), Fiducian intends to separate the parent entity of the Fiducian Group from the trustee and responsibility functions within the Fiducian Group.

To achieve this, Fiducian is proposing a corporate restructure of the current Fiducian Group. The corporate restructure will result in a new ASX-listed holding company (to be known as Fiducian Group Limited, but referred to in this Scheme Booklet as NewCo) being imposed or 'top-hatted' above Fiducian (such that Fiducian will become a wholly owned Subsidiary of NewCo) and, Fiducian Shareholders (other than Ineligible Foreign Shareholders) exchanging their Fiducian Shares for NewCo Shares on a one-on-one basis and Fiducian being de-listed from the ASX.

Following implementation of the Scheme, Fiducian Shareholders who hold Fiducian Shares on the Scheme Record Date (other than Ineligible Foreign Shareholders) will continue to have the same economic interest in the Fiducian Group as they had immediately before implementation of the Scheme, through their holding of NewCo Shares.

Background

The Fiducian Group is a specialist financial services organisation providing financial planning, funds management, investment platform administration, information technology and accounting/accountancy resourcing services through four key areas:

- funds management and investment services, including wrap platforms;
- wealth management and financial planning services;
- information technology solutions and administrative services; and
- accounting and accountancy resourcing.

The Fiducian Group has grown organically since its shares were listed on the ASX in 2000 and there has been relatively little change to the Fiducian Group corporate structure since that time. Under the current structure, Fiducian is the holder of a number of licences and operates in six distinct capacities, that is, as:

- 1 *listing*: a company whose shares are listed on the ASX;
- 2 *Fiducian Superannuation Service*: the trustee of a public offer superannuation fund for which it holds a responsible superannuation entity licence (RSE licence number L0001144);
- 3 *Fiducian Funds*: the responsible entity under an AFSL of a number of registered managed investment schemes;
- 4 *Fiducian Investment Service*: the operator of a securities transaction and investment platform administration service for which it holds an AFSL;
- 5 *Fiducian MDA Service*: the operator of a managed discretionary account service for which it holds an AFSL; and
- 6 *IT and Administrative Solutions*: the owner of proprietary software systems that are used to administer its superannuation and investment service platforms and are used by

financial planners operating under FFS' AFSL and independent financial advisers. Fiducian is also the services provider for a range of administrative services for the Fiducian Group, such as platform administration, legal, financial accounting, marketing and distribution support services.

While there has been relatively little change in the Fiducian Group corporate structure since its shares were listed on the ASX, the regulatory landscape has change significantly over this period. Recent changes in laws affecting the financial services industry have increasingly focused on governance structures and the potential for conflicts of interest to arise particularly where a single entity represents the interests of distinct stakeholders (such as Fiducian currently does) – for example, shareholders, superannuation fund members, investment fund members and other clients.

The proposed restructure (which involves, among other things, the structural separation of the Fiducian Superannuation Service from the Fiducian Group's other capacities (as outlined above)) of the Fiducian Group is a direct response to the changing regulatory environment. In particular, the Fiducian Board has determined that the proposed restructure will assist Fiducian in complying with its obligations under Prudential Standard SPS 521 *Conflicts of Interest* issued by the Australian Prudential Regulation Authority (APRA):

- to identify and monitor all potential and actual conflicts in its business and to take all reasonably practicable actions to ensure potential and actual conflicts are avoided where required, or prudently managed; and
- where there is a conflict, to manage that conflict, or ensure that the conflict is managed in accordance with the requirement to give priority to the duties, and interests, of superannuation beneficiaries.

The Fiducian Board considers that the structural separation of the Fiducian Superannuation Service from the Fiducian Group's other capacities (as outlined above) will assist it in managing the potential and actual conflicts that may arise from the distinct capacities in which Fiducian currently operates.

The Fiducian Board notes that it does not consider that it has, to date, failed to comply with any of the abovementioned obligations or failed to appropriately manage any potential or actual conflicts. Accordingly, to this extent, the effect of the Scheme and Restructure may be characterised as a means to ensure that Fiducian adheres to what may be regarded as "best practice".

In addition, the proposed restructure provides Fiducian with the opportunity to ensure that individuals with specific superannuation expertise sit on the board of Fiducian after implementation of the Scheme and Restructure.

The proposed restructure

The proposed restructure is proposed to occur in two stages as follows.

Stage 1 – Scheme:

- Fiducian Shareholders who hold Fiducian Shares on the Scheme Record Date (other than Ineligible Foreign Shareholders) will exchange each of their Fiducian Shares for one NewCo Share;
- NewCo Shares will be listed on the ASX and Fiducian Shares will cease to be listed on the ASX (with Fiducian becoming a wholly owned Subsidiary of NewCo); and
- the sole holder of options to acquire unissued Fiducian Shares (Inderjit Singh) will exchange his Fiducian options for equivalent options to acquire the same number of NewCo Shares as he had to acquire Fiducian Shares, on substantially the same terms and conditions; and

Stage 2 – Restructure:

- all the property and liabilities of Fiducian comprising or pertaining exclusively to its funds management and investment services business (other than any contract of employment), will be transferred to, and vested in, FIM, a newly incorporated wholly owned Subsidiary of NewCo;
- all other property and liabilities of Fiducian, other than those relating to its funds management and investment services business, its superannuation trustee services and

its shareholdings in FFS, FBS, HBA and MAA will be transferred to, and vested in, FSL, a newly incorporated wholly owned Subsidiary of NewCo. Such property and liabilities will include the employment of any person by Fiducian; and

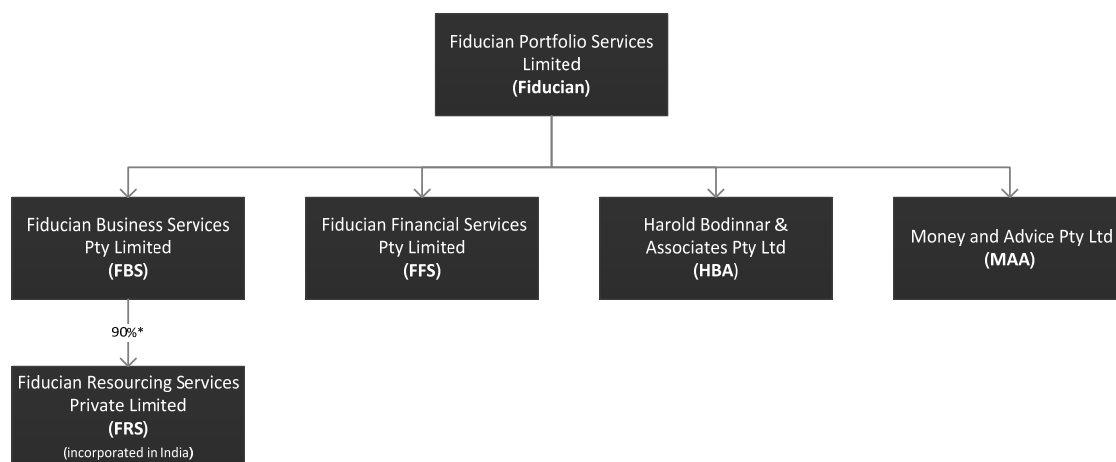
- all the shares in FFS, FBS, HBA and MAA will be transferred from Fiducian to NewCo, so that each of Fiducian, FFS, FBS, HBA and MAA will be a direct wholly owned Subsidiary of NewCo.

It is proposed that following implementation of the proposed Restructure:

- 1 *listing:* NewCo Shares will be listed on the ASX;
- 2 *Fiducian Superannuation Services:* the activities of Fiducian will be limited to being the trustee of a public offer superannuation fund for which it will retain its current responsible superannuation entity licence. The Fiducian Board will be reconstituted, with the current directors (other than Frank Khouri) leaving the Fiducian Board. At least half of the new Fiducian Directors will be independent;
- 3 *Fiducian Funds, Fiducian Investment Service and Fiducian MDA Service:* FIM will operate under its own AFSL as:
 - the responsible entity of the Fiducian Funds;
 - the operator of the Fiducian Investment Service; and
 - the operator of the Fiducian MDA Service; and
- 4 *IT and Administrative Solutions:* FSL will become the owner of the proprietary software systems used to administer the Fiducian Group's superannuation and investment service platforms and are used by financial planners operating under FFS' AFSL and independent financial advisers. FSL will also provide a range of administrative services to other members of the Fiducian Group, such as platform administration, legal, financial accounting, marketing and distribution support services.

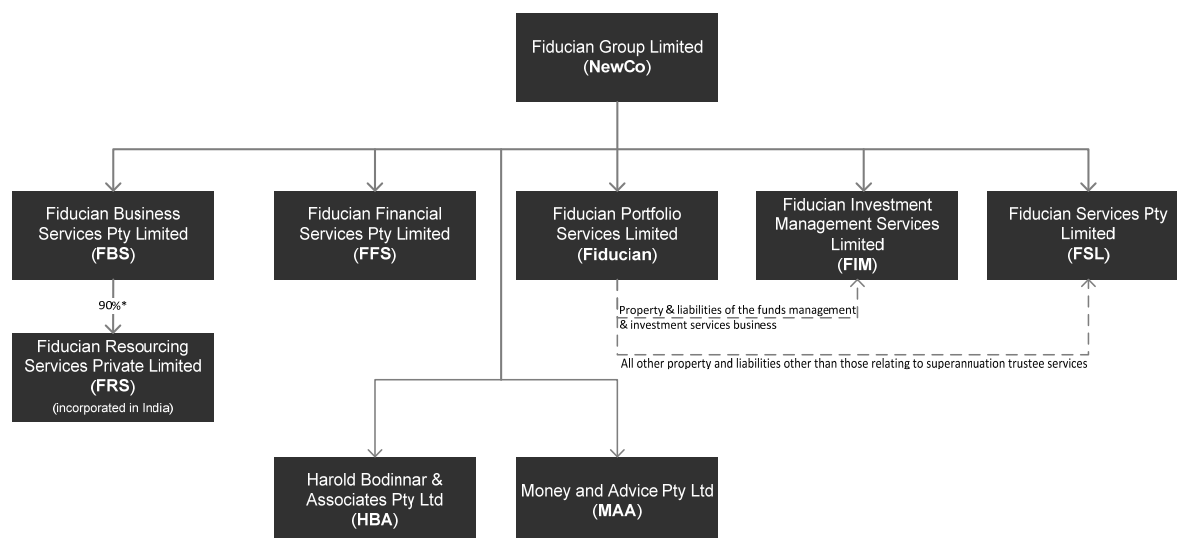
Set out below are diagrammatic representations of the current and the proposed corporate structure of the operational entities of the Fiducian Group (all ownership interests are 100% unless expressly shown otherwise).

Current Fiducian Group



* 10% owned by local partner in India for offshore resourcing services.

Proposed Fiducian Group



* 10% owned by local partner in India for offshore resourcing services.

The proposed Scheme and Restructure are expected to better delineate the separate activities of the Fiducian Group. As explained above, this structure is expected to better conform with regulatory changes that have been implemented since the listing of Fiducian's shares on the ASX and is expected to provide a platform for future development and expansion.

Approvals required

The Scheme requires the approval of Fiducian Shareholders at the Scheme Meeting to be held in Sydney on Monday, 2 February 2015 and also the approval of the Court. The Scheme is also subject to other Conditions Precedent (these are summarised in Section 3.2).

Fiducian Directors' recommendation

The Fiducian Directors believe that the reasons for you to vote in favour of the Scheme outweigh the reasons to vote against the Scheme.

The Fiducian Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting.

Each Fiducian Director has confirmed to Fiducian that, consistent with the Fiducian Directors' recommendation, he intends, in relation to any Fiducian Shares held or controlled by him, to vote in favour of the Scheme at the Scheme Meeting.

Independent Expert's opinion

The Fiducian Directors have commissioned the Independent Expert to prepare an independent expert's report on the Scheme.

The Independent Expert's opinion is that the Scheme is in the best interest of Fiducian Shareholders.

A copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet.

Voting and next steps

Your vote is important. The Fiducian Directors strongly encourage you to vote either by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on your behalf.

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

- carefully read the whole of this Scheme Booklet (including the Independent Expert's Report);

- consider the choices available to you as outlined in Section 3.5;
- have regard to your individual risk profile, portfolio strategy, taxation position and financial circumstances; and
- obtain financial advice from your financial adviser on the Scheme and obtain taxation advice from your taxation adviser on the effect of the Scheme becoming Effective.

If you have any questions in relation to the Scheme or the proposed Restructure, please contact the Fiducian Shareholder Information Line on 1300 721 832 (for callers within Australia) or +61 3 9415 4288 (for callers outside Australia) Monday to Friday between 9.00am and 5.00pm (AEDT).

Yours faithfully



Robert E Bucknell

Chairman
Fiducian Portfolio Services Limited

Key dates

Latest time and date for receipt of proxy forms, powers of attorney or certificates of appointment of body corporate representative by the Fiducian Registry for Scheme Meeting	10.00am on Saturday, 31 January 2015
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Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Saturday, 31 January 2015
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Scheme Meeting to be held at the Sydney offices of Fiducian located at Level 4, 1 York Street, Sydney NSW 2000, Australia	10.00am on Monday, 2 February 2015
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If the Scheme is agreed to by the requisite majorities:

Second Court Date for approval of the Scheme	Thursday, 5 February 2015
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Effective Date	Friday, 6 February 2015
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Court orders approving the Scheme lodged with ASIC and announced to the ASX and the Scheme becomes binding

Last day of trading in Fiducian Shares – Fiducian Shares suspended from trading on the ASX from close of trading on the ASX

NewCo Shares commence trading on the ASX (on a deferred settlement basis)	Monday, 9 February 2015
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Scheme Record Date for determining entitlements to Scheme Consideration	5.00pm on Friday, 13 February 2015
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Implementation Date	Friday, 20 February 2015
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Date of issuance of Scheme Consideration

NewCo Shares commence trading on the ASX (on a normal settlement basis)	Monday, 23 February 2015
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All dates in the above timetable are indicative only and, among other things, are subject to the time at which Conditions Precedent are satisfied or waived (if applicable), and to all necessary approvals from the Court. Any changes to the above timetable will be announced through the ASX and notified on Fiducian's website at www.fiducian.com.au.

All references to times and dates in the above table and this Scheme Booklet generally are references to the time and date in AEDT unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

1 Frequently asked questions

This Section 1 answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for Fiducian Shareholders. This Section 1 should be read together with all other parts of this Scheme Booklet.

Question

Answer and more information

The Scheme and Scheme Consideration

What is being proposed?

Fiducian is proposing a corporate restructure that includes:

- interposing, or “top-hatting”, a new company (Fiducian Group Limited, but referred to in this Scheme Booklet as NewCo) as the new holding company of the Fiducian Group; and
- Fiducian Shareholders exchanging their Fiducian Shares for NewCo Shares on a one-for-one basis,

via the Scheme.

Section 3.1 provides a general overview of the proposed Scheme and the Restructure.

What will you receive upon implementation of the Scheme?

If the Scheme becomes Effective, Fiducian Shareholders (other than Ineligible Foreign Shareholders) as at the Scheme Record Date will be entitled to receive the Scheme Consideration for each Scheme Share they hold. In practical terms, this will mean that for every Scheme Share held by a Fiducian Shareholder (other than an Ineligible Foreign Shareholder) as at the Scheme Record Date, one NewCo Share will be issued by NewCo to that Fiducian Shareholder.

Following implementation of the Scheme, Fiducian Shareholders (other than Ineligible Foreign Shareholders) as at the Scheme Record Date will continue to have the same economic interest in the Fiducian Group as they had immediately before the implementation of the Scheme, through their holding of one NewCo Share for each Scheme Share they held.

Section 3.3 provides further information in relation to the Scheme Consideration.

Who is an Ineligible Foreign Shareholder for the purposes of the Scheme?

What do they receive under the Scheme?

An Ineligible Foreign Shareholder is a Scheme Shareholder whose address shown in the Fiducian Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States.

However, if NewCo determines (at its sole discretion) that it is lawful and not unduly onerous or impracticable to issue such a Scheme Shareholder with NewCo Shares, such a person will no longer be regarded as an Ineligible Foreign Shareholders.

If a Scheme Shareholder is an Ineligible Foreign Shareholder, the NewCo Shares which would otherwise be required to be issued to that Scheme Shareholder under the Scheme will be issued to the Sale Agent, to be held on trust for that Scheme Shareholder, for sale through the Sale Facility and that Scheme Shareholder will receive a pro rata share of the net proceeds from the sale of all

Question	Answer and more information
	<p>NewCo Shares sold through the Sale Facility.</p> <p>Section 3.3(b) provides further information regarding Ineligible Foreign Shareholders and the Sale Facility.</p>
<p>When can I start trading my NewCo Shares?</p>	<p>NewCo Shares can be traded on the ASX following the quotation of NewCo Shares on the ASX. NewCo Shares are expected to commence trading on the ASX on a normal settlement basis on 23 February 2015.</p> <p>See Section 3.14 contains further information.</p>
<p>Why should you vote in favour of the Scheme?</p>	<p>Section 2.1 contains information on the potential benefits of the Scheme and why you should vote in favour of the Scheme.</p>
<p>Why you may consider voting against the Scheme</p>	<p>Section 2.2 contains information on why you may consider voting against the Scheme.</p>
<p>What is required for the Scheme to become Effective?</p> <p>Are there any conditions to the Scheme?</p>	<p>The Scheme is subject to the satisfaction or waiver of the Conditions Precedent – these include the approval of Fiducian Shareholders and the Court.</p> <p>Section 3.2 contains information on the Conditions Precedent to the Scheme.</p> <p>Section 3.6 contains information on the approval requirements of the Scheme.</p>
<p>Recommendations</p>	
<p>What do the Fiducian Directors recommend?</p>	<p>The Fiducian Directors unanimously recommend that Fiducian Shareholders vote in favour of the Scheme.</p> <p>The recommendation of the Fiducian Directors is set out in the Chairman's letter at the front of this Scheme Booklet.</p>
<p>What are the intentions of the Fiducian Directors?</p>	<p>Consistent with the Fiducian Directors' recommendation, each Fiducian Director intends, in relation to any Fiducian Shares held or controlled by each Fiducian Director, to vote in favour of the Scheme at the Scheme Meeting.</p> <p>The voting intentions of the Fiducian Directors are set out in the Chairman's letter at the front of this Scheme Booklet.</p> <p>Details of each Fiducian Director's Relevant Interests in Fiducian Shares are set out in Section 7.</p>
<p>What is the opinion of the Independent Expert?</p>	<p>Pitcher Partners, as Independent Expert, has reviewed the terms of the Scheme and considers that the Scheme is in the best interests of Fiducian Shareholders.</p> <p>Annexure A contains the Independent Expert's Report.</p>

Question**Answer and more information****Meeting and voting****When and where will the Scheme Meeting be held?**

The meeting will be held at 10.00am at Level 4, 1 York Street, Sydney NSW 2000, Australia on Monday, 2 February 2015.

The 'Key dates' section of this Scheme Booklet (located before this Section 1) sets out the place, dates and times of the Scheme Meeting.

The Notice of Scheme Meeting attached as Annexure E sets out further information on the Scheme Meeting.

Are you entitled to vote at the Scheme Meeting?

You will be entitled to vote at the Scheme Meeting if you are registered as a Fiducian Shareholder on the Fiducian Share Register at 7.00pm on Saturday, 31 January 2015.

The Notice of Scheme Meeting (Annexure E to this Scheme Booklet) contains further information on your entitlement to vote.

How can I vote if I can't attend the Scheme Meeting?

If you would like to vote but cannot attend the Scheme Meeting in person, you can appoint a proxy or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.

See the Notice of Scheme Meeting (Annexure E to this Scheme Booklet) which sets out further detail on how to vote at the Scheme Meeting.

When will the results of the Scheme Meeting be known?

The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced on the ASX (ASX: FPS) once available.

Even if the Scheme is agreed to by the requisite majorities, the Scheme is still subject to the approval of the Court.

What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?**Are there any alternatives to the Scheme and Restructure?**

If the Scheme is not agreed to at the Scheme Meeting by the requisite majorities, or is agreed to at the Scheme Meeting but is not approved by the Court, then Scheme will not become Effective and will not be implemented, meaning that the Scheme will not proceed.

If the Scheme is not approved and, therefore, does not become Effective and the Restructure is not implemented, Fiducian intends to still comply with best practice and would discuss with APRA alternative ways to bring about a similar result. See Section 2.1(c) for further information in this regard.

Section 3.4 contains information on the implications for Fiducian Shareholders if the Scheme does not proceed.

What happens to your Fiducian Shares if you do not vote, or if you vote against the Scheme, and the Scheme becomes Effective?

If you do not vote, or vote against the Scheme, and the Scheme becomes Effective, any Fiducian Shares you hold on the Scheme Record Date will be transferred to NewCo and you will (unless you are an Ineligible Foreign Shareholder) receive the Scheme Consideration, notwithstanding you may not have voted or voted against the Scheme.

Question	Answer and more information
	<p>Section 3.5 sets out your voting options as a Fiducian Shareholder. Section 3.3 contains more detail on the Scheme Consideration.</p>
Other questions	
<p>What will happen to Fiducian if the Scheme proceeds?</p>	<p>Section 5 sets out the Fiducian Group's current intentions for Fiducian if the Scheme is implemented.</p> <p>Section 3 sets out the proposed Restructure which is intended to occur if the Scheme is implemented.</p>
<p>Will you have to pay brokerage or stamp duty?</p>	<p>If you are not an Ineligible Foreign Shareholder, you will not have to pay brokerage or stamp duty in relation to the implementation of the Scheme.</p> <p>Ineligible Foreign Shareholders may have brokerage fees deducted from the proceeds that they would otherwise have received in respect of NewCo Shares sold under the Sale Facility by the Sale Agent.</p>
<p>Can I sell my Fiducian Shares on the ASX?</p>	<p>You can continue to trade your Fiducian Shares on the ASX up to (and including) the Effective Date. However, if you sell Fiducian Shares on the ASX:</p> <ul style="list-style-type: none"> • you may pay brokerage fees and trading fees on the sale; and • you will not be eligible to participate in the Scheme in respect of those Fiducian Shares.
<p>Do you have to sign anything to transfer your Fiducian Shares?</p> <p>Do I give any warranties in relation to my holding of Scheme Shares?</p>	<p>No. If the Scheme becomes Effective, Fiducian will automatically have authority to sign a transfer in relation to all your Scheme Shares on your behalf, and the Scheme Consideration will then be issued to you (unless you are an Ineligible Foreign Shareholder).</p> <p>Under the Scheme, you are deemed to warrant certain things in relation to your holding of Scheme Shares to NewCo.</p> <p>See Section 3.15 for further information in relation to your deemed warranties.</p>
<p>What are the taxation implications of the Scheme?</p>	<p>The taxation implications of the Scheme will depend on your personal facts and circumstances.</p> <p>Section 6 contains a report from HLB Mann Judd which provides an overview of the Australian and New Zealand taxation consequences for Scheme Shareholders.</p>
<p>When will the Scheme become Effective?</p> <p>When will you be issued the Scheme Consideration?</p> <p>When will the Restructure become effective?</p>	<p>Subject to satisfaction or waiver of the Conditions Precedent, the Scheme becomes Effective on the Effective Date (currently expected to be Friday, 6 February 2015) and will be implemented on the Implementation Date (currently expected to be Friday, 20 February 2015).</p> <p>You will be issued the Scheme Consideration on the Implementation Date (unless you are an Ineligible Foreign</p>

Question**Answer and more information**

Shareholder).

Section 3.10 contains further information on when the Scheme will become Effective.

The Restructure is proposed to occur on the Transfer Date.

Section 3.1 contains further information on the implementation of the proposed Restructure.

Where can you get further information?

For further information, you can call the Fiducian Shareholder Information Line on 1300 721 832 (for callers within Australia) or +61 3 9415 4288 (for callers outside Australia).

If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal, taxation or other professional adviser.

2 Key reasons to vote in favour of or against the Scheme

2.1 Key reasons to vote in favour of the Scheme

(a) **The Fiducian Directors unanimously recommend that you vote in favour of the Scheme**

The Fiducian Directors unanimously recommend that Fiducian Shareholders vote in favour of the Scheme.

In reaching their recommendation, the Fiducian Directors have assessed, among other things, the reasons set out in Sections 2.1 and 2.2.

Consistent with the Fiducian Directors' recommendation, each Fiducian Director has confirmed to Fiducian that he intends, in relation to any Fiducian Shares held or controlled by him, to vote in favour of the Scheme at the Scheme Meeting.

Details of the Relevant Interests of each Fiducian Director in Fiducian Shares are set out in Section 7.1.

(b) **The Independent Expert has concluded that the Scheme is in the best interests of Fiducian Shareholders**

The Fiducian Directors commissioned the Independent Expert to prepare the Independent Expert's Report in relation to the Scheme.

The Independent Expert has concluded that the Scheme is in the best interest of Fiducian Shareholders.

The Independent Expert's Report is included in Annexure A. The Independent Expert's Report should be read in its entirety as part of your assessment of the Scheme before casting your vote in relation to the Scheme.

(c) **To bring the Fiducian Group in line with the current regulatory landscape affecting the financial services industry**

The Scheme and Restructure will, consistent with the best practice referred to in the Chairman's letter, introduce a more focused governance structure and help eliminate the potential for conflicts of interest to arise particularly where a single entity represents the interests of distinct stakeholders, such as Fiducian currently does – shareholders, superannuation fund members, investment fund members and other clients.

As explained in the Chairman's letter, the Scheme and Restructure are expected to better delineate the separate activities of the Fiducian Group. This structure is expected to better conform with regulatory changes and is expected to provide a platform for future development and expansion.

The effect of the Scheme and Restructure is consistent with Fiducian's discussions with APRA.

If the Scheme is not approved and, therefore, does not become Effective and the Restructure is not implemented, Fiducian intends to still comply with best practice and would discuss with APRA alternative ways to bring about a similar result to that which would have been achieved had the Scheme become Effective and had the Restructure been implemented to allow the Fiducian Group to better conform with the current regulatory landscape. In the current regulatory environment, the Fiducian Directors do not consider it appropriate to do nothing.

In this regard, the Fiducian Directors currently consider that the most appropriate alternative means of procuring the structural separation of the Fiducian Superannuation Service from the Fiducian Group's other capacities

would involve the individual novation of most of Fiducian's existing contractual arrangements (which are significant in number) as well as the assignment of rights and the transfer of assets and other liabilities from Fiducian to FIM or FSL, as applicable, excluding the contractual arrangements, assets and liabilities relating to the Fiducian Superannuation Service. This would likely incur additional administrative and compliance costs and would likely be less time and cost efficient than proceeding with the Scheme and Restructure.

As mentioned in Section 8.11, the Scheme and Restructure will involve Fiducian incurring various costs. However, a significant majority of those costs have already been incurred as at the date of this Scheme Booklet.

If the Scheme is not approved and, therefore, does not become Effective and the Restructure is not implemented, irrespective of which alternative is pursued, this will result in additional expenses and operational costs being incurred.

2.2 Why you may consider voting against the Scheme

(a) Fiducian Shareholders may disagree with the recommendation of the Fiducian Directors and opinion of the Independent Expert

Despite the unanimous recommendation of the Fiducian Directors to vote in favour of the Scheme, and the conclusion of the Independent Expert that the Scheme is in the best interest of Fiducian Shareholders, Fiducian Shareholders may believe that receiving replacement shares in NewCo to those they currently hold in Fiducian is not in their best interest.

(b) The taxation consequences of the Scheme

If the Scheme becomes Effective, it may trigger taxation consequences for certain individual Fiducian Shareholders.

Section 6 summarises the Australian and New Zealand taxation consequences of the Scheme for Scheme Shareholders. Each Fiducian Shareholder should obtain personal professional advice in relation to the taxation consequences of the Scheme for their individual circumstances.

(c) Additional cost and administrative burden on management

There will be one off transaction costs in implementing the Scheme and the Restructure. Fees payable in implementing the Scheme and the Restructure will include those of professional advisors. Considerable management time has been spent, and will continue to be spent, on the implementation of the Scheme and the Restructure.

3 Overview of the Scheme and the Restructure

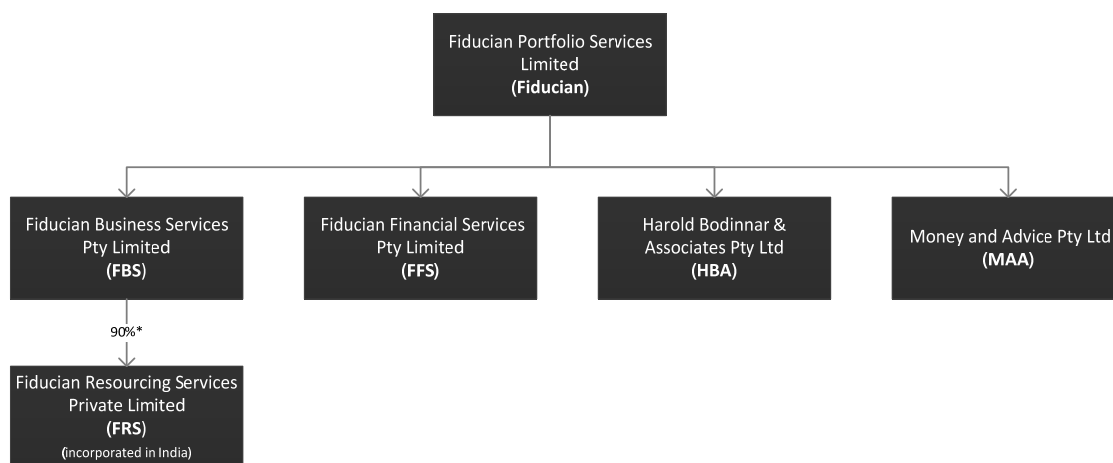
3.1 The Scheme and the Restructure

Fiducian is proposing a corporate restructure of the Fiducian Group that will involve (if the Scheme becomes Effective):

- interposing, or 'top-hatting', NewCo as the new holding company of the Fiducian Group;
- Scheme Shareholders (other than Ineligible Foreign Shareholders) exchanging their Fiducian Shares for new shares in NewCo on a one-for-one basis; and
- Fiducian becoming a wholly owned Subsidiary of NewCo.

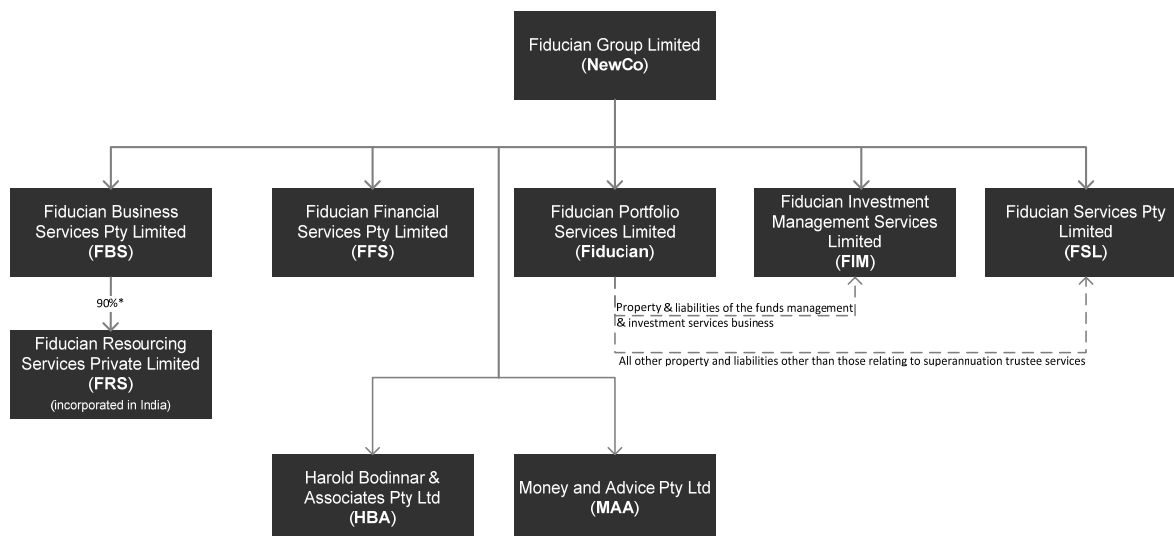
Fiducian and NewCo have executed a Scheme Implementation Deed relating to the implementation of the Scheme and the Restructure. The key terms of the Scheme Implementation Deed are summarised in Section 8.1 and a copy of deed is attached in Annexure A.

The following diagram shows the current corporate structure of the operational entities of the Fiducian Group (all ownership interests are 100% unless expressly shown otherwise):



* 10% owned by local partner in India for offshore resourcing services.

The following diagram shows the proposed corporate structure of the operational entities within the Fiducian Group following implementation of the Restructure (all ownership interests are 100% unless expressly shown otherwise):



* 10% owned by local partner in India for offshore resourcing services.

It is proposed that, after implementation of the Scheme, the Restructure will be implemented on the Transfer Date as follows:

- all the property and liabilities of Fiducian comprising or pertaining exclusively to its funds management and investment services business (other than any contract of employment) will be transferred to, and vested in, FIM by order of the Court under section 413 of the Corporations Act;
- all property and liabilities of Fiducian, other than:
 - the property and liabilities of Fiducian comprising or pertaining exclusively to its funds management and investment services business;
 - Fiducian's responsible superannuation entity licence (RSE licence number L0001144);
 - the custody agreement between Fiducian and National Australia Bank ABN 12 004 044 937 dated 17 May 2012;
 - the custody agreement between Fiducian and Australian Market Automated Quotation (AUSMAQ) System Ltd ABN 53 062 527 575 dated 29 September 2006;
 - the administrative services agreement between Fiducian and National Australia Bank Limited ABN 12 004 044 937 dated 17 May 2012;
 - the deposit account service level agreement between Fiducian and National Australia Bank Limited ABN 12 004 044 937 dated 15 November 2012;
 - bank accounts with National Australia Bank Limited ABN 12 004 044 937 and with the Australia and New Zealand Banking Group ABN 11 005 357 522 with Fiducian as the trustee of the Fiducian Superannuation Service;
 - the Fiducian superannuation deed poll granted by Fiducian dated 9 January 1997 (First Schedule – Fiducian Superannuation Service, Second Schedule – Fiducian Pooled Superannuation Trust) (**Trust Deed**) as amended by the deed of amendment to the Trust Deed for Fiducian Superannuation dated 1 November 2005, the deed of variation to the Trust Deed for the Fiducian Superannuation Service dated 28 October 2011 and the deed of variation to the Trust Deed for the Fiducian Pooled Superannuation Trust dated 28 October 2011;
 - the application to Australian Eligible Rollover Fund dated 17 July 2001;
 - the London partners superannuation service badge agreement dated 18 January 2007;

- the policy endorsements to Fiducian superannuation service insurance dated 29 March 2010;
- the APIR superwrap nomination form dated 19 April 2012;
- the Tal Life Limited service level agreement dated 27 June 2013; and
- any shares owned by Fiducian in each of FFS, FBS, HBA and MAA.

will be transferred to, and vested in, FSL by order of the Court under section 413 of the Corporations Act. Such property and liabilities includes the employment of any person by Fiducian; and

- all the shares owned by Fiducian in each of FFS, FBS, HBA and MAA will be transferred to NewCo.

Accordingly:

- Fiducian, FFS, FBS, HBA and MAA will each become a wholly owned Subsidiary of NewCo;
- Fiducian will retain its responsible superannuation entity licence, its activities will be limited to superannuation trustee services and it is expected that it will later be converted to a proprietary company;
- FIM will conduct the funds management and investment services business of the Fiducian Group and will operate under its own AFSL as:
 - the operator of Fiducian Investment Service and Fiducian MDA Service; and
 - the responsible entity of the Fiducian Funds; and
- FSL will conduct the administration and professional services business of the Fiducian Group.

Notwithstanding the above, Fiducian reserves the right to transfer some or all of the property and liabilities of Fiducian described above to any other member or members of the Fiducian Group.

Immediately following implementation of the Scheme, NewCo will ensure that the Fiducian Group will elect to become a tax consolidated group, with NewCo as the head company of the Fiducian Group. Accordingly, there is not expected to be any income tax impact on the Fiducian Group upon the transfer by Fiducian of the property and liabilities to FIM and FSL as set out above. Similarly, there is not expected to be any income tax impact on the Fiducian Group upon the transfer to NewCo by Fiducian of the shares in each of FFS, FBS, HBA and MAA.

3.2 Conditions of the Scheme

The Scheme is subject to a number of Conditions Precedent. In summary, these include:

- the New AFSL Offer having been obtained;
- ATO Approval having been obtained;
- NSW OSR Approval having been obtained;
- ASIC and the ASX providing all reliefs, consents, approvals and waivers necessary to implement the Scheme;
- any other approvals or consents required by law or which Fiducian and NewCo otherwise agrees are desirable to implement the Scheme and Transaction having been obtained on an unconditional basis;
- no restraints being imposed by any court or Government Agency;
- the approval of Fiducian Shareholders (see Section 3.6); and
- Court approval.

The full terms of the Conditions Precedent are set out in clause 3.1 of the Scheme Implementation Deed.

The Scheme is not subject to a Condition Precedent to the effect that the Court makes the orders for the transfers of property and liabilities as described in Section 3.1. If for any reason the Court does not make the orders affecting the relevant transfers, Fiducian may, following implementation of the Scheme, seek to transfer or novate some or all of those property or liabilities from Fiducian to any other member or members of the Fiducian Group.

As at the Last Practicable Date, none of the Fiducian Directors are aware of any circumstances which would cause any of the Conditions Precedent not to be satisfied.

3.3 Scheme Consideration

(a) Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration. The Scheme Consideration will be issued and delivered to Scheme Shareholders (other than Ineligible Foreign Shareholders) on the Implementation Date.

In practical terms, this will mean that for every Scheme Share held by a Scheme Shareholder (other than an Ineligible Foreign Shareholder), one NewCo Share will be issued by NewCo to the Scheme Shareholder.

(b) Ineligible Foreign Shareholders and Sale Facility

Restrictions in certain foreign countries may make it impractical or unlawful for NewCo Shares to be issued under the Scheme to Scheme Shareholders in those countries.

Under the terms of the Scheme, Scheme Shareholders whose address as shown on the Fiducian Share Register at the Scheme Record Date is outside of Australia and its external territories, New Zealand, the United Kingdom or the United States, will be regarded as Ineligible Foreign Shareholders for the purposes of the Scheme, unless NewCo determines (in its sole discretion) that it is lawful and not unduly onerous or impractical to issue NewCo Shares to Scheme Shareholders in a particular country.

NewCo is under no obligation to issue NewCo Shares comprising the Scheme Consideration to any Ineligible Foreign Shareholder.

If a Scheme Shareholder is an Ineligible Foreign Shareholder, the NewCo Shares which would otherwise be required to be issued to that Scheme Shareholder under the Scheme will be issued to the Sale Agent, to be held on trust for that Scheme Shareholder, for sale through the Sale Facility and that Scheme Shareholder will receive a pro rata share of the net proceeds from the sale of all NewCo Shares sold through the Sale Facility.

NewCo will establish the Sale Facility, and appoint the Sale Agent to sell the NewCo Shares referred to in the previous paragraph (**Sale Facility Securities**) under the Sale Facility.

If the Scheme becomes Effective, the Sale Facility Securities will be issued by NewCo to the Sale Agent, to be held on trust for the Sale Facility Participants, on the Implementation Date and the Sale Agent will be instructed to sell the Sale Facility Securities under the Sale Facility as soon as reasonably practicable after the Implementation Date. The Sale Agent may sell the Sale Facility Securities under the Sale Facility in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith. Sales will occur on market on the ASX.

It is proposed that, following the last sale of Sale Facility Securities under the Sale Facility, the Sale Agent will promptly pay the proceeds received from such sales (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges, and rounded down to the nearest whole cent) to Fiducian. Following receipt, Fiducian will dispatch payment of each Sale Facility Participant's pro rata share of the amount (rounded down to the nearest cent) in full satisfaction of the Sale Facility Participants' rights under the Scheme.

The cash amount received by Sale Facility Participants will depend on the price at which the Sale Facility Securities can be sold under the Sale Facility by the Sale

Agent at the relevant time, applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges incurred by the Sale Agent in connection with sales under the Sale Facility.

A Sale Facility Participant's pro rata share of the Sale Facility proceeds may be more or less than the value of the Scheme Consideration which that Sale Facility Participant would have received had they not been an Ineligible Foreign Shareholder.

None of Fiducian, NewCo or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Sale Facility Securities by the Sale Agent under the Sale Facility.

(c) **Status of NewCo Shares**

To facilitate the proposed Scheme and Restructure and allow for the incorporation of NewCo and its Subsidiaries, Mr Inderjit Singh agreed to be the original member of NewCo and be issued one NewCo Share upon incorporation of the company. Immediately prior to the Implementation Date, the only issued share in the capital of NewCo will be that one NewCo Share. Accordingly, after the Implementation Date, the only shares on issue in the capital of NewCo will be the NewCo Shares issued pursuant to the Scheme and the single NewCo Share issued on incorporation of the company, which single share is held by Inderjit Singh. The rights attaching to the NewCo Shares are contained in the NewCo Constitution and include the right to receive all dividends, distributions and other entitlements made or paid or declared on the NewCo Shares after the Implementation Date.

(d) **Further information**

For further details on the Scheme Consideration, see clause 5 of the Scheme contained in Annexure C.

3.4 If the Scheme does not become Effective

If the Scheme does not become Effective:

- Fiducian Shareholders will continue to hold Fiducian Shares and will be exposed to the same risks relating to the Fiducian business as they are exposed to today; and
- Scheme Shareholders will not receive the Scheme Consideration.

Fiducian is expected to continue as a stand-alone entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to the announcement of the Scheme. However Fiducian reserves the right to re-assess such plan and strategies to ensure they comply with legal and regulatory requirements.

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by Fiducian in relation to the Scheme and the Restructure. Those transaction costs will be payable by Fiducian regardless of whether or not the Scheme becomes Effective and is implemented.

3.5 Your choices as a Fiducian Shareholder

The Fiducian Directors unanimously recommend that Fiducian Shareholders vote in favour of the Scheme.

As a Fiducian Shareholder, you have the following two choices currently available to you.

(a) **Vote in favour or vote against the Scheme**

Fiducian Shareholders may vote in favour of or against the Scheme in respect of their Fiducian Shares. Details of how to vote at the Scheme Meeting are set out in the Notice of Scheme Meeting.

If the Scheme is approved and becomes Effective, all Scheme Shares will be transferred to NewCo, and Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration, notwithstanding that they may have voted against the Scheme.

(b) **Do nothing**

Fiducian Shareholders who do not wish to vote for or against the Scheme, should do nothing.

Fiducian Shareholders should note that if they do nothing in respect of the Scheme, and the Scheme is approved and becomes Effective, then all Scheme Shares will be transferred to NewCo, and Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration, notwithstanding that they may not have voted for or against the Scheme.

3.6 Scheme approval requirements

The Scheme will only become Effective and be implemented if:

- the Scheme is agreed to by Fiducian Shareholders at the Scheme Meeting; and
- the Scheme is approved by the Court at the hearing on the Second Court Date.

Agreement by the Fiducian Shareholders requires the Resolution to be agreed to by:

- a majority in number (more than 50%) of the Fiducian Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Fiducian Shareholder, body corporate representative) (the **Head Count Approval Requirement**); and
- at least 75% of the total number of votes cast on the Resolution at the Scheme Meeting by the Fiducian Shareholders present and voting at the Scheme Meeting (either in person or by proxy).

It should be noted that the Court has the power to waive the Head Count Approval Requirement.

3.7 Scheme Meeting and how to vote

(a) **Scheme Meeting**

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

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

(b) **Are you able to attend the Scheme Meeting?**

The entitlements of holders of Fiducian Shares to vote at the Scheme Meeting and instructions on how to attend and vote at the Scheme Meeting (in person, by proxy or in person through an attorney or body corporate representative) are set out in the Notice of Scheme Meeting.

Voting is not compulsory. However, the Fiducian Directors unanimously recommend that Fiducian Shareholders vote in favour of the Scheme.

The result of the Scheme Meeting will be available as soon as possible and will be announced on the ASX once available.

3.8 Court approval of the Scheme

In the event that:

- the Scheme is agreed to by the requisite majorities of Fiducian Shareholders at the Scheme Meeting (see Section 3.6); and
- all Conditions Precedent (except Court approval of the Scheme) have been satisfied or waived (if they are capable of being waived),

then Fiducian will apply to the Court for orders approving the Scheme and for orders for the transfers of property and liabilities as described in Section 3.1. As noted in Section 3.2, the

Scheme is not subject to a Condition Precedent that the Court makes the orders for the transfers of property and liabilities as described in Section 3.1.

Each Fiducian Shareholder has the right to appear before the Court on the Second Court Date.

3.9 Deed Poll

NewCo has executed the Deed Poll, pursuant to which NewCo has agreed in favour of the Scheme Shareholders to provide each such Scheme Shareholder (other than Ineligible Foreign Shareholders) with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective. A copy of the deed poll is contained in Annexure D.

3.10 Effective Date

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Date approving the Scheme is lodged with ASIC.

Upon the Scheme becoming Effective, Fiducian will give notice to the ASX and will apply to the ASX for trading in Fiducian Shares to be suspended from the close of trading on the Effective Date.

3.11 Scheme Record Date and entitlement to Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Foreign Shareholders) will be entitled to receive the Scheme Consideration applicable to their shareholding of Scheme Shares.

3.12 Implementation Date

On the Implementation Date for the Scheme, NewCo must:

- (a) issue NewCo Shares to Scheme Shareholders (other than Ineligible Foreign Shareholders) entitled to them and procure that their names and addresses are recorded in the NewCo Share Register; and
- (b) issue NewCo Shares to the Sale Agent in an amount that would otherwise have been issued as Scheme Consideration to those Ineligible Foreign Shareholders and procure that the name and address of the Sale Agent is recorded in the NewCo Share Register.

In the case of each Scheme Shareholder entitled to NewCo Shares:

- if they held their Scheme Shares on Fiducian's CHESS subregister, NewCo must use its best endeavours to procure that the NewCo Shares issued to them are held on NewCo's CHESS subregister; and
- if they held their Scheme Shares on Fiducian's issuer sponsored subregister, NewCo must use its best endeavours to procure that the NewCo Shares issued to them are held on the NewCo's issuer sponsored subregister.

Once the relevant Scheme Consideration has been issued, all Scheme Shares will be transferred to NewCo without any need for further action by Scheme Shareholders.

3.13 Despatch of holding statements

On or before the date that is 10 Business Days after the Implementation Date, NewCo must procure that a certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder (not including Ineligible Foreign Shareholders) which sets out the total number of NewCo Shares issued to that Scheme Shareholder under the Scheme.

3.14 Commencement of trading in NewCo Shares on the ASX

Trading in NewCo Shares on the ASX is expected to commence on a deferred settlement basis on Monday, 9 February 2015 and on a normal settlement basis on Monday, 23 February 2015.

The actual dates will be announced by the ASX.

It is the responsibility of Fiducian Shareholders to confirm their holdings of NewCo Shares before they trade them to avoid the risk of committing to sell more than will be issued to them.

3.15 Warranty by Scheme Shareholders

The terms of the Scheme provide that each Scheme Shareholder is taken to have warranted to Fiducian and NewCo, and appointed and authorised Fiducian as its attorney and agent to warrant to NewCo, that:

- all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from any Encumbrances;
- they have full power and capacity to transfer their Scheme Shares to NewCo together with any rights and entitlements attaching to those shares; and
- they have no existing right to be issued any Fiducian Shares, Fiducian performance rights, Fiducian convertible notes or any other Fiducian securities.

Under the terms of the Scheme, Fiducian undertakes that it will provide such warranty to NewCo as agent and attorney of each Scheme Shareholder.

3.16 Delisting of Fiducian

Following the Implementation Date, Fiducian will request the ASX to end official quotation of Fiducian Shares and remove Fiducian from the official list of the ASX, subject to satisfaction of any conditions under the Listing Rules (as modified or waived).

3.17 Further notices

(a) Notice to shareholders in the United Kingdom

This document does not constitute a prospectus within the meaning of section 85 of the Financial Services and Markets Act 2000 (as amended) (**FSMA**), and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority (**FCA**) and a copy has not been, and will not be, approved or filed with the FCA. This document contains no offer to the public under the meaning of FSMA, the Companies Act UK or otherwise and does not constitute an invitation or offer to sell or the solicitation of an invitation or offer to buy any security.

If you are in any doubt as to the content of this document or as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any applicable restrictions.

(b) Notice to shareholders in the United States

The Scheme Consideration may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933 (the **US Securities Act**) or are exempt from such registration requirements.

The Scheme Consideration issued pursuant to the Schemes have not been and will not be registered under the US Securities Act but will be issued in reliance on the exemption provided by Section 3(a)(10) thereof. The Scheme Consideration will not be registered under the securities laws of any state or other jurisdiction of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Fiducian will advise the Court that its sanctioning of the Scheme will be relied on by NewCo as an approval of the Scheme, following hearings on their fairness to Fiducian Shareholders, at which court hearings all Fiducian Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Fiducian Shareholders.

US shareholders should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Fiducian is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue Fiducian or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Fiducian and its affiliates to subject themselves to a US court's judgment.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence. The Scheme Consideration to be issued in the Scheme to a Fiducian Shareholder who is neither an affiliate, for the purpose of the US Securities Act, of Fiducian on or prior to the Effective Date nor an affiliate of NewCo after the Effective Date may be resold without restriction under the US Securities Act. Fiducian Shareholders who are affiliates of Fiducian on or prior to the Effective Date or affiliates of NewCo after the Effective Date will be subject to certain restrictions under the US Securities Act on the resale of any Scheme Consideration received by them in the Scheme. For the purposes of the US Securities Act, an affiliate of either Fiducian or NewCo is any person who directly or indirectly controls, or is controlled by, or is under common control with a Fiducian or NewCo entity. Whether a person is an affiliate of either Fiducian or NewCo for the purposes of the US Securities Act depends on the circumstances, but affiliates generally include officers, directors and significant shareholders. Persons who believe that they may be affiliates of either Fiducian, or after the Effective Date, NewCo, should consult their own legal advisers prior to any sale of the Scheme Consideration received upon the implementation of the Scheme.

4 Information about Fiducian

4.1 Introduction

The Fiducian Group is a specialist financial services organisation established in 1996 with the incorporation of Fiducian. The shares in Fiducian were listed on the ASX in 2000.

The Fiducian Group provides financial services and related solutions to both financial advisers and retail and wholesale clients throughout Australia. Those financial services are currently provided through two entities:

- Fiducian (RSE Licence No. L0001144, AFSL No. 231101); and
- FFS (AFSL No. 231103), a wholly owned Subsidiary of Fiducian.

4.2 Financial services provided by the Fiducian Group

(a) Capacities in which Fiducian currently acts

Fiducian currently acts as:

- responsible entity for the Fiducian Funds, being 15 registered managed investment schemes;
- operator of the Fiducian Investment Service, a securities transaction and investment platform administration service, being an investor directed portfolio service; and
- operator of the Fiducian MDA Service, a managed discretionary account service.

The above three capacities are discussed in Section 4.2(b).

FFS is responsible for providing the wealth management and financial planning services within the Fiducian Group. It will continue to do this after the Restructure. This is discussed in further detail in Section 4.2(c).

In addition, Fiducian acts as the trustee of a public offer superannuation fund for which it holds a responsible superannuation entity licence.

(b) Funds management and investment services (including wrap platforms)

As mentioned above, Fiducian is the responsible entity and investment manager for 15 registered managed investment schemes, known as the Fiducian Funds. It uses the 'Fiducian Manage the Manager System' to apply a structured research process in selecting funds and other products. Fiducian provides investment choice to clients by offering sector specific, diversified and specialist funds.

Fiducian also offers a range of other investment products to enable diversification across various sectors and the international and domestic markets. All investments are researched and approved by Fiducian.

The Fiducian Investment Service is an investor directed portfolio service, providing clients with a flexible securities transaction and investment platform administration service. As operator of the Fiducian Investment Service, Fiducian provides clients with access to an investment menu containing different investment options including managed funds, share portfolios and direct shares.

Fiducian also offers the Fiducian MDA Service, a managed discretionary account service, currently available in the form of a choice between four securities portfolios managed for investors on a discretionary basis. These portfolios consist of the Property Securities Portfolio (currently constituted by investments in the securities of 8 listed companies), the Imputation Portfolio, the Growth Portfolio and the Emerging Leaders Portfolio (the Imputation, Growth

and Emerging Leaders Portfolios are each currently constituted by investments in the securities of 14 listed companies).

Following the implementation of the Restructure, these services are expected to be carried out by FIM.

(c) **Wealth management and financial planning services**

FFS offers wealth management and financial planning services to clients. Under the FFS AFSL, financial advice and planning services are provided by both authorised representatives (persons who are authorised to provide financial planning services under the AFSL issued to FFS) and by financial planners employed by FFS (such authorised representatives and financial planners being **FFS Financial Planners**). Authorised representatives are part of a franchised Fiducian financial planning network.

Fiducian provides technical updates and on-call advice to FFS Financial Planners about investment and superannuation requirements, Centrelink requirements and strategic financial planning. A paraplanning service to planning groups who have a relationship with Fiducian is also available.

Following implementation of the Restructure, it is expected that these services will continue to be carried out by FFS.

4.3 Other services provided by the Fiducian Group

(a) **Information technology solutions and administrative services**

Fiducian owns proprietary software systems that are used to administer its superannuation and investment service platforms and are used by financial planners operating under FFS' AFSL and independent financial advisers. In addition, Fiducian's proprietary financial planning software "FORCE" is used by financial planners operating under FFS' AFSL to develop financial plans for investors.

Fiducian also currently provides a range of administrative services for the Fiducian Group, such as platform administration, legal, financial accounting, marketing and distribution support services.

Following implementation of the Restructure, these services are expected to be carried out by FSL. Contracts are expected to be entered into for the provision of these services, after the Transfer Date, by FSL to each of FIM and Fiducian.

(b) **Accounting and accountancy resourcing**

FBS offers accounting and accountancy resourcing to clients. It provides year end accounting and income tax reconciliation services, self-managed superannuation fund administration and book keeping services.

Following implementation of the Restructure, it is expected that these services will continue to be carried out by FBS.

4.4 Profiles of the Fiducian Directors

As at the Last Practicable Date, the board of Fiducian comprised:

(a) **Robert E Bucknell – Chairman of the Board, Director (Non-Executive)**

Robert Bucknell has been a Chartered Accountant since 1964 and is a former Managing Partner of Horwarth & Horwarth, Chartered Accountants. He is a non-executive director of other corporations and an adviser to a range of other companies.

(b) **Inderjit (Indy) Singh – Director (Executive)**

Indy Singh is the founder and Managing Director of Fiducian. He has overseen the growth of the business from concept in 1996 to its current stage and also chairs the investment strategy team of its funds management operations. Indy

has qualifications in engineering, a master's degree in business, post graduate degrees in investment and superannuation and is a certified financial planner. Prior to Fiducian, he spent over eight years with one of Australia's largest financial planning and investment management companies, where he played a key role in the development and management of its funds management and investment services businesses.

(c) **Frank Khouri – Director (Non-Executive)**

A CPA accountant for over 30 years, Frank Khouri owns and operates a successful Accounting Practice and Fiducian Financial Services Franchise in Windsor (NSW) where he is an Authorised Representative (that is, a person who is authorised to provide financial planning services under the AFSL issued to FFS). A registered company auditor for 24 years, he is also an active member of the Board's audit committees.

(d) **Chris Stone – Director (Non-Executive)**

Chris has been a practising lawyer for many years. He is recognised for the significant contributions he has made to professional life particularly in the heavily regulated spheres of Funds Management and Superannuation. He is currently Head of Compliance at State Street Australia Limited is a member of the Institute of Chartered Accountants and Institute of Chartered Secretaries.

4.5 Historical financial information

The full financial report containing the financial accounts for Fiducian as an individual entity and the consolidated entity consisting of Fiducian and its controlled entities for the financial years ended 30 June 2014 and 30 June 2013, including the notes to the accounts, can be found in Fiducian's 2014 annual report (released to the ASX on 22 September 2014) and Fiducian's 2013 annual report (released to the ASX on 25 October 2013).

The financial statements of Fiducian and its Subsidiaries for the financial years ended 30 June 2014 and 30 June 2013 were audited in accordance with Australian auditing standards. The audit opinions relating to those financial statements were unqualified.

4.6 Update on financial position and financial performance

Fiducian's latest financial statements are the full financial statements for the financial year ended 30 June 2014. These statements are contained in Fiducian's financial report for that period, which was released to the ASX on 22 September 2014. An electronic copy of this report can be downloaded from the ASX website at www.asx.com.au under Fiducian's name (ASX:FPS). Persons who would like a copy of this report can request one free of charge by contacting Fiducian before the Scheme becomes Effective.

To the knowledge of the Fiducian Directors, there have been no material changes to the financial position of Fiducian since 30 June 2014.

4.7 Fiducian securities

As at the Last Practicable Date, Fiducian had on issue:

- 30,883,397 Fiducian Shares; and
- 100,000 options to acquire Fiducian Shares, details of which are set out in Section 4.8.

4.8 Options over Fiducian Shares

Fiducian, NewCo and Inderjit Singh have entered into the Option Cancellation Deed.

Conditional on the Scheme becoming Effective and ASX granting Fiducian a waiver from Listing Rule 6.23 and any conditions to such waiver being satisfied, or waived, by ASX, or Fiducian Shareholders giving any necessary approvals under Listing Rule 6.23, NewCo

has agreed, in the Option Cancellation Deed, in consideration of Inderjit Singh agreeing to the cancellation of his options to acquire Fiducian Shares, to grant Mr Singh an equivalent number of options to acquire NewCo Shares on substantially the same terms of the cancelled options to acquire Fiducian Shares, being:

	No. of options	Grant date	Vesting date	Exercise price	Expiry date
1	100,000	23 October 2014	23 October 2015	\$1.63	23 October 2019

4.9 Publicly available information about Fiducian

Fiducian is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Fiducian is subject to the Listing Rules which require continuous disclosure of any information Fiducian has that a reasonable person would expect to have a material effect on the price or value of Fiducian Shares.

The ASX maintains files containing publically disclosed information about all listed companies. Information disclosed to the ASX by Fiducian is available on the ASX' website at www.asx.com.au.

In addition, Fiducian is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Fiducian may be obtained from an ASIC office.

On request to Fiducian before the Scheme becomes effective, and free of charge, Fiducian Shareholders may obtain a copy of:

- the Fiducian 2014 Full Financial Report (being the full financial report most recently lodged with ASIC before the registration of this Scheme Booklet with ASIC); and
- any announcements given to the ASX by Fiducian after the lodgement by Fiducian of the Fiducian 2014 Full Financial Report and before the date of this Scheme Booklet.

Information about Fiducian, including financial information and releases to the ASX, is available in electronic form on the Fiducian website at www.fiducian.com.au.

5 Information about NewCo

5.1 Incorporation of NewCo

NewCo was incorporated on 20 October 2014 in Victoria, Australia, as a public limited company under the Corporations Act for purposes of the Scheme and the Restructure. NewCo Shares will be listed on the ASX. Sections 5.2 and 5.3 contain information about the NewCo Constitution and a number of key differences between the NewCo Constitution and the Fiducian Constitution. As at the Last Practicable Date, the directors of NewCo were the same as the current Fiducian Directors, as set out in Section 4.4.

NewCo was incorporated to act as the new ultimate holding company for the Fiducian Group, following implementation of the Scheme.

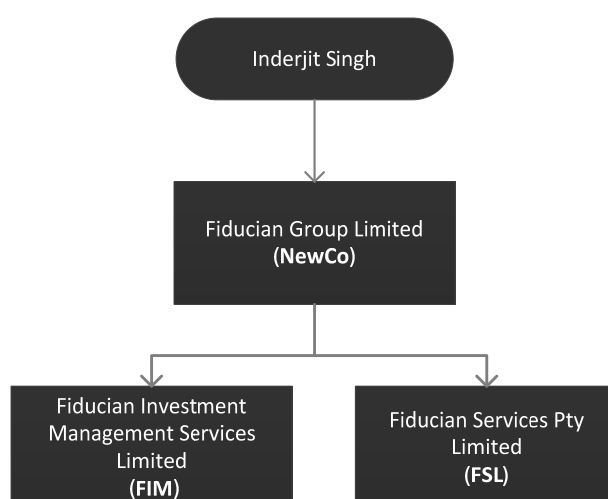
FIM and FSL were each incorporated on 21 October 2014 in Victoria, Australia, under the Corporations Act, for purposes of the Scheme and the Restructure. As at the Last Practicable Date, the directors of each of FIM and FSL were the same as the current Fiducian Directors, as set out in Section 4.4.

As at the Last Practicable Date:

- none of NewCo, FIM or FSL had carried on any operations or undertaken any activities, other than those associated with the Scheme;
- NewCo had one NewCo Share on issue, which was held by Inderjit Singh; and
- each of FIM and FSL had one ordinary share on issue, which was held by NewCo, so that each of FIM and FSL are direct wholly owned subsidiaries of NewCo.

No other securities in NewCo, FIM or FSL have been issued or agreed to be issued other than as proposed in accordance with the terms of the Scheme.

The following diagram shows the current corporate structure of the NewCo Group as at the Last Practicable Date (all ownership interests are 100% unless expressly shown otherwise):



5.2 The constitution of NewCo

The constitution of NewCo immediately following implementation of the Scheme will be substantially in the form set out in Annexure F.

The Fiducian Constitution was adopted in 2000, and has not since been modified. Since then, there have been a number of changes to applicable regulatory requirements (including the Corporations Act and the Listing Rules). Those changes have been taken into account in preparing the constitution of NewCo.

5.3 Key differences between the NewCo Constitution and the Fiducian Constitution

There are a number of key differences between the NewCo Constitution and the Fiducian Constitution, as set out below.

(a) Dividends and distributions

Following amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. Rule 4.1 of the NewCo Constitution will give the directors the flexibility to resolve to pay a dividend out of any available source permitted by law.

The NewCo Constitution expressly provides for the payment of dividends to be made electronically directly to an account nominated in writing by the NewCo Shareholder. In addition, the NewCo Constitution in rule 4.1(m) provides that NewCo will have the ability to require bank account details before a dividend needs to be paid. If no bank account is nominated or if a member does not have, or is not known at, a registered address, the dividend can be paid into a separate account and held without interest until an account is nominated or the amount is claimed (rules 4.1 (m), 4.1(n) and 4.1(o)). Rule 4.1(o) provides that the money can be used for the benefit of NewCo until it is claimed. Finally, rule 4.1(p) provides that if a dividend amount is unclaimed for 11 calendar months or more, the directors may invest the amount into shares in NewCo on behalf of and in the name of the NewCo Shareholder.

Consistent with Fiducian's 2014 annual report, and in line with previous financial years for the Fiducian Group, the cash management strategy of the Fiducian Group (including NewCo) for the 2015 financial year is to utilise profits to pay dividends and to use any surplus to support meaningful acquisitions or make further share buy backs where beneficial.

(b) Directors

Under the Fiducian Constitution, one third of the directors are required to retire at each annual general meeting, and each director (other than the managing director) is required to retire no later than the third annual general meeting following the director's last election or appointment. Under rule 8.1(d) of the NewCo Constitution, directors (other than the managing director) will be required to retire no later than the third annual general meeting following the director's last election or appointment. In addition, to the extent the Listing Rules require NewCo to hold an election of directors, rule 8.1 provides the process for determining which director will stand for re-election at that annual general meeting. These rules reflect common director rotation provisions among listed companies and is in line with the relevant Listing Rules.

The NewCo Constitution provides that other than in relation to a person who is a director immediately before a general meeting or is nominated by the Board for election as director, a nomination for a person to be a director must be provided to NewCo at least 45 business days before the date of the general meeting (rule 8.1(j)) (or 30 business days before where NewCo's members have duly requested the general meeting). Under the Fiducian Constitution, unless a director is retiring, the nomination must be provided at least 28 days before the meeting where the nomination is recommended by the directors and at least 30 business days before the meeting in any other case.

(c) General Meetings

There are a number of differences relating to the appointment of proxies, attorneys and representatives. Among other things, the NewCo Constitution

allows proxy forms to provide that the chairperson of the meeting will become the member's proxy in circumstances specified on the form (rule 7.10(i)). Additionally, consistent with the timeframes set out in the Corporations Act, rule 7.10(j) of the NewCo Constitution requires that proxy forms be received by NewCo at least 48 hours before the start of the meeting or such lesser time as specified by the board and notified in the notice of meeting (which represents a change from the 24 hour timeframe specified in the Fiducian Constitution).

The Fiducian Constitution permits Fiducian Shareholders to pass a resolution by circular written resolution. The NewCo Constitution does not contain a similar provision.

(d) **Sale of non-marketable parcels**

Rule 5.4 of the NewCo Constitution, provides, consistent with the Listing Rules, for NewCo to be able to sell non-marketable parcels of shares, being parcels valued at under \$500, by notifying relevant NewCo Shareholders and following a specified process.

(e) **Proportional takeovers**

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register shares acquired under a 'proportional takeover bid' (i.e. a bid whereby the bidder offers to buy only a proportion of each shareholders' shares, being less than 100%) unless shareholders have approved the bid. This rule is referred to as a 'proportional takeover provision' and is not contained in the Fiducian Constitution.

Rule 6 of the NewCo Constitution contains proportional takeover approval provisions. Further details regarding the proportional takeover provisions are set out in Section 5.4.

(f) **Forfeiture and liens over shares**

Rule 3 of the NewCo Constitution provides detail on the circumstances in which NewCo may forfeit or has a lien over NewCo Shareholders' shares.

(g) **Service of notices**

Rule 14 of the NewCo Constitution provides more up-to-date requirements for the time of service, in particular, to reflect current corporate practice with sending notices by electronic means.

(h) **Current terminology**

The definitions and terminology employed through the NewCo Constitution reflect current terminology.

5.4 Proportional takeover provisions in the NewCo Constitution

Rule 6 of the NewCo Constitution contains proportional takeover approval provisions. These provisions are discussed in more detail below.

(a) **General purpose for proportional takeover approval provisions**

In a proportional takeover bid, the bidder offers to buy a proportion only of each shareholder's shares in the target company.

This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the company without paying an adequate amount for gaining control.

In order to deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to approve or reject the bid and that decision will be binding on all the shareholders.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and therefore whether it may proceed. It may also ensure that any partial offer is appropriately priced.

(b) **The effect of the proportional takeover approval provisions**

If a proportional takeover bid is made for NewCo, the directors of NewCo must ensure that NewCo Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority.

Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and NewCo's constitution.

The directors of NewCo will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date of adoption of the NewCo Constitution (which was adopted on incorporation of NewCo). The provisions may be renewed, but only by a special resolution.

(c) **Potential advantages and disadvantages**

The directors of NewCo consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover approval provisions for NewCo Shareholders include the following:

- NewCo Shareholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help NewCo Shareholders avoid being locked in as a minority;
- the bargaining power of NewCo Shareholders may be increased, which may ensure that any partial offer is adequately priced; and
- knowing the view of the majority of NewCo Shareholders may help each individual NewCo Shareholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages of the proportional takeover approval provisions for NewCo Shareholders include the following:

- proportional takeover bids for shares in NewCo may be discouraged;
- NewCo Shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

5.5 NewCo's intentions

This Section 5.5 sets out the intentions of NewCo in relation to the Fiducian Group. The statements set out in this Section are statements of current intention only, which may change as new information becomes available or as circumstances change.

(a) Corporate matters

The Fiducian Group's day-to-day business operations will largely be unaffected by the implementation of the Scheme and the Restructure. NewCo does not intend to make any material changes to the business of the Fiducian Group or to immediately redeploy the fixed assets of the Fiducian Group as a result of or immediately following the implementation of the Scheme or Restructure.

However, as highlighted in the Chairman's letter and also in Section 4.2 and Section 4.3, NewCo intends that certain changes will be made to the identity of the relevant members of the Fiducian Group that provide the services currently being rendered by the Fiducian Group.

(b) Board and management

The directors of NewCo immediately following the implementation of the Scheme are expected to be the same as the current Fiducian Directors (see Section 4.4 for the identity of the current Fiducian Directors).

NewCo does not intend to make changes to the management team of the Fiducian Group as a result of or immediately following implementation of the Scheme and the Restructure.

NewCo intends that, immediately following the implementation of the Restructure (if not beforehand), the current Fiducian Board will be reconstituted with each of the current Fiducian Directors (other than Frank Khouri) resigning and replacements being appointed such that the Fiducian Board will consist of:

- *Frank Khouri – Chairman of the Board (Non-Executive Director)*
Frank Khouri will be a continuing member of the Fiducian Board. As at the Last Practicable Date, Frank was chair of the trustee committee for the Fiducian Superannuation Service and it is intended that he will continue in this role after implementation of the Scheme.
- *Drew Vaughan – Director (Non-Executive)*
Drew Vaughan consults to institutional superannuation funds and funds management organisations on all issues associated with the investment, risk, compliance and administration of investment portfolios. Drew has 25 years' experience in the investment and financial services industry.
- *Brian Lacey – Director (Non-Executive)*
Brian Lacey has 30 years' experience in corporate legal counsel and senior management positions. He has been a director and compliance committee member of a number of financial services companies. His experience extends to most areas of financial services and legislative oversight including compliance, corporate legal, managed funds, superannuation and life insurance.

Currently, each of these individuals is a member of the trustee committee for the Fiducian Superannuation Service.

NewCo intends that, immediately following the implementation of the Restructure (if not beforehand), Fiducian's current company secretary Inderjit Singh, will resign and be replaced by Drew Vaughan.

(c) Governance arrangements

Before the Implementation Date, NewCo intends to adopt the following governance policies, which will be in substantially the same form as the

corresponding governance policies that Fiducian had in place as at the Last Practicable Date:

- corporate governance statement;
- share trading policy;
- audit, risk and compliance committee charter;
- board of directors' charter;
- publications committee charter;
- remuneration committee charter; and
- risk and compliance group charter.

(d) **Deed of cross guarantee**

Promptly following implementation of the Scheme, and before the Transfer Date, NewCo intends to ensure that each member of the Fiducian Group (other than Fiducian Resourcing Services Private Limited) will enter into a deed of cross-guarantee, substantially in the form of ASIC Pro Forma 24. The effect of the deed of cross-guarantee is, in summary, that each member of the Fiducian Group that has entered into the deed of cross-guarantee guarantees to each creditor of any member of the Fiducian Group that has entered into the deed of cross-guarantee, payment in full of any debt owed to that creditor in the event of a winding up of the relevant member of the Fiducian Group (in accordance with the terms of the deed of cross-guarantee).

(e) **New product disclosure statements**

NewCo intends to ensure that new product disclosure documents will be issued by the Fiducian Group to reflect the services provided by each member of the Fiducian Group following the implementation of the Scheme and the Restructure.

(f) **Other intentions**

Subject to the matters described above in this Section 5.4 and elsewhere in this Scheme Booklet, it is the intention of NewCo, on the basis of the facts and information concerning the Fiducian Group that are known to it and the existing circumstances affecting the assets and operations of the Fiducian Group at the Last Practicable Date, that:

- the business of the Fiducian Group will be conducted in the same manner as at the Last Practicable Date;
- there will be no immediate redeployment of the fixed assets of the Fiducian Group;
- the present employees of the Fiducian Group will, following implementation of the Scheme and the Restructure, continue to be employed by the Fiducian Group; and
- NewCo will, following implementation of the Scheme, be a non-operating holding company of the Fiducian Group.

5.6 Interests and dealings in Fiducian Shares

(a) **Interests in Fiducian Shares**

As at the Last Practicable Date, NewCo did not have a Relevant Interest in any Fiducian Shares.

(b) **Dealings in Fiducian Shares**

Neither NewCo nor any Associate of it has provided, or agreed to provide, consideration for, any Fiducian Shares under any purchase or agreement during the four months before the Last Practicable Date, except to the extent

provided for in, or contemplated by, the Scheme Implementation Deed, the Scheme or the Deed Poll.

(c) **No pre-Scheme benefits**

During the four months before the Last Practicable Date, neither NewCo nor any Associate of it gave, or offered to give, or agreed to give a benefit to any person which is likely to induce the other person, or an Associate of the other person, to:

- (1) vote in favour of the Scheme; or
- (2) dispose of Fiducian Shares,

and which benefit was not offered to all Fiducian Shareholders.

5.7 Capital structure of NewCo after the Scheme

If the Scheme becomes Effective, and assuming that Inderjit Singh is granted options to acquire NewCo Shares in accordance with the Option Cancellation Deed, the number of issued securities in the capital of NewCo immediately after implementation of the Scheme (based on the number of issued securities in the capital of Fiducian and NewCo as at the Last Practicable Date) is expected to be as follows:

	NewCo Shares	NewCo options
Number of issued securities as at the Last Practicable Date	1	Nil
Number of NewCo Shares to be issued pursuant to the Scheme	30,883,397	
Number of NewCo options to be granted pursuant to the Option Cancellation Deed		100,000*
Number of issued securities in the capital of NewCo immediately following implementation of the Scheme	30,883,398	100,000*

* Please refer to Section 4.8 for details regarding the exercise price and expiry date of each of the NewCo options.

5.8 Related party transactions

Fiducian's 2014 annual report (released to the ASX on 22 September 2014) and Fiducian's 2013 annual report (released to the ASX on 25 October 2013) set out the related party transactions entered into by the Fiducian Group for the financial years ended 30 June 2014 and 30 June 2013 (including, in particular, Note 30 and Note 29 to the financial statements contained in Fiducian's 2014 and 2013 annual reports, respectively).

6 Australian and New Zealand taxation considerations

Attached.

5 December 2014

The Directors
Fiducian Portfolio Services Limited
Level 4
1 York Street
SYDNEY NSW 2000

Dear Sirs

Fiducian Portfolio Services Limited

**Australian and New Zealand Income Taxation Consequences of the Scheme for
Fiducian Portfolio Services Limited Shareholders**

This letter summarises the Australian and New Zealand income tax considerations for holders of shares in Fiducian Portfolio Services Limited (**Fiducian**) (**Scheme Shares**) at the Scheme Record Date (**Scheme Shareholders**), as described and defined in the Scheme Booklet to be issued by Fiducian on 5 December 2014. This letter has been prepared for inclusion in the Scheme Booklet.

Unless otherwise defined, abbreviations and defined terms used in this letter have the same meaning as they do in the Scheme Booklet.

This letter is relevant for Scheme Shareholders that are Australian and New Zealand residents that hold their Scheme Shares on capital account. This letter does not apply to:

- Shareholders that hold their Scheme Shares as trading stock or revenue assets, or will hold their NewCo Shares as trading stock or revenue assets;
- Shareholders that are not Australian residents for Australian tax purposes, or New Zealand residents for New Zealand tax purposes (including non-resident shareholders who currently hold their Scheme Shares through a permanent establishment in Australia);
- Shareholders who are transitional residents for New Zealand tax purposes;
- Shareholders who acquired their Scheme Shares through an employee share scheme; and

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- Shareholders that are subject to the taxation of financial arrangements provisions in Division 230 of the Income Tax Assessment Act 1997¹ (Cth) (“ITAA97”) in relation to their Scheme Shares.

Additionally, this letter does not address any taxation implications which might arise in countries other than Australia and New Zealand. Nor does it address the Goods & Services Tax or stamp duty implications associated with the Scheme.

The comments contained in this letter provide a general overview of the Australian and New Zealand income tax implications that will arise for Scheme Shareholders as a result of the implementation of the Scheme based on the taxation law as at the date of this letter. The Australian and New Zealand income tax implications outlined in this letter may alter if there is a change in the taxation law after the date of this letter.

This letter should not be relied upon by Fiducian Shareholders as tax advice. Fiducian Shareholders are advised to seek their own professional advice outlining the consequences for them of implementing the Scheme based upon their particular circumstances.

The information contained in this letter does not constitute “financial product advice” within the meaning of the *Corporations Act 2001* (Cth)² (**Corporations Act**). HLB Mann Judd Company which is providing this letter is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a “financial product”³ within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the individual objectives, financial and taxation situation or particular needs of any particular Fiducian Shareholder.

Accordingly, a Fiducian Shareholder should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act or required to be licensed pursuant to the Financial Service Providers (Registration and Dispute Resolution) Act 2008 in New Zealand. A Fiducian Shareholder should, before acting on this material, also consider the appropriateness of this material having regard to their individual objectives, financial and taxation situations and particular needs, and consider obtaining independent financial advice.

¹ Section 230 Income Tax Assessment Act 1997 (“ITAA 97”)

² Section 766B Corporations Act 2001

³ Section 763A Corporations Act 2001

Australian Income Tax Consequences

Class Ruling Requests

As is customary in relation to schemes involving listed securities, Fiducian has commenced the process to apply for a class ruling from the Australian Tax Office (“ATO”) on behalf of the Australian and New Zealand resident Fiducian Shareholders that hold their Fiducian Shares on capital account. The class ruling application corresponds to the Scheme outlined in the Scheme Booklet. The obtaining of a class ruling is not a requirement for Scheme Shareholders to obtain CGT roll-over relief, but completion of the Scheme is conditional on the class ruling being issued.

No assurance can be given to Fiducian Shareholders that a final class ruling will be received. A final binding class ruling may not be received by the date of the Scheme Meeting, meaning Fiducian Shareholders will be required to vote on the Resolution in the absence of such a ruling. However, completion of the Scheme is conditional on the class ruling being issued and we expect that a draft class ruling will be issued prior to the Second Court Date and that a final binding class ruling will be issued shortly after the Implementation Date if the Scheme proceeds. Fiducian will make an ASX announcement when the class ruling is published.

Exchange of Shares

Under the Scheme, Scheme Shareholders will exchange their Scheme Shares for NewCo Shares on a 1:1 basis. This exchange will be a CGT event for relevant Australian Scheme Shareholders, who (subject to claiming roll-over relief⁴ as outlined below) will make:

- a) a capital gain if the value of the capital proceeds received for their Scheme Shares is greater than the cost base of those shares; or
- b) a capital loss if the value of the capital proceeds received for their Scheme Shares is less than the reduced cost base of those shares.

The value of the capital proceeds received will be the market value at the Implementation Date of the NewCo Shares that a Scheme Shareholder receives on the Implementation Date under the Scheme.

The implications outlined above are not applicable to New Zealand Shareholders. This is because generally, foreign resident capital gains are not assessable in Australia⁵ unless it is in relation to taxable Australian Property⁶. Please see the specific section on New Zealand Tax Consequences later in this document.

⁴ Subdivision 124G ITAA97

⁵ Section 855-10 ITAA97

⁶ Section 855-15 ITAA97

Roll-over relief claimed

Scheme Shareholders who would otherwise make a capital gain or capital loss on the exchange of their Scheme Shares should be eligible to choose to claim CGT roll-over relief.

The ATO has been asked to confirm in the above class ruling that Scheme Shareholders should be eligible to claim the CGT roll-over relief. Each individual Scheme Shareholder must make a choice to claim roll-over relief before lodging their income tax return for the income year in which the Implementation Date occurs. Scheme Shareholders will generally evidence their choice by the way they prepare their income tax returns; for example, by excluding the capital gain from assessable income. If roll-over relief is claimed by a Scheme Shareholder, the capital gain or capital loss that the Scheme Shareholder would otherwise make will be disregarded.

Whilst there is no need to lodge a separate notice with the ATO, it would be prudent for Scheme Shareholders to keep a record of their choice.

The first element of the cost base (or reduced cost base) of the NewCo Shares received by a Scheme Shareholder under the Scheme will be equal to the cost base (or reduced cost base) of their Scheme Shares that were exchanged for the NewCo Shares.

For the purposes of determining whether the CGT discount concession (applicable to assets held for at least 12 months) is available on a subsequent disposal of the NewCo Shares, Scheme Shareholders will be taken to have acquired their NewCo Shares at the same time that their Scheme Shares were originally acquired.

Roll-over relief not claimed

If a Scheme Shareholder does not choose to claim CGT roll-over relief, the Scheme Shareholder will make a capital gain or capital loss as outlined above. Individuals, complying superannuation funds and trustees that have held their Scheme Shares for at least 12 months prior to the Implementation Date (excluding the dates that the Scheme Shares were acquired and the Implementation Date) should be entitled to claim the CGT discount concession⁷. The CGT discount concession is not available for companies that are not trustees (subject to limited exceptions for life insurance companies).

A capital loss that arises for a Scheme Shareholder as a result of the exchange of their Scheme Shares under the Scheme may be used to offset any other capital gains derived by the Scheme Shareholder in the same income year or future income years. The capital loss cannot be offset against ordinary income.

Specific loss recoupment rules that apply to Scheme Shareholders (excluding individuals) may restrict their ability to utilise capital losses in the same or future income years.

⁷ Section 115-10 ITAA97

The first element of the cost base (or reduced cost base) of the NewCo Shares received by a Scheme Shareholder that does not choose to claim roll-over relief will be equal to the market value on the Implementation Date of the Scheme Shareholder's Scheme Shares that are exchanged for NewCo Shares under the Scheme.

The Scheme Shareholder will be treated as having acquired the NewCo Shares on the Implementation Date.

Tax Treatment of future dividends

Shareholders of NewCo will be entitled to receive dividends declared by NewCo.

The tax treatment of dividends should not change as a result of the Scheme.

Australian resident Shareholders will be required to include the dividends in their assessable income in the year of income in which they are paid. To the extent that the dividends are franked, those shareholders that are "qualified persons" will also be required to include the franking credits in their assessable income and should be entitled to a tax offset for the franking credits. Individuals and complying superannuation funds should be entitled to a tax refund if a tax offset for franking credits exceeds their tax liabilities. Special rules apply to shareholders that are companies.

As a general rule, to satisfy the "qualifying persons" test, a shareholder will be required to hold the relevant NewCo shares (in respect of which they receive a dividend) 'at risk' for at least 45 clear days (not including the date of acquisition and the date of disposal) and free of any related payment obligations.

The test is generally not required to be satisfied by a shareholder that is an individual if the relevant shareholder's entitlement to an offset for franking credits for an income year is less than \$5,000 and the relevant shareholder (or an associate of the shareholder) is not under an obligation to make a related payment in respect of the relevant dividends.

It is recommended that shareholders of NewCo confirm that they are entitled to the benefit of a tax offset in respect of any franking credit gross-up on franked dividends paid by NewCo.

New Zealand Resident Shareholders

Australian Income Tax Consequences

Capital Gains and Losses

As indicated earlier, capital gains and losses made by foreign residents are generally disregarded for Australian tax purposes.⁸ Only assets which are taxable Australian property would not be disregarded⁹. The relevant shares in both Fiducian and NewCo would not satisfy the definition of taxable Australian property¹⁰. Accordingly, any capital gains or losses made by New Zealand resident Scheme shareholders at each transaction detailed in this report will not be assessable nor deductible in Australia.

Income Tax and Withholding Tax

New Zealand resident Shareholders are not required to include dividend income in their assessable Australian income. Where applicable, a final Australian withholding tax is payable by NewCo on dividends paid by NewCo to non-residents.

New Zealand Income Tax Consequences

Capital Gains and Losses

Capital gains and losses arising from share investments are generally neither assessable nor deductible in New Zealand.

Income Tax

Foreign Investment Fund Rules (FIF regime)

The FIF regime will generally continue to apply to New Zealand resident portfolio shareholders in Fiducian and for portfolio holdings of NewCo shares. This is subject to the shares of neither entity being included in an index that is approved under the ASX Operating Rules.

Shareholders subject to the FIF regime will be required to include in their assessable income a deemed income amount irrespective of actual dividend distributions received. The deemed income amount is determined by a number of available calculation methods designed to accommodate either various categories of taxpayers or specific investment circumstances.

The Fair Dividend Rate (FDR) method is the most likely method to be used. This method results in a 5% deemed rate of return on the market value of the FIF investment at the start of the tax year being treated as assessable income in each tax year the investment is owned.

However and as an example only, the Comparative Value (CV) method may be used as an alternative by individual and certain trustee shareholders if the actual return on the FIF

⁸ Section 855-10 ITAA97

⁹ Section 855-15 ITAA97

¹⁰ Ibid

investment is less than the otherwise deemed FDR rate of return in a particular tax year (the CV method is not available to corporate shareholders).

Shareholders affected by the New Zealand FIF regime should take specific advice as to which of the number of alternative calculation methods is most appropriate in their own circumstances.

Any dividend distributions received during the year from FIF investments are exempt income.

Other Income Tax Consequences

For individual and certain trustee holders of Fiducian and subsequently NewCo shares, who hold FIF investments which in total cost less than NZD50,000, dividend distributions only will be taxed, as received, but without being able to utilise any Australian franking credits which may be attached to those dividends. In these circumstances, however, any Australian Non-Resident Withholding Tax (NRWT) deducted from dividend distributions will be added to the amount of dividend distributions received in determining the taxpayers' assessable income.

Generally the NRWT deducted will be able to be credited against New Zealand tax payable on both dividend distributions and any FIF income, as determined, provided the credit does not exceed the New Zealand tax payable on that income in a particular tax year.

Yours faithfully



Neil Wickenden
Director

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7 Information relating to Fiducian Directors

7.1 Interests of Fiducian Directors

(a) Fiducian Directors' interests in Fiducian Shares

As at the Last Practicable Date, the Fiducian Directors had the following Relevant Interests in Fiducian Shares:

Fiducian Director	Number of Fiducian Shares	Voting power
Robert Bucknell	800,000	2.59%
Inderjit Singh	10,373,763	33.59%
Frank Khouri	251,373	0.81%
Chris Stone	33,700	0.11%

(b) Fiducian Directors' dealings in Fiducian Shares

No Fiducian Director acquired or disposed of a Relevant Interest in any Fiducian Shares in the four month period ending on the Last Practicable Date, other than as set out below:

Fiducian Director	Date	Nature of dealing
Inderjit Singh	5 September 2014	Purchased 31,501 Fiducian Shares
Christopher Stone	19 September 2014	Purchased 10,000 Fiducian Shares
Inderjit Singh	26 September 2014	Purchased 33,750 Fiducian Shares
Inderjit Singh	2 October 2014	Purchased 6,000 Fiducian Shares
Inderjit Singh	10 November 2014	Exercised 40,000 options at an exercise price of \$1.28 and 100,000 options at an exercise price of \$1.05 and accordingly was issued 140,000 Fiducian Shares

7.2 Interests and dealings in NewCo securities

(a) Interests in NewCo securities

As at the Last Practicable Date, no Fiducian Director had a Relevant Interest in any shares in NewCo, other than as set out below:

Fiducian Director	Nature of Relevant Interest
Inderjit Singh	Relevant Interest in 100% of the NewCo Shares by virtue of Inderjit Singh's holding of one NewCo Share

(b) **Dealings in NewCo securities**

No Fiducian Director acquired or disposed of a Relevant Interest in any shares in NewCo in the four month period ending on the Last Practicable Date, other than as set out below:

Fiducian Director	Date	Nature of dealing
Inderjit Singh	20 October 2014	Inderjit Singh was issued one ordinary share in NewCo on the date NewCo was incorporated

7.3 Benefits and agreements

(a) **Benefits in connection with retirement from office**

No payment or other benefit is proposed to:

- be made or given to any director, company secretary or executive officer of Fiducian as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Fiducian or in a Related Body Corporate of Fiducian; or
- be made or given to any director, company secretary or executive officer of any Related Body Corporate of Fiducian as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that Related Body Corporate of Fiducian or in Fiducian,

in connection with the Scheme, other than in his or her capacity as a Fiducian Shareholder.

(b) **Agreements connected with or conditional on the Scheme**

There are no agreements or arrangements made between any current Fiducian Director and any other person in connection with, or conditional on, the outcome of the Scheme, other than in their capacity as a Fiducian Shareholder and other than the Option Cancellation Deed.

(c) **Interests of Fiducian Directors in contracts with NewCo**

None of the current Fiducian Directors has any interest in any contract entered into by a member of the NewCo Group, or any Related Body Corporate of any member of the NewCo Group, other than in their capacity as a Fiducian Shareholder.

(d) **Benefits from the NewCo Group**

None of the current Fiducian Directors has agreed to receive, or is entitled to receive, any benefit from any member of the NewCo Group or any Related Body Corporate of a member of the NewCo Group which is conditional on, or is related to, the Scheme, other than in their capacity as a Fiducian Shareholder and other than under the Option Cancellation Deed.

8 Additional information

8.1 Scheme Implementation Deed

(a) **Overview**

Fiducian and NewCo have entered into the Scheme Implementation Deed. The key terms of the Scheme Implementation Deed are summarised below.

A full copy of the Scheme Implementation Deed is set out in Annexure B.

(b) **Conditions Precedent**

Implementation of the Scheme is subject to the Conditions Precedent which must be satisfied or waived.

For full details of the Conditions Precedent, see Section 3.2 of this Scheme Booklet and clause 3.1 of the Scheme Implementation Deed.

(c) **Termination rights**

Either Fiducian or NewCo may terminate the Scheme Implementation Deed in the following circumstances:

- at any time before 8.00am on the Second Court Date, if any of the other parties has materially breached the Scheme Implementation Deed and such breach continues to exist 10 Business Days from being provided notice of such breach;
- at any time before 8.00am on the Second Court Date, if a court or Government Agency permanently restrains or otherwise prohibits the Scheme, or refuses to do anything necessary to permit the Scheme, and the action or refusal has become final and cannot be appealed;
- unless waived, one or more Conditions Precedent cannot be satisfied within the relevant time specified in the Scheme Implementation Deed; or
- if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date.

The termination rights are set out in clause 7.1 of the Scheme Implementation Deed.

8.2 Consents

NewCo has given, and not withdrawn before the Last Practicable Date, its written consent to be named in this Scheme Booklet in the form and context in which it is so named and to the inclusion of the information concerning NewCo in this Scheme Booklet.

Pitcher Partners has given, and not withdrawn before the Last Practicable Date, its written consent to be named in this Scheme Booklet in the form and context it is so named and to the inclusion of its Independent Expert's Report as Annexure A to this Scheme Booklet. Pitcher Partners has not caused or authorised the issue of this Scheme Booklet and Pitcher Partners does not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based. Pitcher Partners has not been involved in the preparation of this Scheme Booklet and takes no responsibility for any part of this Scheme Booklet other than any reference to its name and the Independent Expert's Report contained in Annexure A to this Scheme Booklet.

HLB Mann Judd has given, and not withdrawn before the Last Practicable Date, its written consent to be named in this Scheme Booklet in the form and context it is so named and to the inclusion of the material on the Australian and New Zealand taxation

consequences for Fiducian Shareholders in Section 6. HLB Mann Judd has not caused or authorised the issue of this Scheme Booklet and HLB Mann Judd does not make or purport to make any statement in this Scheme Booklet (other than Section 6) or any statement on which a statement in this Scheme Booklet is based. HLB Mann Judd has not been involved in the preparation of this Scheme Booklet and takes no responsibility for any part of this Scheme Booklet other than any reference to its name and Section 6. HLB Mann Judd's professional fees for preparing that material are approximately \$37,000.

Computershare has given, and not withdrawn before the Last Practicable Date, its written consent to be named in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this Scheme Booklet other than being named. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

8.3 Change of responsible entity

Fiducian must, in the absence of an ASIC exemption, pursuant to section 601FL of the Corporations Act, call a meeting of members of each Fiducian Fund to enable the members of the relevant registered scheme to approve the change of responsible entity of the scheme from Fiducian to FIM by extraordinary resolution. NewCo and Fiducian have agreed that, in the absence of ASIC granting an exemption from compliance with section 601FL, such unit holder approvals are desirable to implement the Transaction. On 3 December 2014, Fiducian lodged with ASIC an application for an exemption from section 601FL of the Corporations Act. If ASIC grants the exemption, which Fiducian expects it will, Fiducian will send a notice to the unit holders of the Fiducian Funds informing them of the proposed change of responsible entity from Fiducian to FIM and inviting them to notify Fiducian if they require a meeting of unit holders to be held to approve the proposed change. If less than the prescribed number of unit holders seek such a meeting, the change of responsible entity will proceed without the need for a meeting.

8.4 ASX in-principle advice

ASX has given in-principle advice to NewCo that it would be likely to do each of the following:

- (a) agree that NewCo may issue an information memorandum (the Information Memorandum) that complies with the requirements of Listing Rule 1.4 (except as waived), instead of a prospectus, for the purposes of satisfying Listing Rule 1.1 condition 3, on condition that the Information Memorandum incorporates this Scheme Booklet;
- (b) grant a waiver from Listing Rule 1.1 condition 7 to the extent necessary to admit NewCo to the official list of ASX without satisfying the spread requirements of that rule, on condition that Fiducian satisfies Listing Rule 12.4 at the time NewCo applies for admission to the official list of ASX;
- (c) grant a waiver from Listing Rule 1.1 condition 8 to the extent necessary to permit NewCo to be admitted to the official list without complying with either Listing Rules 1.2 or 1.3, on the condition that Fiducian satisfies Listing Rules 12.1 and 12.2 at the time NewCo is admitted to the official list;
- (d) grant a waiver from Listing Rule 1.1 condition 17 to the extent necessary to permit NewCo to be admitted to the official list without having to provide ASX, for each director, the good fame and character requirements of that rule, on condition that each of the directors of NewCo has been elected by shareholders as a director of Fiducian, or has held the position of managing director since Fiducian's last annual general meeting;
- (e) grant a waiver from Listing Rule 1.4.1 to the extent necessary to permit the Information Memorandum not to state that it contains all the information required under s.710 of the Corporations Act, subject to the following conditions:

- the Information Memorandum incorporates this Scheme Booklet;
 - NewCo releases all of the documents incorporated into the Scheme Booklet by reference to the market as pre-quotation disclosure;
 - Fiducian provides a statement to the market that it is in compliance with Listing Rule 3.1 at the time NewCo is admitted to the official list of ASX;
- (f) grant a waiver from Listing Rule 1.4.7 to the extent necessary to permit the Information Memorandum not to include:
- additional experts' consents in respect of the inclusion (by reference) in the Information Memorandum of reports contained in this Scheme Booklet; and
 - a statement that NewCo has not raised any capital for the three months before the date of issue of the Information Memorandum and will not need to raise capital in the three months after the date of issue of the Information Memorandum;
- (g) grant a waiver from Listing Rule 1.4.8 to the extent necessary to permit the Information Memorandum not to include a statement that a supplementary Information Memorandum will be issued if, following the issue of the Information Memorandum and the date NewCo's securities are quoted on ASX, NewCo becomes aware of any of the matters referred to in that rule, on condition that Fiducian undertakes to release such information over the ASX Market Announcements platform. This undertaking is to be given and executed in the form of a deed no later than the date the Information Memorandum is released;
- (h) grant a waiver from Listing Rule 6.23.2 to the extent necessary to permit Fiducian to cancel for consideration and without shareholder approval, unquoted options in Fiducian (**Options**) on the following conditions:
- Fiducian's Shareholders and the Court approve the Scheme; and
 - full details of the cancellation of the Options are set out to ASX's satisfaction in the Information Memorandum;
- (i) grant a waiver from Listing Rules 7.1 and 10.14 to the extent necessary to permit NewCo to issue, without shareholder approval, up to 240,000 options in NewCo (**Replacement Options**) to the managing director of Fiducian, Mr Indy Singh, as consideration for the forfeiture and cancellation of an equivalent number of options in Fiducian currently held by him, on the following conditions:
- Fiducian's Shareholders and the Court approve the Scheme;
 - full details of the issue of the Replacement Options are set out to ASX's satisfaction in this Scheme Booklet; and
 - the Replacement Options are issued within 1 month of NewCo being admitted to the official list of ASX;
- (j) confirm that NewCo may comply with the following items of the Information Form and Checklist (ASX Listing) (the **Checklist**) by making reference to the relevant sections of accompanying documents to NewCo's application to the official list of ASX:
- Item 20 to the extent necessary to provide details of the terms of the ordinary shares of NewCo by making reference to NewCo's constitution, and in respect of the options to acquire shares in NewCo (**NewCo Options**) by making reference to the employee and director share option plan (the **Plan**); and
 - Item 26 to the extent necessary to provide details of the exercise price of NewCo Options by making reference to the Plan, which provides that the exercise price of NewCo Options under the Plan must be at least 20 cents; and

- (k) confirm that NewCo is not required to provide information under the following items of the Checklist:
- Item 34 to the extent necessary to not provide a description of the material business risks NewCo faces;
 - Items 41 and 42 to the extent necessary to not provide a summary of the material terms of, or a copy of, any employment, service or consultancy agreement the entity or a child entity has entered into with:
 - its chief executive officer (or equivalent);
 - any of its directors or proposed directors; or
 - any other person or entity who is a related party of the persons referred to in the two points above,
- or confirm with the ASX that the Information Memorandum includes a summary of the abovementioned agreements.

8.5 Status of the New AFSL Offer

On 5 November 2014, FIM lodged with ASIC an application for an AFSL. FIM is seeking an AFSL to authorise the provision of financial services relating to the Fiducian Funds, Fiducian Investment Service and Fiducian MDA Service, as set out in this Scheme Booklet. FIM expects to receive the New AFSL Offer from ASIC prior to the Scheme Meeting. FIM expects a grant of an appropriate AFSL by ASIC before the Transfer Date.

8.6 Status of ATO Approval

On 30 October 2014, Fiducian lodged with the Commissioner of Taxation a draft application for a class ruling in respect of the ATO Approval and expects to lodge the final application on or around the date of this Scheme Booklet. The Australian Taxation Office has not issued the class ruling as at the Last Practicable Date. Fiducian currently expects that, when it is issued, the class ruling will be consistent with Section 6 of this Scheme Booklet and that it will be issued by the Australian Taxation Office before the Scheme Meeting. When it is issued, the class ruling should be posted on the Australian Taxation Office website www.ato.gov.au.

8.7 Status of NSW OSR Approval

Fiducian expects to lodge with the NSW Office of State Revenue applications for stamp duty exemption in respect of the NSW OSR Approval on or around the date of despatch of this Scheme Booklet, which is expected to occur by mid-December 2014. The NSW Office of State Revenue has not approved the stamp duty exemptions as at the Last Practicable Date. Fiducian currently expects that the NSW Office of State Revenue's approvals before the Scheme Meeting will be consistent with this Scheme Booklet and that the approvals will be issued by the NSW Office of State Revenue before the Scheme Meeting.

8.8 No unacceptable circumstances

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

8.9 No break fee

Fiducian has not agreed to pay a break fee to NewCo in connection with the Scheme.

8.10 No other material information

Except as set out in this Scheme Booklet, so far as the Fiducian Directors are aware, there is no information material to the making of a decision by a Fiducian Shareholder in relation to the Scheme, being information that is, within the knowledge of any Fiducian Director at the date of this Scheme Booklet, with ASIC for registration, which has not previously been disclosed to Fiducian Shareholders.

8.11 Transaction costs

The Scheme and Restructure will involve Fiducian incurring various costs relating to the incorporation of new entities, the listing of NewCo, together with professional fees associated with taxation and legal advice. These costs are currently expected to be approximately \$500,000, of which a significant majority have already been incurred as at the date of this Scheme Booklet.

8.12 Supplementary disclosure

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

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

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Fiducian may circulate and publish any supplementary document by:

- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Fiducian Shareholders at their registered address as shown in the Fiducian Share Register;

as Fiducian in its absolute discretion considers appropriate.

Any supplementary document will be released to the ASX and made available for download on the ASX website at www.asx.com.au (ASX: FPS).

9 Glossary and interpretation

9.1 Glossary

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

Term	Meaning
AEDT	Australian Eastern Daylight Time.
AFSL	an Australian Financial Services Licence.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning given in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this Scheme Booklet and Fiducian was the designated body.
ASX	means ASX Limited (ACN 008 624 691), and, where the context requires, the Australian Securities Exchange market operated by ASX Limited.
ATO Approval	satisfaction of the condition precedent contained in clause 3.1(a)(1) of the Scheme Implementation Deed.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
Computershare	Computershare Investor Services Pty Limited (ACN 078 279 277).
Conditions Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to by Fiducian and NewCo.
Deed Poll	a deed poll substantially in the form of Annexure D under which NewCo covenants in favour of the Scheme Shareholders to perform the obligations attributed to NewCo under the Scheme.

Term	Meaning
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme become Effective.
Encumbrance	all mortgages, charges, liens, encumbrances, pledges, options, security interests (including in the case of the Fiducian Shares or any 'security interests' within the meaning of section 12 of the <i>Personal Property Securities Act 2009</i> (Cth)), equitable interests, assignments, hypothecations and interests of third parties of any kind, whether legal or otherwise and free from any rights of pre-emption or restrictions on transfer of any kind.
End Date	30 June 2015, or such other date as agreed by Fiducian and NewCo.
FBS	Fiducian Business Services Pty Limited (ABN 16 063 433 367).
FFS	Fiducian Financial Services Pty Limited (ABN 46 094 765 134).
Fiducian	Fiducian Portfolio Services Limited (ABN 13 073 845 931).
Fiducian Board	the board of Fiducian Directors.
Fiducian Constitution	the constitution of Fiducian, as amended from time to time.
Fiducian Director	a director of Fiducian.
Fiducian Funds	an investment fund, in respect of which a member of the Fiducian Group is the responsible entity, offering investment choice to clients in sector specific, diversified and specialist funds.
Fiducian Group	<ul style="list-style-type: none"> in respect of the period before the Implementation Date, the corporate group consisting of Fiducian and its Subsidiaries; and a reference to a 'Fiducian Group Member' or a 'Member of the Fiducian Group' is to Fiducian or any of its Subsidiaries; and in relation to the period on and following the Implementation Date the corporate group consisting of Fiducian and NewCo and each of NewCo's other Subsidiaries, and a reference to a 'Fiducian Group Member' or a 'member of the Fiducian Group' is to Fiducian, NewCo or any of NewCo's other

Term	Meaning
	Subsidiaries.
Fiducian Information	The information in this Scheme Booklet, other than (1) the NewCo Information, (2) the Independent Expert's Report and (3) the information in Section 6 of this Scheme Booklet.
Fiducian Investment Service	a streamlined investment service that provides access to investments through the service, consolidated reporting and administrative ease.
Fiducian MDA Service	the three share portfolios and the property securities portfolio constructed and managed by Fiducian.
Fiducian Registry	Computershare.
Fiducian Share	a fully paid ordinary share in the capital of Fiducian as referred to in the Fiducian Constitution.
Fiducian Share Register	the register of members of Fiducian maintained in accordance with the Corporations Act.
Fiducian Shareholder	each person who is registered as the holder of an Ordinary Share in the Fiducian Share Register.
Fiducian Superannuation Service	a public offer superannuation fund.
FIM	Fiducian Investment Management Services Limited (ACN 602 441 814).
FSL	Fiducian Services Pty Limited (ACN 602 437 892).
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
HBA	Harold Bodinnar & Associates Pty Limited (ACN 002 533 995).
Head Count Approval	has the meaning given to it in Section 3.6.

Term	Meaning
Requirement	
HLB Mann Judd	HLB Mann Judd (NSW) Pty Limited (ABN 32 001 500 358).
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Fiducian Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States, unless NewCo determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with NewCo Shares when the Scheme becomes Effective.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other earlier or later date as agreed to by Fiducian and NewCo, provided such other date is after the Scheme Record Date.
Independent Expert	the independent expert in respect of the Scheme appointed by Fiducian, being Pitcher Partners.
Independent Expert's Report	the report issued by the Independent Expert in connection with the Scheme and contained in Annexure A.
Last Practicable Date	1 December 2014.
Listing Rules	means the official listing rules of the ASX.
MAA	Money and Advice Pty Limited (ACN 081 562 003).
New AFSL Offer	satisfaction of the condition precedent contained in clause 3.1(a)(3) of the Scheme Implementation Deed.
NewCo	Fiducian Group Limited (ACN 602 423 610).
NewCo Constitution	the constitution, as amended from time to time, of NewCo, which will be substantially in the form set out in Annexure F at the Implementation Date.
NewCo Information	the information in this Scheme Booklet relating to NewCo, excluding the Independent Expert's Report and the information in Section 6 of this Scheme Booklet.
NewCo Group	the corporate group consisting of NewCo and its Subsidiaries, and

Term	Meaning
	a reference to a 'NewCo Group Member' or a 'member of the NewCo Group' is to NewCo or any of NewCo's Subsidiaries.
NewCo Share	an ordinary share in the capital of NewCo.
NewCo Shareholder	a holder of a NewCo Share.
Notice of Scheme Meeting	the notice of meeting relating which is contained in Annexure E of this Scheme Booklet.
NSW OSR Approval	satisfaction of the condition precedent contained in clause 3.1(a)(2) of the Scheme Implementation Deed.
Option Cancellation Deed	an option cancellation deed entered into between Fiducian, NewCo and Inderjit Singh.
Pitcher Partners	Pitcher Partners NSW Corporate Pty Limited (ABN 72 103 614 446).
Related Bodies Corporate	has the meaning given in section 9 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Resolution	the resolution set out in the Notice of Scheme Meeting to agree to the terms of the Scheme.
Restructure	<ol style="list-style-type: none"> 1 the transfer of property and liabilities of Fiducian to FIM and FSL as described in Section 3.1; and 2 the transfer of all the shares in each of FFS, FBS, HBA and MAA from Fiducian to NewCo.
Sale Agent	a person appointed by NewCo, after consultation with Fiducian, to sell the NewCo Shares that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme.
Sale Facility	the facility described in Section 3.3(b).
Sale Facility Participant	a Scheme Shareholder in respect of whom NewCo Shares are issued to the Sale Agent as nominee in trust in the circumstances referred to in Section 3.3(b).

Term	Meaning
Sale Facility Securities	has the meaning given to it in Section 3.3(b).
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Fiducian and the Scheme Shareholders, substantially in the form attached as Annexure 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Fiducian and NewCo.
Scheme Booklet	this scheme booklet, including the annexures to it.
Scheme Consideration	for each Fiducian Share held by a Scheme Shareholder as at the Scheme Record Date, one NewCo Share, which will be issued by NewCo to the Scheme Shareholder subject to the terms of the Scheme.
Scheme Implementation Deed	the scheme implementation deed dated 10 November 2014 between Fiducian and NewCo, a full copy of which is set out in Annexure B of this Scheme Booklet.
Scheme Meeting	meeting of Fiducian Shareholders holding Fiducian Shares ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of any such meeting.
Scheme Record Date	5.00pm on the fifth Business Day after the Effective Date or such other earlier or later time and date as agreed to by Fiducian and NewCo, provided such other time and date is after the Effective Date.
Scheme Share	each Fiducian Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholder	each Fiducian Shareholder who is registered as holding a Fiducian Share in the Fiducian Share Register as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Term	Meaning
Transfer Date	12.01am at the beginning of the first day of the month after the month in which the Implementation Date occurs, or such other date as the Court orders pursuant to section 413 of the Corporations Act and with which Fiducian and NewCo agree.

9.2 Interpretation

In this Scheme Booklet, unless the context otherwise requires or appears:

- (a) other words and phrases not in the glossary have the same meaning (if any) given to them in the Corporations Act;
- (b) words of any gender include all genders;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a Section or Annexure is a reference to a section or annexure of this Scheme Booklet as relevant;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to AEDT; and
- (i) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Annexure A

Independent Expert's Report

Attached.

**Fiducian Portfolio Services
Limited**

Independent Expert's Report

5 December 2014



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is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane

G

5 December 2014

The Directors
Fiducian Portfolio Services Limited
Level 4
1 York Street
Sydney NSW 2000

Dear Sirs

Independent Expert's Report

1. Introduction

- 1.1 Pitcher Partners NSW Corporate Pty Limited ("**Pitcher Partners**") has been engaged by the Directors of Fiducian Portfolio Services Limited ("**Fiducian**" or "**the company**") to prepare an Independent Expert's Report ("**the Report**") expressing an opinion as to whether or not the proposed scheme of arrangement in relation to the corporate restructure of the Fiducian Group ("**the Proposed Scheme**") is in the best interests of the members of the company.
- 1.2 The three major steps under the Proposed Scheme are as follows;
- Interposing a new holding company, Fiducian Group Limited ("**NewCo**") above Fiducian as the new holding company and entity listed on the Australian Securities Exchange ("**ASX**") for the Fiducian Group;
 - Fiducian shareholders (other than certain ineligible foreign shareholders) exchanging their Fiducian shares for shares in NewCo on a one-for-one basis; and
 - Fiducian becoming a wholly owned subsidiary of NewCo.
- 1.3 Pitcher Partners NSW Corporate Pty Limited holds Australian Financial Services Licence 227719 issued by the Australian Securities and Investment Commission ("**ASIC**") pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

2. Purpose of the Report

- 2.1 Both Fiducian and the proposed new holding company, NewCo, have common directors, and as such s8303(b) of Schedule 8 of the Corporations Regulations ("**the Regulations**") specifies that the scheme booklet must include a report from an independent expert stating whether or not, in the opinion of the Expert, the Proposed Scheme is in the best interests of the members of the company.
- 2.2 In section 7 of the Detailed Report attached we have set out our considerations as to whether or not we believe the Proposed Scheme to be in the best interests of the members of the company.

3. Summary of Opinion

- 3.1 In our opinion, and for the reasons set out in sections 7, 8 and 9 of the Detailed Report, the Proposed Scheme is **in the Best Interests of the members of the company**.

Yours faithfully,



DEBORAH CARTWRIGHT
Director
Pitcher Partners NSW Corporate Pty Limited

Independent Expert's Report

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GLOSSARY

AFSL	Australian Financial Services Licence
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
FBS	Fiducian Business Services Pty Limited
FFS	Fiducian Financial Services Pty Limited
Fiducian	Fiducian Portfolio Services Limited
Fiducian Group	Fiducian Portfolio Services Limited and Controlled Entities
FIM	Fiducian Investment Management Services Limited
FSL	Fiducian Services Pty Limited
FRS	Fiducian Resourcing Services Private Limited
HBA	Harold Bodinnar & Associates Pty Limited
MAA	Money and Advice Pty Limited
NewCo	Fiducian Group Limited
Pitcher Partners	Pitcher Partners NSW Corporate Pty Limited
RE	Responsible Entity
Restructure	<ol style="list-style-type: none"> 1 The transfer of property and liabilities of Fiducian to FIM and FSL as described in Section 3.1 of the Scheme Booklet; and 2 the transfer of all the shares in each of FFS, FBS, HBA and MAA from Fiducian to NewCo.
RG 60	ASIC Regulatory Guide 60 'Schemes of Arrangement'
RG 111	ASIC Regulatory Guide 111 'Contents of Expert's Reports'
RG 112	ASIC Regulatory Guide 112 'Independence of Expert's Reports'
RSE	Responsible Superannuation Entity
The Company	Fiducian Portfolio Services Limited
The Proposed Scheme	The proposed corporate restructure of the Fiducian group, including the insertion of a new holding company to be listed on the ASX in place of Fiducian Portfolio Services Limited.
The Regulations	Section 8303(b) of Schedule 8 of the Corporations Regulations.
The Report	The Independent Expert Report prepared by Pitcher Partners NSW Corporate Pty Limited in relation to the Proposed Scheme.

1 BACKGROUND AND EXISTING STRUCTURE OF THE FIDUCIAN GROUP

Overview

1.1 Fiducian Portfolio Services Limited and its controlled entities ("**Fiducian Group**") is a specialist financial services group listed on the Australian Securities Exchange ("**ASX**"), providing services such as financial planning, funds management, investment platform administration, information technology and accounting/accountancy resourcing services. These services are provided through the following key areas of the business:

- Funds Management & Investment Services, including Wrap Platforms;
- Wealth Management & Financial Planning Services;
- Information Technology Solutions and Administrative Services;
- Accounting and Accountancy Resourcing.

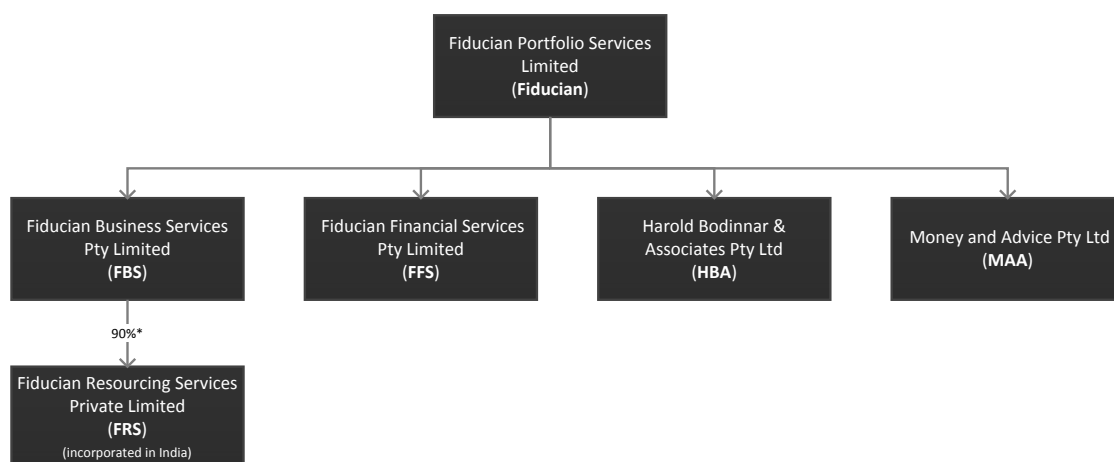
1.2 Fiducian was established in 1996 and was admitted to the official list of the ASX on 8 September 2000 and quoted on the ASX on 12 September 2000.

1.3 As the group's activities have expanded over time, some were established through separate entities and others were operated through the head entity, Fiducian.

Current Group Structure

1.4 Below is a group structure diagram for the Fiducian Group, prior to the implementation of the Proposed Scheme:

1



* 10% owned by local partner in India for offshore resourcing services.

1.6 As outlined in the structure diagram above, the Fiducian Group currently includes five different companies, each of which is described below:

- Fiducian Portfolio Services Limited – Holding company and entity listed on the ASX, as well as operating as the following:

- i. The trustee of a public offer superannuation fund – the Fiducian Superannuation Service for which it holds an Responsible Superannuation Entity licence;
 - ii. The Responsible Entity under an Australian Financial Services Licence of a number of registered managed investment schemes – the Fiducian Funds;
 - iii. The operator of a securities transaction and investment platform administration service – the Fiducian Investment Service for which it holds an AFSL; and
 - iv. The operator of a managed discretionary accounts service – the Fiducian MDA Service for which it holds an AFSL.
- Fiducian Business Services Pty Limited – Wholly owned subsidiary of Fiducian and offers accounting and business services as well as being a registered tax agent in Sydney, NSW, and Beerwah, QLD;
 - Fiducian Financial Services Pty Limited – Wholly owned subsidiary of Fiducian and offers financial planning services;
 - Harold Bodinnar & Associates Pty Limited – now dormant;
 - Money and Advice Pty Limited – now dormant; and
 - Fiducian Resourcing Services Private Limited – Company incorporated in India as a joint venture with a local partner with FBS owning 90%. FRS offers offshore resourcing/ outsourcing services.

Directors

1.7 The 2014 Annual Report for Fiducian showed that the following persons were directors of the company for the whole 2014 financial year:

- Robert Bucknell;
- Inderjit Singh;
- Frank Khouri;
- Christopher Stone.

Capital Structure and Shareholders

1.8 The audited 30 June 2014 financial report discloses that as at 18 August 2014 Fiducian had 30,757,897 ordinary shares on issue.

1.9 From the audited 30 June 2014 financial report of Fiducian we have extracted details of the top 5 shareholders as at 18 August 2014 which are set out in the table below:

FIDUCIAN PORTFOLIO SERVICES LIMITED		
SHAREHOLDER	QUANTITY HELD	% OF SHARES HELD
Indyshri Singh Pty Limited	8,655,932	28.14%
National Nominees Limited	1,985,540	6.46%
HSBC Custody Nominees (Australia) Limited	1,956,771	6.36%
Shrind Investments Pty Ltd (Indyshri Super Fund A/C)	1,506,580	4.90%
JP Morgan Nominees Australia Limited	1,480,021	4.81%
TOTAL TOP 5 SHAREHOLDERS	15,584,844	50.67%
Other Shareholders (773 Shareholders)	15,173,053	49.33%
TOTAL ALL SHAREHOLDERS	30,757,897	100.00%

- 1.10 Indyshri Singh Pty Limited was the largest shareholder as at 18 August 2014, holding 8,655,932 shares, being 28.14% of the shares on issue.
- 1.11 The second largest shareholder was National Nominees Limited, holding 1,985,540 shares, being 6.46% of the shares on issue.
- 1.12 The audited 30 June 2014 financial report disclosed that Fiducian also had 140,000 options outstanding, which are exercisable as follows:

FIDUCIAN PORTFOLIO SERVICES LIMITED			
OPTION	NUMBER	EXPIRY DATE	EXERCISE PRICE
ESOP Options	40,000	29/10/2015	\$ 1.28
ESOP Options	100,000	23/10/2018	\$ 1.05

- 1.13 All ESOP options are held by Mr Inderjit Singh, the Managing Director of Fiducian.
- 1.14 We have been instructed that the above options were exercised by Mr Singh on 10 November 2014.
- 1.15 A further 100,000 options were issued to Mr Inderjit Singh under Fiducian's Employee and Director Share Option Plan (**ESOP**) on 23 October 2014. These options have an expiry date of 23 October 2019 and an exercise price of \$1.63 and as at the date of this report these options have not been exercised.
- 1.16 Fiducian, NewCo and Mr Inderjit Singh have entered into an option cancellation deed pursuant to which, conditional on the Proposed Scheme becoming Effective and ASX granting Fiducian a waiver from Listing Rule 6.23 and any conditions to such waiver being satisfied, or waived, by ASX, or Fiducian Shareholders giving any necessary approvals under Listing Rule 6.23, NewCo has agreed in the option cancellation deed, in consideration of Mr Singh agreeing to the cancellation of his options to acquire Fiducian Shares, to grant Mr Singh an equivalent number of options to acquire NewCo Shares on substantially the same terms of the cancelled options to acquire Fiducian Shares.

2 REASONS FOR PROPOSED CHANGES TO GROUP STRUCTURE

- 2.1 The directors of Fiducian have provided us with the following background and thoughts as to why they have proposed the implementation of the Proposed Scheme and associated restructuring steps to the members of the company.
- a) The Fiducian Group has grown organically since its establishment and there has been relatively little change to the Fiducian Group structure in that time.
 - b) Under the current structure Fiducian itself is the holder of a number of licences and operates in six distinct capacities, as follows:
 - i. The vehicle listed on the ASX;
 - ii. The trustee of a public offer superannuation fund – the Fiducian Superannuation Service – for which it holds a Responsible Superannuation Entity licence;
 - iii. The responsible entity under an AFSL of a number of registered managed investment schemes – the Fiducian Funds;
 - iv. The operator of a securities transaction and investment platform administration service – the Fiducian Investment Service – for which it holds further authorisations under its AFSL;
 - v. The operator of a managed discretionary accounts service – the Fiducian MDA Services, for which it holds further authorisations under its AFSL; and
 - vi. The owner of proprietary software systems that are used to administer its superannuation and investment services platforms and are used by financial planners under FFS’s AFSL and independent financial advisors. Fiducian is also the service provider for a range of administrative services for the Fiducian Group such as platform administration, legal, financial accounting, marketing and distribution support services.
 - c) Whilst there has been relatively little change in the Group structure since establishment, the regulatory landscape has changed significantly over this period.
 - d) Recent changes in regulations affecting the financial services industry have increasingly focused on governance structures and the potential for conflicts of interest to arise particularly where a single entity represents the interests of distinct stakeholders – in this case, for example:
 - Shareholders;
 - Superannuation fund members;
 - Investment fund members; and
 - Other clients.
- 2.2 The Scheme Booklet states that the proposed restructure of the Fiducian Group is a direct response to the changing regulatory environment and will assist Fiducian in complying with its

obligations under Prudential Standard SPS 521 *Conflicts of Interest* issued by the Australian Prudential Regulatory Authority (APRA):

- to identify and monitor all potential and actual conflicts in its business and to take all reasonably practicable actions to ensure potential and actual conflicts are avoided where required, or prudently managed; and
 - where there is a conflict, to manage that conflict, or ensure that the conflict is managed in accordance with the requirement to give priority to the duties, and interests, of superannuation beneficiaries.
- 2.3 The Fiducian Board considers that the structural separation of the Fiducian Superannuation Service from the Fiducian Group's other capacities, as outlined in 2.1 (b) above, will assist it in managing the potential and actual conflicts that may arise from the distinct capacities in which Fiducian currently operates.
- 2.4 The directors of Fiducian have also advised that the proposed restructure will provide Fiducian with the opportunity to ensure that individuals with specific superannuation expertise sit on the Board of Fiducian after the implementation of the Proposed Scheme and the Restructure.

3 PROPOSED CHANGES TO GROUP STRUCTURE IF THE PROPOSED SCHEME IS APPROVED AND IMPLEMENTED

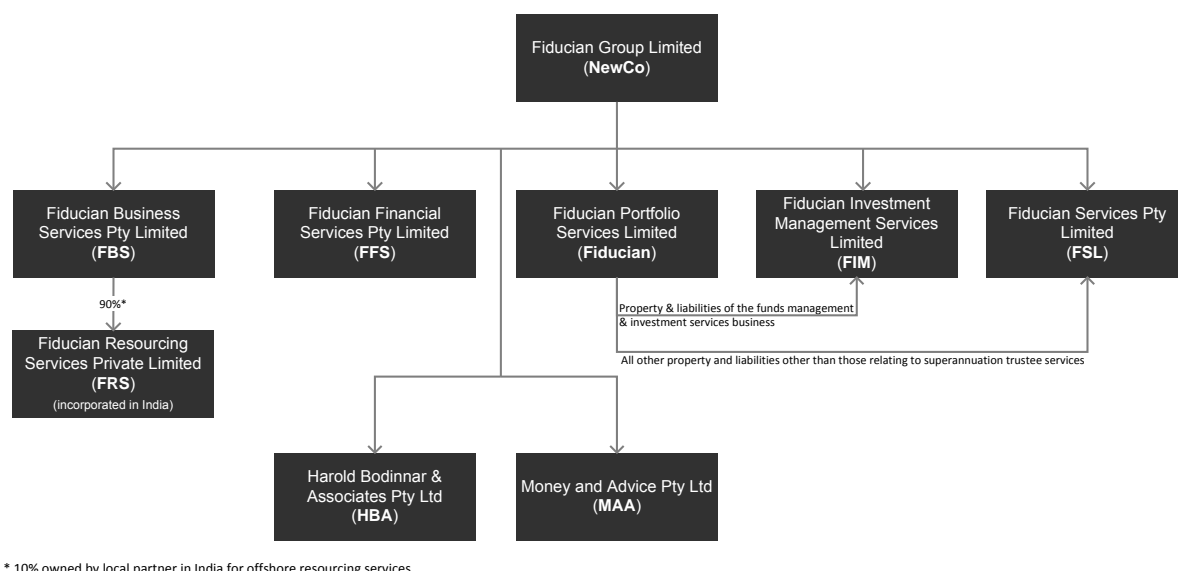
- 3.1 The corporate restructure of the Fiducian Group will comprise of two separate transactions as follows:
- a) **First Transaction** - The implementation of the Proposed Scheme will result in Fiducian Group Limited ("**NewCo**") becoming the holding company and listed vehicle, and owning 100% of the shares in the current holding company and listed vehicle, Fiducian Portfolio Services Limited. All shareholders who held shares in Fiducian (with the exception of ineligible foreign shareholders) will then own the same number of shares in NewCo and no shares in Fiducian. Please see **Section 4** below where the position for ineligible foreign shareholders is discussed. The directors of NewCo will be the same as the current directors of Fiducian, as set out in Section 1.7 above.

As a result Fiducian will become a wholly owned subsidiary of NewCo.

- b) **Second Transaction** – After the implementation of the Proposed Scheme the restructure will be implemented through the steps set out in detail in section 3.1 of the Scheme Booklet, and which in summary will result in the following;
- i. The shares in Fiducian Financial Services Pty Limited, Fiducian Business Services Pty Limited, Harold Bodinnar & Associates Pty Limited and Money and Advice Pty Limited will be transferred from Fiducian to NewCo.
 - ii. Fiducian will retain its responsible superannuation entity licence, its activities will be limited to superannuation trustee services and is expected to later be converted to a proprietary company;

- iii. Fiducian Investment Management Limited will conduct the funds management and investment services business of the Fiducian Group and will operate under its own AFSL as;
 - The operator of Fiducian Investment Service and Fiducian MDA Service; and
 - The responsible entity of the Fiducian Funds
 - Fiducian Services Pty Limited will conduct the administration and professional services business of the Fiducian Group.

- 3.2 Following the implementation of the Proposed Scheme, Fiducian Group shareholders (other than Ineligible Foreign Shareholders) will have the same economic interest in the new listed vehicle, NewCo, as they did in Fiducian.
- 3.3 As NewCo will then own Fiducian and all the other entities comprising the Fiducian Group, there will have been no change in the overall assets and liabilities of the group and hence the value of the holdings held by the members of the company.
- 3.4 Below is a group structure diagram for the Fiducian Group, post the successful implementation of the Proposed Scheme and associated restructure steps:



- 3.5 Post the successful implementation of the Proposed Scheme and the proposed restructure, the new role and activities of each company within the group is detailed below:
 - NewCo – Will act as the holding company and listed vehicle on the ASX, directly owning the shares in all subsidiary companies with the exception of **FRS**, which will continue to be held by **FBS**, and **not carrying out any direct business activities**
 - Fiducian Portfolio Services Limited– This will be converted into a proprietary unlisted company with a change of directors in the near future. It will retain the RSE Licence, and its activities will be limited to superannuation trustee services;
 - Fiducian Investment Management Services Limited – it will operate under its own AFSL as the operator of the Fiducian Investment Service, the Fiducian MDA Service and the responsible entity of the Fiducian Funds;

- Fiducian Services Pty Limited– This company will provide administration and professional services;
- Fiducian Financial Services Pty Limited– The activities of this company will not change post the implementation of the Proposed Scheme and will remain the provision of financial planning services;
- Fiducian Business Services Pty Limited– The activities of this company will not change post the implementation of the Proposed Scheme and will remain the provision of accounting and business services, holding registrations as tax agents in New South Wales and Queensland;
- Harold Bodinnar & Associates Pty Limited and Money and Advice Pty Limited will continue to be dormant companies;
- Fiducian Resource Services Private Limited– The activities will not change post the implementation of the Proposed Scheme and the company will continue to offer outsourcing / offshore resourcing services. This company will continue to be registered in India and operate as a joint venture with a local partner.

4 INELIGIBLE FOREIGN SHAREHOLDERS

- 4.1 An Ineligible Foreign Shareholder is defined in the Scheme Booklet to be a Scheme Shareholder whose registered address as shown in the Fiducian Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States.
- 4.2 As explained in the Scheme Booklet, if NewCo determines that it is lawful and not unduly onerous or impracticable to issue such a Scheme Shareholder with NewCo Shares, such a person will no longer be regarded as an Ineligible Foreign Shareholder.
- 4.3 If a Scheme Shareholder continues to be classified as an Ineligible Foreign Shareholder, the NewCo Shares which would otherwise be required to be issued to that Scheme Shareholder under the Scheme will be issued to the Sale Agent to be held on trust for that Scheme Shareholder, for sale through the Sale Facility. The Ineligible Foreign Shareholder will then be entitled to receive a pro rata share of the net proceeds (that is, the proceeds of sale less any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) from the sale of all NewCo shares sold through the Sale Facility.
- 4.4 As a result of the above arrangements the number of shares issued in NewCo under the Proposed Scheme will be the same as the number of shares issued in Fiducian as at the scheme record date. The Ineligible Foreign Shareholders may however receive cash instead of the shares in NewCo and the shares in NewCo that they would otherwise have been issued will be sold on market through the Sale Facility.

5 THE DIRECTORS REASONS AS TO WHY THEY CONSIDER THE PROPOSED SCHEME TO BE IN THE BEST INTEREST OF THE MEMBERS OF THE COMPANY

- 5.1 The directors of Fiducian have advised they believe the two key reasons why the Proposed Scheme is in the best interests of the members of Fiducian are as set out below:

- i. The Proposed Scheme and restructure will introduce more focused governance structures and help eliminate the potential for conflicts of interest to arise particularly where a single entity represents the interests of distinct stakeholders, such as Fiducian does – currently shareholders, superannuation fund members, investment fund members and other clients;
 - ii. The restructure will better delineate the separate activities of the Fiducian Group. This structure will better conform to regulatory expectations and is expected to provide a platform for future development and expansion.
- 5.2 Overall the directors advise that the Fiducian Group shareholders (other than the Ineligible Foreign Shareholders) will have the same economic interest in the new listed company, NewCo, as they did in Fiducian immediately before implementation of the Proposed Scheme, and that as NewCo will own Fiducian, they will have the same economic interest in all the underlying assets and businesses as they held through the ownership of the shares in Fiducian.
- 5.3 In Section 7 of this Report we have considered each of these factors and whether there are any other matters which should be taken into account in forming our opinion as to whether the Proposed Scheme is in the best interests of the members of the company.

6 REASONS FOR PREPARATION AND INCLUSION OF AN INDEPENDENT EXPERTS REPORT

- 6.1 The current directors of Fiducian, as set out in section 1.7 will also be the directors of the new holding company, NewCo, upon successful implementation of the Proposed Scheme.
- 6.2 Section 8303(b) of Schedule 8 of the Corporations Regulations states that *an independent expert report is required where a director of any corporation that is the other party to the proposed reconstruction or amalgamation is a director of a company the subject of the scheme*.
- 6.3 As a result of the directors of Fiducian being the same as the directors of new entity, NewCo, an Independent Expert report is required under s8303(b) of Schedule 8 of the Corporations Regulations.
- 6.4 Further, **ASIC Regulatory Guide 60 ‘Schemes of Arrangement’ (“RG60”)** states that *‘an explanatory statement must be accompanied by an independent expert report if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company or where there are common directors in the entities involved in the scheme or arrangement’*.
- 6.5 RG60 further provides that the expert must *‘state whether or not, in their opinion, the Proposed Scheme is in the best interests of members of the scheme company’* and *‘set out their reasons for that opinion’*.
- 6.6 **ASIC Regulatory Guide 111 ‘Content of Expert Reports’ (“RG111”)** states that *‘if an expert would conclude that a proposal is fair and reasonable if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company’*.
- 6.7 RG111 further states that *‘if an expert would conclude that the proposal was not fair but reasonable if it was in the form of a takeover bid it is still open to the expert to conclude that the scheme is in the best interests of the members of the company’*.

- 6.8 The directors of Fiducian have engaged Pitcher Partners to prepare this Independent Experts report to satisfy the requirements of the Corporations Regulations and RG60.
- 6.9 This Report is to be included in the Scheme Booklet to be sent to the shareholders of Fiducian.

7 CONSIDERATION OF THE BEST INTERESTS OF MEMBERS OF THE COMPANY

- 7.1 In forming our opinion as to whether the Proposed Scheme is “in the best interest of members” we have had regard to the views expressed by ASIC in **RG60** and **RG111**.
- 7.2 In order to assess whether the Proposed Scheme is in the best interests of members we have considered this in two separate parts, as described below:
- Would the Proposed Scheme have been considered fair and reasonable if it were a takeover offer (Sections 7.3 to 7.11);
 - Other considerations as to why the Proposed Scheme may be in the best interests of members of the company (Sections 7.12 to 7.14).

Fair and Reasonable Consideration

- 7.3 RG111, in the context of a takeover bid, provides that a proposed transaction is Fair if the value of the consideration received by the non-associated shareholders for the proposed transaction is equal to or greater than the value of the securities they held in the target company before the proposed transaction.
- 7.4 RG111 further provides that if the proposed transaction is Fair then it is also considered to be reasonable.
- 7.5 RG111 requires the expert to consider whether the Proposed Scheme would be fair and reasonable if it were a takeover offer. We have therefore firstly considered whether the Proposed Scheme is Fair to the members of the company.
- 7.6 Before the implementation of the Proposed Scheme each member of the company owns a specific number of ordinary shares in Fiducian Group, being Fiducian and its controlled entities.
- 7.7 If the Proposed Scheme is approved and implemented, each member of the company will exchange the shares they held in Fiducian for the same number of shares in the new holding company and listed entity, NewCo.
- 7.8 By acquiring all the shares in Fiducian in consideration for the issue of the shares in NewCo to the members of the company, NewCo will then become the ultimate owner and controller of all the entities which Fiducian previously owned.
- 7.9 As there has been no change in the following;
- The number of shares held by each member in the listed vehicle;

- The total number of shares issued in NewCo as compared to Fiducian (save that there will be one additional ordinary share in NewCo held by Inderjit Singh which was issued on incorporation but this de minimus shareholding will not affect the relative percentage of beneficial ownership in NewCo of each member of Fiducian); and
- The assets, liabilities and businesses conducted by NewCo and its controlled entities, as compared to that of Fiducian and its controlled entities;

Then the value of the shares held by a member of the company in NewCo will be the same as the value of the shares held by that member in Fiducian before the Proposed Scheme.

7.10 The Proposed Scheme would therefore be considered to be Fair to the members of the company as the value of the shares held before and after the Proposed Scheme will be the same.

7.11 As the Proposed Scheme is considered to be Fair, it is also considered to be reasonable.

Consideration of factors which may indicate that the proposed Scheme is in the best interests of the members of the company

7.12 We have considered the reasons provided by the Directors of Fiducian for recommending the Proposed Scheme to the members of the company as set out in Section 5.

7.13 In our opinion the Proposed Scheme will be in the best interests of members of the company as the revised structure will better conform to the regulatory requirements as set out in detail in Sections 2.2 to 2.4 above because:

;

- The new corporate group structure will result in the activities of Fiducian being limited to acting as the trustee of a public superannuation trustee fund, which will assist Fiducian in complying with its obligations under Prudential Standard SPS 521 *Conflicts of Interest* ; and
- There is no change in the ownership interests or the value of such interests held by a member of the company before and after the implementation of the Proposed Scheme.

7.14 We have identified the following reasons why the Proposed Scheme may not be in the best interests of the members of the company;

- If the Proposed Scheme is implemented it may trigger taxation consequences for certain shareholders. Section 6 in the Scheme Booklet provides general advice as to the Australian and New Zealand taxation consequences for Scheme Shareholders but each Fiducian Shareholder should obtain personal professional advice in relation to the taxation consequences of the Proposed Scheme for their own individual circumstances; and
- There will be one off transactions costs associated with the implementation of the Proposed Scheme and the Restructure. Fees payable in implementing the Proposed

Scheme and the Restructure will include those of professional advisors. Considerable management time has already been spent, and will continue to be spent, on the implementation of the Proposed Scheme and the Restructure.

8 CONCLUSION ON THE PROPOSED SCHEME

- 8.1 For the reasons set out in detail in section 7 above, we are of the opinion Proposed Scheme is in the best interests of the members of the company as;
- a. It is fair and reasonable;
 - b. There are positive reasons to proceed with the restructure which in our opinion outweigh the reasons why the Proposed Scheme may not be in the best interests of the members.

9 ALTERNATIVES TO THE PROPOSED SCHEME

- We understand that should the Proposed Scheme not become effective and the Restructure is not implemented, the Fiducian directors do not consider it an option for the Fiducian Group to make no changes to its structure given the regulatory emphasis on avoiding conflicts of interest.
- The directors have advised that, in those circumstance, the Fiducian Group intends to still comply with best practice and would discuss with APRA alternative ways to bring about a similar result to that which would have been achieved had the Proposed Scheme and the Restructure been implemented to allow the Fiducian Group to better conform with the current regulatory landscape.
- Section 2.1(c) of the Scheme Booklet sets out what the Fiducian directors consider is the most appropriate alternative means of procuring the structural separation of the Fiducian Superannuation Service from the Fiducian Group's other capacities.
- If the Proposed Scheme is not approved and, therefore does not become effective and the Restructure is not implemented, irrespective of what alternative Fiducian pursues, this pursuit will result in additional expenses and operating costs being incurred by Fiducian.
- Given the above, we are of the opinion that is in the best interests of the members of Fiducian for the Proposed Scheme to be approved and the Restructure to be implemented.

10 INDEPENDENCE

- 10.1 Prior to accepting this engagement, Pitcher Partners considered its independence with respect to the Proposed Scheme with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Reports" ("RG 112").
- 10.2 Pitcher Partners has no professional involvement with any of Fiducian, their directors and shareholders, nor interest in, the outcome of the approval of the Proposed Transaction other than that of an independent expert. Pitcher Partners is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report. The fee for this report will be \$7,500 plus GST.

- 10.3 Except for these fees, Pitcher Partners will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Scheme.
- 10.4 A draft of this report was provided to the directors of Fiducian for confirmation of factual accuracy of its contents. Other than spelling corrections and changes in terminology no other changes were made to the Report as a result of this review.

11 LIMITATIONS AND RELIANCE ON INFORMATION

- 11.1 We have considered a number of sources of information in preparing this independent expert's report and arriving at our opinion, including management of Fiducian and publically available information.
- 11.2 This report is based upon financial and other information provided by the directors of Fiducian and other information available on public record. We have considered and relied upon this information. The information provided to us has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Proposed Scheme is fair and reasonable to the Shareholders of Fiducian. However we do not warrant that our enquiries have identified all of the matters that an audit, or an extensive examination or due diligence might disclose.

12 CURRENT MARKET CONDITIONS

- 12.1 Our opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

13 QUALIFICATIONS

- 13.1 Ms Deborah Cartwright is a director of Pitcher Partners NSW Corporate Pty Limited. Ms Cartwright is a Fellow of the Institute of Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports and investigating accountant reports for transactions involving publicly listed and unlisted companies in Australia.

14 CONSENT

- 14.1 Pitcher Partners NSW Corporate Pty Limited consents to the inclusion of this report in the form and context in which it is included with the Scheme Booklet to be issued to shareholders. Other than this report, none of the staff of Pitcher Partners NSW Corporate Pty Limited has been involved with the preparation of the Scheme Booklet and accordingly we take no responsibility for the contents.

15 INDEMNITY

- 15.1 Fiducian has indemnified Pitcher Partners and their respective officers and employees, who may be involved in or in any way associated with this report, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services by Pitcher Partners, occasioned by reliance by Pitcher Partners on information provided by

Fiducian or its representatives which is subsequently found to be false or misleading or not complete.

- 15.2 Complete information is deemed to be information, which at the time of completing this report should have been available to Pitcher Partners and would reasonably be expected to have been made available to Pitcher Partners to enable us to form our opinion. Fiducian will reimburse any indemnified party for all expenses (including but without limitation, legal expenses) on a full indemnity basis.

APPENDIX 1: LIST OF INFORMATION

In preparing this report we have relied upon the following principal sources of information:

- Annual Report to 30 June 2014 for Fiducian Portfolio Services Limited;
- List of recent announcements as stated on the **ASX** for Fiducian Portfolio Services Limited from the **ASX** website and all underlying announcements;
- ASIC Regulatory Guide 60 'Schemes of Arrangement'
- ASIC Regulatory Guide 111 'Content of Expert Reports'
- ASIC Regulatory Guide 112 'Independence of Experts Reports'
- Draft Scheme Booklet

APPENDIX 2: FINANCIAL SERVICES GUIDE (FSG)



Financial Services Guide

5 December 2014

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners NSW Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners NSW Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 227719. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by you to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. You may contact us by writing to Level 3, 60 Castlereagh Street, SYDNEY NSW 2000, or by telephone on +61 (02) 9221 2099.

Pitcher Partners NSW Corporate Pty Ltd is ultimately owned by Pitcher Partners NSW Pty Ltd, a provider of accounting, tax, corporate advisory, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are directors of Pitcher Partners NSW Pty Limited.

Pitcher Partners NSW Pty Limited is an independent company of Pitcher Partners. As such, neither it nor any of the other independent member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners NSW Corporate Pty Ltd and not by Pitcher Partners NSW or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Pitcher Partners NSW Pty Limited (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial advice only in respect to interests in managed investment schemes, excluding investor directed portfolio services, and securities.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

Pitcher Partners NSW Corporate Pty Ltd

ABN: 72 103 614 446

AFSL: 227 719

Level 22

19 Martin Place

SYDNEY NSW 2000

Tel: 02 9221 2099

Fax: 02 9223 1762

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us.

Neither Pitcher Partners NSW Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fee will be disclosed in the relevant PDS or offer document prepared by the issuer of the financial product it required.

All of our employees receive a salary with some directors also having an equity interest in the company. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners NSW Pty Limited
Level 19, MLC Centre
19 – 29 Martin Place
SYDNEY NSW 2000

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Industry Complaints Service ("FICS"). FICS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FICS at:

Financial Industry Complaints Service
Telephone: 1800 335 405
Internet: <http://fics.asn.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

Annexure B

Scheme Implementation Deed

Attached.



HERBERT
SMITH
FREEHILLS

Deed

Execution version

Scheme implementation deed

Fiducian Portfolio Services Limited

Fiducian Group Limited

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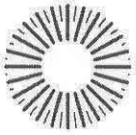
Attachment 1

Scheme of arrangement

Attachment 2

Deed poll

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Scheme implementation deed

Date ► *10 November* 2014

Between the parties

Fiducian	Fiducian Portfolio Services Limited ABN 13 073 854 931 of Level 4, 1 York Street, Sydney NSW 2000 (Fiducian)
----------	---

NewCo	Fiducian Group Limited ACN 602 423 610 of Level 4, 1 York Street, Sydney NSW 2000 (NewCo)
-------	--

Recitals	<ol style="list-style-type: none">1 The parties have agreed that NewCo will acquire all of the ordinary shares in Fiducian by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Fiducian and the Scheme Shareholders.2 The parties have agreed to implement the scheme of arrangement on the terms of this deed.
----------	---

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
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this deed and Fiducian was the designated body.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
Business Day	a business day as defined in the Listing Rules.
Condition Precedent	each of the conditions set out in clause 3.1.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to by NewCo and Fiducian.
Deed Poll	a deed poll substantially in the form of Attachment 2 under which NewCo covenants in favour of the Scheme Shareholders to perform the obligations attributed to NewCo under the Scheme.
End Date	30 June 2015, or such other date as agreed by the parties to this



Term	Meaning
	deed.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
FBS	Fiducian Business Services Pty Limited (ABN 16 063 433 367).
FFS	Fiducian Financial Services Pty Limited (ABN 46 094 765 134, AFSL number 231103).
Fiducian Board	the board of directors of Fiducian and a 'Fiducian Board Member' means any director of Fiducian comprising part of the Fiducian Board.
Fiducian Fund	an investment fund, in respect of which a member of the Fiducian Group is the responsible entity, offering investment choice to clients in sector specific, diversified and specialist funds.
Fiducian Group	Fiducian and each of its Subsidiaries, and a reference to a 'Fiducian Group Member' or a 'member of the Fiducian Group' is to Fiducian or any of its Subsidiaries.
Fiducian Information	information regarding the Fiducian Group prepared by Fiducian for inclusion in the Scheme Booklet, which for the avoidance of doubt does not include the NewCo Information, the Independent Expert's Report, any investigating accountant's report or any description of the taxation effect of the Transaction on Scheme Shareholders (prepared by an external adviser to Fiducian).
Fiducian Share	a fully paid ordinary share in the capital of Fiducian.
Fiducian Shareholder	each person who is registered as the holder of a Fiducian Share in the Fiducian Share Register.



Term	Meaning
Fiducian Share Register	the register of members of Fiducian maintained in accordance with the Corporations Act.
FIM	Fiducian Investment Management Services Limited (ACN 602 441 814).
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
FSL	Fiducian Services Pty Limited (ACN 602 437 892).
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
HBA	Harold Bodinnar & Associates Pty Ltd (ACN 002 533 995).
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Independent Expert	the independent expert in respect of the Scheme appointed by Fiducian.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme.
Listing Rules	the official listing rules of ASX.
MAA	Money and Advice Pty Limited (ACN 081 562 003).
NewCo Group	NewCo and each of its Subsidiaries, and a reference to a ' NewCo Group Member ' or a ' member of the NewCo Group ' is to NewCo or any of its Subsidiaries.



Term	Meaning
NewCo Information	information regarding the NewCo Group, and the merged Fiducian Group following implementation of the Scheme, provided by NewCo to Fiducian in writing for inclusion in the Scheme Booklet.
NewCo Share	a fully paid ordinary share in the capital of NewCo.
RG 60	Regulatory Guide 60 issued by ASIC in September 2011.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Fiducian and the Scheme Shareholders, the form of which is attached as Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by NewCo and Fiducian.
Scheme Booklet	the scheme booklet to be prepared by Fiducian in respect of the Transaction in accordance with clause 5.1(a) to be despatched to the Fiducian Shareholders.
Scheme Consideration	the consideration to be provided by NewCo to each Scheme Shareholder for the transfer to NewCo of each Scheme Share, being one NewCo Share for each Scheme Share held by a Scheme Shareholder.
Scheme Meeting	the meeting of Fiducian Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	5.00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Shareholder	a holder of Fiducian Shares recorded in the Fiducian Share Register as at the Scheme Record Date.
Scheme Shares	all Fiducian Shares held by the Scheme Shareholders as at the Scheme Record Date.



Term	Meaning
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Timetable	the indicative timetable for the implementation of the Transaction as agreed to by the parties to this deed.
Transaction	the acquisition of the Scheme Shares by NewCo through implementation of the Scheme in accordance with the terms of this deed and the proposed transfer, after the implementation of the Scheme, of property and liabilities from Fiducian to certain other members of the NewCo Group (as will be more particularly described in the Scheme Booklet).

1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency, as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;



- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (l) a reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (m) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (n) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (o) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (q) a reference to any time, unless otherwise indicated, is to the time in Sydney, Australia;
- (r) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (s) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (t) if an act prescribed under this deed to be done by a party on or by a given day is done after 10.00pm on that day, it is taken to be done on the next day;
- (u) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this deed; and
- (v) a reference to the Listing Rules and the Market Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Deed components

This deed includes any schedule.

2 Agreement to proceed with the Transaction

- (a) Fiducian agrees to propose the Scheme on and subject to the terms and conditions of this deed.
- (b) NewCo agrees to assist Fiducian to propose the Scheme on and subject to the terms and conditions of this deed.
- (c) Fiducian and NewCo agree to implement the Scheme on and subject to the terms and conditions of this deed.

3 Conditions Precedent and pre-implementation steps

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, until each of the following Conditions Precedent is satisfied or waived to the extent and in the manner set out in this clause 3.

- (a) **Regulatory approvals:** before 7.00pm on the Business Day before the Second Court Date:
 - (1) **ATO:** the Federal Commissioner of Taxation issues a draft class ruling, in a form satisfactory to Fiducian, confirming the availability to Fiducian Shareholders of capital gains tax roll-over relief under the *Income Tax Assessment Act 1997* (Cth) in respect of the exchange, under the Scheme, of their Fiducian Shares for NewCo Shares, and such ruling has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date;
 - (2) **NSW OSR:** the New South Wales Office of State Revenue grants exemptions, in a form satisfactory to Fiducian, from any and all duty payable in New South Wales in respect of the following transfers under the Transaction:
 - (A) the transfer of Fiducian Shares to NewCo under the Scheme;
 - (B) the transfer of certain property and liabilities from Fiducian to FIM and FSL as contemplated by the Scheme; and
 - (C) the transfer of all the shares in FFS, FBS, HBA and MAA from Fiducian to NewCo,
 and such exemptions have not been withdrawn, suspended or revoked before 8.00am on the Second Court Date;
 - (3) **New AFSL:** ASIC issues a letter, in a form satisfactory to Fiducian, confirming it will grant (which confirmation may be subject to the satisfaction of specific conditions) an application for an Australian Financial Services Licence for FIM, pursuant to Part 7.6 of the

Corporations Act, which will authorise FIM to carry on a financial services business in each of the following areas:

- (A) the operation of registered managed investment schemes;
- (B) the operation of an investor directed portfolio service; and
- (C) the provision of a managed discretionary account service,

to retail clients and wholesale clients, or such other authorisations Fiducian and NewCo agree are desirable for FIM to carry on a financial services business, and such letter has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date; and

(4) **Change of Responsible Entity:**

- (A) ASIC grants an exemption from section 601FL of the Corporations Act, in a form satisfactory to Fiducian, in respect of each Fiducian Fund so that a Related Body Corporate of Fiducian may replace Fiducian as responsible entity of the Fiducian Funds, without the need to hold unit holder meetings provided that, in response to a notice sent by Fiducian to the unit holders of the Fiducian Funds notifying them of the proposed replacement of the responsible entity, less than the prescribed number of unit holders of each Fiducian Fund request a unit holder meeting to approve the replacement of the responsible entity; and
- (B) in response to the notice sent by Fiducian described in clause 3.1(a)(4)(A), less than the prescribed number of unit holders of each Fiducian Fund request a unit holder meeting to approve the replacement of the responsible entity described in that clause,

and such exemption has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date.

- (5) **ASIC and ASX:** ASIC and ASX each issues or provides all reliefs, waivers, confirmations, exemptions, consents or approvals, and does all other acts necessary, or which Fiducian and NewCo agree are desirable, to implement, or otherwise in connection with, the Scheme and Transaction and such reliefs, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked before 8.00am on the Second Court Date; and

- (6) **other:** any other approvals or consents that are required by law, or by any Government Agency, or which Fiducian and NewCo otherwise agree are desirable, to implement the Scheme and Transaction are obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

- (b) **ASX quotation:** the NewCo Shares to be issued pursuant to the Scheme have, before 8.00am on the Second Court Hearing Date, been approved for official quotation on the ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective (which approval is in a form satisfactory to Fiducian) and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;



- (c) **Shareholder approval:** Fiducian Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.
- (d) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interest of Fiducian Shareholders before the time when the Scheme Booklet is registered by ASIC.
- (e) **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
- (f) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other material legal restraint or prohibition, preventing or delaying the Transaction is in effect at 8.00am on the Second Court Date.

3.2 Reasonable endeavours

Each party must, to the extent it is within its power to do so, use its reasonable endeavours to procure that:

- (a) each Condition Precedent satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied; and
- (b) there is no occurrence within its control or the control of any of its Subsidiaries that would prevent any of the Conditions Precedent in clause 3.1, which that party (alone or together with the other party) must use reasonable endeavours to satisfy, being or remaining satisfied.

3.3 Waiver of Conditions Precedent

The Conditions Precedent are for the benefit of both parties. A Condition Precedent may only be waived with the written consent of each party.

3.4 Termination on failure of Condition Precedent

If:

- (1) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied;
- (2) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in this deed for the satisfaction of that Condition Precedent; or
- (3) it becomes more likely than not that the Scheme will not become Effective by the End Date,

either party may terminate this deed by notice in writing to the party, but that termination will not affect any right or claim of any party in respect of this deed which has arisen prior to termination.

4 Transaction steps

4.1 Scheme

Fiducian must propose the Scheme to Fiducian Shareholders.

4.2 Scheme Consideration

- (a) Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms of this deed and the Scheme.
- (b) Subject to the terms of the Scheme, NewCo undertakes and warrants to Fiducian (in its own right and on behalf of the Scheme Shareholders) that, in consideration of the transfer to NewCo of each Fiducian Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date NewCo will:
 - (1) will accept that transfer; and
 - (2) provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share in accordance with the terms of this deed and the Scheme.

5 Implementation

5.1 Fiducian's obligations

Fiducian must take all necessary steps to implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step including doing any acts it is authorised and able to do on behalf of Fiducian Shareholders, and including each of the following:

- (a) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules;
- (b) **directors' recommendation:** include in the Scheme Booklet a statement by the Fiducian Board unanimously recommending that Fiducian Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, unless there has been a change of recommendation permitted by clause 5.3;
- (c) **paragraph 411(17)(b) statement:** apply to ASIC for the production of:
 - (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (2) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (d) **Court direction:** apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing Fiducian to convene the Scheme Meeting;
- (e) **Scheme Meeting:** convene the Scheme Meeting to seek Fiducian Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act;



- (f) **Court documents:** consult with NewCo in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders);
- (g) **Court approval:** (subject to all Conditions Precedent in clause 3.1, other than the Condition Precedent in clause 3.1(e), being satisfied or waived in accordance with this deed) apply to the Court for orders:
 - (1) under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) approving the Scheme as agreed to by the Fiducian Shareholders at the Scheme Meeting;
 - (2) under subsection 413(1) to effect the transfer, after the implementation of the Scheme, of property and liabilities from Fiducian to certain other members of the NewCo Group (as will be more particularly described in the Scheme Booklet);
- (h) **Certificate:** at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the Conditions Precedent in clause 3.1 (other than the Condition Precedent in clause 3.1(e)) have been satisfied or waived in accordance with this deed;
- (i) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme by no later than the Business Day after the date on which the Court order was made (or such later date as agreed by NewCo);
- (j) **Scheme Consideration:** if the Scheme becomes Effective, finalise and close the Fiducian Share Register as at the Scheme Record Date, and determine entitlements to the Scheme Consideration, in accordance with the Scheme and the Deed Poll;
- (k) **transfer and registration:** if the Scheme becomes Effective and subject to NewCo having issued the Scheme Consideration in accordance with the Scheme and Deed Poll:
 - (1) execute, on behalf of Scheme Shareholders, instruments of transfer of Fiducian Shares held by Scheme Shareholders to NewCo; and
 - (2) register all transfers of Fiducian Shares held by Scheme Shareholders to NewCo on the Implementation Date;
- (l) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (m) **Independent Expert:** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates thereto);
- (n) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations;
- (o) **listing:** subject to clause 5.1(q), not do anything to cause Fiducian Shares to cease being quoted on ASX or to become permanently suspended from quotation prior to implementation of the Transaction unless NewCo has agreed in writing;



- (p) **update Scheme Booklet:** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (q) **suspension of trading:** apply to ASX to suspend trading in Fiducian Shares with effect from the close of trading on the Effective Date; and
- (r) **transfer of shares:** subject to the Court making the orders under subsection 413(1), as contemplated by clause 5.1(g)(2), transfer the shares in FFS, FBS, HBA and MAA to NewCo on the same day as the property and liabilities are transferred in accordance with the orders of the Court under subsection 413(1).

5.2 NewCo's obligations

NewCo must take all necessary steps to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step, including doing each of the following:

- (a) **preparation of Scheme Booklet:** prepare and promptly provide to Fiducian the relevant information regarding NewCo for inclusion in the Scheme Booklet, including all information regarding the merged NewCo Group following implementation of the Scheme and the Scheme Consideration required by all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules, and consent to the inclusion of that information in the Scheme Booklet;
- (b) **Independent Expert's Report:** subject to the Independent Expert entering into arrangements with NewCo including in relation to confidentiality in a form reasonably acceptable to NewCo, provide any assistance or information reasonably requested by Fiducian or by the Independent Expert in connection with the preparation of the Independent Expert's Report to be sent together with the Scheme Booklet;
- (c) **Deed Poll:** by no later than the Business Day prior to the First Court Date, execute and deliver to Fiducian the Deed Poll;
- (d) **accuracy of NewCo Information:** confirm in writing to Fiducian the accuracy of the NewCo Information in the Scheme Booklet (other than any information regarding the Fiducian Group contained in, or used in the preparation of, the information regarding the merged Fiducian – NewCo entity following implementation of the Scheme);
- (e) **share transfer:** if the Scheme becomes Effective:
 - (1) accept a transfer of the Scheme Shares as contemplated by clause 4.2(b)(1);
 - (2) execute instruments of transfer in respect of the Scheme Shares;
 - (3) accept a transfer of the shares in FFS, FBS, HBA and MAA, as contemplated by clause 5.1(r); and
 - (4) procure that FIM and FSL will accept a transfer of the property and liabilities contemplated by clause 5.1(g)(2);
- (f) **Scheme Consideration:** if the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;



- (g) **update Scheme Booklet:** until the date of the Scheme Meeting, promptly provide to Fiducian any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the NewCo Information contained in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement; and
- (h) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations.

5.3 Fiducian Board recommendation

- (a) Fiducian must use its best endeavours to procure that, subject to clause 5.3(b), the members of the Fiducian Board unanimously recommend that Fiducian Shareholders vote in favour of the Scheme at the Scheme Meeting subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interest of Scheme Shareholders, and that the Scheme Booklet include a statement by the Fiducian Board to that effect.
- (b) Fiducian must use its best endeavours to procure that the Fiducian Board collectively, and the members of the Fiducian Board individually, do not change, withdraw or modify its, his or her recommendation to vote in favour of the Scheme unless:
 - (1) the Independent Expert provides a report to Fiducian (including either the Independent Expert's Report or any update, addendum or variation to it) that concludes that the Scheme is not in the best interest of Scheme Shareholders; or
 - (2) the Fiducian Board has determined, after receiving written financial advice from its financial advisors and written legal advice from its legal advisors, that the Fiducian Board, by virtue of the directors' duties of the members of the Fiducian Board, is required to change, withdraw or modify its recommendation,

6 Representations and warranties

6.1 Representations and warranties

Each party represents and warrants to each other party that:

- (a) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action;
- (c) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed; and
- (d) **deed binding:** this deed is a valid and binding obligation of the party, enforceable in accordance with its terms.

6.2 Indemnity

Each party agrees to indemnify the other against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that the other suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 6.1.

6.3 Survival of representations and warranties

Each representation and warranty in clause 6.1:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

6.4 Survival of indemnities

Each indemnity in this deed (including those in clause 6.2):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

6.5 Timing of representations and warranties

Each representation and warranty made or given under clause 6.1 is given at the date of this deed and repeated continuously thereafter at 8.00am on the Second Court Date unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

7 Termination

7.1 Termination

Either party may terminate this deed by written notice to the other party:

- (a) at any time before 8.00am on the Second Court Date if the other party has materially breached this deed, the party entitled to terminate has given written notice in a timely manner to the party in breach of this deed setting out the relevant circumstances and stating an intention to terminate this deed, and the other party has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given;
- (b) at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Transaction, or has refused to do any thing necessary to permit the Transaction, and the action or refusal has become final and cannot be appealed or reviewed;



- (c) in the circumstances set out in, and in accordance with, clause 3.4; or
- (d) if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date.

This deed may also be terminated by the parties by written agreement.

7.2 Effect of termination

If this deed is terminated under clauses 3.4 or 7.1:

- (a) each party will be released from its obligations under this deed, except that this clause 7.2, and clauses 1, 6.3 - 6.5, 8, 9, 10 and 11 (except clause 11.8), will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed; and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Scheme.

7.3 Termination notice

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating the Deed.

8 Duty, costs and expenses

8.1 Stamp duty

NewCo:

- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme; and
- (b) indemnifies Fiducian against any liability arising from its failure to comply with clause 8.1(a).

8.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

9 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 9(e) if required) (**Consideration**) is exclusive of GST.



- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 9(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 9(b):
 - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

10 Notices

10.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party as nominated below (or any alternative details nominated to the sending party by Notice):



Party	Address	Addressee	Fax	Email
Fiducian	Level 4, 1 York Street, Sydney NSW 2000	David O'Reilly	+61 2 8298 4611	davidoreilly@fiducian.com.au
Copy to:	Herbert Smith Freehills ANZ Tower 161 Castlereagh Street, Sydney NSW 2000	Andrew Rich Partner	+61 2 9322 4000	andrew.rich@hsf.com
NewCo	Level 4, 1 York Street, Sydney NSW 2000	David O'Reilly	+61 2 8298 4611	davidoreilly@fiducian.com.au
Copy to:	Herbert Smith Freehills ANZ Tower 161 Castlereagh Street, Sydney NSW 2000	Andrew Rich Partner	+61 2 9322 4000	andrew.rich@hsf.com

10.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.



By email to the nominated email address

The earlier of:

- 1 the sending party receives an automated message confirming delivery; and
- 2 four hours after the time sent (as recorded on the device from which the sending party sent the email), provided that the sending party does not receive an automated message that the email has not been delivered.

10.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 10.2).

11 General

11.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

11.2 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 10.

11.3 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

11.4 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 11.4(a) does not apply where enforcement of the provision of this deed in accordance with clause 11.4(a) would materially affect the nature or effect of the parties' obligations under this deed.

11.5 Variation

A variation of any term of this deed must be in writing and signed by the parties.

11.6 Assignment of rights

- (a) A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party.
- (b) A breach of clause 11.6(a) by a party shall be deemed to be a material breach for the purposes of clause 7.1(a).
- (c) Clause 11.6(b) does not affect the construction of any other part of this deed.

11.7 No third party beneficiary

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other person.

11.8 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

11.9 Entire agreement

This deed states all the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter (other than the Confidentiality Agreement).

11.10 Counterparts

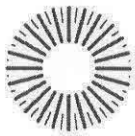
This deed may be executed in any number of counterparts.

11.11 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

11.12 Remedies cumulative

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.



Signing page

Executed as a deed

Fiducian

Signed sealed and delivered by
Fiducian Portfolio Services Limited
by

sign here ► 
Company Secretary/Director
print name Inderjit Singh
sign here ► 
Director
print name Robert Bucknell

NewCo

Signed sealed and delivered by
Fiducian Group Limited
by

sign here ► 
Company Secretary/Director
print name Inderjit Singh
sign here ► 
Director
print name Robert Bucknell



Attachment 1

Scheme of arrangement

Attached.



Attachment 2

Deed poll

Attached.

Annexure C

Scheme

Attached.



HERBERT
SMITH
FREEHILLS

Scheme of arrangement – share scheme

Fiducian Portfolio Services Limited

Scheme Shareholders

Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Fiducian Portfolio Services Limited
ABN 13 073 854 931 of Level 4, 1 York Street, Sydney NSW 2000
(Fiducian)

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Fiducian is a public company limited by shares, registered in New South Wales, Australia, and has been admitted to the official list of the ASX. Fiducian Shares are quoted for trading on the ASX.
- (b) As at 5 December 2014, 30,883,397 Fiducian Shares and 100,000 options over unissued shares in Fiducian were on issue.
- (c) NewCo is a public company limited by shares registered in Victoria, Australia, that is expected to be admitted to the official list of the ASX.
- (d) If this Scheme becomes Effective:
 - (1) NewCo must provide the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll;

- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to NewCo and Fiducian will enter the name of NewCo in the Share Register in respect of the Scheme Shares;
- (3) it is proposed that, on the Transfer Date:
 - (A) certain properties and liabilities of Fiducian will be transferred to FIM and FSL by order of the Court under section 413 of the Corporations Act; and
 - (B) Fiducian will transfer all the shares that it holds in FFS, FBS, HBA and MAA to NewCo.
- (e) Fiducian and NewCo have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to NewCo but does not itself impose an obligation on it to perform those actions. NewCo has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by NewCo and Fiducian;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by NewCo and Fiducian having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Fiducian and NewCo agree in writing).

3.2 Certificate

- (a) Fiducian and NewCo will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Fiducian must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to NewCo, without the need for any further act by any Scheme Shareholder (other than acts performed by Fiducian as attorney and agent for Scheme Shareholders under clause 8.5), by:
- (1) Fiducian delivering to NewCo a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Fiducian, for registration; and
 - (2) NewCo duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Fiducian for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), Fiducian must enter, or procure the entry of, the name of NewCo in the Share Register in respect of all the Scheme Shares transferred to NewCo in accordance with this Scheme.

4.3 Transfer of properties and liabilities

On the Transfer Date:

- (a) all the property and liabilities of Fiducian comprising or pertaining exclusively to its funds management and investment services business will be transferred to FIM by order of the Court under section 413 of the Corporations Act; and
- (b) all the other property and liabilities of Fiducian, except for those relating to its superannuation trustee services and its shareholdings in FFS, FBS, HBA and MAA will be transferred to FSL by order of the Court under section 413 of the Corporations Act.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

NewCo must, subject to clauses 5.2, 5.3, 5.4 and 5.5:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the NewCo Register in respect of those NewCo Shares; and
- (b) procure that on or before the date that is 10 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of NewCo Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the NewCo Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Fiducian, the holder whose name appears first in the Fiducian Share Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Fiducian, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

- (a) NewCo will be under no obligation to issue any NewCo Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
 - (1) subject to clauses 5.4 and 5.5, NewCo must, on or before the Implementation Date, issue the NewCo Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
 - (2) NewCo must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with NewCo sells or procures the sale of all the NewCo Shares issued to the Sale Agent and remits to Fiducian the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
 - (3) promptly after receiving the Proceeds in respect of the sale of all of the NewCo Shares referred to in clause 5.3(a)(1), Fiducian must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of NewCo Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are issued to the Sale Agent;

C = the total number of NewCo Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which are issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).

- (b) None of NewCo, Fiducian or the Sale Agent gives any assurance as to the price that will be achieved for the sale of NewCo Shares described in clause 5.3(a).
- (c) Fiducian must make payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Fiducian):
 - (1) where an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Fiducian Registry to receive dividend payments from Fiducian by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in clause 5.3(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) If Fiducian receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder, Fiducian is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Fiducian must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.
- (e) Each Ineligible Foreign Shareholder appoints Fiducian as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act.
- (f) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.

5.4 Fractional entitlements and splitting

- (a) Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming

entitled to a fraction of a NewCo Share, the fractional entitlement will be rounded down to the nearest whole number of NewCo Shares.

- (b) If NewCo is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Fiducian Shares which results in a fractional entitlement to NewCo Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, NewCo may direct Fiducian to give notice to those Scheme Shareholders:

- (1) setting out the names and Registered Addresses of all of them;
- (2) stating that opinion; and
- (3) attributing to one of them specifically identified in the notice the Fiducian Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Fiducian Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Fiducian Shares.

5.5 Orders of a court or Government Agency

If written notice is given to Fiducian (or the Fiducian Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Fiducian in accordance with this clause 5, then Fiducian shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Fiducian from providing consideration to any particular Scheme Shareholder in accordance with clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Fiducian shall be entitled to direct NewCo not to issue, or to issue to a trustee or nominee, such number of NewCo Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1, until such time as provision of the consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

5.6 Status of NewCo Shares

Subject to this Scheme becoming Effective, NewCo must:

- (a) issue the NewCo Shares required to be issued by it under this Scheme on terms such that each such NewCo Share will rank equally in all respects with each existing NewCo Share;
- (b) ensure that each such NewCo Share is duly and validly issued in accordance with all applicable laws and NewCo's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under NewCo's constitution); and
- (c) use all reasonable endeavours to ensure that such NewCo Shares are, from the Business Day following the date this Scheme becomes Effective (or such later

date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

6 Dealings in Fiducian Shares

6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Fiducian Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and Fiducian must not accept for registration, nor recognise for any purpose (except a transfer to NewCo pursuant to this Scheme and any subsequent transfer by NewCo or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) Fiducian must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Fiducian to register a transfer that would result in a Fiducian Shareholder holding a parcel of Fiducian Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Fiducian shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Fiducian must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Fiducian Shares (other than statements of holding in favour of NewCo) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of NewCo) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Fiducian Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Fiducian will ensure

that details of the names, Registered Addresses and holdings of Fiducian Shares for each Scheme Shareholder as shown in the Share Register are available to NewCo in the form NewCo reasonably requires.

7 Quotation of Fiducian Shares

- (a) Fiducian must apply to ASX to suspend trading on the ASX in Fiducian Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by NewCo, Fiducian must apply:
 - (1) for termination of the official quotation of Fiducian Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Fiducian may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which NewCo has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Fiducian has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (1) agrees to the transfer of their Fiducian Shares together with all rights and entitlements attaching to those Fiducian Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Fiducian Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of NewCo, destroy any share certificates relating to their Fiducian Shares;
 - (4) agrees to become a member of NewCo and to be bound by the terms of the constitution of NewCo; and
 - (5) acknowledges that this Scheme binds Fiducian and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Fiducian and NewCo on the Implementation Date, and appointed and authorised Fiducian as its attorney and agent to warrant to NewCo on the Implementation Date, that:

- (1) all their Fiducian Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Fiducian Shares to NewCo together with any rights and entitlements attaching to those shares. Fiducian undertakes that it will provide such warranty to NewCo as agent and attorney of each Scheme Shareholder; and
- (2) they have no existing right to be issued any Fiducian Shares, Fiducian options, Fiducian performance rights, Fiducian convertible notes or any other Fiducian securities, other than the right to be issued Fiducian Shares upon the exercise of Fiducian Options (as appropriate). Fiducian undertakes that it will provide such warranty to NewCo as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to NewCo will, at the time of transfer of them to NewCo, vest in NewCo free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, NewCo will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Fiducian of NewCo in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until Fiducian registers NewCo as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed NewCo as attorney and agent (and directed NewCo in each such capacity) to appoint any director, officer, secretary or agent nominated by NewCo as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as NewCo reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), NewCo and any director, officer, secretary or agent nominated by



NewCo under clause 8.4(a) may act in the best interests of NewCo as the intended registered holder of the Scheme Shares.

8.5 Authority given to Fiducian

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Fiducian and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against NewCo and NewCo, and Fiducian undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against NewCo and NewCo on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Fiducian and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Fiducian accepts each such appointment. Fiducian as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Fiducian binding or deemed binding between the Scheme Shareholder and Fiducian relating to Fiducian or Fiducian Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Fiducian Shares; and
- (c) notices or other communications from Fiducian (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by NewCo in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to NewCo and to be a binding instruction, notification or election to, and accepted by, NewCo in respect of the NewCo Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to NewCo at its registry.

8.7 Binding effect of Scheme

This Scheme binds Fiducian and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Fiducian.

9 General

9.1 Stamp duty

NewCo will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Fiducian doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Fiducian or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Fiducian, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Fiducian's registered office or at the office of the Fiducian Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Fiducian Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Fiducian must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Fiducian nor NewCo nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1

Definitions and interpretation

1 Definitions

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

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
Business Day	business day as defined in the Listing Rules.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia, New South Wales Registry, or such other court of competent jurisdiction under the Corporations Act agreed to by NewCo and Fiducian.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which NewCo each covenants in favour of the Scheme Shareholders to perform the obligations attributed to it under this Scheme.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.



Term	Meaning
End Date	30 June 2015, or such other date as agreed by NewCo and Fiducian.
FBS	Fiducian Business Services Pty Limited (ABN 16 063 433 367).
Fiducian	Fiducian Portfolio Services Limited (ABN 13 073 854 931).
Fiducian Registry	Computershare Investor Services Pty Limited (ACN 078 279 277).
Fiducian Share	a fully paid ordinary share in the capital of Fiducian.
Fiducian Shareholder	a person who is registered as the holder of a Fiducian Share in the Share Register.
FIM	Fiducian Investment Management Services Limited (ACN 602 441 814).
FSS	Fiducian Financial Services Pty Limited (ABN 46 094 765 134).
FSL	Fiducian Services Pty Limited (ACN 602 437 892).
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
HBA	Harold Bodinnar & Associates Pty Limited (ACN 002 533 995).
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date as agreed in writing by Fiducian and NewCo.
Implementation Deed	the scheme implementation deed dated 10 November 2014 between Fiducian and NewCo relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Fiducian Share Register on the Scheme Record Date is a place outside Australia and



Term	Meaning
	its external territories, New Zealand or the United States, unless NewCo determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with NewCo Shares when this Scheme becomes Effective.
Listing Rules	the official listing rules of ASX.
MAA	Money and Advice Pty Limited (ACN 081 562 003).
NewCo	Fiducian Group Limited (ACN 602 423 610).
NewCo Register	the register of shareholders maintained by NewCo or its agent.
NewCo Share	a fully paid ordinary share in NewCo to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Fiducian Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Sale Agent	a person, appointed by NewCo, after consultation with Fiducian, to sell the NewCo Shares that are attributable to Ineligible Foreign Shareholders under the terms of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Fiducian and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Fiducian and NewCo.
Scheme Consideration	one NewCo Share for each Scheme Share held by a Scheme Shareholder, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Fiducian Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.



Term	Meaning
Scheme Record Date	5.00pm on the fifth Business Day after the Effective Date or such other date as agreed in writing by Fiducian and NewCo.
Scheme Shares	all Fiducian Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Fiducian Shares recorded in the Share Register as at the Scheme Record Date.
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of NewCo as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Share Register	the register of members of Fiducian maintained by Fiducian or Fiducian Registry in accordance with the Corporations Act.
Transfer Date	12.01am at the beginning of the first day of the month after the month in which the Implementation Date occurs, or such other date as the Court orders pursuant to section 413 of the Corporations Act and with which Fiducian and NewCo agree.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;



- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them;
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



Attachment 1

Deed Poll

Attached.

Annexure D

Deed Poll

Attached.



HERBERT
SMITH
FREEHILLS

Deed

Execution version

Share scheme deed poll

Fiducian Group Limited

Share scheme deed poll

Date ►

This deed poll is made

By **Fiducian Group Limited**
ACN 602 423 610 of Level 4, 1 York Street, Sydney NSW 2000
(NewCo)

in favour of each person registered as a holder of fully paid ordinary shares in Fiducian in the Fiducian Share Register as at the Scheme Record Date.

Recitals

- 1 Fiducian and NewCo entered into the Implementation Deed.
- 2 In the Implementation Deed, NewCo agreed to make this deed poll.
- 3 NewCo is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the scheme implementation deed entered into between Fiducian and NewCo dated 10 November 2014.



Term	Meaning
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Fiducian and the Scheme Shareholders, the form of which is set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by NewCo, and Fiducian.
(b)	Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

NewCo acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Fiducian and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against NewCo.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of NewCo under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of NewCo under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
 - (b) the Scheme is not Effective on or before the End Date,
- unless NewCo and Fiducian otherwise agree.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) NewCo is released from its obligations to further perform this deed poll except those obligations under clause 7.1; and
- (b) each Scheme Shareholder retains the rights it has against NewCo in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, NewCo undertakes in favour of each Scheme Shareholder to:

- (a) provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

3.2 Shares to rank equally

NewCo covenants in favour of each Scheme Shareholder that the New NewCo Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally with all existing NewCo Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

NewCo represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) NewCo has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to NewCo in accordance with the details set out below (or any alternative details nominated by NewCo by Notice).

Attention	David O'Reilly
Address	Level 4, 1 York Street, Sydney NSW 2000
Fax no	+61 2 8298 4611
Email address	davidoreilly@fiducian.com.au

Copy to:

Attention	Andrew Rich, Herbert Smith Freehills
Address	Level 27, 161 Castlereagh Street, Sydney NSW 2000
Fax no	+61 2 9322 4000
Email address	andrew.rich@hsf.com

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.



Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	<p>At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety.</p> <p>However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.</p>
By email to the nominated email address	<p>The earlier of:</p> <ol style="list-style-type: none">1 the sending party receiving an automated message confirming delivery; and2 four hours after the time sent (as recorded on the device from which the sending party sent the email) , provided that the sending party did not receive an automated message that the mail has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7 General

7.1 Stamp duty

NewCo:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.



- (b) NewCo irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. NewCo irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

- (a) NewCo may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of NewCo as a waiver of any right unless the waiver is in writing and signed by NewCo.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Fiducian; or
- (b) if on or after the First Court Date, the variation is agreed to by Fiducian and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event NewCo will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of NewCo and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.6 Assignment

- (a) The rights created by this deed poll are personal to NewCo and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of NewCo.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.



7.7 Further action

NewCo must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



Attachment 1

Scheme

Attached.



Signing page

Executed as a deed poll

NewCo

Signed by
Fiducian Group Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

Annexure E

Notice of Scheme Meeting

Fiducian Portfolio Services Limited ACN 073 845 931 (**Fiducian**)

Notice is hereby given that, by an order of the Federal Court of Australia made on 5 December 2014, pursuant to subsection 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in the capital of Fiducian will be held at the Sydney offices of Fiducian located at Level 4, 1 York Street, Sydney NSW 2000, Australia on Monday, 2 February 2015, commencing at 10.00am (AEDT).

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Fiducian, and NewCo agree) proposed to be made between Fiducian and Scheme Shareholders.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Resolution

Fiducian Shareholders are asked to consider and, if thought fit, pass (with or without amendment) the following resolution (the **Resolution**):

“That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Fiducian and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Fiducian and NewCo agree.”

Chairman

The Court has directed that Robert E Bucknell is to act as chairman of the meeting (and that, if Robert E Bucknell is unable or unwilling to attend, Frank Khouri is to act as chairman of the meeting) and has directed the chairman to report the result of the Resolution to the Court.

Dated 5 December 2014

By order of the Court and the Fiducian Board



Inderjit Singh
Company Secretary

Explanatory notes

1 General

This notice of meeting relates to the Scheme and should be read in conjunction with Fiducian's scheme booklet dated on or about the date of this notice of meeting (the **Scheme Booklet**) of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Resolution.

A copy of the Scheme is set out in Annexure C of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in Section 9.1 of the Scheme Booklet, unless the context otherwise requires.

2 Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Fiducian Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Fiducian Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Resolution (either in person or by proxy, attorney or, in the case of corporate Fiducian Shareholders, body corporate representative).

3 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Resolution is agreed to by the requisite majorities and the other Conditions Precedent to the Scheme (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Fiducian intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

4 Entitlement to vote

It has been determined that the time for determining eligibility to vote at the Scheme Meeting is 7.00pm on Saturday, 31 January 2015. Only those Fiducian Shareholders entered on the Fiducian Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate Fiducian Shareholder, by a body corporate representative. The remaining comments in these explanatory notes are addressed to Fiducian Shareholders entitled to attend and vote at the meeting.

5 How to vote

Voting will be conducted by poll.

If you are a Fiducian Shareholder entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the proxy form that accompanied this Scheme Booklet;

- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

6 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Fiducian Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

7 Jointly held shares

If you hold Fiducian Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Fiducian Share Register will be counted.

See also the comments in paragraph 8.2 below regarding the appointment of a proxy by persons who jointly hold Fiducian Shares.

8 Voting

8.1 Voting in person

To vote in person, you must attend the meeting.

Eligible Fiducian Shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

8.2 Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Fiducian Shareholder. Each proxy will have the right to vote on the poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form. You must deliver the signed and completed proxy form to the Fiducian Registry by 10.00am on Saturday, 31 January 2015 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (a) by post in the provided reply paid envelope to the Fiducian Registry:
Computershare Investor Services Pty Limited
GPO BOX 242, Melbourne VIC 3001
- (b) by hand delivery to the Fiducian Registry:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street, Sydney NSW 2000
- (c) by fax to the Fiducian Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Proxy forms received after this time will be invalid.

If a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of

attorney or other authority has previously been noted by the Fiducian Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Fiducian Registry by 10.00am on Saturday, 31 January 2015 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the three ways above.

If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Fiducian Registry. Replacement proxy forms can also be obtained from the Fiducian Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights or specified number of your Fiducian Shares. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Fiducian Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the proxy form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, then the proxy appointment will automatically default to the chairman of the meeting who will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairman of the meeting intends to vote all valid undirected proxies which nominate the chairman in favour of the Resolution.

Proxies of eligible Fiducian Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

8.3 Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Fiducian Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Fiducian), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged at the registration desk on the day of the meeting or with the Fiducian Registry before 10.00am

on Saturday, 31 January 2015 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (a) by post in the provided reply paid envelope to the Fiducian Registry:
Computershare Investor Services Pty Limited
GPO BOX 242, Melbourne VIC 3001
- (b) by hand delivery to the Fiducian Registry:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street, Sydney NSW 2000
- (c) by fax to the Fiducian Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Attorneys of eligible Fiducian Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

8.4 Voting by corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Fiducian will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Fiducian Registry by calling 1300 721 832 (within Australia) or +61 3 9415 4288 (outside Australia) or online at www.investorcentre.com under the help tab, "Printable Forms". The certificate of appointment may set out restrictions on the representative's powers.

The certificate should be lodged at the registration desk on the day of the meeting or with the Fiducian Registry before 10.00am on Saturday, 31 January 2015 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- (a) by post in the provided reply paid envelope to the Fiducian Registry:
Computershare Investor Services Pty Limited
GPO BOX 242, Melbourne VIC 3001
- (b) by hand delivery to the Fiducian Registry:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street, Sydney NSW 2000
- (c) by fax to the Fiducian Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Fiducian Registry.

Body corporate representatives of eligible Fiducian Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

9 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting by contacting the Fiducian Registry.

Annexure F

NewCo Constitution

Attached.

Constitution for Fiducian Group Limited

ACN 602 423 610



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Attachment 1

Explanatory statement – proportional takeover bid/scheme

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Constitution

Fiducian Group Limited ACN 602 423 610

A public company limited by shares

1 Preliminary

1.1 Definitions and interpretation

(a) The meanings of the terms used in this constitution are set out below.

Term	Meaning
Act	<i>Corporations Act 2001</i> (Cth).
AGM	an annual general meeting of the company that the Act requires to be held.
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Limited and, to the extent that they are applicable, the operating rules of the Exchange and the operating rules of ASX Clear Pty Limited.
Board	the directors for the time being of the company or those of them who are present at a meeting at which there is a quorum.
Business Day	has the meaning given to that term in the Listing Rules.
Exchange	ASX Limited or such other body corporate that is declared by the Board to be the company's primary stock exchange for the purposes of this definition.
Listing Rules	the listing rules of the Exchange as they apply to the company.
Proper ASTC Transfer	has the meaning given to that term in the <i>Corporations Regulations 2001</i> (Cth).
Record Time	1 in the case of a meeting for which the caller of the meeting has decided, under the Act, that shares are to be taken to be held



Term	Meaning
	<p>by the persons who held them at a specified time before the meeting, that time; and</p> <p>2 in any other case, 48 hours before the relevant meeting, or, if this time would fall on a trading day, 7.00pm Sydney time on that day.</p>
Representative	in relation to a member which is a body corporate and in relation to a meeting means a person authorised in accordance with the Act (or a corresponding previous law) by the body corporate to act as its representative at the meeting.
Seal	any common seal, duplicate seal or certificate seal of the company.
Transmission Event	<p>1 for a member who is an individual – the member's death, the member's bankruptcy, or a member becoming of unsound mind, or a person who, or whose estate, is liable to be dealt with in any way under the laws relating to mental health; and</p> <p>2 for a member who is a body corporate – the dissolution of the member or the succession by another body corporate to the assets and liabilities of the member.</p>
URL	Uniform Resource Locator, the address that specifies the location of a file on the internet.
(b)	A reference in this constitution to a partly paid share is a reference to a share on which there is an amount unpaid.
(c)	A reference in this constitution to an amount unpaid on a share includes a reference to any amount of the issue price which is unpaid.
(d)	A reference in this constitution to a call or an amount called on a share includes a reference to a sum that, by the terms of issue of a share, becomes payable on issue or at a fixed date.
(e)	A reference in this constitution to a member for the purposes of a meeting of members is a reference to a registered holder of shares as at the relevant Record Time.
(f)	A reference in this constitution to a member present at a general meeting is a reference to a member present in person or by proxy, attorney or Representative or, except in any rule that specifies a quorum or except in any rule prescribed by the Board, a member who has duly lodged a valid direct vote in relation to the general meeting under rule 7.8.
(g)	A chairperson or deputy chairperson appointed under this constitution may be referred to as chairman or chairwoman, or deputy chairman or chairwoman, or as chair, if applicable.



- (h) A reference in this constitution to a person holding or occupying a particular office or position is a reference to any person who occupies or performs the duties of that office or position.
- (i) A reference to a document being 'signed' or to 'signature' includes that document being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, includes the document being authenticated in accordance with the Act or any other method approved by the Board.
- (j) Unless the contrary intention appears, in this constitution:
 - (1) the singular includes the plural and the plural includes the singular;
 - (2) words that refer to any gender include all genders;
 - (3) words used to refer to persons generally or to refer to a natural person include a body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
 - (4) a reference to a person includes that person's successors and legal personal representatives;
 - (5) a reference to a statute or regulation, or a provision of any of them includes all statutes, regulations or provisions amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
 - (6) a reference to the Listing Rules or the ASX Settlement Operating Rules includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any applicable waiver or exemption; and
 - (7) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (k) Specifying anything in this constitution after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.
- (l) In this constitution, headings and bold type are only for convenience and do not affect the meaning of this constitution.

1.2 Application of the Act, Listing Rules and ASX Settlement Operating Rules

- (a) The rules that apply as replaceable rules to companies under the Act do not apply to the company except so far as they are repeated in this constitution.
- (b) References to the Listing Rules apply if the Company is on the official list of ASX, but do not apply if the Company is not listed.
- (c) Unless the contrary intention appears:
 - (1) an expression in a rule that deals with a matter dealt with by a provision of the Act, the Listing Rules or the ASX Settlement Operating Rules has the same meaning as in that provision; and
 - (2) subject to rule 1.2(c)(1), an expression in a rule that is used in the Act has the same meaning in this constitution as in the Act.



1.3 Exercising powers

- (a) The company may, in any way the Act permits:
 - (1) exercise any power;
 - (2) take any action; or
 - (3) engage in any conduct or procedure,which, under the Act a company limited by shares may exercise, take or engage in.
- (b) Where this constitution provides that a person 'may' do a particular act or thing, the act or thing may be done at the person's discretion.
- (c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the same way and subject to the same conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.
- (d) Where this constitution confers a power to do a particular act or thing, the power may be exercised from time to time and may be exercised subject to conditions.
- (e) Where this constitution confers a power to do a particular act or thing concerning particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing as to only some of those matters or as to a particular class of those matters, and to make different provision concerning different matters or different classes of matters.
- (f) Where this constitution confers a power to make appointments to an office or position (except the power to appoint a director under rule 8.1(b)), the power is, unless the contrary intention appears, to be taken to include a power:
 - (1) to appoint a person to act in the office or position until a person is formally appointed to the office or position;
 - (2) to remove or suspend any person appointed (without prejudice to any rights or obligations under any contract between the person and the company); and
 - (3) to appoint another person temporarily in the place of any person removed or suspended or in the place of any sick or absent holder of the office or position.
- (g) Where this constitution gives power to a person to delegate a function or power:
 - (1) the delegation may be concurrent with, or (except in the case of a delegation by the Board) to the exclusion of, the performance or exercise of that function or power by the person;
 - (2) the delegation may be either general or limited in any way provided in the terms of delegation;
 - (3) the delegation need not be to a specified person but may be to any person holding, occupying or performing the duties of a specified office or position;
 - (4) the delegation may include the power to delegate; and
 - (5) where performing or exercising that function or power depends on that person's opinion, belief or state of mind about a matter, that function or power may be performed or exercised by the delegate on the delegate's opinion, belief or state of mind about that matter.

1.4 Currency

Any amount payable to the holder of a share, whether in relation to dividends, repayment of capital, participation in surplus property of the company or otherwise, may, with the agreement of the holder or under the terms of issue of the share, be paid in the currency of a country other than Australia. The Board may fix a time on or before the payment date as the time at which the applicable exchange rate will be determined for that purpose.

1.5 Transitional provisions

This constitution must be interpreted in such a way that:

- (a) every director, managing director and secretary in office in that capacity immediately before this constitution is adopted continues in office subject to, and is taken to have been appointed or elected under, this
- (b) any register maintained by the company immediately before this constitution is adopted is taken to be a register maintained under this constitution;
- (c) any Seal adopted by the company as a Seal immediately before this constitution is adopted is taken to be a Seal which the company has under a relevant authority given by this constitution;
- (d) for the purposes of rule 4.1(p), a cheque issued under the predecessor of rule 4.1(k) is taken to have been issued under rule 4.1(k), any money held at the date of adoption of this constitution for a member under the predecessor of rule 4.1(m) is taken to have been held in an account under rule 4.1(m) and any money held at the date of adoption of this constitution for a member the company regards as uncontactable is taken to have been held in an account under 4.1(n); and
- (e) unless a contrary intention appears in this constitution, all persons, things, agreements and circumstances appointed, approved or created by or under the constitution of the company in force before this constitution is adopted continue to have the same status, operation and effect after this constitution is adopted.

2 Share capital

2.1 Shares

Subject to this constitution, the Board may:

- (a) issue, allot or grant options for, or otherwise dispose of, shares in the company; and
- (b) decide:
 - (1) the persons to whom shares are issued or options are granted;
 - (2) the terms on which shares are issued or options are granted; and
 - (3) the rights and restrictions attached to those shares or options.

2.2 Preference shares

- (a) The company may issue preference shares including preference shares which are, or at the option of the company or holder are, liable to be redeemed or convertible into ordinary shares.



- (b) Each preference share confers on the holder a right to receive a preferential dividend, in priority to the payment of any dividend on the ordinary shares, at the rate and on the basis decided by the Board under the terms of issue.
- (c) In addition to the preferential dividend and rights on winding up, each preference share may participate with the ordinary shares in profits and assets of the company, including on a winding up, if and to the extent the Board decides under the terms of issue.
- (d) The preferential dividend may be cumulative only if and to the extent the Board decides under the terms of issue, and will otherwise be non-cumulative.
- (e) Each preference share confers on its holder the right in a winding up and on redemption to payment in priority to the ordinary shares of:
 - (1) the amount of any dividend accrued but unpaid on the share at the date of winding up or the date of redemption; and
 - (2) any additional amount specified in the terms of issue.
- (f) To the extent the Board may decide under the terms of issue, a preference share may confer a right to a bonus issue or capitalisation of profits in favour of holders of those shares only.
- (g) A preference share does not confer on its holder any right to participate in the profits or assets of the company except as set out above.
- (h) A preference share does not entitle its holder to vote at any general meeting of the company except in the following circumstances:
 - (1) on any of the proposals specified in rule 2.2(i);
 - (2) on a resolution to approve the terms of a buy back agreement;
 - (3) during a period in which a dividend or part of a dividend on the share is in arrears;
 - (4) during the winding up of the company; or
 - (5) in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.
- (i) The proposals referred to in rule 2.2(h) are proposals:
 - (1) to reduce the share capital of the company;
 - (2) that affect rights attached to the preference share;
 - (3) to wind up the company; or
 - (4) for the disposal of the whole of the property, business and undertaking of the company.
- (j) The holder of a preference share who is entitled to vote in respect of that share under rule 2.2(h) is, on a poll, entitled to the greater of one vote per share or such other number of votes specified in, or determined in accordance with, the terms of issue for the share.
- (k) In the case of a redeemable preference share, the company must, at the time and place for redemption specified in, or determined in accordance with, the terms of issue for the share, redeem the share and, on receiving a redemption request under the terms of issue, pay to or at the direction of the holder the amount payable on redemption of the share.
- (l) A holder of a preference share must not transfer or purport to transfer, and the Board, to the extent permitted by the Listing Rules, must not register a transfer

of, the share if the transfer would contravene any restrictions on the right to transfer the share set out in the terms of issue for the share.

2.3 Alteration of share capital

Subject to the Act, the Board may do anything required to give effect to any resolution altering the company's share capital, including, where a member becomes entitled to a fraction of a share on a consolidation, by:

- (a) making cash payments;
- (b) determining that fractions may be disregarded to adjust the rights of all parties;
- (c) appointing a trustee to deal with any fractions on behalf of members; and
- (d) rounding up each fractional entitlement to the nearest whole share.

2.4 Conversion or reclassification of shares

Subject to rule 2.5, the company may by resolution convert or reclassify shares from one class to another.

2.5 Variation of class rights

- (a) The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:
 - (1) with the written consent of the holders of 75% of the shares of the class; or
 - (2) by a special resolution passed at a separate meeting of the holders of shares of the class.
- (b) The provisions of this constitution relating to general meetings apply, with necessary changes, to separate class meetings as if they were general meetings.
- (c) The rights conferred on the holders of any class of shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

2.6 Joint holders of shares

Where 2 or more persons are registered as the holders of a share, they hold it as joint tenants with rights of survivorship, on the following conditions:

- (a) they are liable individually as well as jointly for all payments, including calls, in respect of the share;
- (b) subject to rule 2.6(a), on the death of any one of them the survivor is the only person the company will recognise as having any title to the share;
- (c) any one of them may give effective receipts for any dividend, bonus, interest or other distribution or payment in respect of the share; and
- (d) except where persons are jointly entitled to a share because of a Transmission Event, or where required by the Listing Rules or the ASX Settlement Operating Rules, the company may, but is not required to, register more than 3 persons as joint holders of the share.



2.7 Equitable and other claims

The company may treat the registered holder of a share as the absolute owner of that share and need not:

- (a) recognise a person as holding a share on trust, even if the company has notice of a trust; or
- (b) recognise, or be bound by, any equitable, contingent, future or partial claim to or interest in a share by any other person, except an absolute right of ownership in the registered holder, even if the company has notice of that claim or interest.

2.8 Restricted securities

If, at any time, any of the share capital of the company is classified by the Exchange as 'restricted securities', then despite any other provision of this constitution:

- (a) the restricted securities must not be disposed of during the escrow period except as permitted by the Listing Rules or the Exchange;
- (b) the company must refuse to acknowledge a disposal (including registering a transfer) of the restricted securities during the escrow period except as permitted by the Listing Rules or the Exchange; and
- (c) during a breach of the Listing Rules relating to restricted securities or a breach of a restriction agreement, the holder of the restricted securities is not entitled to any dividend or distribution, or voting rights, in respect of the restricted securities.

3 Calls, forfeiture, indemnities, lien and surrender

3.1 Calls

- (a) Subject to the terms on which any shares are issued, the Board may:
 - (1) make calls on the members for any amount unpaid on their shares which is not by the terms of issue of those shares made payable at fixed times; and
 - (2) on the issue of shares, differentiate between members as to the amount of calls to be paid and the time for payment.
- (b) The Board may require a call to be paid by instalments.
- (c) The Board must send members notice of a call at least 14 days (or such longer period required by the Listing Rules) before the amount called is due, specifying the time and place of payment.
- (d) Each member must pay to the company by the time and at the place specified the amount called on the member's shares.
- (e) A call is taken to have been made when the resolution of the Board authorising the call is passed.
- (f) The Board may revoke a call or extend the time for payment.
- (g) A call is valid even if a member for any reason does not receive notice of the call.



- (h) If an amount called on a share is not paid in full by the time specified for payment, the person who owes the amount must pay:
 - (1) interest on the unpaid part of the amount from the date payment is due to the date payment is made, at a rate determined under rule 3.9; and
 - (2) any costs, expenses or damages the company incurs due to the failure to pay or late payment.
- (i) Any amount unpaid on a share that, by the terms of issue of the share, becomes payable on issue or at a fixed date:
 - (1) is treated for the purposes of this constitution as if that amount were payable under a call duly made and notified; and
 - (2) must be paid on the date on which it is payable under the terms of issue of the share.
- (j) The Board may, to the extent the law permits, waive or compromise all or part of any payment due to the company under the terms of issue of a share or under this rule 3.1.

3.2 Proceedings to recover calls

- (a) In a proceeding to recover a call, or an amount payable due to the failure to pay or late payment of a call, proof that:
 - (1) the name of the defendant is entered in the register as the holder or one of the holders of the share on which the call is claimed;
 - (2) the resolution making the call is recorded in the minute book; and
 - (3) notice of the call was given to the defendant complying with this constitution,is conclusive evidence of the obligation to pay the call and it is not necessary to prove the appointment of the Board who made the call or any other matter.
- (b) In rule 3.2(a), **defendant** includes a person against whom the company alleges a set-off or counterclaim, and a **proceeding** to recover a call or an amount is to be interpreted accordingly.

3.3 Payments in advance of calls

- (a) The Board may accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called.
- (b) The Board may authorise payment by the company of interest on an amount accepted under rule 3.3(a), until the amount becomes payable, at a rate agreed between the Board and the member paying the amount.
- (c) The Board may repay to a member any amount accepted under rule 3.3(a).

3.4 Forfeiting partly paid shares

- (a) If a member fails to pay the whole of a call or an instalment of a call by the time specified for payment, the Board may serve a notice on that member:
 - (1) requiring payment of the unpaid part of the call or instalment, together with any interest that has accrued and all costs, expenses or damages that the company has incurred due to the failure to pay;



- (2) naming a further time (at least 14 days after the date of the notice) by which, and a place at which, the amount payable under rule 3.4(a)(1) must be paid; and
 - (3) stating that if the whole of the amount payable under rule 3.4(a)(1) is not paid by the time and at the place named, the shares on which the call was made will be liable to be forfeited.
- (b) If a member does not comply with a notice served under rule 3.4(a), the Board may by resolution forfeit any share concerning which the notice was given at any time after the day named in the notice and before the payment required by the notice is made.
- (c) A forfeiture under rule 3.4(b) includes all dividends, interest and other amounts payable by the company on the forfeited share and not actually paid before the forfeiture.
- (d) Where a share has been forfeited:
 - (1) notice of the resolution must be given to the member in whose name the share stood immediately before the forfeiture; and
 - (2) an entry of the forfeiture, with the date, must be made in the register of members.
- (e) Failure to give the notice or to make the entry required under rule 3.4(d) does not invalidate the forfeiture.
- (f) A forfeited share becomes the property of the company and the Board may sell, reissue or otherwise dispose of the share as it thinks fit and, in the case of reissue or other disposal, with or without crediting as paid up any amount paid on the share by any former holder.
- (g) A person whose shares have been forfeited ceases to be a member as to the forfeited shares, but must, if the Board decides, pay to the company:
 - (1) all calls, instalments, interest, costs, expenses and damages owing on the shares at the time of the forfeiture; and
 - (2) interest on the unpaid part of the amount payable under rule 3.4(g)(1), from the date of the forfeiture to the date of payment, at a rate determined under rule 3.9.
- (h) The forfeiture of a share extinguishes all interest in, and all claims and demands against the company relating to, the forfeited share and, subject to rule 3.8(i), all other rights attached to the share.
- (i) The Board may:
 - (1) exempt a share from all or part of this rule 3.4;
 - (2) waive or compromise all or part of any payment due to the company under this rule 3.4; and
 - (3) before a forfeited share has been sold, reissued or otherwise disposed of, cancel the forfeiture on the conditions it decides.

3.5 Members' indemnity

- (a) If the company becomes liable for any reason under a law to make a payment:
 - (1) in respect of shares held solely or jointly by a member;
 - (2) in respect of a transfer or transmission of shares by a member;



- (3) in respect of dividends, bonuses or other amounts due or payable or which may become due and payable to a member; or
 - (4) in any other way for, on account of or relating to a member, rules 3.5(b) and 3.5(c) apply, in addition to any right or remedy the company may otherwise have.
- (b) The member or if the member is dead, the member's legal personal representative must:
 - (1) fully indemnify the company against that liability;
 - (2) on demand reimburse the company for any payment made; and
 - (3) pay interest on the unpaid part of the amount payable to the company under rule 3.5(b)(2), from the date of demand until the date the company is reimbursed in full for that payment, at a rate determined under rule 3.9.
- (c) The Board may:
 - (1) exempt a share from all or part of this rule 3.5; and
 - (2) waive or compromise all or part of any payment due to the company under this rule 3.5.

3.6 Lien on shares

- (a) The company has a first lien on:
 - (1) each partly paid share for all unpaid calls and instalments due on that share; and
 - (2) each share for any amounts the company is required by law to pay and has paid in respect of that share.

In each case the lien extends to reasonable interest and expenses incurred because the amount is not paid.
- (b) The company's lien on a share extends to all dividends payable on the share and to the proceeds of sale of the share.
- (c) The Board may sell a share on which the company has a lien as it thinks fit where:
 - (1) an amount for which a lien exists under this rule 3.6 is presently payable; and
 - (2) the company has given the registered holder a written notice, at least 14 days before the date of the sale, stating and demanding payment of that amount.
- (d) The Board may do anything necessary or desirable under the ASX Settlement Operating Rules to protect any lien, charge or other right to which the company is entitled under this constitution or a law.
- (e) When the company registers a transfer of shares on which the company has a lien without giving the transferee notice of its claim, the company's lien is released so far as it relates to amounts owing by the transferor or any predecessor in title.
- (f) The Board may:
 - (1) exempt a share from all or part of this rule 3.6; and



- (2) waive or compromise all or part of any payment due to the company under this rule 3.6.

3.7 Surrender of shares

- (a) The Board may accept a surrender of a share by way of compromise of a claim.
- (b) Any share so surrendered may be sold, reissued or otherwise disposed in the same manner as a forfeited share.

3.8 Sale, reissue or other disposal of shares by the company

- (a) A reference in this rule 3.8 to a sale of a share by the company is a reference to any sale, reissue or other disposal of a share under rule 3.4(f), rule 3.6(c) or rule 5.4.
- (b) When the company sells a share, the Board may:
 - (1) receive the purchase money or consideration given for the share;
 - (2) effect a transfer of the share or execute or appoint a person to execute, on behalf of the former holder, a transfer of the share; and
 - (3) register as the holder of the share the person to whom the share is sold.
- (c) A person to whom the company sells shares need not take any steps to investigate the regularity or validity of the sale, or to see how the purchase money or consideration on the sale is applied. That person's title to the shares is not affected by any irregularity by the company in relation to the sale. A sale of the share by the company is valid even if a Transmission Event occurs to the member before the sale.
- (d) The only remedy of a person who suffers a loss because of a sale of a share by the company is a claim for damages against the company.
- (e) The proceeds of a sale of shares by the company must be applied in paying:
 - (1) first, the expenses of the sale;
 - (2) secondly, all amounts payable (whether presently or not) by the former holder to the company,and any balance must be paid to the former holder on the former holder delivering to the company proof of title to the shares acceptable to the Board.
- (f) The proceeds of sale arising from a notice under rule 5.4(b) must not be applied in payment of the expenses of the sale and must be paid to the former holder on the former holder delivering to the company proof of title to the shares acceptable to the Board.
- (g) Until the proceeds of a sale of a share sold by the company are claimed or otherwise disposed of according to law, the Board may invest or use the proceeds in any other way for the benefit of the company.
- (h) The company is not required to pay interest on money payable to a former holder under this rule 3.8.
- (i) On completion of a sale, reissue or other disposal of a share under rule 3.4(f), the rights which attach to the share which were extinguished under rule 3.4(h) revive.
- (j) A written statement by a director or secretary of the company that a share in the company has been:



- (1) duly forfeited under rule 3.4(b);
- (2) duly sold, reissued or otherwise disposed of under rule 3.4(f); or
- (3) duly sold under rule 3.6(c) or rule 5.4,

on a date stated in the statement is conclusive evidence of the facts stated as against all persons claiming to be entitled to the share, and of the right of the company to forfeit, sell, reissue or otherwise dispose of the share.

3.9 Interest payable by member

- (a) For the purposes of rules 3.1(h)(1), 3.4(g)(2) and 3.5(b)(3), the rate of interest payable to the company is:
 - (1) if the Board has fixed a rate, that rate; or
 - (2) in any other case, a rate per annum 2% higher than the rate prescribed in respect of unpaid judgments in the Supreme Court of the state or territory in which the company is registered.
- (b) Interest accrues daily and may be capitalised monthly or at such other intervals the Board decides.

4 Distributions

4.1 Dividends

- (a) The Board may pay any interim and final dividends that, in its judgment, the financial position of the company justifies.
- (b) The Board may rescind a decision to pay a dividend if it decides, before the payment date, that the company's financial position no longer justifies the payment.
- (c) The Board may pay any dividend required to be paid under the terms of issue of a share.
- (d) Paying a dividend does not require confirmation at a general meeting.
- (e) Subject to any rights or restrictions attached to any shares or class of shares:
 - (1) all dividends must be paid equally on all shares, except that a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid (not credited) on the share is of the total amounts paid and payable (excluding amounts credited);
 - (2) for the purposes of rule 4.1(e)(1), unless the Board decides otherwise, an amount paid on a share in advance of a call is to be taken as not having been paid until it becomes payable; and
 - (3) interest is not payable by the company on any dividend.
- (f) Subject to the ASX Settlement Operating Rules, the Board may fix a record date for a dividend, with or without suspending the registration of transfers from that date under rule 5.3.
- (g) Subject to the ASX Settlement Operating Rules, a dividend in respect of a share must be paid to the person who is registered, or entitled under rule 5.1(c) to be registered, as the holder of the share:

- (1) where the Board has fixed a record date in respect of the dividend, on that date; or
 - (2) where the Board has not fixed a record date in respect of that dividend, on the date fixed for payment of the dividend,
- and a transfer of a share that is not registered, or left with the company for registration under rule 5.1(b), on or before that date is not effective, as against the company, to pass any right to the dividend.
- (h) When resolving to pay a dividend, the Board may direct payment of the dividend from any available source permitted by law, including:
 - (1) wholly or partly by the distribution of specific assets, including paid-up shares or other securities of the company or of another body corporate, either generally or to specific members; and
 - (2) unless prevented by the Listing Rules, to particular members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source, and to the other members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source.
 - (i) Subject to the ASX Settlement Operating Rules, where a person is entitled to a share because of a Transmission Event, the Board may, but need not, retain any dividends payable on that share until that person becomes registered as the holder of that share or transfers it.
 - (j) The Board may retain from any dividend payable to a member any amount presently payable by the member to the company and apply the amount retained to the amount owing.
 - (k) The Board may decide the method of payment of any dividend or other amount in respect of a share. Different methods of payment may apply to different members or groups of members (such as overseas members). Without limiting any other method of payment which the company may adopt, payment in respect of a share may be made:
 - (1) by such electronic or other means approved by the Board directly to an account (of a type approved by the Board) nominated in writing by the member or the joint holders; or
 - (2) by cheque sent to the address of the member shown in the register of members or, in the case of joint holders, to the address shown in the register of members of any of the joint holders, or to such other address as the member or any of the joint holders in writing direct.
 - (l) A cheque sent under rule 4.1(k):
 - (1) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs; and
 - (2) is sent at the member's risk.
 - (m) If the Board decides that payments will be made by electronic transfer into an account (of a type approved by the Board) nominated by a member, but no such account is nominated by the member or an electronic transfer into a nominated account is rejected or refunded, the company may credit the amount payable to an account of the company to be held until the member nominates a valid account.
 - (n) Where a member does not have a registered address or the company believes that a member is not known at the member's registered address, the company may credit an amount payable in respect of the member's shares to an account



of the company to be held until the member claims the amount payable or nominates an account into which a payment may be made.

- (o) An amount credited to an account under rules 4.1(m) or 4.1(n) is to be treated as having been paid to the member at the time it is credited to that account. The company will not be a trustee of the money and no interest will accrue on the money. The money may be used for the benefit of the company until claimed, reinvested under rule 4.1(p) or disposed of in accordance with the laws relating to unclaimed monies.
- (p) If a cheque for an amount payable under rule 4.1(k) is not presented for payment for at least 11 calendar months after issue or an amount is held in an account under rules 4.1(m) or 4.1(n) for at least 11 calendar months, the Board may:
 - (1) reinvest the amount, after deducting reasonable expenses, into shares in the company on behalf of, and in the name of, the member concerned and may stop payment on the cheque. The shares may be acquired on market or by way of new issue at a price the Board accepts is market price at the time. Any residual sum which arises from the reinvestment may be carried forward, or donated to charity on behalf of the member, as the Board decides. The company's liability to provide the relevant amount is discharged by an application under this rule 4.1(p). The Board may do anything necessary or desirable (including executing any document) on behalf of the member to effect the application of an amount under this rule 4.1(p). The Board may determine other rules to regulate the operation of this rule 4.1(p) and may delegate its power under this rule to any person; or
 - (2) stop payment on the cheque and invest or otherwise make use of the amount for the benefit of the company until claimed or otherwise disposed of according to the laws relating to unclaimed monies.

4.2 Capitalising profits

- (a) Subject to the Listing Rules, any rights or restrictions attached to any shares or class of shares and any special resolution of the company, the Board may capitalise and distribute among those members who would be entitled to receive dividends and in the same proportions, any amount:
 - (1) forming part of the undivided profits of the company;
 - (2) representing profits arising from an ascertained accretion to capital or a revaluation of the assets of the company;
 - (3) arising from the realisation of any assets of the company; or
 - (4) otherwise available for distribution as a dividend.
- (b) The Board may resolve that all or any part of the capitalised amount is to be applied:
 - (1) in paying up in full, at an issue price decided by the resolution, any unissued shares in or other securities of the company;
 - (2) in paying up any amounts unpaid on shares or other securities held by the members;
 - (3) partly as specified in rule 4.2(b)(1) and partly as specified in rule 4.2(b)(2);

- (4) or any other method permitted by law.

The members entitled to share in the distribution must accept that application in full satisfaction of their interest in the capitalised amount.

- (c) Rules 4.1(e), 4.1(f) and 4.1(g) apply, so far as they can and with any necessary changes, to capitalising an amount under this rule 4.2 as if references in those rules to:
 - (1) a dividend were references to capitalising an amount; and
 - (2) a record date were references to the date the Board resolves to capitalise the amount under this rule 4.2.
- (d) Where in accordance with the terms and conditions on which options to take up shares are granted (and being options existing at the date of the passing of the resolution referred to in rule 4.2(b)) a holder of those options will be entitled to an issue of bonus shares under this rule 4.2, the Board may in determining the number of unissued shares to be so issued, allow in an appropriate manner for the future issue of bonus shares to options holders.

4.3 Ancillary powers

- (a) To give effect to any resolution to reduce the capital of the company, to satisfy a dividend as set out in rule 4.1(h)(1) or to capitalise any amount under rule 4.2, the Board may:
 - (1) settle as it thinks expedient any difficulty that arises in making the distribution or capitalisation and, in particular, make cash payments in cases where members are entitled to fractions of shares or other securities and decide that amounts or fractions of less than a particular value decided by the Board may be disregarded to adjust the rights of all parties;
 - (2) fix the value for distribution of any specific assets;
 - (3) pay cash or issue shares or other securities to any member to adjust the rights of all parties;
 - (4) vest any of those specific assets, cash, shares or other securities in a trustee on trust for the persons entitled to the distribution or capitalised amount that seem expedient to the Board; and
 - (5) authorise any person to make, on behalf of all the members entitled to any specific assets, cash, shares or other securities as a result of the distribution or capitalisation, an agreement with the company or another person which provides, as appropriate, for the distribution or issue to them of shares or other securities credited as fully paid up or for payment by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by applying their respective proportions of the amount resolved to be distributed or capitalised.
- (b) Any agreement made under an authority referred to in rule 4.3(a)(5) is effective and binds all members concerned.
- (c) If a distribution, transfer or issue of specific assets, shares or securities to a particular member or members is, in the Board's discretion, considered impracticable or would give rise to parcels of securities which do not constitute a marketable parcel, the Board may make a cash payment to those members or allocate the assets, shares or securities to a trustee to be sold on behalf of, and for the benefit of, those members, instead of making the distribution, transfer or



issue to those members. Any proceeds receivable by members under this rule 4.3(c) will be net of any expenses incurred by the company or trustee in selling the relevant assets, shares or securities.

- (d) If the company distributes to members (either generally or to specific members) securities in the company or in another body corporate or trust (whether as a dividend or otherwise and whether or not for value), each of those members appoints the company as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

4.4 Reserves

- (a) The Board may set aside out of the company's profits any reserves or provisions it decides.
- (b) The Board may appropriate to the company's profits any amount previously set aside as a reserve or provision.
- (c) Setting aside an amount as a reserve or provision does not require the Board to keep the amount separate from the company's other assets or prevent the amount being used in the company's business or being invested as the Board decides.

4.5 Carrying forward profits

The Board may carry forward any part of the profits remaining that they consider should not be distributed as dividends or capitalised, without transferring those profits to a reserve or provision.

5 Transfer and transmission of shares

5.1 Transferring shares

- (a) Subject to this constitution and to any restrictions attached to a member's shares, a member may transfer any of the member's shares by:
 - (1) a Proper ASTC Transfer; or
 - (2) a written transfer in any usual form or in any other form approved by the Board.
- (b) A transfer referred to in rule 5.1(a)(2) must be:
 - (1) signed by or on behalf of both the transferor and the transferee unless the transfer relates only to fully paid shares and the Board has dispensed with a signature by the transferee or the transfer of the shares is effected by a document which is, or documents which together are, a sufficient transfer of those shares under the Act;
 - (2) if required by law to be stamped, duly stamped; and
 - (3) left for registration at the company's registered office, or at any other place the Board decides, with such evidence the Board requires to prove the transferor's title or right to the shares and the transferee's right to be registered as the owner of the shares.



- (c) Subject to the powers vested in the Board under rules 5.2(a) and 5.3, where the company receives a transfer complying with rule 5.1, the company must register the transferee named in the transfer as the holder of the shares to which it relates.
- (d) A transferor of shares remains the holder of the shares until a Proper ASTC Transfer has been effected or the transferee's name is entered in the register of members as the holder of the shares.
- (e) The company must not charge a fee for registering a transfer of shares unless:
 - (1) the company is not listed on the Exchange; or
 - (2) the fee is permitted by the Listing Rules.
- (f) The company (or the company's securities registry) may put in place, and require compliance with, reasonable processes and procedures in connection with determining the authenticity of an instrument of transfer, notwithstanding that this may prevent, delay or interfere with the registration of the relevant instrument of transfer.
- (g) The company may retain a registered transfer for any period the Board decides.
- (h) The Board may do anything that is necessary or desirable for the company to participate in any computerised, electronic or other system for facilitating the transfer of shares or operation of the company's registers that may be owned, operated or sponsored by the Exchange or a related body corporate of the Exchange.
- (i) The Board may, to the extent the law permits, waive any of the requirements of this rule 5.1 and prescribe alternative requirements instead, to give effect to rule 5.1(h) or for another purpose.

5.2 Power to decline to register transfers

- (a) The Board may decline to register, or prevent registration of, a transfer of shares or apply a holding lock to prevent a transfer in accordance with the Act or the Listing Rules where:
 - (1) the transfer is not in registrable form;
 - (2) the company has a lien on any of the shares transferred;
 - (3) registration of the transfer may breach a law of Australia;
 - (4) the transfer is paper-based and registration of the transfer will result in a holding which, at the time the transfer is lodged, is less than a marketable parcel;
 - (5) the transfer is not permitted under the terms of an employee share plan; or
 - (6) the company is otherwise permitted or required to do so under the Listing Rules or, except for a Proper ASTC Transfer, under the terms of issue of the shares.
- (b) If the Board declines to register a transfer, the company must give notice of the refusal as required by the Act and the Listing Rules. Failure to give that notice will not invalidate the decision of the Board to decline to register the transfer.
- (c) The Board may delegate its authority under this rule 5.2 to any person.

5.3 Power to suspend registration of transfers

The Board may suspend the registration of transfers at any times, and for any periods, permitted by the ASX Settlement Operating Rules that it decides.

5.4 Selling non marketable parcels

- (a) The Board may sell shares which constitute less than a marketable parcel by following the procedures in this rule 5.4.
- (b) The Board may send to a member who holds, on a date decided by the Board, less than a marketable parcel of shares in a class of shares of the company, a notice which:
 - (1) explains the effect of the notice under this rule 5.4; and
 - (2) advises the holder that he or she may choose to be exempt from the provisions of this rule. A form of election for that purpose must be sent with the notice.
- (c) If, before 5.00pm **Sydney** time on a date specified in the notice which is no earlier than 6 weeks after the notice is sent:
 - (1) the company has not received a notice from the member choosing to be exempt from the provisions of this rule 5.4; and
 - (2) the member has not increased his or her shareholding to a marketable parcel,

the member is taken to have irrevocably appointed the company as his or her agent to do anything in rule 5.4(e).
- (d) In addition to initiating a sale by sending a notice under rule 5.4(b), the Board may also initiate a sale if a member holds less than a marketable parcel at the time that the transfer document was initiated or, in the case of a paper-based transfer document, was lodged with the company. In that case:
 - (1) the member is taken to have irrevocably appointed the company as his or her agent to do anything in rule 5.4(e); and
 - (2) the Board may remove or change the member's rights to vote or receive dividends in respect of those shares. Any dividends withheld must be sent to the former holder after the sale when the former holder delivers to the company such proof of title as the Board accepts.
- (e) The company may:
 - (1) sell the shares constituting less than a marketable parcel as soon as practicable at a price which the Board consider is the best price reasonably available for the shares when they are sold;
 - (2) deal with the proceeds of sale under rule 3.8; and
 - (3) receive any disclosure document, including a financial services guide, as agent for the member.
- (f) The costs and expenses of any sale of shares arising from a notice under rule 5.4(b) (including brokerage and stamp duty) are payable by the purchaser or by the company.
- (g) A notice under rule 5.4(b) may be given to a member only once in a 12 month period and may not be given during the offer period of a takeover bid for the company.



- (h) If a takeover bid is announced after a notice is given but before an agreement is entered into for the sale of shares, this rule ceases to operate for those shares. However, despite rule 5.4(g), a new notice under rule 5.4(b) may be given after the offer period of the takeover bid closes.
- (i) The Board may, before a sale is effected under this rule 5.4, revoke a notice given or suspend or terminate the operation of this rule either generally or in specific cases.
- (j) If a member is registered in respect of more than one parcel of shares, the Board may treat the member as a separate member in respect of each of those parcels so that this rule 5.4 will operate as if each parcel was held by different persons.

5.5 Transmission of shares

- (a) Subject to rule 5.5(c), where a member dies, the only persons the company will recognise as having any title to the member's shares or any benefits accruing on those shares are:
 - (1) where the deceased was a sole holder, the legal personal representative of the deceased; and
 - (2) where the deceased was a joint holder, the survivor or survivors.
- (b) Rule 5.5(a) does not release the estate of a deceased member from any liability on a share, whether that share was held by the deceased solely or jointly with other persons.
- (c) The Board may register a transfer of shares signed by a member before a Transmission Event even though the company has notice of the Transmission Event.
- (d) A person who becomes entitled to a share because of a Transmission Event may, on producing such evidence as the Board requires to prove that person's entitlement to the share, choose:
 - (1) to be registered as the holder of the share by signing and giving the company a written notice stating that choice; or
 - (2) to nominate some other person to be registered as the transferee of the share by executing or effecting in some other way a transfer of the share to that other person.
- (e) The provisions of this constitution concerning the right to transfer shares and the registration of transfers of shares apply, so far as they can and with any necessary changes, to a notice or transfer under rule 5.5(d) as if the relevant Transmission Event had not occurred and the notice or transfer were executed or effected by the registered holder of the share.
- (f) Where 2 or more persons are jointly entitled to a share because of a Transmission Event they will, on being registered as the holders of the share, be taken to hold the share as joint tenants and rule 2.6 will apply to them.

6 Plebiscite to approve proportional takeover bids

6.1 Definitions

The meanings of the terms used in this rule 6 are set out below.

Term	Meaning
Approving Resolution	in relation to a Proportional Takeover Bid, a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.
Approving Resolution Deadline	in relation to a Proportional Takeover Bid, the day that is 14 days before the last day of the bid period and during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.
Proportional Takeover Bid	a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.
Relevant Class	in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

6.2 Transfers not to be registered

Despite rules 5.1(c) and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the Board must:
 - (1) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (2) ensure that the resolution is voted on in accordance with this rule 6.3, before the Approving Resolution Deadline.
- (b) The provisions of this constitution relating to general meetings apply, with such modification as the circumstances require, to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.



- (d) Subject to rule 6.3(c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held securities of the relevant class, is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.

6.4 Sunset

Rules 6.1, 6.2 and 6.3, cease to have effect at the end of 3 years beginning:

- (a) where those rules have not been renewed in accordance with the Act, on the date that those rules were adopted by the company; or
- (b) where those rules have been renewed in accordance with the Act, on the date those rules were last renewed.

7 General meetings

7.1 Calling general meetings

- (a) A general meeting may only be called:
 - (1) by a Board resolution; or
 - (2) as otherwise provided in the Act.
- (b) The Board may, by notice to the Exchange, change the venue for, postpone or cancel a general meeting, if it considers that the meeting has become unnecessary, or the venue would be unreasonable or impractical or a change is necessary in the interests of conducting the meeting efficiently, but:
 - (1) a meeting which is called in accordance with a members' requisition under the Act; and
 - (2) any other meeting which is not called by a Board resolution.may not be postponed or cancelled without the prior written consent of the person or persons who called or requisitioned the meeting.

7.2 Notice of general meetings

- (a) Notice of a general meeting must be given to each person who at the time of giving the notice:
 - (1) is a member, director or auditor of the company; or
 - (2) is entitled to a share because of a Transmission Event and has satisfied the Board of his or her right to be registered as the holder of, or to transfer, the shares.



- (b) The content of a notice of a general meeting called by the Board is to be decided by the Board, but it must state the general nature of the business to be transacted at the meeting and any other matters required by the Act.
- (c) Unless the Act provides otherwise:
 - (1) no business may be transacted at a general meeting unless the general nature of the business is stated in the notice calling the meeting; and
 - (2) except with the approval of the Board or the chairperson, no person may move any amendment to a proposed resolution the terms of which are set out in the notice calling the meeting or to a document which relates to such a resolution and a copy of which has been made available to members to inspect or obtain.
- (d) A person may waive notice of any general meeting by written notice to the company.
- (e) Failure to give a member or any other person notice of a general meeting or a proxy form, does not invalidate anything done or resolution passed at the general meeting if:
 - (1) the failure occurred by accident or inadvertent error; or
 - (2) before or after the meeting, the person notifies the company of the person's agreement to that thing or resolution.
- (f) A person's attendance at a general meeting waives any objection that person may have to:
 - (1) a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (2) the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

7.3 Admission to general meetings

- (a) The chairperson of a general meeting may take any action he or she considers appropriate for the safety of persons attending the meeting and the orderly conduct of the meeting and may refuse admission to, or require to leave and remain out of, the meeting any person:
 - (1) in possession of a pictorial-recording or sound-recording device;
 - (2) in possession of a placard or banner;
 - (3) in possession of an article considered by the chairperson to be dangerous, offensive or liable to cause disruption;
 - (4) who refuses to produce or permit examination of any article, or the contents of any article, in the person's possession;
 - (5) who refuses to comply with a request to turn off a mobile telephone, personal communication device or similar device;
 - (6) who behaves or threatens to behave or who the chairperson has reasonable grounds to believe may behave in a dangerous, offensive or disruptive way; or
 - (7) who is not entitled to receive notice of the meeting.



The chairperson may delegate the powers conferred by this rule to any person he or she thinks fit.

- (b) A person, whether a member or not, requested by the Board or the chairperson to attend a general meeting is entitled to be present and, at the request of the chairperson, to speak at the meeting.
- (c) If the chairperson of a general meeting considers that there is not enough room for the members who wish to attend the meeting, he or she may arrange for any person whom he or she considers cannot be seated in the main meeting room to observe or attend the general meeting in a separate room. Even if the members present in the separate room are not able to participate in the conduct of the meeting, the meeting will nevertheless be treated as validly held in the main room.
- (d) If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:
 - (1) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
 - (2) enables the chairperson to be aware of proceedings in the other place; and
 - (3) enables the members in the separate meeting place to vote on a show of hands or on a poll,a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.
- (e) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in rule 7.3(d) is not satisfied, the chairperson may:
 - (1) adjourn the meeting until the difficulty is remedied; or
 - (2) continue to hold the meeting in the main place (and any other place which is linked under rule 7.3(d) and transact business, and no member may object to the meeting being held or continuing.
- (f) Nothing in this rule 7.3 or in rule 7.6 is to be taken to limit the powers conferred on the chairperson by law.

7.4 Quorum at general meetings

- (a) No business may be transacted at a general meeting, except the election of a chairperson and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business.
- (b) A quorum is 5 or more members present at the meeting and entitled to vote on a resolution at the meeting.
- (c) If a quorum is not present within 30 minutes after the time appointed for the general meeting:
 - (1) where the meeting was called at the request of members, the meeting must be dissolved; or
 - (2) in any other case, the meeting stands adjourned to the day, and at the time and place, the directors present decide or, if they do not make a decision, to the same day in the next week at the same time and place and if a quorum is not present at the adjourned meeting within

30 minutes after the time appointed for the meeting, the meeting must be dissolved.

7.5 Chairperson of general meetings

- (a) The chairperson of the Board or, in the absence of the chairperson, the deputy chairperson of the Board is entitled, if present within 15 minutes after the time appointed for a general meeting and willing to act, to preside as chairperson at the meeting.
- (b) The directors present may choose one of their number to preside as chairperson if, at a general meeting:
 - (1) there is no chairperson or deputy chairperson of the Board;
 - (2) neither the chairperson nor the deputy chairperson of the Board is present within 15 minutes after the time appointed for the meeting; or
 - (3) neither the chairperson nor the deputy chairperson of the Board is willing to act as chairperson of the meeting.
- (c) If the directors do not choose a chairperson under rule 7.5(b), the members present must elect as chairperson of the meeting:
 - (1) another director who is present and willing to act; or
 - (2) if no other director willing to act is present at the meeting, a member who is present and willing to act.
- (d) A chairperson of a general meeting may, for any item of business or discrete part of the meeting, vacate the chair in favour of another person nominated by him or her (**Acting Chairperson**). Where an instrument of proxy appoints the chairperson as proxy for part of the proceedings for which an Acting Chairperson has been nominated, the instrument of proxy is taken to be in favour of the Acting Chairperson for the relevant part of the proceedings.
- (e) Wherever the term 'chairperson' is used in this rule 7, it is to be read as a reference to the chairperson of the general meeting, unless the context indicates otherwise.

7.6 Conduct at general meetings

- (a) Subject to the provisions of the Act, the chairperson of a general meeting is responsible for the general conduct of the meeting and for the procedures to be adopted at the meeting.
- (b) The chairperson may, at any time the chairperson considers it necessary or desirable for the efficient and orderly conduct of the meeting:
 - (1) impose a limit on the time that a person may speak on each motion or other item of business and terminate debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the members present;
 - (2) adopt any procedures for casting or recording votes at the meeting whether on a show of hands or on a poll, including the appointment of scrutineers; and
 - (3) decide not to put up at the meeting any resolution proposed in the notice convening the meeting (other than a resolution proposed by



members in accordance with section 249N of the Act or required by the Act to be put to the meeting).

- (c) A decision by a chairperson under rules 7.6(a) or 7.6(b) is final.
- (d) The chairperson may postpone the meeting before it has started, whether or not a quorum is present, if, at the time and place appointed for the meeting, he or she considers that:
 - (1) there is not enough room for the number of members who wish to attend the meeting; or
 - (2) a postponement is necessary in light of the behaviour of persons present or for any other reason so that the business of the meeting can be properly carried out.
- (e) A postponement under rule 7.6(d) will be to another time, which may be on the same day as the meeting, and may be to another place (and the new time and place will be taken to be the time and place for the meeting as if specified in the notice which called the meeting originally).
- (f) The chairperson may at any time during the course of the meeting:
 - (1) adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting; and
 - (2) for the purpose of allowing any poll to be taken or determined, suspend the proceedings of the meeting for such period or periods as he or she decides without effecting an adjournment. No business may be transacted and no discussion may take place during any suspension of proceedings unless the chairperson otherwise allows.
- (g) The chairperson's rights under rules 7.6(d) and 7.6(f) are exclusive and, unless the chairperson requires otherwise, no vote may be taken or demanded by the members present concerning any postponement, adjournment or suspension of proceedings.
- (h) Only unfinished business may be transacted at a meeting resumed after an adjournment.
- (i) Where a meeting is postponed or adjourned under this rule 7.6, notice of the postponed or adjourned meeting must be given to the Exchange, but, except as provided by rule 7.6(k), need not be given to any other person.
- (j) Where a meeting is postponed or adjourned, the Board may, by notice to the Exchange, postpone, cancel or change the place of the postponed or adjourned meeting.
- (k) Where a meeting is postponed or adjourned for 30 days or more, notice of the postponed or adjourned meeting must be given as in the case of the original meeting.

7.7 Decisions at general meetings

- (a) Except where a resolution requires a special majority, questions arising at a general meeting must be decided by a majority of votes cast by the members present at the meeting. A decision made in this way is for all purposes, a decision of the members.
- (b) If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.



- (c) The chairperson may determine that any question to be submitted to a general meeting be determined by a poll without first submitting the question to the meeting to be decided on a show of hands.
- (d) Unless the chairperson makes the determination referred to in rule 7.7(c), each question submitted to a general meeting is to be decided in the first instance by a show of hands of the shareholders present and entitled to vote.
- (e) A poll may be demanded by members in accordance with the Act (and not otherwise) or by the chairperson.
- (f) A demand for a poll does not prevent a general meeting continuing to transact any business except the question on which the poll is demanded.
- (g) Unless a poll is duly demanded, a declaration by the chairperson that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- (h) If a poll is duly demanded at a general meeting, it must be taken in the way and either at once or after an interval or adjournment as the chairperson directs. The result of the poll as declared by the chairperson is the resolution of the meeting at which the poll was demanded.
- (i) A poll cannot be demanded at a general meeting on the election of a chairperson.
- (j) The demand for a poll may be withdrawn with the chairperson's consent.

7.8 Direct voting

- (a) Despite anything to the contrary in this constitution, the directors may decide that, at any general meeting or class meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A 'direct vote' includes a vote delivered to the company by post, fax or other electronic means approved by the directors.
- (b) The directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.

7.9 Voting rights

- (a) Subject to this constitution and the Act and to any rights or restrictions attached to any shares or class of shares, at a general meeting:
 - (1) on a show of hands, every member present has one vote; and
 - (2) on a poll, every member present has one vote for each share held as at the Record Time by the member entitling the member to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.
- (b) If a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member, on a show of hands the



person is entitled to one vote only even though he or she represents more than one member.

- (c) A joint holder may vote at a meeting either personally or by proxy, attorney or Representative as if that person was the sole holder. If more than one joint holder tenders a vote in respect of the relevant shares, the vote of the holder named first in the register who tenders a vote, whether in person or by proxy, attorney or Representative, must be accepted to the exclusion of the votes of the other joint holders.
- (d) The parent or guardian of an infant member may vote at any general meeting on such evidence being produced of the relationship or of the appointment of the guardian as the Board may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.
- (e) A person entitled to a share because of a Transmission Event may vote at a general meeting in respect of that share in the same way as if that person were the registered holder of the share if, at least 48 hours before the meeting (or such shorter time as the Board determines), the Board:
 - (1) admitted that person's right to vote at that meeting in respect of the share; or
 - (2) was satisfied of that person's right to be registered as the holder of, or to transfer, the share.Any vote duly tendered by that person must be accepted and the vote of the registered holder of those shares must not be counted.
- (f) Where a member holds a share on which a call or other amount payable to the company has not been duly paid:
 - (1) that member is only entitled to be present at a general meeting and vote if that member holds, as at the Record Time, other shares on which no money is then due and payable; and
 - (2) on a poll, that member is not entitled to vote in respect of that share but may vote in respect of any shares that member holds, as at the Record Time, on which no money is then due and payable.
- (g) A member is not entitled to vote on a resolution if, under the Act or the Listing Rules:
 - (1) the member must not vote or must abstain from voting on the resolution; or
 - (2) a vote on the resolution by the member must be disregarded for any purposes.If the member or a person acting as proxy, attorney or Representative of the member does tender a vote on that resolution, their vote must not be counted.
- (h) An objection to the validity of a vote tendered at a general meeting must be:
 - (1) raised before or immediately after the result of the vote is declared; and
 - (2) referred to the chairperson, whose decision is final.
- (i) A vote tendered, but not disallowed by the chairperson under rule 7.9(h), is valid for all purposes, even if it would not otherwise have been valid.



- (j) The chairperson may decide any difficulty or dispute which arises as to the number of votes which may be cast by or on behalf of any member and the decision of the chairperson is final.

7.10 Representation at general meetings

- (a) Subject to this constitution, each member entitled to vote at a general meeting may vote:
 - (1) in person or, where a member is a body corporate, by its Representative;
 - (2) by not more than 2 proxies; or
 - (3) by not more than 2 attorneys.
- (b) A proxy, attorney or Representative may, but need not, be a member of the company.
- (c) An instrument appointing a proxy is valid if it is in accordance with the Act or in any form approved by the Board.
- (d) For the purposes of this rule 7.10 a proxy appointment received at an electronic address specified in the notice of general meeting for the receipt of proxy appointment or otherwise received by the company in accordance with the Act is taken to have been signed or executed if the appointment:
 - (1) includes or is accompanied by a personal identification code allocated by the company to the member making the appointment;
 - (2) has been authorised by the member in another manner approved by the Board and specified in or with the notice of meeting; or
 - (3) is otherwise authenticated in accordance with the Act.
- (e) A vote given in accordance with an instrument appointing a proxy or attorney is valid despite the transfer of the share in respect of which the instrument was given if the transfer is not registered by the time at which the instrument appointing the proxy or attorney is required to be received under rule 7.10(j).
- (f) Unless the instrument or resolution appointing a proxy, attorney or Representative provides differently, the proxy, attorney or Representative has the same rights to speak, demand a poll, join in demanding a poll or act generally at the meeting as the member would have had if the member was present.
- (g) Unless otherwise provided in the appointment of a proxy, attorney or Representative, an appointment will be taken to confer authority:
 - (1) even though the instrument may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions, to do any of the acts specified in rule 7.10(h); and
 - (2) even though the instrument may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled, adjourned or postponed to another time or changed to another venue, to attend and vote at the rescheduled, adjourned or postponed meeting or at the new venue.
- (h) The acts referred to in rule 7.10(g)(1) are:
 - (1) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;



- (2) to vote on any motion before the general meeting, whether or not the motion is referred to in the appointment; and
 - (3) to act generally at the meeting (including to speak, demand a poll, join in demanding a poll and to move motions).
- (i) A proxy form issued by the company must allow for the insertion of the name of the person to be primarily appointed as proxy and may provide that, in circumstances and on conditions specified in the form that are not inconsistent with this constitution, the chairperson of the relevant meeting (or another person specified in the form) is appointed as proxy.
- (j) A proxy or attorney may not vote at a general meeting or adjourned or postponed meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the company:
 - (1) at least 48 hours, or such lesser time as specified by the Board and notified in the notice of meeting, (or in the case of an adjournment or postponement of a meeting, any lesser time that the Board or the chairperson of the meeting decides) before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable; or
 - (2) where rule 7.10(k)(2) applies, such shorter period before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable, as the company determines in its discretion.

A document is received by the company under this rule 7.10(j) when it is received in accordance with the Act, and to the extent permitted by the Act, if the document is produced or the transmission of the document is otherwise verified to the company in the way specified in the notice of meeting.
- (k) Where the company receives an instrument appointing a proxy or attorney in accordance with rule 7.10 and within the time period specified in rule 7.10(j)(1), the company is entitled to:
 - (1) clarify with the appointing member any instruction in relation to that instrument by written or verbal communication and make any amendments to the instrument required to reflect any clarification; and
 - (2) where the company considers that the instrument has not been duly executed, return the instrument to the appointing member and request that the member duly execute the instrument and return it to the company within the period determined by the company under rule 7.10(j)(2) and notified to the member.
- (l) The member is taken to have appointed the company as its attorney for the purpose of any amendments made to an instrument appointing a proxy in accordance with rule 7.10(k)(1). An instrument appointing a proxy or attorney which is received by the company in accordance with rule 7.10(k) is taken to have been validly received by the company.
- (m) The appointment of a proxy or attorney is not revoked by the appointor attending and taking part in the general meeting, but if the appointor votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointor's proxy or attorney on the resolution.
- (n) Where a member appoints 2 proxies or attorneys to vote at the same general meeting:



- (1) if the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half the member's votes;
 - (2) on a show of hands, neither proxy or attorney may vote if more than one proxy or attorney attends; and
 - (3) on a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.
- (o) Unless written notice of the matter has been received at the company's registered office (or at another place specified for lodging an appointment of a proxy, attorney or Representative for the meeting) within the time period specified under rule 7.10(j)(1) or 7.10(j)(2) (as applicable) a vote cast by a proxy, attorney or Representative is valid even if, before the vote is cast:
 - (1) a Transmission Event occurs to the member; or
 - (2) the member revokes the appointment of the proxy, attorney or Representative or revokes the authority under which a third party appointed the proxy, attorney or Representative.
- (p) The chairperson of a meeting may require a person acting as a proxy, attorney or Representative to establish to the chairperson's satisfaction that the person is the person duly appointed to act. If the person fails to satisfy the requirement, the chairperson may :
 - (1) exclude the person from attending or voting at the meeting; or
 - (2) permit the person to exercise the powers of a proxy, attorney or Representative on the condition that, if required by the company, he or she produce evidence of the appointment within the time set by the chairperson.
- (q) The chairperson may delegate his or her powers under rule 7.10(p) to any person.

8 Directors

8.1 Appointment and retirement of directors

- (a) The number of directors (not including alternate directors) shall:
 - (1) not be less than 3; and
 - (2) not be more than 8,unless the company resolves otherwise at a general meeting.
- (b) The Board may appoint any eligible person to be a director, either as an addition to the existing directors or to fill a casual vacancy, but so that the total number of directors does not exceed the maximum number fixed under this constitution.
- (c) A director appointed by the Board under rule 8.1(b), who is not a managing director, holds office until the conclusion of the next AGM following his or her appointment.



- (d) No director who is not the managing director may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.
- (e) If there is more than one managing director, only one of them, nominated by the Board, is entitled not to be subject to vacation of office under rule 8.1(c) or retirement under rule 8.1(d) or 8.1(f).
- (f) To the extent that the Listing Rules require an election of directors to be held and no director would otherwise be required (by rules 8.1(c) or 8.1(d)) to submit for election or re-election the director to retire is any director who wishes to retire (whether or not he or she intends to stand for re-election), otherwise it is the director who has been longest in office since their last election or appointment (excluding the managing director). As between directors who were last elected or appointed on the same day, the director to retire must be decided by lot (unless they can agree among themselves).
- (g) A director is not required to retire and is not relieved from retiring because of a change in the number or identity of the directors after the date of the notice calling the AGM but before the meeting closes.
- (h) The members may by resolution at a general meeting appoint an eligible person to be a director, either as an addition to the existing directors or to fill a casual vacancy, but so that the total number of directors does not exceed the maximum number fixed under this constitution.
- (i) The retirement of a director from office under this constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occur.
- (j) A person is eligible for election to the office of a director at a general meeting only if:
 - (1) the person is in office as a director immediately before that meeting;
 - (2) the person has been nominated by the Board for election at that meeting;
 - (3) in any other case, not less than the number of members specified in the Act as being required to give notice of a resolution at a general meeting of the company have:
 - (A) at least 45 Business Days; or
 - (B) in the case of a general meeting which the directors have been duly requested by members under the Act to call, at least 30 Business Days,but, in each case, no more than 90 Business Days, before the meeting given the company:
 - (C) a notice signed by the members stating their intention to nominate the person for election; and
 - (D) a notice signed by the person so nominated stating his or her consent to the nomination.
- (k) A partner, employer or employee of an auditor of the company may not be appointed or elected as a director.



8.2 Vacating office

In addition to the circumstances prescribed by the Act and this constitution, the office of a director becomes vacant if the director:

- (a) becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (b) becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally;
- (c) is convicted on indictment of an offence and the Board does not within one month after that conviction resolve to confirm the director's appointment or election (as the case may be) to the office of director;
- (d) fails to attend meetings of the Board for more than 3 consecutive months without leave of absence from the Board and a majority of the other directors have not, within 14 days of having been given a notice by the secretary giving details of the absence, resolved that leave of absence be granted; or
- (e) resigns by written notice to the company.

8.3 Remuneration

- (a) The Board may decide the remuneration from the company to which each director is entitled for his or her services as a director but the total amount provided to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by the company in general meeting.
- (b) When calculating a director's remuneration for the purposes of rule 8.3(a), any amount paid by the company or related body corporate:
 - (1) to a superannuation, retirement or pension fund for a director so that the company is not liable to pay the superannuation guarantee charge or similar statutory charge is to be included; and
 - (2) for any insurance premium paid or agreed to be paid for a director under rule 10.4 is to be excluded.
- (c) Remuneration under rule 8.3(a) may be provided in such manner that the Board decides, including by way of non-cash benefit, such as a contribution to a superannuation fund.
- (d) The remuneration is taken to accrue from day to day.
- (e) The remuneration of a director (who is not a managing director or an executive director) must not include a commission on, or a percentage of, profits or operating revenue.
- (f) The directors are entitled to be paid all travelling and other expenses they incur in attending to the company's affairs, including attending and returning from general meetings of the company or meetings of the Board or of committees of the Board. Such amounts will not form part of the aggregate remuneration permitted under rule 8.3(a).
- (g) Any director who devotes special attention to the business of the company, or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a director, may be remunerated for the services (as determined by the Board) out of the funds of the company. Any amount paid will not form part of the aggregate remuneration permitted under rule 8.3(a).

- (h) If a director is also an officer (other than a director) or executive of the company or of a related body corporate, any remuneration that director may receive for acting in their capacity as that officer or executive may be either in addition to or instead of that director's remuneration under rule 8.3(a).
- (i) The Board may:
 - (1) at any time after a director dies or ceases to hold office as a director for any other reason, pay or provide to the director or a legal personal representative, spouse, relative or dependant of the director, in addition to the remuneration of that director under rule 8.3(a), a pension or benefit for past services rendered by that director; and
 - (2) cause the company to enter into a contract with the director or a legal personal representative, spouse, relative or dependant of the director to give effect to such a payment or provide for such a benefit.
- (j) Any director may be paid a retirement benefit, as determined by the Board, in accordance with the Act. The Board may make arrangements with any director with respect to the payment of retirement benefits in accordance with this rule 8.3(j).
- (k) The Board may establish or support, or assist in the establishment or support, of funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or in respect of the directors or former directors and grant pensions and allowances to those persons or their dependants either by periodic payment or a lump sum.

8.4 Director need not be a member

- (a) A director is not required to hold any shares in the company to qualify for appointment.
- (b) A director is entitled to attend and speak at general meetings and at meetings of the holders of a class of shares, even if he or she is not a member or a holder of shares in the relevant class.

8.5 Directors may contract with the company and hold other offices

- (a) The Board may make regulations requiring the disclosure of interests that a director, and any person deemed by the Board to be related to or associated with the director, may have in any matter concerning the company or a related body corporate. Any regulations made under this constitution bind all directors.
- (b) No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a person fails to comply with any regulation made under rule 8.5(a).
- (c) A director is not disqualified from contracting or entering into an arrangement with the company as vendor, purchaser or in another capacity, merely because the director holds office as a director or because of the fiduciary obligations arising from that office.
- (d) A contract or arrangement entered into by or on behalf of the company in which a director is in any way interested is not invalid or voidable merely because the director holds office as a director or because of the fiduciary obligations arising from that office.
- (e) A director who is interested in any arrangement involving the company is not liable to account to the company for any profit realised under the arrangement merely because the director holds office as a director or because of the



fiduciary obligations arising from that office, provided that the director complies with the disclosure requirements applicable to the director under rule 8.5(a) and under the Act regarding that interest.

- (f) A director may hold any other office or position (except auditor) in the company or any related body corporate in conjunction with his or her directorship and may be appointed to that office or position on terms (including remuneration and tenure) the Board decides.
- (g) A director may be or become a director or other officer of, or interested in, any related body corporate or any other body corporate promoted by or associated with the company, or in which the company may be interested as a vendor, and, with the consent of the Board, need not account to the company for any remuneration or other benefits the director receives as a director or officer of, or from having an interest in, that body corporate.
- (h) A director who has an interest in a matter that is being considered at a meeting of the Board may, despite that interest, vote, be present and be counted in a quorum at the meeting, unless that is prohibited by the Act. No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a director fails to comply with that prohibition.
- (i) The Board may exercise the voting rights given by shares in any corporation held or owned by the company in any way the Board decides. This includes voting for any resolution appointing a director as a director or other officer of that corporation or voting for the payment of remuneration to the directors or other officers of that corporation. A director may, if the law permits, vote for the exercise of those voting rights even though he or she is, or may be about to be appointed, a director or other officer of that other corporation and, in that capacity, may be interested in the exercise of those voting rights.
- (j) A director who is interested in any contract or arrangement may, despite that interest, participate in the execution of any document by or on behalf of the company evidencing or otherwise connected with that contract or arrangement.

8.6 Powers and duties of directors

- (a) The business and affairs of the company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by this constitution) may exercise all powers and do all things that are:
 - (1) within the power of the company; and
 - (2) are not by this constitution or by law directed or required to be done by the company in general meeting.
- (b) The Board may exercise all the powers of the company:
 - (1) to borrow or raise money in any other way;
 - (2) to charge any of the company's property or business or any of its uncalled capital; and
 - (3) to issue debentures or give any security for a debt, liability or obligation of the company or of any other person.
- (c) Debentures or other securities may be issued on the terms and at prices decided by the Board, including bearing interest or not, with rights to subscribe for, or exchange into, shares or other securities in the company or a related body corporate or with special privileges as to redemption, participating in share issues, attending and voting at general meetings and appointing directors.



- (d) The Board may decide how cheques, promissory notes, banker's drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed, as applicable, by or on behalf of the company.
- (e) The Board may pay out of the company's funds all expenses of the promotion, formation and registration of the company and the vesting in it of the assets acquired by it.
- (f) The Board may:
 - (1) appoint or employ any person as an officer, agent or attorney of the company for the purposes, with the powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the Board), for any period and on any other conditions they decide;
 - (2) authorise an officer, agent or attorney to delegate any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (3) remove or dismiss any officer, agent or attorney of the company at any time, with or without cause.
- (g) A power of attorney may contain any provisions for the protection and convenience of the attorney or persons dealing with the attorney that the Board decides.
- (h) Nothing in this rule 8.6 limits the general nature of rule 8.6(a).

8.7 Delegation by the Board

- (a) The Board may delegate any of its powers to one director, a committee of the Board, or any person or persons.
- (b) A director, committee of the Board, person or persons to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the Board.
- (c) The acceptance of a delegation of powers by a director may, if the Board so resolves, be treated as an extra service or special exertion performed by the delegate for the purposes of rule 8.3(g).
- (d) The provisions of this constitution applying to meetings and resolutions of the Board apply, so far as they can and with any necessary changes, to meetings and resolutions of a committee of the Board, except to the extent they are contrary to any direction given under rule 8.7(b).

8.8 Proceedings of directors

- (a) The directors may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide.
- (b) The contemporaneous linking together by telephone or other electronic means of a sufficient number of directors to constitute a quorum, constitutes a meeting of the Board. All the provisions in this constitution relating to meetings of the Board apply, as far as they can and with any necessary changes, to meetings of the Board by telephone or other electronic means.
- (c) A meeting by telephone or other electronic means is to be taken to be held at the place where the chairperson of the meeting is or at such other place the chairperson of the meeting decides on, as long as at least one of the directors involved was at that place for the duration of the meeting.



- (d) A director taking part in a meeting by telephone or other electronic means is to be taken to be present in person at the meeting and all directors participating in the meeting will (unless there is a specific statement otherwise) be taken to have consented to the holding of the meeting by the relevant electronic means.
- (e) If, before or during the meeting, any technical difficulty occurs where one or more directors cease to participate, the chairperson may adjourn the meeting until the difficulty is remedied or may, where a quorum of directors remains present, continue with the meeting.

8.9 Calling meetings of the Board

- (a) A director may, whenever the director thinks fit, call a meeting of the Board.
- (b) A secretary must, if requested by a director, call a meeting of the Board.

8.10 Notice of meetings of the Board

- (a) Notice of a meeting of the Board must be given to each person who is, at the time the notice is given:
 - (1) a director, except a director on leave of absence approved by the Board; or
 - (2) an alternate director appointed under rule 8.15 by a director on leave of absence approved by the Board.
- (b) A notice of a meeting of the Board:
 - (1) must specify the time and place of the meeting;
 - (2) need not state the nature of the business to be transacted at the meeting;
 - (3) may, if necessary, be given immediately before the meeting;
 - (4) may be given in person or by post or by telephone, fax or other electronic means, or in any other way consented to by the directors from time to time; and
 - (5) will be taken to have been given to an alternate director if it is given to the director who appointed that alternate director.
- (c) A director or alternate director may waive notice of a meeting of the Board by giving notice to that effect in person or by post or by telephone, fax or other electronic means.
- (d) Failure to give a director or alternate director notice of a meeting of the Board does not invalidate anything done or any resolution passed at the meeting if:
 - (1) the failure occurred by accident or inadvertent error; or
 - (2) the director or alternate director attended the meeting or waived notice of the meeting (whether before or after the meeting).
- (e) A person who attends a meeting of the Board waives any objection that person may have to a failure to give notice of the meeting.

8.11 Quorum at meetings of the Board

- (a) No business may be transacted at a meeting of the Board unless a quorum of directors is present at the time the business is dealt with.



- (b) Unless the Board decides differently, 2 directors constitute a quorum.
- (c) If there is a vacancy in the office of a director, the remaining directors may act. But, if their number is not sufficient to constitute a quorum, they may act only in an emergency or to increase the number of directors to a number sufficient to constitute a quorum or to call a general meeting of the company.

8.12 Chairperson and deputy chairperson of the Board

- (a) The Board may elect a director to the office of chairperson of the Board and may elect one or more directors to the office of deputy chairperson of the Board. The Board may decide the period for which those offices will be held.
- (b) The chairperson of the Board is entitled (if present within 10 minutes after the time appointed for the meeting and willing to act) to preside as chairperson at a meeting of the Board.
- (c) If at a meeting of the Board:
 - (1) there is no chairperson of the Board;
 - (2) the chairperson of the Board is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (3) the chairperson of the Board is present within that time but is not willing or declines to act as chairperson of the meeting,the deputy chairperson, if any, is entitled to be chairperson of the meeting. In the absence of a deputy chairperson, or if the deputy chairperson is unwilling or declines to act as chairperson of the meeting, the directors present must elect one of themselves to chair the meeting.

8.13 Decisions of the Board

- (a) The Board, at a meeting at which a quorum is present, may exercise any authorities, powers and discretions vested in or exercisable by the Board under this constitution.
- (b) Questions arising at a meeting of the Board must be decided by a majority of votes cast by the directors present entitled to vote on the matter.
- (c) Subject to rule 8.13(d), if the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to his or her deliberative vote.
- (d) Where only 2 directors are present or entitled to vote at a meeting of the Board and the votes are equal on a proposed resolution:
 - (1) the chairperson of the meeting does not have a second or casting vote; and
 - (2) the proposed resolution is taken as lost.

8.14 Written resolutions

- (a) If:
 - (1) all of the directors (other than any director on leave of absence approved by the Board, any director who disqualifies himself or herself from considering the resolution in question and any director who would be prohibited by the Act from voting on the resolution in question) sign or consent to a written resolution; and



- (2) the directors who sign or consent to the resolution would have constituted a quorum at a meeting of the Board held to consider that resolution,
- then the resolution is taken to have been passed by a meeting of the Board.
- (b) A director may consent to a resolution by:
 - (1) signing the document containing the resolution (or a copy of that document);
 - (2) giving to the company at its registered office a written notice (including by fax or other electronic means) addressed to the secretary or to the chairperson of the Board signifying assent to the resolution and either setting out its terms or otherwise clearly identifying them; or
 - (3) telephoning the secretary or the chairperson of the Board and signifying assent to the resolution and clearly identifying its terms.

8.15 Alternate directors

- (a) A director may, with the approval of a majority of the other directors, appoint a person to be the director's alternate director for such period as the director decides.
- (b) An alternate director may, but need not, be a member or a director of the company.
- (c) One person may act as alternate director to more than one director.
- (d) In the absence of the appointor, an alternate director may exercise any powers (except the power to appoint an alternate director) that the appointor may exercise.
- (e) An alternate director is entitled, if the appointor does not attend a meeting of the Board, to attend and vote in place of and on behalf of the appointor.
- (f) An alternate director is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right.
- (g) An alternate director, when acting as a director, is responsible to the company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.
- (h) The office of an alternate director is vacated if and when the appointor vacates office as a director.
- (i) The appointment of an alternate director may be terminated or suspended at any time by the appointor or by a majority of the other directors.
- (j) An appointment, or the termination or suspension of an appointment of an alternate director, must be in writing and signed and takes effect only when the company has received notice in writing of the appointment, termination or suspension.
- (k) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed or the rotation of directors under this constitution.
- (l) In determining whether a quorum is present at a meeting of the Board, an alternate director who attends the meeting is to be counted as a director for each director on whose behalf the alternate director is attending the meeting.

- (m) An alternate director is not entitled to receive any remuneration as a director from the company otherwise than out of the remuneration of the director appointing the alternate director but is entitled to travelling, hotel and other expenses reasonably incurred for the purpose of attending any meeting of the Board at which the appointor is not present.

8.16 Validity of acts

An act done by a meeting of the Board, a committee of the Board or a person acting as a director is not invalidated by:

- (a) a defect in the appointment of a person as a director or a member of a committee; or
- (b) a person so appointed being disqualified or not being entitled to vote, if that circumstance was not known by the Board, committee or person when the act was done.

9 Executive officers

9.1 Managing directors and executive directors

- (a) The Board may appoint one or more of the directors to the office of managing director or other executive director.
- (b) Unless the Board decides otherwise, a managing director's or other executive director's employment terminates if the managing director or other executive director ceases to be a director.
- (c) A managing director or other executive director may be referred to by any title the Board decides on.

9.2 Secretary

- (a) The Board must appoint at least one secretary and may appoint additional secretaries.
- (b) The Board may appoint one or more assistant secretaries.

9.3 Provisions applicable to all executive officers

- (a) A reference in this rule 9.3 to an executive officer is a reference to a managing director, deputy managing director, executive director, secretary or assistant secretary appointed under this rule 9.
- (b) The appointment of an executive officer may be for the period, at the remuneration and on the conditions the Board decides.
- (c) The remuneration payable by the company to an executive officer must not include a commission on, or percentage of, operating revenue.
- (d) The Board may:
 - (1) delegate to or give an executive officer any powers, discretions and duties it decides;

- (2) withdraw, suspend or vary any of the powers, discretions and duties given to an executive officer; and
 - (3) authorise the executive officer to delegate any of the powers, discretions and duties given to the executive officer.
- (e) Unless the Board decides differently, the office of a director who is employed by the company or by a subsidiary of the company automatically becomes vacant if the director ceases to be so employed.
- (f) An act done by a person acting as an executive officer is not invalidated by:
 - (1) a defect in the person's appointment as an executive officer;
 - (2) the person being disqualified to be an executive officer; or
 - (3) the person having vacated office,
 if the person did not know that circumstance when the act was done.

10 Indemnity and insurance

10.1 Persons to whom rules 10.2 and 10.4 apply

Rules 10.2 and 10.4 apply:

- (a) to each person who is or has been a director, alternate director or executive officer (within the meaning of rule 9.3(a)) of the company; and
 - (b) to such other officers or former officers of the company or of its related bodies corporate as the Board in each case determines,
- (each an **Officer** for the purposes of this rule).

10.2 Indemnity

The company must indemnify each Officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses (**Liabilities**) incurred by the Officer as an officer of the company or of a related body corporate.

10.3 Extent of indemnity

The indemnity in rule 10.2:

- (a) is enforceable without the Officer having to first incur any expense or make any payment;
- (b) is a continuing obligation and is enforceable by the Officer even though the Officer may have ceased to be an officer of the company or its related bodies corporate; and
- (c) applies to Liabilities incurred both before and after the adoption of this constitution.

10.4 Insurance

The company may, to the extent permitted by law:

- (a) purchase and maintain insurance; or



- (b) pay or agree to pay a premium for insurance,

for each Officer against any Liability incurred by the Officer as an officer of the company or of a related body corporate including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings, whether civil or criminal and whatever their outcome.

10.5 Savings

Nothing in rule 10.2 or 10.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any Liability referred to in those rules;
- (b) limits the capacity of the company to indemnify or provide or pay for insurance for any person to whom those rules do not apply; or
- (c) limits or diminishes the terms of any indemnity conferred or agreement to indemnify entered into prior to the adoption of this constitution.

10.6 Deed

The company may enter into a deed with any Officer to give effect to the rights conferred by this rule 10 or the exercise of a discretion under this rule 10 on such terms as the Board thinks fit which are not inconsistent with this rule 10.

11 Winding up

11.1 Distributing surplus

Subject to this constitution and the rights or restrictions attached to any shares or class of shares:

- (a) if the company is wound up and the property of the company available for distribution among the members is more than sufficient to pay:
 - (1) all the debts and liabilities of the company; and
 - (2) the costs, charges and expenses of the winding up,the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares;
- (b) for the purpose of calculating the excess referred to in rule 11.1(a), any amount unpaid on a share is to be treated as property of the company;
- (c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 11.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and
- (d) if the effect of the reduction under rule 11.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the company.



11.2 Dividing property

- (a) If the company is wound up, the liquidator may, with the sanction of a special resolution:
 - (1) divide among the members the whole or any part of the company's property; and
 - (2) decide how the division is to be carried out as between the members or different classes of members.
- (b) A division under rule 11.2(a) need not accord with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.
- (c) Where a division under rule 11.2(a) does not accord with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Act.
- (d) If any of the property to be divided under rule 11.2(a) includes securities with a liability to calls, any person entitled under the division to any of the securities may, within 10 days after the passing of the special resolution referred to in rule 11.2(a), by written notice direct the liquidator to sell the person's proportion of the securities and account for the net proceeds. The liquidator must, if practicable, act accordingly.
- (e) Nothing in this rule 11.2 takes away from or affects any right to exercise any statutory or other power which would have existed if this rule were omitted.
- (f) Rule 4.3 applies, so far as it can and with any necessary changes, to a division by a liquidator under rule 11.2(a) as if references in rule 4.3 to:
 - (1) the Board were references to the liquidator; and
 - (2) a distribution or capitalisation were references to the division under rule 11.2(a).

12 Inspection of and access to records

- (a) A person who is not a director does not have the right to inspect any of the board papers, books, records or documents of the company, except as provided by law, or this constitution, or as authorised by the Board, or by resolution of the members.
- (b) The company may enter into contracts with its directors or former directors agreeing to provide continuing access for a specified period after the director ceases to be a director to board papers, books, records and documents of the company which relate to the period during which the director or former director was a director on such terms and conditions as the Board thinks fit and which are not inconsistent with this rule 12.
- (c) The company may procure that its subsidiaries provide similar access to board papers, books, records or documents as that set out in rules 12(a) and 12(b).
- (d) This rule 12 does not limit any right the directors or former directors otherwise have.



13 Seals

13.1 Manner of execution

Without limiting the ways in which the company can execute documents under the Act and subject to this constitution, the company may execute a document if the document is signed by:

- (a) 2 directors; or
- (b) a director and a secretary; or
- (c) any other person or persons authorised by the Board for that purpose.

13.2 Common seal

The company may have a common seal. If the company has a common seal, rules 13.3 to 13.7 apply.

13.3 Safe custody of Seal

The Board must provide for the safe custody of the Seal.

13.4 Using the Seal

Subject to rule 13.7 and unless a different procedure is decided by the Board, if the company has a common seal any document to which it is affixed must be signed by:

- (a) 2 directors;
- (b) by a director and a secretary; or
- (c) a director and another person appointed by the Board to countersign that document or a class of documents in which that document is included.

13.5 Seal register

- (a) The company may keep a Seal register and, on affixing the Seal to any document (other than a certificate for securities of the company) may enter in the register particulars of the document, including a short description of the document.
- (b) The register, or any details from it that the Board requires, may be produced at meetings of the Board for noting the use of the Seal since the previous meeting of the Board.

13.6 Duplicate seals and certificate seals

- (a) The company may have one or more duplicate seals for use in place of its common seal outside the state or territory where its common seal is kept. Each duplicate seal must be a facsimile of the common seal of the company with the addition on its face of the words 'duplicate seal' and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal, or a certificate seal as provided in rule 13.7, is to be taken to have been sealed with the common seal of the company.

13.7 Sealing and signing certificates

The Board may decide either generally or in a particular case that the Seal and the signature of any director, secretary or other person is to be printed on or affixed to any certificates for securities in the company by some mechanical or other means.

14 Notices

14.1 Notices by the company to members

- (a) Without limiting any other way in which notice may be given to a member under this constitution, the Act or the Listing Rules, the company may give a notice to a member by:
 - (1) delivering it personally to the member;
 - (2) sending it by prepaid post to the member's address in the register of members or any other address the member supplies to the company for giving notices; or
 - (3) sending it by fax or other electronic means (including providing a URL link to any document or attachment) to the fax number or electronic address the member has supplied to the company for giving notices.
- (b) The company may give a notice to the joint holders of a share by giving the notice in the way authorised by rule 14.1(a) to the joint holder who is named first in the register of members for the share.
- (c) The company may give a notice to a person entitled to a share as a result of a Transmission Event by delivering it or sending it in the manner authorised by rule 14.1(a) addressed to the name or title of the person, to:
 - (1) the address, fax number or electronic address that person has supplied to the company for giving notices to that person; or
 - (2) if that person has not supplied an address, fax number or electronic address, to the address, fax number or electronic address to which the notice might have been sent if that Transmission Event had not occurred.
- (d) A notice given to a member under rules 14.1(a) or 14.1(b) is, even if a Transmission Event has occurred and whether or not the company has notice of that occurrence:
 - (1) duly given for any shares registered in that person's name, whether solely or jointly with another person; and
 - (2) sufficiently served on any person entitled to the shares because of the Transmission Event.
- (e) A notice given to a person who is entitled to a share because of a Transmission Event is sufficiently served on the member in whose name the share is registered.
- (f) A person who, because of a transfer of shares, becomes entitled to any shares registered in the name of a member, is taken to have received every notice which, before that person's name and address is entered in the register of members for those shares, is given to the member complying with this rule 14.1.



- (g) A signature to any notice given by the company to a member under this rule 14.1 may be printed or affixed by some mechanical, electronic or other means.
- (h) Where a member does not have a registered address or where the company believes that member is not known at the member's registered address, all notices are taken to be:
 - (1) given to the member if the notice is exhibited in the company's registered office for a period of 48 hours; and
 - (2) served at the commencement of that period,unless and until the member informs the company of the member's address.

14.2 Notices by the company to directors

The company may give a notice to a director or alternate director by:

- (a) delivering it personally to him or her;
- (b) sending it by prepaid post to his or her usual residential or business address, or any other address he or she has supplied to the company for giving notices; or
- (c) sending it by fax or other electronic means to the fax number or electronic address he or she has supplied to the company for giving notices.

14.3 Notices by directors to the company

A director or alternate director may give a notice to the company by:

- (a) delivering it to the company's registered office;
- (b) sending it by prepaid post to the company's registered office; or
- (c) sending it by fax or other electronic means to the principal fax number or electronic address at the company's registered office.

14.4 Time of service

- (a) A notice from the company properly addressed and posted is taken to be served at 10.00am Sydney time on the day after the date it is posted.
- (b) A certificate signed by a secretary or officer of the company to the effect that a notice was duly posted under this constitution is conclusive evidence of that fact.
- (c) Where the company sends a notice by fax, the notice is taken as served at the time the fax is sent if the correct fax number appears on the facsimile transmission report produced by the sender's fax machine.
- (d) Where the company sends a notice by electronic transmission, the notice is taken as served at the time the electronic transmission is sent.
- (e) Where the company gives a notice to a member by any other means permitted by the Act relating to the giving of notices and electronic means of access to them, the notice is taken as given at 10.00am Sydney time on the day after the date on which the member is notified that the notice is available.
- (f) Where a given number of days' notice or notice extending over any other period must be given, the day of service is not to be counted in the number of days or other period.



14.5 Other communications and documents

Rules 14.1 to 14.4 (inclusive) apply, so far as they can and with any necessary changes, to serving any communication or document.

14.6 Written notices

A reference in this constitution to a written notice includes a notice given by fax or other electronic means. A signature to a written notice need not be handwritten.

15 General

15.1 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the state or territory in which the company is taken to be registered for the purposes of the Act, the Federal Court of Australia and the courts which may hear appeals from those courts.

15.2 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.



Attachment 1

Explanatory statement – proportional takeover bid/scheme

1 What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the directors must ensure that shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority.

Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the *Corporations Act 2001* (Cth) and the company's constitution.

The directors will breach the *Corporations Act 2001* (Cth) if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date of adoption of the constitution. The provisions may be renewed, but only by a special resolution.

2 Potential advantages and disadvantages

The directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential **advantages** of the proportional takeover approval provisions for shareholders of the company are:

- you will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help shareholders avoid being locked in as a minority;
- increase in the bargaining power of shareholders which may ensure that any partial offer is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer.



The potential **disadvantages** for shareholders of the company include:

- proportional takeover bids for shares in the company may be discouraged;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

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