

Form 604

Corporations Act 2001 Section 671B

Notice of change of interests of substantial holder

To: Company Name/Scheme Affinity Education Group Limited
ACN/ARSN 163 864 195

1. Details of substantial holder (1)

Name Affinity Education Group Limited
ACN/ARSN (if applicable) 163 864 195

There was a change in the interests of the
substantial holder on 15/09/15
The previous notice was given to the company on 15/06/15
The previous notice was dated 15/06/15

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	12,443,305	5.38%	46,003,793	19.88%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme, are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
15/09/15	Affinity Education Group Limited	Entry into voting deed with G8 Education Limited (Voting Deed), under which Affinity will, subject to the satisfaction of a condition, have the power to control the voting and disposal of 33,560,488 fully paid ordinary shares that are the subject of the Voting Deed. A copy of the Voting Deed is attached in Annexure B .	Nil	33,560,488 fully paid ordinary shares	33,560,488

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
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Affinity Education Group Limited	G8 Education Limited	G8 Education Limited	Affinity will, subject to the satisfaction of a condition, have the power to control the voting and disposal of 33,560,488 fully paid ordinary shares that are the subject of the Voting Deed, which gives rise to a relevant interest under section 608(8) of the Corporations Act. A copy of the Voting Deed is attached in Annexure B .	33,560,488 fully paid ordinary shares	33,560,488
Affinity Education Group Limited	As listed in Annexure A	As listed in Annexure A	Affinity has the power to control the disposal of ordinary shares the subject of voluntary restriction deeds entered into by Affinity and various registered holders of the shares (as listed in Annexure A), which gives to a relevant interest under section 608(1) of the Corporations Act.	12,443,305 fully paid ordinary shares	12,443,305

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

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

6. Addresses

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

Name	Address
As listed in Annexure A	As listed in Annexure A
Affinity Education Group Limited	100 Creek Street, Brisbane, Queensland 4000
G8 Education Limited	159 Varsity Parade, Varsity Lakes, Queensland 4227

Signature

print name Paul Cochrane

capacity Company Secretary

sign here



date 15/09/15

DIRECTIONS

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

Annexure A

Company Name / Scheme
ACN / ARSN

Affinity Education Group Limited
163 864 195

This is Annexure A of 1 page referred to in the Form 604 (Notice of change of interests of substantial holder).

print name Paul Cochrane

capacity Company Secretary

sign here

date 15/09/15



	Registered holder of securities	Persons entitled to be registered as holder	Class and number of securities	Registered Address
1.	Aromavend Pty Ltd ACN 116 423 744		150,000 fully paid ordinary shares	24 Cantor Street Mansfield, QLD 4122
2.	Contykei Pty Ltd ACN 111 999 467		100,000 fully paid ordinary shares	3 Dellamarra Close Alexandra Hills, QLD 4161
3.	PCG Capital Pty Ltd ACN 164 056 437		125,000 fully paid ordinary shares	PO Box 2299 Hawthorn, VIC 3122
4.	Eternal Echoes Pty Ltd ABN 83 143 902 292		2,867,273 fully paid ordinary shares	170 Scarborough Street Southport, QLD 4215
5.	Bambini Early Childcare Development Boyne Island Pty Ltd ABN 17 160 851 203		381,482 fully paid ordinary shares	36 East Quay Drive Biggerra Waters, QLD 4216
6.	Stuart Bruce James and Gillian Doreen James		1,131,300 fully paid ordinary shares	7 Glan Avon Road Hawthorn, VIC 3122
7.	Ontax Refinishing Pty Ltd ACN 151 640 989		1,881,450 fully paid ordinary shares	175 Boston Road Belmont, QLD 4153
8.	Kern Group (Licensing) Pty Ltd ABN 72 119 512 711		3,762,900 fully paid ordinary shares	Level 2, 67 St. Pauls Terrace Spring Hill, QLD 4004
9.	RJ & A Investments Pty Ltd ACN 089 589 355		1,112,600 fully paid ordinary shares	8 Valetta Street Malvern, VIC 3144
10.	N.F.J Pty Ltd ABN 60 083 059 492		278,150 fully paid ordinary shares	161 Arthur Street Fortitude Valley, QLD 4006
11.	Nambia Pty Ltd ABN 33 010 981 003		278,150 fully paid ordinary shares	108 Annie Street Auchenflower, QLD 4066
12.	Justin Laboo		250,000 fully paid ordinary shares	62 Truloff Road Peak Crossing, QLD 4306
13.	John Bairstow		125,000 fully paid ordinary shares	17 Smallman Street Bulimba, QLD 4171

Annexure B

Company Name / Scheme
ACN / ARSN

Affinity Education Group Limited
163 864 195

This is Annexure B of 14 pages referred to in the Form 604 (Notice of change of interests of substantial holder).

This Annexure B contains a true copy of the voting deed between Affinity Education Group Limited and G8 Education Limited dated 15 September 2015.

print name Paul Cochrane

capacity Company Secretary

sign here



date 15/09/15

Execution version

Affinity Education Group Limited

G8 Education Limited

Voting deed

Date 15 September 2015

Parties

Affinity Education Group Limited ACN 163 864 195 of Level 14, 100 Creek Street, Brisbane, Queensland 4000 (**Affinity**)

G8 Education Limited ACN 123 828 553 of 159 Varsity Parade, Varsity Lakes, Queensland 4227 (**G8**)

Background

- A G8 has made the G8 Takeover Offers. The offer periods for the G8 Takeover Offers end on 28 September 2015.
 - B G8 is the legal and beneficial owner of the Relevant Affinity Shares.
 - C Affinity intends to make the Scheme Announcement.
 - D Affinity currently has a relevant interest in 5.38% of Affinity Shares as a result of voluntary escrow arrangements that it has entered into with certain Affinity Shareholders.
 - E G8 supports the Scheme and has agreed:
 - (a) to make the G8 Announcement immediately after Affinity has made the Scheme Announcement; and
 - (b) subject to satisfaction of the Financing Condition:
 - (i) to not extend the Takeover Offers; and
 - (ii) to irrevocably appoint Affinity's chair as G8's proxy to vote in favour of the Scheme Resolutions in respect of the Relevant Affinity Shares,on the terms and subject to the conditions set out in this document.
-

Agreed terms

1 Definitions

In this document these terms have the following meanings:

Affinity	Affinity Education Group Limited ACN 163 864 195.
Affinity Board	The independent board committee of Affinity, comprising all the directors of Affinity other than Gabriel Giufre.

Affinity Share	A fully paid ordinary share in the capital of Affinity.
Affinity Shareholder	A person who is registered as a holder of Affinity Shares.
Anchorage	Anchorage Childcare Pty Limited ACN 607 819 081.
ASX	ASX Limited ABN 98 008 624 691 or the securities exchange operated by it, as appropriate.
Business Day	A day which is not a Saturday, Sunday or bank or public holiday in Sydney.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dispose	<ul style="list-style-type: none"> (a) sell, assign, transfer or otherwise dispose of; (b) agree or offer to sell, assign, transfer or otherwise dispose of; (c) enter into any option which, if exercised, enables or requires the person to sell, assign, transfer or otherwise dispose of; (d) create or agree or offer to create or permit to be created any Encumbrance over; or (e) enter into any agreement or arrangement (including cash settled derivative contracts, contracts for differences or other derivative contracts) which confers rights, the economic effect of which is equivalent or substantially equivalent to the sale or disposal of.
Encumbrance	Any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, pre-emptive right, right of first refusal, preferential right or trust arrangement, covenant, or any other security arrangement or any other arrangement having a similar effect.
Expiry Date	The date that is 4 months from the date of this document.
Financing Condition	The meaning given to that term in clause 3 .
G8	G8 Education Limited ACN 123 828 553.
G8 Announcement	The announcement set out in Annexure A .
G8 Market Takeover Offer	The market takeover offer by G8 for all Affinity Shares that G8 does not already own contained in the bidder's statement dated 3 August 2015.
G8 Off-Market	The off-market takeover offer by G8 for all Affinity Shares that G8 does not already own contained in the bidder's

Takeover Offer	statement dated 20 August 2015.
G8 Takeover Offers	The G8 Market Takeover Offer and the G8 Off-Market Takeover Offer.
Relevant Affinity Shares	33,560,488 Affinity Shares held by G8.
Scheme	The proposed scheme of arrangement under Part 5.1 of the <i>Corporations Act 2001</i> (Cth) under which Anchorage will acquire all Affinity Shares and Affinity Shareholders will receive the Scheme Consideration.
Scheme Announcement	An announcement to the effect that Affinity will propose the Scheme subject to satisfaction of the Financing Condition.
Scheme Consideration	\$0.92 for each Affinity Share.
Scheme Meeting	The meeting of Affinity Shareholders (whether comprising one or more classes) ordered by the court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Resolution	Any resolution relating to the Scheme, which is put to Affinity Shareholders at the Scheme Meeting.
Superior Proposal	A proposal, offer or transaction by a third party (other than Anchorage or its associates), which the Affinity Board determines to be superior to the Scheme.

2 G8 Announcement

G8 must procure that the G8 Announcement is published on ASX immediately after the Scheme Announcement is published on ASX.

3 Financing Condition

G8's obligations under **clauses 4 and 5** are conditional upon Anchorage announcing to ASX by no later than 10:00 am (Sydney time) on 21 September 2015 that it has sufficiently detailed binding commitments in place to fund its obligations to pay the Scheme Consideration, which are conditional only upon procedural items such as delivery of a draw request, mechanical conditions that can only be satisfied on implementation of the Scheme such as repayment of Affinity's existing banking facility and conditions relating to progressing the Scheme such as requisite Affinity shareholder approval, court approval and lodging of the court order with ASIC (**Financing Condition**).

4 Undertaking in relation to G8 Takeover Offers

Subject to satisfaction of the Financing Condition, G8 undertakes not to:

- (a) extend the offer periods for the G8 Market Takeover Offer or the G8 Off-Market Takeover Offer;
- (b) do anything which will have the effect that the offer periods for the G8 Market Takeover Offer or the G8 Off-Market Takeover Offer are automatically extended under the Corporations Act; and
- (c) make, authorise or cause to be made any public announcement or statement to the effect that G8 intends to extend the offer period for the G8 Market Takeover Offer or the G8 Off-Market Takeover Offer,

so that the G8 Takeover Offers will close on 28 September 2015.

5 Undertaking in relation to appointment of proxy

- (a) Subject to satisfaction of the Financing Condition and subject to **clause 5(b)**, G8 irrevocably undertakes to:
 - (i) appoint the chair of Affinity as G8's proxy at the Scheme Meeting in respect of the Relevant Affinity Shares for no consideration;
 - (ii) direct the chair of Affinity, as G8's proxy, to vote in favour of the Scheme Resolutions in respect of the Relevant Affinity Shares; and
 - (iii) deliver a duly completed proxy form consistent with the terms in **clauses 5(a)(i) and 5(a)(ii)** above to Affinity as soon as practicable after receiving a copy of the explanatory statement in respect of the Scheme.
- (b) G8 may only revoke the proxy referred to in **clause 5(a)** if:
 - (i) the Scheme Meeting is not held before the Expiry Date; or
 - (ii) before the Scheme Meeting, one of the following events occurs:
 - (A) the Affinity Board fails to recommend, or withdraws its recommendation, that Affinity Shareholders vote in favour of the Scheme Resolutions in the absence of a Superior Proposal; or
 - (B) a Superior Proposal is announced and is recommended by the Affinity Board.

6 Substantial holding notice

G8 acknowledges that, under section 671B of the Corporations Act, Affinity must:

- (a) procure that a substantial holding notice in respect of the change of its relevant interest in Affinity Shares (**Substantial Holding Notice**) is published on ASX; and
- (b) attach a copy of this document to the Substantial Holding Notice.

7 No Disposal

- (a) From the date of this document until the earlier of the implementation of the Scheme and the Expiry Date, G8 must not Dispose of any legal, beneficial or economic interest in any Relevant Affinity Share or aid, abet, counsel, procure or induce any other person to Dispose of any legal, beneficial or economic interest in any Relevant Affinity Share, other than in accordance with the Scheme or with Affinity's prior written consent.
- (b) G8's obligations under this **clause 7** will terminate if the Financing Condition is not satisfied by the relevant time.

8 No frustration

8.1 No frustration

From the date of this document until the earlier of the implementation of the Scheme and the Expiry Date, G8 must not:

- (a) make, authorise or cause to be made, or encourage a third party to make, any public announcement or statement relating to the Scheme or the subject matter of this document other than with Affinity's prior written consent;
- (b) without limiting **clause 8.1(a)**, make, authorise or cause to be made, whether publicly or privately, any statement which would be likely to, or is designed to, encourage, promote or advocate that a person vote against the Scheme; or
- (c) take, authorise or cause to be taken, or encourage any third party to take, any action which:
 - (i) would be likely to or is designed to frustrate the intentions of the parties under this document; or
 - (ii) would be inconsistent with the Scheme being approved or proceeding.

8.2 No frustration by associate

From the date of this document until the earlier of the implementation of the Scheme and the Expiry Date, G8 must procure (to the extent that it is within G8's control) that no associate of G8 takes any action that, if such action had been taken by G8, would constitute a breach of **clause 8.1**.

8.3 Termination of obligations

G8's obligations under this **clause 8** will terminate if the Financing Condition is not satisfied by the relevant time.

9 No acquisitions

9.1 No acquisitions

Subject to **clause 9.2**, from the date of this document until the earlier of the implementation of the Scheme and the Expiry Date, G8 must not

- (a) acquire or purchase or agree to acquire or purchase any securities (or direct or indirect rights, warrants or options to acquire any securities) in Affinity;
- (b) enter into any agreement or arrangement which confers rights, the economic effect of which is equivalent or substantially equivalent to the acquisition or purchase of securities in Affinity (including cash settled derivative contracts, contracts for differences or other derivative contracts); or
- (c) solicit proxies from Affinity Shareholders or any of its associates, or otherwise seek to influence or control the management or policies of Affinity; or
- (d) aid, abet, counsel, procure or induce any other person in doing any of the things mentioned in **clauses 9.1(a), 9.1(b) or 9.1(c)**.

9.2 Acceptances under G8 Takeover Offers

Clause 9.1 does not apply to the acquisition of a relevant interest in further Affinity Shares pursuant to acceptances of the G8 Takeover Offers, provided G8 does not take any action on and from the date of this document to encourage, promote or advocate such acceptances.

9.3 Termination of obligations

G8's obligations under this **clause 9** will terminate if the Financing Condition is not satisfied by the relevant time.

10 Warranties

10.1 G8 warranties

G8 warrants that:

- (a) **(Registration)** it is a corporation registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **(Incorporation)** it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
- (c) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this document;

- (d) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by G8 of this document in accordance with its terms have been obtained;
- (e) **(No legal impediment)** the execution, delivery and performance of this document complies with its constitution or other constituent documents (as applicable); and
- (f) **(Relevant Affinity Shares)** it is the legal and beneficial owner of the Relevant Affinity Shares.

10.2 Affinity warranties

Affinity warrants that:

- (a) **(Registration)** it is a corporation registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **(Incorporation)** it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
- (c) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this document;
- (d) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by G8 of this document in accordance with its terms have been obtained; and
- (e) **(No legal impediment)** the execution, delivery and performance of this document complies with its constitution or other constituent documents (as applicable).

10.3 Survival of warranties

The warranties given in this **clause 10**:

- (a) survive the execution of this document; and
- (b) are regarded as repeated immediately before the Scheme Meeting with regard to the facts and circumstances then subsisting.

10.4 Reliance

G8 acknowledges that Affinity has entered into this document and agreed to take part in the transactions that it contemplates in reliance on the warranties made or repeated in this clause.

11 Notices

Any communication under or in connection with this document:

- (a) must be in writing;
- (b) must be addressed as shown below:

Affinity

Address: Level 14, 100 Creek Street, Brisbane QLD 4000

Facsimile: (07) 3236 3994
Email: Paul.Cochrane@affinityeducation.com.au
For the attention of: Company Secretary / Directors
with a copy to: Braddon Jolley (braddon.jolley@corrs.com.au)
Sandy Mak (sandy.mak@corrs.com.au)

G8

Address: 159 Varsity Parade, Varsity Lakes QLD 4227
Facsimile: 07 5581 5311
Email: chris.sacre@g8education.edu.au
For the attention of: Chris Sacre
with a copy to: Derek Pocock (dpocock@mccullough.com.au)

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed or sent by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered to the address, or sent by fax or email to the number or email address, of the addressee, in accordance with **clause 11(b)**; and
- (e) will be deemed to be received by the addressee:
 - (i) **(in the case of email)** four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered;
 - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in **clause 11(b)**, unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

12 General

12.1 Amendment

This document may only be varied or replaced by a document executed by the parties.

12.2 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

12.3 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

12.4 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

12.5 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

12.6 Assignment

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported dealing in breach of this clause is of no effect.

12.7 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

12.8 Entire understanding

- (a) This document contains the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

12.9 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) 'includes' means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it; and
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced; and
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation.

12.10 Headings

Headings do not affect the interpretation of this document.

12.11 Deed

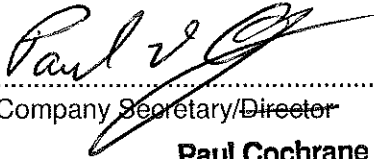
This document is a deed. Factors which might suggest otherwise are to be disregarded.

Execution

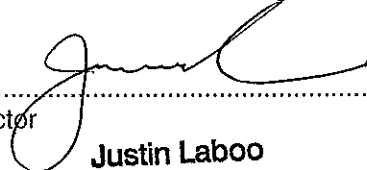
Executed as a deed.

**Executed by Affinity Education
Group Limited**

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Company Secretary/Director
Paul Cochrane

.....
Name of Company Secretary/Director
(print)


.....
Director
Justin Laboo

.....
Name of Director (print)

Executed by G8 Education Limited

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Company Secretary/Director

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Director

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Name of Company Secretary/Director
(print)

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Name of Director (print)

Execution

Executed as a deed.

Executed by Affinity Education)
Group Limited)

.....
Company Secretary/Director


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Director

.....
Name of Company Secretary/Director
(print)

.....
Name of Director (print)

Executed by G8 Education Limited)
)


.....
Company Secretary/Director


.....
Director
JENNIFER JOAN HUTSON

MATTHEW DAVID REYNOLDS
.....
Name of Company Secretary/Director
(print)

.....
Name of Director (print)

Annexure A – G8 Announcement

15 September 2015

G8 Education to allow takeover offers to close, and to vote all of its Affinity shares in favour of an Affinity scheme of arrangement involving Anchorage Childcare

G8 Education Limited (**G8 Education**) (ASX:GEM) refers to:

- the off-market and market takeover offers (**Takeover Offers**) made by G8 Education for all of the ordinary shares in Affinity Education Group Limited (**Affinity**), which are currently due to close on 28 September 2015; and
- the announcement by Affinity that Affinity will propose a scheme of arrangement (**Scheme**), under which Anchorage Childcare Pty Limited (**Anchorage**) will acquire all of the ordinary shares in Affinity and Affinity shareholders will receive consideration of \$0.92 for each Affinity share (**Scheme Consideration**), subject to Anchorage announcing to ASX by no later than 10:00 am (Sydney time) on 21 September 2015 that it has sufficiently detailed binding commitments in place to fund its obligations to pay the Scheme Consideration (**Financing Condition**).

G8 Education has today entered into a voting deed with Affinity (**Voting Deed**). Under the Voting Deed, G8 Education has agreed, subject to the satisfaction of the Financing Condition:

- to not extend the Takeover Offers so that the Takeover Offers will close on 28 September 2015; and
- to irrevocably appoint, for no consideration, the Chair of Affinity as G8 Education's proxy to vote 33,560,488 Affinity shares held by G8 Education (**Relevant Affinity Shares**), which represent approximately 14.5% of Affinity's issued ordinary share capital, in favour of the Scheme.

This proxy may only be revoked if:

- the meeting of Affinity shareholders to consider and vote on the Scheme is not held before 14 January 2016;
- the Affinity board fails to recommend, or withdraws its recommendation, that Affinity shareholders vote in favour of the Scheme in the absence of a superior proposal; or
- a superior proposal is announced by a party other than Anchorage and is recommended by the Affinity board

(Prescribed Events).

G8 Education currently owns 46,051,790 (19.89%) shares in Affinity legally and beneficially. G8 Education has agreed to irrevocably appoint the Chair of Affinity as G8 Education's proxy to vote the Relevant Affinity Shares in favour of the Scheme. In addition to the Relevant Affinity Shares, G8 Education owns an additional 12,491,302 (5.39%) Affinity shares and has a relevant interest in a further 10,964,112 (4.73%) Affinity shares as a result of acceptances received under the Takeover Offers.

G8 Education also announces its intention to vote all of the other Affinity shares it holds at the time of the scheme meeting (in addition to the Relevant Affinity Shares) in favour of the Scheme, subject to no Prescribed Event occurring before the scheme meeting.

ENDS

Jenny Hutson

Chairperson