

ASX Announcement

28 July 2016

OFF-MARKET TAKEOVER OFFER

Unity Pacific Group (ASX: UPG) (**Unity Pacific**) is pleased to announce that negotiations in relation to an offer to acquire all of Unity Pacific's securities have now been completed.

Unity Pacific has entered into a Bid Implementation Deed with Ebert Investments Pty Ltd (**Ebert Investments**) on 28 July 2016, pursuant to which Ebert Investments or its nominee (**the Bidder**) proposes to make an off-market takeover bid for all of the stapled securities in Unity Pacific which are not currently held by Ebert Investments for consideration of, in respect of each stapled security, 47 cents being 41.5 cents cash and one (1) share in the Bidder (**San Remo Share**), being a contingent value redeemable preference share deemed to be fully paid to an amount of 5.5 cents (**the Offer**).

Pursuant to the Bid Implementation Agreement, a process has been put in place for the sale of Unity Pacific's land in San Remo, Victoria (**the Land**), with the intention that it be sold within 9 months of the end of the Offer period.

Details of the Offer

Each San Remo Share entitles an accepting securityholder to receive an additional cash payment by way of redemption (**Redemption Amount**), in the event that the Land is sold within 9 months of the end of the Offer period and the net proceeds from the sale of the Land (after allowing for sale, marketing and agency costs for the Land) exceeds \$6.0 million. In this scenario, each holder of a San Remo Share will be entitled to a Redemption Amount equal to the amount by which the net proceeds from the sale of the Land exceed \$6.0 million, converted to an amount per United Pacific stapled security. The obligation to redeem the San Remo Shares will be guaranteed by Warren Ebert and Ebert Investments.

The Board recently commissioned a new valuation of the Land (which is the subject of a separate ASX announcement today). The independent valuation of the Land as at 30 June 2016 was \$8.5 million (**the Valuation**). If the Land is sold in the 9 month period for \$8.5 million, after allowing for estimated transaction costs of \$0.5 million (**the Projected Sale**), the total cash consideration received by securityholders pursuant to the Offer will be 47 cents per stapled security (comprising an upfront cash payment of 41.5 cents per stapled security and a further cash payment of 5.5 cents per stapled security upon redemption of the San Remo Shares).

However, the final outcome for securityholders will depend upon the ultimate net proceeds of the Land sale:

- If the Land is sold in the 9 month period and the net proceeds of the sale are higher than the Projected Sale, the Redemption Amount payable to securityholders will be higher than 5.5 cents per security.
- If the Land is sold in the 9 month period and the net proceeds of the sale exceed \$6.0 million but are lower than the Projected Sale, the Redemption Amount payable to securityholders will be lower than 5.5 cents per security.
- If the Land is not sold within the 9 month period or the net proceeds of any sale do not exceed \$6.0 million, then the San Remo Shares will be redeemed for nil consideration and the total cash consideration received by securityholders pursuant to the Offer will be 41.5 cents per security.

Based on the Valuation, the Directors believe it is reasonable to expect that the sale of the Land will realise an amount at or around the \$8.5 million valuation. However, no assurances can be given that this will be the case.

The Offer is subject to a number of conditions including (among others):

- Ebert Investments and its associates obtaining a relevant interest in at least 50.1% of Unity Pacific's stapled securities;
- no material adverse change;
- limitation on operating expenditure; and
- no further distributions.

Under the Bid Implementation Deed, Unity Pacific will be bound by customary exclusivity provisions including "no shop", "no talk", "notification" and "matching" obligations. A break fee of \$130,000 will be payable to Ebert Investments by Unity Pacific in certain circumstances.

A full copy of the Bid Implementation Deed, including all applicable conditions, is attached to this announcement.

If the Projected Sale occurs, the total consideration of 47 cents per stapled security will represent:

- a 9.3% - 11.9% premium to Unity Pacific's pro-forma net tangible assets per stapled security of 42 to 43 cents as at 30 June 2016 (as announced on 28 July 2016);
- a 6.8% premium to the most recent closing price of 44 cents per stapled security on 19 July 2016;
- a 19.3% premium to the 1 month volume weighted average price (**VWAP**) to 19 July 2016; and
- a 21.1% premium to the 3 month VWAP to 19 July 2016.

Unity Pacific's Chairman, Brett Heading, said "The off-market takeover Offer is the final step in completing a series of corporate initiatives. We have focused on maximising and realising increased value of Unity Pacific securities. This has been achieved from the successful sale of 308 Queen Street/88 Creek Street, Brisbane and Transferable Site Areas attached to the property at premiums to book value and, based on the Valuation, the expected sale price for the San Remo land."

Managing Director, Chris Morton, added "While the expressions of interest process for the corporate entity has taken longer than anticipated, I am very pleased with the result that we have achieved for all of our securityholders. A material increase in total securityholder return has been achieved as a result of the process and the negotiations. The Offer provides an immediate cash return for the remaining corporate assets as well as the potential for price upside being achieved by the expected sale of the San Remo land."

No Current Action by Securityholders

Unity Pacific securityholders do not currently need to take any action in relation to the Offer.

A bidder's statement will be sent to securityholders by Ebert Investments and it will detail how and when securityholders can accept the Offer. Unity Pacific will also send a target statement to securityholders, which securityholders should review and consider.

The Directors of Unity Pacific unanimously recommend Unity Pacific securityholders accept the Offer in the absence of a superior proposal and each Director that is a securityholder intends to accept the Offer in the absence of a superior proposal.

Unity Pacific is being advised by lawyers Jones Day and InterFinancial as corporate adviser.

Value Realised for Securityholders

Since 30 June 2015, the following transactions have resulted a material increase in Unity Pacific's net tangible asset value:

- the improvement in the independently assessed value of the Land to \$8.5 million;
- the sale of 308 Queen St/88 Creek St, Brisbane at a premium to book value; and
- the sale of 760m² of transferrable development rights which attached to the above property at a premium to book value.

Unity Pacific's NTA per stapled security was \$1.47 as at 30 June 2015. Since August 2015, securityholders have received \$1.22 per stapled security through the payment of two capital distributions and may now realise the remainder of their investment if they accept the Offer. The considered and systematic manner in which the Board has conducted the above transactions and the corporate expressions of interest process has had the effect of increasing the potential value able to be realised by securityholders by \$7.9 million or 22 cents per stapled security since 30 June 2015 (i.e. assuming the Land is able to be sold for the Valuation amount of \$8.5 million).

About Ebert Investments

Ebert Investments is part of the Sentinel Property Group (Sentinel), a privately-owned and Brisbane-based property investment group. Ebert Investments currently owns approximately 16.08% of Unity Pacific Group's stapled securities on issue.

The Marie Street Trust

Unity Pacific Funds Management Limited will continue to be the responsible entity and manager of The Marie Street Trust (the Trust). If the bid is successful, to provide management and supervisory continuity for the Trust's unitholders, it has been agreed that Chris Morton and Murray Boyte (2 of the 3 current directors) will continue to be directors of Unity Pacific Funds Management Limited.

ENDS

For further information, contact:

Brett Heading

Chairman

+61 409 608 966



EXECUTION VERSION

Bid Implementation Deed

Unity Pacific Limited (ABN 11 110 831 288) (**UPG Co**)

Unity Pacific Investment Management Limited (ABN 47 137 565 149) as responsible entity of the Unity Pacific Stapled Trust (ARSN 111 389 596) (**UPG Trust RE**)

Ebert Investments Pty Ltd (ACN 138 124 044) as trustee for Ebert Investment Trust (**Bidder**)

Jones Day
Aurora Place
Level 41, 88 Phillip Street
Sydney NSW 2000
Tel: 61.2.8272.0500
Fax: 61.2.8272.0599
www.jonesday.com

TABLE OF CONTENTS

	Page
1. DEFINITIONS AND INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Interpretation	7
1.3 Best and reasonable endeavours.....	8
1.4 Consents and approvals.....	8
1.5 References to the parties	8
2. THE BID	8
2.1 Making the Bid.....	8
2.2 Offer Period	9
2.3 Extension of Bid.....	9
2.4 Variation of Offer	9
3. CONDITIONS	9
4. FACILITATION OF THE BID	10
4.1 Bidder's obligations to prepare documentation	10
4.2 Target's obligations to prepare documentation	10
4.3 Provision of information.....	10
4.4 Early despatch of Offers.....	11
4.5 Timetable.....	11
4.6 Register details.....	11
5. CO-OPERATION.....	11
5.1 General.....	11
5.2 Access.....	11
5.3 Board and management changes	11
5.4 Board composition of UPFML	12
5.5 San Remo Disposal.....	13
5.6 Minimum Price required	14
5.7 Calculation of Redemption Amount.....	14
5.8 Benefits held on trust.....	14
6. ANNOUNCEMENTS AND RECOMMENDATION	14
6.1 Announcements.....	14
6.2 Recommendation	14
6.3 Changes in recommendation	15
7. RELEASES AND INSURANCE.....	15
7.1 Bidder Indemnified Parties	15
7.2 Target Indemnified Parties	15
7.3 Insurance.....	16

TABLE OF CONTENTS

(continued)

	Page
8. CONDUCT OF BUSINESS	16
8.1 General.....	16
8.2 No Prescribed Occurrence	17
9. EXCLUSIVITY	17
9.1 Cease existing discussions	17
9.2 No shop	17
9.3 No talk	17
9.4 No due diligence.....	18
9.5 Target to notify Bidder	18
9.6 Fiduciary exception	18
9.7 Provision of information	18
9.8 Matching Right.....	19
10. REIMBURSEMENT AMOUNT	19
10.1 Target acknowledgment	19
10.2 Undertaking given by Target	20
10.3 Demand for payment.....	20
10.4 Refund	20
10.5 Compliance with law.....	20
10.6 Exclusive remedy	21
10.7 Other claims	21
10.8 Survival.....	21
11. WARRANTIES.....	21
11.1 Mutual representations and warranties	21
11.2 UPG Trust RE representations and warranties.....	22
11.3 Target representations and warranties	23
11.4 Bidder representations and warranties	24
11.5 Reliance.....	24
11.6 Timing.....	24
11.7 Survival of representations and warranties	24
12. INDEMNITIES	24
13. TERMINATION.....	25
13.1 Reciprocal termination rights.....	25
13.2 Other termination rights.....	25
13.3 Automatic termination.....	25
13.4 Effect of termination	25

TABLE OF CONTENTS
(continued)

	Page
14. CONFIDENTIAL INFORMATION.....	26
14.1 Disclosure of Bidder Confidential Information	26
14.2 Use of Bidder Confidential Information	26
14.3 Disclosure of Target Confidential Information	26
14.4 Use of Target Confidential Information	26
14.5 Disclosure by recipient of Confidential Information	26
14.6 Disclosure exceptions	27
14.7 Return of Confidential Information.....	27
14.8 Termination.....	27
15. PUBLIC ANNOUNCEMENTS	27
16. LIMITATION OF TRUSTEE LIABILITY	27
17. GST	28
18. NOTICES.....	29
19. GENERAL	30
19.1 Amendment	30
19.2 Assignment.....	31
19.3 Entire agreement	31
19.4 No merger.....	31
19.5 Further assurances	31
19.6 Costs and duty.....	31
19.7 No waiver.....	31
19.8 Remedies cumulative	31
19.9 Severability	31
19.10 Governing law.....	32
19.11 Counterparts.....	32
SCHEDULE 1	33
SCHEDULE 2	34
SCHEDULE 3	40
SCHEDULE 4	41
SCHEDULE 5	46

DATE 28 July 2016

PARTIES

- (1) **Ebert Investments Pty Ltd** (ACN 138 124 044) as trustee for Ebert Investment Trust (**Bidder**)
- (2) **Unity Pacific Limited** (ABN 11 110 831 288) (**UPG Co**)
- (3) **Unity Pacific Investment Management Limited** (ABN 47 137 565 149) in its capacity as responsible entity of Unity Pacific Stapled Trust (ARSN 111 389 596) (**UPG Trust RE**)

RECITALS

- (A) Target is a double-stapled group listed on ASX. The two investment vehicles that comprise Target are UPG Trust and UPG Co.
- (B) Bidder proposes to make the Bid and the Target Directors propose to recommend that Target Securityholders accept the Offer in respect of their Target Securities subject to the terms of this deed.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply unless the context requires otherwise.

ACCC means the Australian Competition and Consumer Commission.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.

Agreed Bid Terms means the terms set out in Schedule 2.

Agreed Announcements means the announcements to be made by each of Bidder and Target in the form set out in Schedule 3.

Announcement Date means the date of release of the Agreed Announcements.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency, and

- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Bid means an off-market takeover bid by Bidder for all Target Securities under Chapter 6 of the Corporations Act, as may be amended by Bidder from time to time in accordance with law (including pursuant to clause 9.8).

Bidder Confidential Information means all confidential information, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this deed relating to the business, technology or other affairs of the Bidder Group.

Bidder Group means Bidder and its Related Bodies Corporate;

Bidder Indemnified Parties means the Bidder, its Related Bodies Corporate and their respective Representatives.

Bidder Warranties means the representations and warranties given by Bidder under this deed.

Bidder's Statement means the bidder's statement to be issued by Bidder in respect of the Bid.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Brisbane, Australia.

Claim means, in relation to a person, any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Competing Proposal means any proposal, transaction, arrangement or offer (whether from a person with whom Target has previously been in discussions or not) that:

- (a) would, if completed substantially in accordance with its terms, result in any person or persons other than Bidder (or an Associate of Bidder):
- (i) acquiring:
 - (A) directly or indirectly, an interest in all or a substantial part of the assets of Target; or
 - (B) a Relevant Interest in more than 20% of the voting securities of Target or otherwise acquire control of Target (within the meaning of section 50AA of the Corporations Act); or
 - (ii) otherwise acquiring or merging with Target whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual listed company structure or other synthetic merger or any other transaction or arrangement; or
- (b) may materially reduce the likelihood of success of the Bid.

Conditions mean the conditions to the Offer set out in section 1.4 of Schedule 2.

Confidential Information means the Bidder Confidential Information and the Target Confidential Information.

Confidentiality Agreement means the confidentiality agreement entered into by the parties as subsequently extended, varied or amended by the parties from time to time.

Corporations Act means the *Corporations Act 2001* (Cth), as modified by any relevant exemption or declaration by ASIC.

Counter Proposal has the meaning given to that expression in clause 9.8(a).

Diligence Information has the meaning given to that expression in clause 9.4(a).

Disclosure Material means all information in written form relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Target or any member of the Target Group provided by or on behalf of Target to Bidder or its Representatives or to which Bidder or its Representatives has had any access in the 6 month period prior to the date of this deed.

Disclosed means fully, fairly and accurately disclosed in the Disclosure Materials or any announcement made by Target on ASX prior to the date of this deed, provided that, in each case, such disclosure was not misleading or deceptive in any material respect (including by omission).

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, any mortgage, charge, pledge, lien, hypothecation, trust or bill of sale or other security interest created by operation of law or otherwise;

by way of security for the payment of a debt or other monetary obligation or the performance of any other obligation and includes but is not limited to a security interest within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth).

End Date means the date which is 4 months after the date of this deed or such later date as the parties may agree in writing.

Entity includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

Exclusivity Period means the period beginning on the date of this deed and ending on the earlier of:

- (a) the end of the Offer Period;
- (b) termination of this deed; and
- (c) the End Date, but only if the Offer remains subject to any Conditions at this time.

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the ACCC, the ATO, ASX and any regulatory organisation established under statute or any stock exchange.

GST means a goods and services tax or similar value added tax levied or imposed in Australia.

Guarantee means a guarantee substantially in the form of Schedule 5.

Insolvency Event means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b) the person resolving to appoint a Controller or analogous person to the person or any of the person's property;
 - (i) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property, or
 - (ii) an appointment of the kind referred to in subparagraph (i) being made (whether or not following a resolution or application);
- (c) the holder of an Encumbrance, or any agent on its behalf, appointing a Controller or taking possession of any of the person's property;
- (d) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (e) an application being made to a court for an order for its winding up;
- (f) an order being made, or the person passing a resolution, for its winding up;
- (g) the person;
 - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
 - (ii) being unable to pay its debts or otherwise insolvent; or
- (h) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or
- (i) any analogous event under the laws of any applicable jurisdiction,

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved by Bidder.

Liabilities includes loss, damage, liability, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent and including any consequential or indirect loss, economic loss or loss of profits.

Marie Street Property means the property situated at 16 Marie Street, Milton, Queensland, Australia.

Matching Right Period has the meaning given to that expression in clause 9.8(a).

Minimum Price means an amount of not less than \$6 million calculated by deducting all San Remo Disposal Expenditure and all agent's commissions and fees arising from or incurred in relation to the San Remo Disposal from the proceeds received by SRP for the San Remo Disposal.

Morton means Christopher Arthur Morton.

Offer means each offer to acquire Target Securities to be made by Bidder to Target Securityholders in connection with the Bid.

Offer Consideration has the meaning given in paragraph 1.1 of Schedule 2.

Offer Period means the period during which Offers are open for acceptance.

Operating Expenditure means contractor, employee, and other operating expenditure, including Target Group costs associated with and arising from the Offer but excluding employee redundancy and termination costs, amounts payable under the Target's premises lease after 30 November 2016, any insurance that may be prepaid pursuant to clause 7.3 and the San Remo Disposal Expenditure.

Officer means, in relation to an entity, any of its directors, officers and employees.

Prescribed Period means 9 months from the end of the Offer Period.

Redemption has the meaning given in Schedule 4.

Redemption Amount has the meaning given in Schedule 4.

Register means the stapled security register of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

Reimbursement Amount means an amount equal to \$130,000 (plus GST, if applicable).

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Relevant Notice has the meaning given to that expression in clause 9.7(a).

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person; or
- (b) an Officer of the person or any of the person's Related Bodies Corporate; or
- (c) an Adviser to the person or any of the person's Related Bodies Corporate.

Rights means all accretions and rights that accrue to or arise from Target Securities after the Announcement Date, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements announced, declared, determined, paid, made or issued by Target after that date.

Rival Bidder has the meaning given to that expression in clause 9.5(c)(i).

Rival Transaction has the meaning given to that expression in clause 9.7(a).

San Remo Disposal means the sale of all right title and interest in the San Remo Property for not less than the Minimum Price.

San Remo Disposal Expenditure means all Liabilities arising from or in connection with the San Remo Disposal including:

- (a) all marketing and advertising costs, valuation costs, consultants and advisor fees, application fees, consent fees, travel expenses, legal costs, stamp or transfer duty; and
- (b) all costs incurred to enhance the value of the property so as to maximise its sale price including the making of town planning applications and the progressing of those applications,

other than any commission payable to agents or brokers engaged to sell the San Remo Property.

San Remo Property means the property situated at 140 Punchbowl Road, San Remo, Victoria, Australia.

San Remo Share means a fully paid redeemable preference share in the capital of Bidder having the rights set out in Schedule 4.

Subsidiary has the meaning given in the Corporations Act, provided that an Entity will also be taken to be a Subsidiary of another Entity if it is controlled by that Entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (b) an Entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Superior Proposal means a bona fide Competing Proposal received by Target after the date of this deed but during the Exclusivity Period, which the Target Directors, acting in good faith and after obtaining written advice from their legal advisers, determine:

- (a) is reasonably capable of being valued and completed taking in to account all of the aspects of the Competing Proposal, including timing considerations, financing, conditions and the identity of the person making the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Target Securityholders than the Bid, taking into account all terms and conditions of the Competing Proposal.

SRP means San Remo Property Pty Ltd (ACN 122 404 826).

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Target means UPG Trust and UPG Co, or one of them as the context requires.

Target Board means the board of directors of UPG Co and the board of directors of UPG Trust RE (as those boards are constituted from time to time), and includes any authorised committee of directors of those boards.

Target Confidential Information means all confidential information, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this deed relating to the business, technology or other affairs of the Target Group.

Target Director means a director of UPG Co or a director of UPG Trust RE.

Target Group means Target and each of its Related Bodies Corporate.

Target Group Member means a member of the Target Group.

Target Group Officers has the meaning given to that expression in clause 7.3(c).

Target Indemnified Parties means the Target, its Related Bodies Corporate and their respective Representatives.

Target Prescribed Occurrence shall have the meaning ascribed to that term in the Conditions.

Target Security means a fully paid stapled security comprising a UPG Co Share and a UPG Trust Unit.

Target Securityholder means a person who is registered in the Register as a holder of Target Securities from time to time.

Target Warranties means the representations and warranties given Target under this deed.

Target's Statement means the target's statement to be issued by Target in respect to the Bid.

Terminating Party has the meaning given to that expression in clause 13.1.

Timetable means the indicative timetable for the Bid set out in Schedule 1.

Unacceptable Circumstances has the meaning given in section 657A of the Corporations Act.

UPFML means Unity Pacific Funds Management Limited (ACN 164 404 595).

UPG Co Share means a fully paid ordinary share in UPG Co.

UPG Trust means Unity Pacific Stapled Trust (ARSN 111 389 596).

UPG Trust Unit means a fully paid ordinary unit in UPG Trust.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural and conversely.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
 - (v) A reference to a clause or Schedule is a reference to a clause of, or Schedule to, this deed.
 - (vi) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document.
 - (vii) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.

- (viii) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (ix) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form but excludes a communication by electronic mail.
- (x) A reference to \$ is to the lawful currency of Australia.
- (xi) Words and phrases not specifically defined in this deed have the same meanings (if any) given to them in the Corporations Act.
- (xii) A reference to time is a reference to time in Brisbane, Australia.
- (xiii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (xiv) The meaning of general words is not limited by specific examples introduced by **including**, or **for example**, or similar expressions.

1.3 Best and reasonable endeavours

A reference to a party using, or obligation on a party to use, its best endeavours or reasonable endeavours does not oblige that party to:

- (a) pay money:
 - (i) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (ii) in circumstances that are commercially onerous or unreasonable in the context of this deed;
- (b) provide other valuable consideration to or for the benefit of any person; or
- (c) agree to commercially onerous or unreasonable conditions.

1.4 Consents and approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this deed specifies otherwise).

1.5 References to the parties

A reference to a right or obligation as between the parties (including an obligation to seek consent or provide notice as between the parties) is a reference to a right or obligation as between Bidder and Target and not as between UPG Co and UPG Trust.

2. THE BID

2.1 Making the Bid

- (a) Bidder agrees to make the Bid on terms no less favourable than the Agreed Bid Terms.

- (b) Bidder may satisfy its obligations under clause 2.1(a) by causing a nominee (**Nominee**) to do the things referred to in that paragraph and the other provisions of this deed. If Bidder does that, references to:
 - (i) the Bid are references to the Bid by the Nominee; and
 - (ii) Bidder making the Bid are references to Bidder causing the Nominee to make the Bid.
- (c) If paragraph 2.1(b) applies, Bidder:
 - (i) must procure that the Nominee performs Bidder's obligations under this deed and the Bid; and
 - (ii) irrevocably guarantees to Target the performance of those obligations by the Nominee and will procure that Warren Ebert and Bidder enter into the Guarantee to guarantee the performance of all of the Nominee's obligations under this deed and the Bid.
- (d) If paragraph 2.1(b) does not apply, Bidder must procure that Warren Ebert and Bidder enter into the Guarantee to guarantee the performance of all of Bidder's obligations under this deed and the Bid.
- (e) Until the Redemption or lapse of all of the San Remo Shares, Bidder undertakes that it will not sell, transfer or dispose of any of the Target Securities it acquires under the Bid.

2.2 Offer Period

The Offer Period will be for a minimum of one month, but the parties acknowledge and agree that the Offer Period may be extended by the Bidder in accordance with law.

2.3 Extension of Bid

The Bid will extend to Target Securities that are issued during the Offer Period due to the conversion of other securities into Target Securities or the exercise of other rights.

2.4 Variation of Offer

Bidder may:

- (a) vary the terms of the Offer (including the consideration under the Offer); or
 - (b) waive any Conditions, declare the Offer unconditional or extend it at any time,
- in each case, in any manner permitted by law.

3. CONDITIONS

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Provided that the Target Directors have not changed their recommendation in accordance with clause 6.3 at the relevant time, each party must, to the extent it is within its power to do so, use its reasonable endeavours to procure that:
 - (i) each of the Conditions which the party is capable of satisfying is satisfied as soon as practicable after the date of this deed or continues to be satisfied at all times until the last time for it to be satisfied (as the case may require); and

- (ii) there is no occurrence within the control of either of them (or their Related Bodies Corporate) that would prevent the Conditions being satisfied, except to the extent such occurrence is required by law.
- (c) Without limiting clause 3(b), Target must promptly (and in any event within 5 Business Days of the request being made) provide Bidder with all information and assistance reasonably requested by it in connection with the satisfaction of any of the Conditions (including by making supporting submissions in connection with the Bid to any relevant Government Agency).
- (d) If a party becomes aware of any fact, matter or circumstance that would be likely to cause any of the Conditions to be breached or to become incapable of satisfaction, it must immediately provide written notice to the other party of such fact, matter or circumstance.

4. FACILITATION OF THE BID

4.1 Bidder's obligations to prepare documentation

- (a) Bidder must prepare the Bidder's Statement and acceptance form for the Offer in accordance with clauses 2.1 to 2.4.
- (b) The Bidder's Statement must:
 - (i) comply in all material respects with applicable laws and in particular the requirements of the Corporations Act, ASX Listing Rules and all relevant regulatory guides, policy, practice notes and guidelines and requirements of ASX, ASIC and the Takeovers Panel; and
 - (i) must not be misleading or deceptive in any respect (whether by omission or otherwise).

4.2 Target's obligations to prepare documentation

- (a) Target must prepare the Target's Statement in response to the Offer which includes a recommendation by each Target Director to Target Securityholders to accept the Offer in respect of all of their Target Securities, subject only to the qualifications described in clause 6.3.
- (b) The Target's Statement must:
 - (i) comply in all material respects with applicable laws and in particular the requirements of the Corporations Act, Listing Rules and all relevant regulatory guides, policy, practice notes and guidelines and requirements of ASX, ASIC and the Takeovers Panel; and
 - (ii) must not be misleading or deceptive in any respect (whether by omission or otherwise).

4.3 Provision of information

Each party agrees that it will provide to the other such information (including Confidential Information on the terms set out in this deed) as is reasonably required by the other party to fulfil its obligations under this deed, including, but not limited to, the preparation of the Bidder's Statement and the Target's Statement.

4.4 Early despatch of Offers

Target agrees that the Bidder's Statement and accompanying documents to be sent by Bidder under item 6 of section 633(1) of the Corporations Act may be sent on any date nominated by Bidder that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.

4.5 Timetable

- (a) Each party agrees to use its reasonable endeavours to comply with the Timetable.
- (b) If any date in the Timetable becomes unachievable due to events beyond their control, the parties will consult in good faith to attempt to agree necessary amendments to the Timetable.

4.6 Register details

Target must:

- (a) provide all necessary information about the Register to Bidder which Bidder requires to assist it solicit acceptances under the Bid; and
- (b) provide all necessary directions to the Registry to ensure that any information Bidder requests in relation to the Register and the Target Securityholders, including any CHES sub-register and any issuer-sponsored sub-register, as soon as reasonably practicable provided to Bidder and, where requested by Bidder, Target must procure that such information is made available to Bidder in such electronic form as is reasonably requested by Bidder.

5. CO-OPERATION

5.1 General

Each party must:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative manner with the other party (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Bid.

5.2 Access

From the date of this deed until the first to occur of the end of the Offer Period and the date this deed is terminated, Target will, and will procure that members of Target Group will, provide Bidder and Representatives with reasonable access to such officers, documents, records and other information which the Bidder reasonably requires for the purposes of implementing the Bid, provided that such access does not place an unreasonable burden on Target and any information provided to Bidder under this clause 5.2 is subject to the terms of the Confidentiality Agreement.

5.3 Board and management changes

Subject to clause 5.4, if the Offer becomes unconditional and Bidder acquires a Relevant Interest in at least 50% of Target Securities, the Target and the Bidder will do all things within

their respective control to procure that the Target Board and the Board of each other Target Group Member is reconstituted, such that:

- (a) subject to clauses 5.3(c) and 5.4, the Bidder will nominate up to 4 nominees to the Target Board and any other Board of the Target Group (**Nominees**), provided that Bidder will procure that its nominees on the Target Board do not participate in decisions of Target in relation to the Bid;
- (b) Bidder may but is not obliged to nominate the retention of any existing members of the Target Board or any other Board members of the Target Group, except that until the end of the Offer Period each of the 3 existing Target Directors may elect to remain on the Target Board;
- (c) Bidder will ensure that the board of SRP is comprised of no more than three directors and must include a nominee of the Bidder, Morton and Murray Boyte for the period up to and including the earlier of the date on which the San Remo Disposal completes and last day of the Prescribed Period for the purposes of completing the San Remo Property Disposal within the Prescribed Period, on the basis that such appointment will not oblige the Bidder or any Target Group Member to pay the Bidder nominee, Morton or Murray Boyte any director's or other fees arising from such appointment;
- (d) as soon as practicable following nominations under paragraph (a), Target must use its reasonable endeavours to cause the Nominees to be appointed as directors of the Target Group;
- (e) any Target Directors or other directors of the Target Group not retained in accordance with this clause will resign as directors and provide written notice that they have no claim outstanding for loss of office or remuneration against Target, the Target Group or Bidder (as the case requires).

5.4 Board composition of UPFML

Bidder represents and warrants to Target that, from the date on which the Offer becomes unconditional and Bidder acquires a Relevant Interest in at least 50% of Target Securities up until the earlier of:

- (a) UPFML ceases to be the responsible entity and manager of the Marie Street Trust (ARSN 167 058 693); and
- (b) the Marie Street Property is sold (whichever is the earlier).

Bidder must do all things within its control to procure and ensure that:

- (c) the board of directors of UPFML is comprised of no more than 3 directors and will include the following persons:
 - (i) Morton;
 - (ii) Murray Boyte; and
 - (iii) one nominee of the Bidder;
- (d) Murray Boyte and Morton will not be entitled to receive any remuneration for their services as a director;
- (e) the directors and officers of UPFML will have the benefit of directors and officers insurance and deeds of indemnity and access on terms no less favourable than that made available to directors and officers of other Australian Financial Services License holders in the Bidder Group as at the date of this agreement; and

- (f) UPFML will continue to have a company name which includes the words "Unity Pacific" for a period of 6 months from the date on which the Offer becomes unconditional and Bidder acquires a Relevant Interest in at least 50% of Target Securities.

5.5 San Remo Disposal

The Bidder acknowledges and agrees that the San Remo Shares are a component of the Offer Consideration. The Bidder and the Target have agreed that every effort will be taken to effect the San Remo Disposal at the best possible price within the Prescribed Period. To give effect to this, each of Bidder and Target agrees and undertakes in favour of each Target Securityholder and each of Morton and Murray Boyte that:

- (a) it will take all steps within its power to ensure that the current directors of SRP, Morton and Murray Boyte, remain as directors of SRP until the earlier of the Redemption of the San Remo Shares or the end of the Prescribed Period;
- (b) it will procure that the SRP board is irrevocably mandated and authorised to undertake a process with the objective of effecting the San Remo Disposal at the best possible price during the Prescribed Period provided that price will be not less than the Minimum Price;
- (c) it will not take any action inconsistent with, nor seek to withdraw, that authorisation and mandate, provided SRP and the SRP directors are not in material breach of this clause 5.5, the authorisation or mandate;
- (d) it will procure that the SRP directors are irrevocably mandated and authorised to carry out all things considered necessary by them to maintain and enhance the value of the San Remo Property and to maximise its sale price within the Prescribed Period, including but not limited to:
- (i) making and progressing any planning application;
 - (ii) arranging marketing of the San Remo Property;
 - (iii) appointing agents or brokers and other parties to assist with the sale of the San Remo Property;
 - (iv) engaging lawyers in respect of the marketing or sale of the San Remo Property;
 - (v) the incurring the San Remo Disposal Expenditure which, for the avoidance of doubt includes, including those relating to paragraph (c)(i) to (iv) above provided the aggregate San Remo Disposal Expenditure does not exceed \$250,000 from the date of this deed until the end of the Prescribed Period. This limit on costs does not include commissions which are payable to an agent or agents which are payable in the event of a sale (**Agents' Commissions**) which Agents' Commissions are not included in calculating expenditure for the purposes of the \$250,000 cap; and
 - (vi) executing and authorising entry into a sale of the San Remo Property in accordance with the mandate;
- (e) it will ensure that SRP is put in funds in an amount sufficient to pay when due all expenditure within the \$250,000 limit from the date of this deed until the end of the Prescribed Period, and all Agents' Commissions, and it will ensure that, upon presentation to Target of invoices relating to such expenses which have been approved by an SRP director that are within the \$250,000 limit from the date of this

deed until the end of the Prescribed Period, payment will be made to the creditor within 21 days of that presentation; and

- (f) it will provide all relevant information and records to enable the calculation of the San Remo Disposal Expenditure and the Redemption Amount.

5.6 Minimum Price required

The Bidder and Target acknowledge and agree that nothing in this clause, this deed or any mandate referred to in the clause authorise any person to:

- (a) incur San Remo Disposal Expenditure more than the \$250,000 limit from the date of this deed until the end of the Prescribed Period;
- (b) dispose of the San Remo Property for less than the Minimum Price.

5.7 Calculation of Redemption Amount

- (a) Upon a sale of the San Remo Property, SRP will provide to the Bidder a calculation of NP for the purposes of determining the Redemption Amount for the San Remo Shares. For the purposes of this clause 5.7, "NP" is the price paid for the San Remo Disposal, less the aggregate of the San Remo Disposal Expenditure and the Agent's Commission.
- (b) If Bidder disputes the calculation of NP, Bidder and SRP will try to agree NP. If no agreement can be reached after 7 days, either SRP or Bidder can refer the matter to the Expert for determination.
- (c) The Expert acts as an expert and not an arbitrator and the Expert's determination is final and binding in the absence of manifest error.
- (d) The Expert will be a chartered accountant of at least 15 years' standing, who is not from the auditors of either Target or Bidder, and agreed by SRP and Bidder or, in the absence of agreement, appointed by the President of the Institute of Chartered Accountants of Australia.
- (e) The reasonable costs and expense of the Expert are to be borne equally, with half to be a deduction from the NP.

5.8 Benefits held on trust

Target holds the benefit of each indemnity, promise and obligation in this deed expressed to be for the benefit of a director, officer of a Target Group Member on trust for that director, officer or employee.

6. ANNOUNCEMENTS AND RECOMMENDATION

6.1 Announcements

Bidder and Target agree to make the Agreed Announcements to ASX immediately following execution of this deed.

6.2 Recommendation

Subject to clause 6.3, Target represents and warrants to Bidder that, as at the date of this deed, the Target Directors have confirmed (by way of a Target Board resolution) that they will, in the absence of a Superior Proposal:

- (a) recommend acceptance of the Bid and each Offer to Target Securityholders and not subsequently change, withdraw or modify that recommendation;
- (b) accept the Offer in respect of all of the Target Securities they own or control or otherwise have a Relevant Interest in; and
- (c) include in all communications with Target Securityholders made after execution of this deed and relating to Bid or the Offer (including the Target's Statement) statements to that effect.

6.3 Changes in recommendation

The Target Directors may only change, withdraw or modify the recommendations described in clause 6.2 if they determine in good faith, after having obtained written advice from their legal advisers, that continuing to make those recommendations or statements would be likely to result in the Target Directors breaching their fiduciary or statutory obligations (including where Target receives a Superior Proposal).

7. RELEASES AND INSURANCE

7.1 Bidder Indemnified Parties

- (a) Target releases its rights against, and agrees with Bidder that it will not make a Claim against any Bidder Indemnified Party (other than Bidder) as at the date of this deed in connection with:
 - (i) any breach or misrepresentations, covenants or warranties of Bidder or any member of the Bidder Group in this deed; or
 - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,

to the extent the Bidder Indemnified Party has acted in good faith and has not engaged in wilful misconduct.

- (b) Clause 7.1(a) is subject to the Corporations Act and will be read down accordingly. Bidder receives and holds the benefit of this clause to the extent it relates to each Bidder Indemnified Party as trustee for them.

7.2 Target Indemnified Parties

- (a) Bidder releases its rights against, and agrees with Target that it will not make a Claim against any Target Indemnified Party (other than Target) as at the date of this deed in connection with:
 - (i) any breach or misrepresentations, covenants or warranties of Target or any member of the Target Group in this deed; or
 - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,

to the extent the Target Indemnified Party has acted in good faith and has not engaged in wilful misconduct.

- (b) Clause 7.2(a) is subject to the Corporations Act and will be read down accordingly. Target receives and holds the benefit of this clause to the extent it relates to each Target Indemnified Party as trustee for them.

7.3 Insurance

- (a) Subject to the Offer becoming unconditional, Bidder undertakes that it will:
 - (i) for a period of 7 years from the date on which the Target Directors resign in accordance with clauses 5.3 and 5.4, ensure that:
 - (A) the constitution of each Target Group Member which is in existence as at the date of this deed, for so long as the entity continues to exist, contains such rules as at the date of this deed which provide for each of them to indemnify each of their officers against any liability incurred by that officer in his or her capacity as an officer; or
 - (B) to the extent that any Target Group Member ceases to exist after the date of this deed, the officers of that Target Group entity have the benefit of an indemnity on terms no less favourable than those contained in the constitution of the Target Group entity as at the date of this deed; and
 - (ii) in respect of the deeds of indemnity, access and insurance made by Target and each entity within the Target Group in favour of their respective directors and officers from time to time:
 - (A) procure that Target and each entity within the Target Group, for so long as the entity continues to exist, complies with the relevant deed(s); and
 - (B) to the extent that any Target Group Member ceases to exist after the date of this agreement, the officers of that Target Group Member have the benefit of an indemnity on terms no less favourable than those contained in the relevant deed(s) as at the date of this agreement.
- (b) Clause 7.3(a) is subject to the Corporations Act and will be read down accordingly, Target receives and holds the benefit of this clause 7.3 to the extent it relates to each Target officer as trustee for them.
- (c) Subject to the Offer becoming unconditional, Target undertakes that it will, in respect of all directors and officers of the Target Group immediately prior to the Offer becoming unconditional (together, **Target Group Officers**), prepay directors and officers insurance for an amount of \$10 million for a period of 7 years from the retirement date of each Target Group Officer and for the benefits of each Target Group Officer provided, it is on commercial reasonable terms with a reputable insurer at current coverage levels as disclosed to Bidder prior to the date of this deed. Such policy must include a terms that the policy cannot be cancelled unless the insured consents to the cancellation. The Target agrees to consult with the Bidder prior to prepaying the insurance for the Target Group Officers.

8. CONDUCT OF BUSINESS

8.1 General

During the period from the Announcement Date up to and including the earlier of the date when this deed is terminated and the end of the Offer Period, Target will, and will procure that each other member of the Target Group will:

- (a) conduct its business in the ordinary course and substantially in the same manner as previously conducted;

- (b) use all reasonable endeavours to identify any change of control or similar provisions in any significant contracts and use reasonable endeavours to obtain the consents of relevant persons who have rights in respect of those contracts to the transactions contemplated in the Bid;
- (c) not incur Operating Expenditure in excess of \$900,000 during the period from 1 August 2016 to 30 November 2016;
- (d) enter into a documentation in a substance and form satisfactory to the Bidder and Target (each acting reasonably):
 - (i) for the purpose of completing the disposal of the San Remo Property by no later than the Prescribed Period for no less than the Minimum Price; and
 - (ii) to ensure that the San Remo Disposal Expenditure is limited to an aggregate of \$250,000,

except that Target may take any action in respect of the business or its assets permitted or required pursuant to, or contemplated by, this deed, or to the extent Disclosed prior to entry into this deed.

8.2 No Prescribed Occurrence

During the period from the Announcement Date up to and including the earlier of the date when this deed is terminated and the end of the Offer Period, Target must ensure, to the extent within the control of any member of the Target Group (or two or more of them), that no Target Prescribed Occurrence occurs, without the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed).

9. EXCLUSIVITY

9.1 Cease existing discussions

Target represents and warrants to Bidder that immediately following the execution of this deed it will unconditionally cease and terminate any discussions or negotiations with all third parties relating to any Competing Proposal that have been conducted prior to the date of this deed.

9.2 No shop

- (a) During the Exclusivity Period, Target must not and must ensure that its Representatives do not directly or indirectly solicit, initiate, invite or encourage any inquiries, proposals, discussions or negotiations, or communicate any intention to do any of these things, regarding any Competing Proposal.
- (b) Nothing in paragraph (a) prevents Target from continuing to respond to enquiries from brokers, portfolio investors, analysts, shareholders and media in the ordinary course' in relation to the Bid or its business generally provided those communications do not concern or relate to a Competing Proposal.

9.3 No talk

Subject to clause 9.6, during the Exclusivity Period, Target must not and must ensure that its Representatives do not directly or indirectly participate in any discussions or negotiations with any person regarding, or that could reasonably be expected to lead to, a Competing Proposal, even if:

- (a) those discussions or negotiations were not directly or indirectly encouraged, solicited, invited or initiated by Target or any of its Representatives; or

- (b) that person has publicly announced a Competing Proposal.

9.4 No due diligence

- (a) Subject to clause 9.6, during the Exclusivity Period, Target must not and must ensure that its Representatives do not, make available to any other person or permit any other person to receive non-public information relating to Target, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal (**Diligence Information**).
- (b) Where, in reliance on clause 9.6, Target or any of its Representatives proposes to provide any Diligence Information to any third party in connection with or for the purposes of a current or future Competing Proposal, it must, to the extent that Bidder has not previously been provided with the information, provide Bidder with a complete copy of that information at the same time as it is provided to the third party.

9.5 Target to notify Bidder

- (c) During the Exclusivity Period, Target must immediately notify Bidder in writing if it proposes, in circumstances permitted by clause 9.6, to take any action of a kind that is set out in clause 9.3 or 9.4 During the Exclusivity Period, Target must promptly notify Bidder in writing if in circumstances permitted by clause 9.6:
 - (i) Target enters into discussions or negotiations with a party that has proposed (or may reasonably be expected to propose) a Competing Proposal; or
 - (ii) Target makes available to any person, or permits any person to receive, any Diligence Information.
- (d) A notice given under this clause 9.5 must be accompanied by all material details of the relevant event, including:
 - (i) the identity of the person or persons making the approach or request or on whose behalf any such action was taken (**Rival Bidder**);
 - (ii) the terms and conditions of any Competing Proposal (to the extent known); and
 - (iii) the circumstances in which any discussions or negotiations are held with a Rival Bidder or information is provided to the Rival Bidder.

9.6 Fiduciary exception

The restrictions in clause 9.3 and 9.4 and the notification obligations in clause 9.5(c) do not apply to the extent that they restrict Target, the Target Directors or the Target Board from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not encouraged, solicited, invited or initiated by Target or one of its Representatives in contravention of clause 9.2) where the Target Directors:

- (a) determine that the Competing Proposal is, or may be reasonably be expected to lead to, a Superior Competing Proposal; or
- (b) acting in good faith and having obtained written advice from their legal advisers, have formed the view that taking or refusing the take such action would be likely to result in the Target Directors breaching their statutory or fiduciary duties.

9.7 Provision of information

- (a) Without limiting Target's obligations under clause 9.5, if any Target Director proposes to (whether or not subject to conditions) change his or her recommendation of the

Offer so that he or she can recommend a Competing Proposal (**Rival Transaction**), Target must give Bidder written notice (**Relevant Notice**) of such proposed change of recommendation.

- (b) A Relevant Notice must include:
- (i) all the material terms and conditions (including price) of the Rival Transaction;
 - (ii) a copy of any material confidential information concerning the Target Group provided to any person associated with the Rival Transaction which has not previously been provided to Bidder; and
 - (iii) details of the basis on which the Target Director intends to change his or her recommendation.

9.8 Matching Right

- (a) Bidder will have the right, but not the obligation, at any time during the period of 5 Business Days following receipt of a Relevant Notice (**Matching Right Period**) to amend the terms of the Offer (including, but not limited to, increasing the amount of consideration offered under the Bid or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the Target Directors must review the Counter Proposal in good faith. If the Target Directors determine that the Counter Proposal would be more favourable to Target Securityholders as the Rival Transaction, then Target and Bidder must use their best endeavours to, as soon as practicable, enter into the necessary documentation to give effect to the revised Offer and Target must ensure that each of the Target Directors recommends the Counter Proposal to Target Securityholders and does not recommend the Rival Transaction.
- (b) During the Matching Right Period:
- (i) no Target Director is permitted to change his or her recommendation of the Offer or to make any public statement to the effect that he or she may do so at some further point in time; and
 - (ii) Target must not enter into any agreement, arrangement or understanding in respect of the Rival Transaction.
- (c) For the purposes of this clause 9.8, each successive material modification to a Rival Transaction will constitute a new Rival Transaction in respect of which Target must comply with its obligations under this clause 9.8.

10. REIMBURSEMENT AMOUNT

10.1 Target acknowledgment

- (a) Target acknowledges that, if Bidder enters into this deed and the Bid does not succeed, Bidder will have incurred significant costs and losses, including significant opportunity costs.
- (b) Target acknowledges and agrees that the costs and losses actually incurred by Bidder under this clause will be of such nature that they cannot accurately be ascertained, but that the Reimbursement Amount is a genuine and reasonable pre-estimate of the costs and losses that would actually be suffered by Bidder in such circumstances and has been calculated to reimburse Bidder for such costs and losses.
- (c) Target represents and warrants that:

- (i) it has received legal advice on this deed and the operation of this clause 10; and
- (ii) it considers this clause 10 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 10 in order to secure the significant benefits to it (and Target Securityholders) resulting from the Bid.

10.2 Undertaking given by Target

Subject to clause 10.3, Target agrees to pay the Reimbursement Amount to Bidder if at any time after the date of this deed any of the following occur:

- (a) a Competing Proposal is announced or open for acceptance and before the end of the Offer Period:
 - (i) pursuant to that Competing Proposal, the third party bidder acquires a Relevant Interest in 50% or more of Target Securities; or
 - (ii) the Competing Proposal is free of or becomes free of defeating conditions; or
- (b) a person other than Bidder (or a Related Body Corporate) acquires, agrees to acquire (whether or not that agreement is conditional), the whole or a substantial part of the Target Group's assets, businesses or property, where an agreement in relation to that acquisition is entered into prior to the end of the Offer Period;
- (c) any:
 - (i) Target Director fails to recommend that Target Securityholders accept the Offer in accordance with clause 6.2(a);
 - (ii) Target Director withdraws or adversely modifies an earlier recommendation or statement given in relation to a recommendation of the Bid other than where Target has terminated this deed under clause 13.1(a);
 - (iv) Target Director approves or recommends or makes an announcement in support of a Competing Proposal; or
 - (v) Target Director announces an intention to do any of these acts; or
- (e) Bidder terminates this deed under clause 13.1(a).

10.3 Demand for payment

Any demand by Bidder for payment of the Reimbursement Amount must be in writing and Target must pay the Reimbursement Amount to Bidder within 5 Business Days of receipt of the demand, without set-off or withholding. A demand for payment may only be given once.

10.4 Refund

If, notwithstanding the occurrence of any of the events referred to in clause 10.2, Bidder ultimately declares the Offer unconditional and acquires a Relevant Interest in 50% or more of Target Securities under the Bid, Bidder must repay to Target and amount received by it under this clause 10.

10.5 Compliance with law

Payment of the Reimbursement Amount under this clause 10, is not required, or is refundable, to the extent it:

- (a) constitutes Unacceptable Circumstances; or
- (b) is determined to be unlawful or unenforceable by a court.

10.6 Exclusive remedy

Notwithstanding any other provision of this deed, where the Reimbursement Amount becomes payable to Bidder (or would become payable if a demand were made), Bidder cannot make any Claim against Target in relation to any event or occurrence referred to in clause 10.2 or for any material breach of this deed (including any breach of any representation or warranty).

10.7 Other claims

The maximum aggregate amount which the Target is required to pay in relation to any breach of this deed (including any breach of any representation or warranty) is an amount equal to the Reimbursement Amount and in no event will the aggregate liability of Target under or in connection with a breach of this deed exceed an amount equal to the Reimbursement Amount.

10.8 Survival

This clause 10 will survive termination (for whatever reason) of this deed.

11. WARRANTIES

11.1 Mutual representations and warranties

Each party represents and warrants to the other party that:

- (a) **(status)** it and each of its Subsidiaries, if any, is a company limited by shares and is duly incorporated under the laws of its jurisdiction;
- (b) **(power)** it has full legal capacity and power to;
 - (i) own its property and to carry on its business; and
 - (ii) enter into this deed and carry out the transactions that this deed contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this deed and carrying out the transactions that this deed contemplates;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:
 - (i) enable it to properly execute this deed and to carry out the transactions that this deed contemplates;
 - (ii) ensure that this deed is legal, valid, binding and admissible in evidence; and
 - (iii) enable it to properly carry on its business,and it is complying with any conditions to which any Authorisation is subject;
- (e) **(document effective)** this deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;

- (f) **(no contravention)** neither its execution of this deed nor the carrying out by it of the transactions that it contemplates, does or will contravene:
 - (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) any Authorisation;
 - (iii) any undertaking or instrument binding on it or any of its property; or
 - (iv) its constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which it or any of its Subsidiaries is a party or to which they are bound;
- (g) **(no Insolvency Event)** neither it nor any of its Subsidiaries is affected by, or subject to, an Insolvency Event;
- (h) **(trust)** to the extent a party enters into this deed as trustee of a trust, then:
 - (i) the trust is duly constituted and has not terminated, nor has the date or any event occurred for the vesting of the assets of the trust;
 - (ii) it is the sole trustee of the trust, it has not given any notice of resignation and no action has been taken to remove it or to appoint an additional trustee of the trust;
 - (iii) it is entering into this deed as part of the proper administration of the trust, for the commercial benefit of the trust and for the benefit of the beneficiaries of the trust;
 - (iv) it has the right to be fully indemnified out of the assets of the trusts in relation to this deed, that right has not been modified, released or diminished in any way, and the assets of the trust are sufficient to satisfy that right in full;
 - (v) it is not in breach of any of its material obligations as trustee of the trust, whether under the relevant trust deed or otherwise;
 - (vi) no part of the assets of the trust have been resettled, set aside or transferred to any other person, whether as trustee or otherwise, or mixed with any other property;
 - (vii) it is not trustee of any trust or settlement other than the trust constituted by the relevant trust deed; and
 - (viii) no resolution has been passed or direction given for the winding up or termination of the trust or distribution of trust property.

11.2 UPG Trust RE representations and warranties

UPG Trust RE represents and warrants to Bidder that:

- (a) UPG Trust is duly established and validly subsisting;
- (b) UPG Trust RE is the responsible entity of the UPG Trust, has been validly appointed and remains as responsible entity of the UPG Trust, and no action has been taken or proposed to be taken to remove it as responsible entity;
- (c) UPG Trust RE is empowered by the trust constitution to enter into and perform its obligations under this deed, in its capacity as responsible entity of the UPG Trust.

There is and will be no restriction on or condition of its doing so, prior to the earlier of the date when this deed is terminated and the end of the Offer Period; and

- (d) UPG Trust RE's right of indemnity out of, and lien over, the assets of the UPG Trust have not been limited in any way. UPG Trust RE has no liability which may be set off against that right of indemnity.

11.3 Target representations and warranties

Target represents and warrants to Bidder that:

- (a) **(continuous disclosure)** Target is not in breach of its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and is not, following the release of the Agreed Announcements, relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure;
- (b) **(financial reporting)** the Target Group Member accounts are prepared on a consistent basis with past practices and in accordance with applicable accounting standards
- (c) **(securities)** as at the date of this deed, the total securities of Target on issue are as follows:
 - (i) 35,803,992 Target Securities; and
 - (ii) 1,875,000 options;
- (d) **(no new issues)** no member of the Target Group has issued, granted or agreed to issue or grant any other shares or securities convertible into shares, other than the securities referred to in paragraph (c);
- (e) **(compliance)** each member of the Target Group has complied in all material respects with all Australian laws, and regulations applicable to it and orders of Australian Government Agencies having jurisdiction over it, and have all material licences, authorisations and permits necessary for it to conduct the business of the Target Group as presently being conducted;
- (f) **(no contravention)** the execution and performance of this deed will not:
 - (i) constitute an event which would permit any party to any agreement or other commitment with Target to terminate that agreement, or to accelerate the maturity of any indebtedness of Target, or other obligation of Target;
 - (ii) result in the creation or imposition of any Encumbrance on Target Securities; or
 - (iii) require any consent, approval or waiver of a party under any agreement or other commitment to which Target Group Member is a party in order to complete the transactions contemplated by this deed; and
- (g) **(all information)** as at the date of this deed, it is not aware of any information relating to the Target Group or its respective businesses or operations (having made reasonable enquiries) that has or could be reasonably be expected to give rise to material adverse change (as described in the Conditions or otherwise result in the breach of a Condition).

11.4 Bidder representations and warranties

Bidder represents and warrants to Target that it has sufficient cash reserves (whether from internal cash reserves or external debt and/or equity funding arrangements) available to meet its obligations to pay the consideration to Target Securityholders under the Bid in accordance with the Corporations Act.

11.5 Reliance

Each party acknowledges that the other party has executed this agreement and agreed to take part in the transactions contemplated under this deed in reliance on the representations and warranties given under clauses 11.1 to 11.4.

11.6 Timing

Each representation or warranty provided under clauses 11.1 to 11.4 is given:

- (a) as at the date of this deed;
- (b) on each day from the date of this deed until the end of the Offer Period; and
- (c) any other date at which the representation and warranty is expressed to be given or required to be given under this deed.

11.7 Survival of representations and warranties

Each representation and warranty:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) is given with the intent that liability under it will not be confined to breaches which are discovered prior to the time of termination of this deed.

12. INDEMNITIES

- (a) Target agrees with Bidder (on Bidder's own behalf and separately as trustee or nominee for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all Claims and Liabilities that Bidder or any other Bidder Indemnified Party suffers, incurs by reason of any breach of the Target Warranties.
- (b) Bidder agrees with Target (on Target's own behalf and separately as trustee or nominee for each of the other Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all Claims and Liabilities that Target or any other Target Indemnified Party suffers, incurs by reason of any breach of the Bidder Warranties.
- (c) Each indemnity in this clause 12:
 - (i) is severable;
 - (ii) is a continuing obligation;
 - (iii) constitutes a separate and independent obligation of the party giving the indemnity from any other obligation of that party under this deed; and
 - (iv) survives the termination of this deed.

13. TERMINATION

13.1 Reciprocal termination rights

A party (**Terminating Party**) may terminate this deed at any time by notice to the other party if:

- (a) the other party is in breach of this deed (including any representation or warranty given under this deed), which breach is material in the context of the Bid and;
 - (i) the Terminating Party has given notice to the other party setting out full details of the material breach and stating an intention to terminate this deed; and
 - (ii) the material breach has continued to exist for 5 Business Days from the time such notice was given; or
- (b) if Bidder withdraws the Offer for any reason or the Offer lapses for any reason, including for non-satisfaction of a Condition.

13.2 Other termination rights

- (a) Bidder may terminate this deed at any time by notice to Target if:
 - (i) any Target Director does not recommend the Bid be accepted by Target Securityholders or, having recommended the Bid, changes his or her recommendation in relation to the Bid; or
 - (ii) a person other than Bidder or one of its Related Bodies Corporate obtains voting power in Target of 20% or more, or a person that has Voting Power in Target of 10% or more increases their Voting Power by more than 3%, and that person is not a funds manager, bare trustee or custodian (other than a bare trustee or custodian that is acting for or on behalf of a trade or strategic investor).
- (b) Target may terminate this deed at any time by notice to Bidder if Bidder fails to comply with any requirement of the Corporations Act in relation to the Bid in any material respect.
- (c) Bidder may terminate this deed at any time by notice to Target if Target fails to comply with any requirement of the Corporations Act in relation to the Bid in any material respect.

13.3 Automatic termination

This deed automatically terminates on the earlier of:

- (a) the date on which the Offer Period ends; and
- (b) the End Date but only if the Offer remains subject to defeating conditions at this time.

13.4 Effect of termination

In the event of termination of this agreement by either Target or Bidder pursuant to this clause 13, the document will have no further effect, other than in respect of:

- (a) rights that accrue before the date of termination;
- (b) any liability for antecedent breach of this deed; and

this clause 13, clause 7, 17, 18, 19 and any other clause which is expressed to survive termination of this deed.

14. CONFIDENTIAL INFORMATION

14.1 Disclosure of Bidder Confidential Information

No Bidder Confidential Information may be disclosed by Target to any person except:

- (a) to Representatives of Target requiring the information for the purposes of this deed;
- (b) with the written consent of Bidder;
- (c) if Target is required to do so by law or by a stock exchange; or
- (d) if Target is required to do so in connection with legal proceedings relating to this deed.

14.2 Use of Bidder Confidential Information

Target must use the Bidder Confidential Information exclusively for the purpose of preparing the Target's Statement and for no other purpose (and must not make any use of any Bidder Confidential Information to the competitive disadvantage of Bidder or any of its respective Related Bodies Corporate).

14.3 Disclosure of Target Confidential Information

No Target Confidential Information may be disclosed by Bidder to any person except:

- (a) to Representatives of Bidder or its respective Related Bodies Corporate requiring the information for the purposes of this deed;
- (b) with the consent of Target;
- (c) if Bidder is required to do so by law or by a stock exchange; or
- (d) if Bidder is required to do so in connection with legal proceedings relating to this deed.

14.4 Use of Target Confidential Information

Bidder must use the Target Confidential Information exclusively for the purpose of preparing the Bidder's Statement and for no other purpose (and must not make any use of any Target Confidential Information to the competitive disadvantage of Target or any of its Related Bodies Corporate).

14.5 Disclosure by recipient of Confidential Information

- (a) Any party disclosing information under clause 14.1(a) or 14.1(b) or clause 14.3(a) or 14.3(b) must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 14.1 or clause 14.3.
- (b) Where a party is required to make any disclosure under clause 14.1(c) or 14.1(d) or clause 14.3(c) or 14.3(d), it may only do so after (to the extent legally permitted) it has given the other party as much notice as possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers.

14.6 Disclosure exceptions

Clauses 14.1, 14.2, 14.3, 14.4 and 14.5 do not apply to information the recipient of information can establish:

- (a) is in or enters the public domain through no fault of the recipient; or
- (b) is already known to the recipient on a non-confidential basis or is disclosed to the recipient from another source otherwise than in breach of this deed.

14.7 Return of Confidential Information

A party who has received Confidential Information from another under this deed must, on the request of the other party, immediately deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 14.1(a) or 14.1(b).

14.8 Termination

This clause 14 will survive termination (for whatever reason) of this deed.

15. PUBLIC ANNOUNCEMENTS

- (a) Subject to clause 15(b), each party must use its best endeavours to consult with the other party prior to making any public announcements or communications to shareholders in connection with Bid (other than the Agreed Announcements).
- (b) Where a party is required to make an announcement by applicable law or in accordance with the ASX Listing Rules or make any disclosure relating to the Bid (including any supplementary Bidder's Statement or Target's Statement) it may do so only after it has:
 - (i) given the other party as much notice as is reasonably practicable; and
 - (ii) reasonably consulted with the other party as to the content of that announcement or disclosure.

16. LIMITATION OF TRUSTEE LIABILITY

- (a) The UPG Trust RE enters into and performs this deed and the transactions it contemplates only as responsible entity of UPG Trust. This applies in respect of any past and future conduct (including omissions) relating to this deed or those transactions.
- (b) Under and in connection with this deed and those transactions and conduct:
 - (i) the UPG Trust RE's liability (including for negligence) is limited to the extent it can be satisfied out of the assets of the UPG Trust. The UPG Trust RE need not pay any such liability out of other assets;
 - (ii) another party may only do the following (but any resulting liability remains subject to this clause):
 - (A) prove and participate in, and otherwise benefit from, any form of insolvency administration of the UPG Trust RE but only with respect to the UPG Trust's assets;

- (B) exercise rights and remedies with respect to the UPG Trust's assets, including set-off;
 - (C) exercise contractual rights; and
 - (D) bring any other proceedings against the UPG Trust RE, seeking relief or orders that are not inconsistent with the limitations in this clause,
- and may not otherwise:
- (E) bring proceedings against the UPG Trust RE;
 - (F) take any steps to have the UPG Trust RE placed into any form of insolvency administration (but this does not prevent the appointment of a receiver, or a receiver and manager, in respect of the UPG Trust's assets); or
 - (G) seek by any means (including set-off) to have a liability of the UPG Trust RE to that party (including for negligence) satisfied out of any assets of the UPG Trust RE other than the UPG Trust's assets.
- (c) Paragraphs (a) and (b) apply despite any other provision in this deed but do not apply with respect to any liability of the UPG Trust RE to another party (including for negligence):
- (i) to the extent that the UPG Trust RE has no right or power to have the UPG Trust's assets applied towards satisfaction of that liability, or its right or power to do so is subject to a deduction, reduction, limit or requirement to make good, in any case because the UPG Trust RE has acted beyond power or improperly in relation to the UPG Trust; or
 - (ii) under any provision which expressly binds the UPG Trust RE other than as trustee of the UPG Trust (whether or not it also binds it as trustee of the UPG Trust).
- (d) The limitation in paragraph (b)(i) is to be disregarded for the purposes (but only for the purposes) of the rights and remedies described in paragraph (b)(ii), and interpreting this deed and any security for it, including determining the following:
- (i) whether amounts are to be regarded as payable (and for this purpose damages or other amounts will be regarded as a payable if they would have been owed had a suit or action barred under paragraph (b)(ii) been brought);
 - (ii) the calculation of amounts owing; or
 - (iii) whether a breach or default has occurred,
- but any resulting liability will be subject to the limitations in this clause.

17. GST

- (a) Unless otherwise expressly stated, all amounts payable under this deed are expressed to be exclusive of GST. If GST is payable, or notionally payable, on a supply made under or in connection with this deed, the recipient of the supply must pay the supplier an additional amount equal to the GST payable on that supply provided that the supplier first issues a tax invoice for that supply.
- (b) Without limiting clause 17(a), if an amount payable under this deed is calculated by reference to a cost, expense or other liability incurred by a party, then the amount of

the cost, expense or liability must be reduced by the amount of any input tax credit to which that party is entitled in respect of the acquisition of the supply to which that cost, expense or liability relates. A party will be assumed to be entitled to a full input tax credit unless it demonstrates that its entitlement is otherwise prior to the date on which payment must be made.

- (c) If a party has a claim under or in connection with this deed whose amount depends on actual or estimated revenue or which is for a loss of revenue, revenue must be calculated without including any amount received or receivable as GST (whether that amount is separate or included as part of a larger amount).
- (d) Unless the context requires otherwise, words and expressions used in this clause 17 have the same meaning as in *A New Tax System (Goods and Services) Tax Act 1999* (Cth).

18. NOTICES

Any notice, demand, consent or other communication (a **Notice**) given or made under this deed:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand, fax or email to the address, fax number or email address below or the address, fax number or email address last notified by the intended recipient to the sender:

- (i) to UPG Co and UPG Trust RE: Address: Level 1, 88 Creek Street,

Brisbane, QLD, 4001

Fax No: +61 7 3041 6125

Email: companysecretary@unitypacific.com.au

Attention: Company Secretary

with a copy to:

Jones Day

Address: Level 41, 88 Phillip Street,

Sydney, NSW, 2000

Fax No: +61 2 8272 0599

Email: mcrean@jonesday.com

Attention: Mark Crean

(ii) to Bidder Address: Level 9, 300 Queen Street,
Brisbane, Qld, Australia, 4000

Fax No: +61 7 3733 1669

Email: michaelb@sentinelpg.com.au

Attention: Michael Bowers

Copy to:

HopgoodGanim Lawyers

Address: Level 8, Waterfront Place,

1 Eagle Street,

Brisbane, Qld, 4000

Fax: +61 7 3024 0028

Email: m.hansel@hopgoodganim.com

Attention: Michael Hansel

(c) will be conclusively taken to be duly given or made:

- (i) in the case of delivery in person, when delivered;
- (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country);
- (iii) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error; and
- (iv) in the case of email, two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives a delivery failure notification indicating that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or at a time that is later than 5pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at 9am on the next business day in that place.

19. GENERAL

19.1 Amendment

This Agreement can only be amended or replaced by another document executed by or on behalf of each of the parties.

19.2 Assignment

No party can assign, encumber, declare a trust over or otherwise deal with its rights or obligations under this deed, or attempt, or purport to do so, without the prior written consent of each other party.

19.3 Entire agreement

This Agreement and the Confidentiality Deed contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersede all earlier Conduct by or between the parties in connection with their subject matter. No party has relied on or is relying on any other Conduct in entering into this deed and completing the transactions contemplated by it. If there is any inconsistency between the provisions of this deed and the provisions of the Confidentiality Deed, the provisions of this deed will prevail to the extent of any inconsistency and the provisions of the Confidentiality Deed will be construed accordingly.

19.4 No merger

No provision of this deed merges on completion of any transaction contemplated by this deed.

19.5 Further assurances

Each party must do all things necessary, and must ensure that its employees and agents do anything, including executing agreements and documents, to give full effect to this deed and the transactions contemplated by it.

19.6 Costs and duty

Subject to clause 10, each party must bear its own costs arising out of the negotiation, preparation and execution of this deed. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this deed and any instrument executed under or any transaction evidenced by this deed must be borne by Bidder.

19.7 No waiver

- (a) A provision of, or a right created under, this deed may only be waived in writing, signed by the party giving the waiver.
- (b) A failure or delay in exercising any right, power or remedy under this deed does not operate as a waiver.
- (c) A single or partial excise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

19.8 Remedies cumulative

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

19.9 Severability

Any provision of this deed which is void, unenforceable or illegal in a jurisdiction is ineffective as to that jurisdiction but only to the extent that it is void, unenforceable or illegal and provided that it does not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

19.10 Governing law

This Agreement is governed by the laws of Queensland, Australia. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this deed.

19.11 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

SCHEDULE 1

Timetable

Event	Date
Release of Agreed Announcements	28 July 2016
Bidder serves Bidder's Statement on Target, lodges it with ASIC and gives it to ASIC	15 August 2016
Bidder despatches Bidder's Statement to Target Securityholders	18 August 2016
Target serves Target's Statement on Bidder, lodges it with ASIC and gives it to ASX	24 August 2016
Target despatches Target's Statement to Target Securityholders	26 August 2016
Offer Period opens	1 September 2016

SCHEDULE 2

Agreed Bid Terms

1.1 Offers

Bidder offers to each Target Securityholder, in respect of each Target Security held:

- (a) 41.5 cents; and
- (b) one San Remo Share,

(the **Offer Consideration**).

The Offer Consideration may be reduced by the amount of any Rights which are declared, paid, made or otherwise arise or accrue to a Target Securityholder.

1.2 Offer Period

The Offer Period will be a minimum of one month, but the parties acknowledge and agree that the Offer Period may be extended by the Bidder in accordance with law.

1.3 Extension of Bid

The Bid will extend to Target Securities that are issued during the Bid Period due to the conversion of other securities into Target Securities or the exercise of other Rights.

1.4 Defeating Conditions

The Offer and any contract resulting from its acceptance, is subject to the Defeating Conditions set out in Annexure A to this Schedule 2.

1.5 Definitions and Interpretation

- (a) Unless specifically defined in this Schedule or where the context requires otherwise, capitalised terms used in this Schedule have the meaning given in the Bid Implementation Deed.
- (b) Clause 1.2 of the Bid Implementation Deed apply to these Agreed Bid Terms.

Annexure A: Conditions of the Takeover Bid

The Takeover Bid will be subject to a number of conditions including terms and conditions usual for an off market takeover offer.

The material conditions of the Takeover Bid are summarised below. The full terms of the conditions will be set out in the Bidder's Statement.

1. Minimum acceptance

At or before the end of the Offer Period, the Bidder has a Relevant Interest in UPG Securities which have attached to them votes representing at least 50.1% of the total number of votes attaching to all UPG Securities on issue.

2. No Material Adverse Change

Between the Announcement Date and the end of the Offer Period, no Material Adverse Change occurs (not relating to or resulting from an action or actions required or permitted by the Bid Implementation Deed or the Offer or the transactions contemplated by any of them).

3. Change of control consent

Any person with a right under a Material Contract arising by virtue of the making or implementation of the Takeover Bid or any change in control of UPG consents to the Takeover Bid or change of control.

4. No regulatory action

Before the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by an Authority; and
- (b) no application is made to any Authority (other than by the Bidder), or action or investigation is announced, threatened or commenced by an Authority in consequence of or in connection with the Takeover Bid,

which, other than an application to, or a determination by, ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act, restrains, impedes or prohibits or otherwise materially adversely impacts upon, the making of the Takeover Bid, the acquisition of UPG Securities under the Takeover Bid or any transaction contemplated by the Takeover Bid.

5. Conduct of UPG's business

Other than as specifically disclosed by UPG to ASX prior to the Announcement Date or otherwise approved by the Bidder by written notice to UPG, UPG does not between the Announcement Date and the end of the Offer Period:

- (a) enter into any agreement to acquire or dispose of an asset or a company, trust or other vehicle containing an asset having a value in aggregate in excess of A\$100,000 other than:
 - (1) a variation of the TSA Sale Deed with WCL (Qld) Margaret Street Pty Ltd to the effect of bringing about greater certainty of the TSA purchase payment;
 - (2) agreements entered in respect of the San Remo Disposal as contemplated by the Bid Implementation Deed; and

- (3) a lease of the Marie Street Property within the Marie Street Trust;
- (b) enter into, or materially amend, any agreement which would require capital expenditure or a liability, or the foregoing of revenue, by UPG of an amount, or one or more related amounts which are in aggregate, more than A\$100,000;
- (c) a member of the Target Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of A\$200,000;
- (d) incur Operating Expenditure in excess of A\$900,000 during the period from 1 August 2016 to 30 November 2016;
- (e) do anything or omit to do anything which would delay, compromise or materially prevent the San Remo Disposal;
- (f) enter into, materially amend, terminate or waive rights under any Material Contract;
- (g) a member of the Target Group:
 - (1) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (2) accelerates the rights of any of its directors or employees to compensation or benefits of any kind; or
 - (3) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract which, at the date of the Bid Implementation Deed, is in place and has been disclosed to Bidder), other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of the Bid Implementation Deed;
- (h) make any changes to its constitution;
- (i) de-staple (or do anything that results in or has the effect of de-stapling) the UPG Securities;
- (j) a member of the Target Group takes or omits to take action which results in a breach of law material to the Target Group as a whole;
- (k) have any claims made or threatened against it, involving more than A\$1 million in aggregate;
- (l) waive or compromise any material third party claim or right otherwise than in the ordinary course of business;
- (m) create, or agree to create, any mortgage, charge, lien or other encumbrance over any of its assets, other than liens in the ordinary and usual course of business;
- (n) enter into any corporate transaction which would or would be likely to involve a material change in the manner in which it conducts its business or the nature, extent or value of its assets or liabilities; or
- (o) resolve, agree, offer, commit or announce an intention to do any of the things referred to above.

6. **Restrictions on distributions**

Between the Announcement Date and the end of the Offer Period, UPG does not announce, make, declare or pay any distribution of profits or capital (whether in cash or in specie).

7. **No prescribed occurrences**

Between the Announcement Date and the date that is three business days after the end of the Offer Period, no Prescribed Occurrence occurs.

8. **Responsible entity changes**

Between the Announcement Date and the end of Offer Period, none of the following occurs:

- (a) UPIM is removed or replaced as responsible entity of the UP Trust or an agreement is entered into to remove or replace UPIM as responsible entity of the UP Trust; or
- (b) a change of Control occurs or is agreed to occur in respect of UPIM.

9. **Definitions**

In this Annexure the following words have the meaning set out below.

Announcement Date means 28 July 2016.

Authority means any type of governmental or statutory body or authority.

Bid Implementation Deed means the Bid Implementation Deed between the Bidder and UPG.

Bidder means Ebert Investments Pty Ltd ACN 138 124 044 as trustee for Ebert Investment Trust.

Bidder's Statement means the bidder's statement to be issued by the Bidder in connection with the Takeover Bid.

Control has the meaning in section 50AA of the Corporations Act.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee;
- (d) finance or capital lease;
- (a) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or
- (b) obligation to deliver goods or provide services paid for in advance by any financier.

Material Adverse Change means in relation to the Target Group, one or more occurrences or matters individually or in aggregate that:

- (e) has had or is reasonably likely to have a material adverse change in the financial position or performance, assets, liabilities, profits, losses or prospects of the Target Group, taken as a whole, of more than A\$1 million;
- (b) prevents the Bidder from performing its obligations under the Takeover Bid or the Bid Implementation Deed,

other than those events, changes, conditions, matters or circumstances or things:

- (a) required or permitted by the Bid Implementation Deed or the Offer or the transactions contemplated by any of them;
- (b) resulting from changes in law or in general economic, political or business conditions; or
- (c) resulting from any change occurring directly as a result of a general deterioration in equity markets, interest rates, exchange rates or credit spreads, that impacts UPG and its competitors in a similar manner.

Material Contract means any agreement, contract or other arrangement to which a member of the Target Group is a party and that:

- (a) imposes obligations or liabilities on any party of at least A\$100,000 per annum or A\$300,000 over its term (excluding agreements, contracts or other arrangements relating to the Marie Street Trust); or
- (b) is otherwise material in the context of the businesses, assets or properties of the Target Group as a whole.

Offer Period means the offer period under the Takeover Bid.

Operating Expenditure has the meaning ascribed to that term in the Bid Implementation Deed.

Prescribed Occurrence means any of the following events:

- (c) UPG converts all or any of the UPG Securities into a larger or smaller number of UPG Securities;
- (d) UPG resolves to reduce its capital in any way or reclassifies, combines, splits, redeems or repurchases directly or indirectly any securities;
- (e) UPG:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement;
- (f) UPG issues UPG Securities or other securities, or grants an option over UPG Securities or other securities, or agrees to make such an issue or grant such an option, excluding any UPG Securities issued by UPG as a result of the exercise of other UPG securities in existence as at the date of the Bid Implementation Deed;
- (g) UPG issues, or agrees to issue, convertible notes or convertible units;

- (h) UPG disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property, other than the San Remo Disposal;
- (i) a member of the Target Group charges, or agrees to charge the whole, or a substantial part, of its business or property;
- (j) a member of the Target Group resolves to be wound up;
- (k) a liquidator or provisional liquidator of a member of the Target Group is appointed;
- (l) a court makes an order for the winding up of a member of the Target Group;
- (m) an administrator of a member of the Target Group is appointed;
- (n) a member of the Target Group executes a deed of company arrangement; or
- (o) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of a member of the Target Group.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

San Remo Disposal has the meaning ascribed to that term in the Bid Implementation Deed.

San Remo Expenditure has the meaning ascribed to that term in the Bid Implementation Deed.

Takeover Bid means the offer to acquire all UPG Securities in which the Bidder does not hold a Relevant Interest.

Target Group means UPG and its subsidiaries.

UPG means collectively UPL and UP Trust.

UPIM means Unity Pacific Investment Management Limited ACN 137 565 149.

UPL means Unity Pacific Limited ABN 11 110 831 228.

UPL Share means fully paid ordinary share in UPL.

UP Trust means Unity Pacific Stapled Trust ARSN 111 389 596.

UPG Securities means the fully paid stapled securities in UPG and all rights and entitlements attaching to them, each stapled security comprised by one UPL Share and one unit in the UP Trust.

SCHEDULE 3
Agreed Announcements

Unity Pacific Group and Ebert Investments Enter into Bid Implementation Deed

Unity Pacific Group (UPG) Ebert Investments Pty Ltd (Ebert) have entered into a Bid Implementation Deed (BID) under which it is proposed that Ebert Investments Pty Ltd through a special purpose vehicle (Bidder) will acquire all fully paid stapled units in UPG (UPG Securities) for:

- (a) a cash price of 41.5 cents; and
- (b) one redeemable preference share (San Remo Shares) issued by the Bidder, deemed to be fully paid to an amount of 5.5 cents,

(Offer Consideration) for each UPG Security sold to the Bidder (Offer).

UPG Directors recommend the Offer

The Directors of UPG recommend the Offer (absent any superior proposal).

Offer is subject to limited conditions

The Offer is subject to standard limited conditions.

A summary of the Offer conditions is contained in Annexure A.

San Remo Disposal

Sentinel and UPG have agreed a mechanism to dispose of UPG's San Remo property which may trigger an additional payment to securityholders that accept the Offer.

For each UPG Security sold to the Bidder, the Bidder will issue one San Remo Share on the terms set out in Schedule 4 of the BID.

A summary of the key terms of issue of the San Remo Shares is set out below:

- (a) The Bidder must redeem the San Remo Shares on the disposal of the San Remo Property subject to the conditions summarised below.
- (b) Holders of San Remo Shares are entitled to a redemption amount equal to the amount by which the proceeds (net of sale costs and commissions) from the sale of the San Remo Property exceed \$6.0 million, calculated on a pro rata basis.
- (c) The redemption amount is calculated on the following formula:

$$X = \frac{NP \times ARPS}{\text{Total Target Securities}}$$

Where:

X is the redemption amount to be paid to a holder of San Remo Shares;

NP is the amount by which:

- (a) the gross proceeds of the San Remo disposal, less

(b) the aggregate of the San Remo disposal expenditure and the agents' commissions, exceeds \$6,000,000;

ARPS for each holder of San Remo Shares, the total number of San Remo Shares they hold which are the subject of a redemption notice from the Bidder; and

Total Target Securities is the total UPG Securities on issue at the end of the Offer period.

(d) The payment of the redemption is subject to the sale of the San Remo Property within 9 months from the end of the Offer period and achieving a sale price (after deducting disposal expenses and commissions on the sale) of more than \$6 million.

(e) Where the redemption of the San Remo Shares has not occurred within 11 months from the end of the Offer period, the San Remo Shares will cease to have any rights and will be deemed to have been redeemed by the Bidder for nil consideration.

Bidder UPG Holding

The Bidder currently holds a combined 16.08% of UPG.

Next Steps

The Bidder expects to dispatch its Bidder's Statement to all UPG Securityholders containing detailed information relevant to the Offer as soon as practicable and otherwise in accordance with the timeframes specified in the Corporations Act.

Advisors

The Sentinel Group is being advised by Wellington Capital and HopgoodGanim Lawyers.

UPG is being advised by InterFinancial and Jones Day

Annexure A – Offer Conditions



Unity Pacific Limited
Chambers Level 1
88 Creek Street
Brisbane QLD 4000
GPO Box 5083, Brisbane QLD 4001
☎+61 7 3370 4800
www.unitypacific.com.au

ASX Announcement

28 July 2016

OFF-MARKET TAKEOVER OFFER

Unity Pacific Group (ASX: UPG) (**Unity Pacific**) is pleased to announce that negotiations in relation to an offer to acquire all of Unity Pacific's securities have now been completed.

Unity Pacific has entered into a Bid Implementation Deed with Ebert Investments Pty Ltd (**Ebert Investments**) on 28 July 2016, pursuant to which Ebert Investments or its nominee (**the Bidder**) proposes to make an off-market takeover bid for all of the stapled securities in Unity Pacific which are not currently held by Ebert Investments for consideration of, in respect of each stapled security, 47 cents being 41.5 cents cash and one (1) share in the Bidder (**San Remo Share**), being a contingent value redeemable preference share deemed to be fully paid to an amount of 5.5 cents (**the Offer**).

Pursuant to the Bid Implementation Agreement, a process has been put in place for the sale of Unity Pacific's land in San Remo, Victoria (**the Land**), with the intention that it be sold within 9 months of the end of the Offer period.

Details of the Offer

Each San Remo Share entitles an accepting securityholder to receive an additional cash payment by way of redemption (**Redemption Amount**), in the event that the Land is sold within 9 months of the end of the Offer period and the net proceeds from the sale of the Land (after allowing for sale, marketing and agency costs for the Land) exceeds \$6.0 million. In this scenario, each holder of a San Remo Share will be entitled to a Redemption Amount equal to the amount by which the net proceeds from the sale of the Land exceed \$6.0 million, converted to an amount per United Pacific stapled security. The obligation to redeem the San Remo Shares will be guaranteed by Warren Ebert and Ebert Investments.

The Board recently commissioned a new valuation of the Land (which is the subject of a separate ASX announcement today). The independent valuation of the Land as at 30 June 2016 was \$8.5 million (**the Valuation**). If the Land is sold in the 9 month period for \$8.5 million, after allowing for estimated transaction costs of \$0.5 million (**the Projected Sale**), the total cash consideration received by securityholders pursuant to the Offer will be 47 cents per stapled security (comprising an upfront cash payment of 41.5 cents per stapled security and a further cash payment of 5.5 cents per stapled security upon redemption of the San Remo Shares).

However, the final outcome for securityholders will depend upon the ultimate net proceeds of the Land sale:

- If the Land is sold in the 9 month period and the net proceeds of the sale are higher than the Projected Sale, the Redemption Amount payable to securityholders will be higher than 5.5 cents per security.
- If the Land is sold in the 9 month period and the net proceeds of the sale exceed \$6.0 million but are lower than the Projected Sale, the Redemption Amount payable to securityholders will be lower than 5.5 cents per security.
- If the Land is not sold within the 9 month period or the net proceeds of any sale do not exceed \$6.0 million, then the San Remo Shares will be redeemed for nil consideration and the total cash consideration received by securityholders pursuant to the Offer will be 41.5 cents per security.

Based on the Valuation, the Directors believe it is reasonable to expect that the sale of the Land will realise an amount at or around the \$8.5 million valuation. However, no assurances can be given that this will be the case.

The Offer is subject to a number of conditions including (among others):

- Ebert Investments and its associates obtaining a relevant interest in at least 50.1% of Unity Pacific's stapled securities;
- no material adverse change;
- limitation on operating expenditure; and
- no further distributions.

Under the Bid Implementation Deed, Unity Pacific will be bound by customary exclusivity provisions including "no shop", "no talk", "notification" and "matching" obligations. A break fee of \$130,000 will be payable to Ebert Investments by Unity Pacific in certain circumstances.

A full copy of the Bid Implementation Deed, including all applicable conditions, is attached to this announcement.

If the Projected Sale occurs, the total consideration of 47 cents per stapled security will represent:

- a 9.3% - 11.9% premium to Unity Pacific's pro-forma net tangible assets per stapled security of 42 to 43 cents as at 30 June 2016 (as announced on 28 July 2016);
- a 6.8% premium to the most recent closing price of 44 cents per stapled security on 19 July 2016;
- a 19.3% premium to the 1 month volume weighted average price (**VWAP**) to 19 July 2016; and
- a 21.1% premium to the 3 month VWAP to 19 July 2016.

Unity Pacific's Chairman, Brett Heading, said "The off-market takeover Offer is the final step in completing a series of corporate initiatives. We have focused on maximising and realising increased value of Unity Pacific securities. This has been achieved from the successful sale of 308 Queen Street/88 Creek Street, Brisbane and Transferable Site Areas attached to the property at premiums to book value and, based on the Valuation, the expected sale price for the San Remo land."

Managing Director, Chris Morton, added "While the expressions of interest process for the corporate entity has taken longer than anticipated, I am very pleased with the result that we have achieved for all of our securityholders. A material increase in total securityholder return has been achieved as a result of the process and the negotiations. The Offer provides an immediate cash return for the remaining corporate assets as well as the potential for price upside being achieved by the expected sale of the San Remo land."

No Current Action by Securityholders

Unity Pacific securityholders do not currently need to take any action in relation to the Offer.

A bidder's statement will be sent to securityholders by Ebert Investments and it will detail how and when securityholders can accept the Offer. Unity Pacific will also send a target statement to securityholders, which securityholders should review and consider.

The Directors of Unity Pacific unanimously recommend Unity Pacific securityholders accept the Offer in the absence of a superior proposal and each Director that is a securityholder intends to accept the Offer in the absence of a superior proposal.

Unity Pacific is being advised by lawyers Jones Day and InterFinancial as corporate adviser.

Value Realised for Securityholders

Since 30 June 2015, the following transactions have resulted a material increase in Unity Pacific's net tangible asset value:

- the improvement in the independently assessed value of the Land to \$8.5 million;
- the sale of 308 Queen St/88 Creek St, Brisbane at a premium to book value; and
- the sale of 760m² of transferrable development rights which attached to the above property at a premium to book value.

Unity Pacific's NTA per stapled security was \$1.47 as at 30 June 2015. Since August 2015, securityholders have received \$1.22 per stapled security through the payment of two capital distributions and may now realise the remainder of their investment if they accept the Offer. The considered and systematic manner in which the Board has conducted the above transactions and the corporate expressions of interest process has had the effect of increasing the potential value able to be realised by securityholders by \$7.9 million or 22 cents per stapled security since 30 June 2015 (i.e. assuming the Land is able to be sold for the Valuation amount of \$8.5 million).

About Ebert Investments

Ebert Investments is part of the Sentinel Property Group (Sentinel), a privately-owned and Brisbane-based property investment group. Ebert Investments currently owns approximately 16.08% of Unity Pacific Group's stapled securities on issue.

The Marie Street Trust

Unity Pacific Funds Management Limited will continue to be the responsible entity and manager of The Marie Street Trust (the Trust). If the bid is successful, to provide management and supervisory continuity for the Trust's unitholders, it has been agreed that Chris Morton and Murray Boyte (2 of the 3 current directors) will continue to be directors of Unity Pacific Funds Management Limited.

ENDS

For further information, contact:

Brett Heading

Chairman

+61 409 608 966

SCHEDULE 4

Terms of Issue of San Remo Share

2. Glossary

2.1 In this schedule, the following definitions apply:

Agents Commissions	Means any and all fees payable or paid to any agents, brokers or persons appointed to sell the San Remo Property.
Board or Directors	The board of directors of the Bidder.
Constitution	The constitution of the Bidder as amended from time to time.
Holder	Means each accepting Target Securityholder who is registered in the Register as a holder of a San Remo Share.
Issue Date	The date on which San Remo Shares are issued.
Lapse Date	The date 11 months after the end of the Offer Period.
Prescribed Period	The period of 9 months from the end of the Offer Period
Redeem	In relation to a San Remo Share, redeem, buy-back (other than an on-market buy-back within the meaning of the Corporations Act) or reduce capital, or any combination of such activities, in connection with that San Remo Share in accordance with clause 3, and Redeemed, Redeemable and Redemption have the corresponding meanings;
Redemption Amount	<p>In respect of each Holder, except where determined in accordance with clause 4.5, shall be determined in accordance with the following formula:</p> $X = \frac{NP \times ARPS}{\text{Total Target Securities}}$ <p>Where: X is the Redemption Amount for that Holder; NP is the amount by which: (a) the gross proceeds of the San Remo Disposal, less (b) the aggregate of the San Remo Disposal Expenditure and the Agents' Commissions, exceeds \$6,000,000; ARPS for each Holder, the total number of San Remo Shares they hold which are the subject of a Redemption Notice from the Bidder; and Total Target Securities is the total Target Securities on issue at the end of the Offer Period.</p>
Redemption Date	30 days after the Bidder issues a Redemption Notice.
Redemption Notice	A notice given by the Bidder to a Holder in a form determined by the Bidder in respect of the Redemption of the San Remo Shares in accordance with these Terms. If a physical Redemption Notice is not issued by the Bidder within 20 days of the Redemption Trigger, a Redemption Notice is deemed to have been given by the 21 st day in accordance with clause 3.1(a).

Redemption Trigger	The San Remo Disposal is completed within the Prescribed Period and gross proceeds of that San Remo Disposal less the aggregate of the San Remo Disposal Expenditure and the Agents' Commission exceeds \$6,000,000.
Register	The register of San Remo Shares maintained by the Bidder and includes any sub-register of that register.
San Remo Share	A fully paid redeemable preference share in the capital of the Bidder (or a Nominee of the Bidder under clause 3.2(a)) issued on the Terms set out herein.
Terms	The terms and conditions for the issue of San Remo Shares in the Bidder as these terms and conditions are amended, supplemented or replaced from time to time and as set out herein.

3. Issue of San Remo Shares

- 3.1 In accordance with the Agreed Bid Terms, for each Target Security that a Target Securityholder sells to the Bidder under the Bid, the Bidder will as part of the Offer Consideration, issue one San Remo Share to the accepting Target Securityholder.
- 3.2 If the Bidder nominates the Nominee to undertake the Bid, then:
- (a) the San Remo Shares will be issued by the Nominee; and
 - (b) any reference in these Terms to the Bidder will be a reference to that Nominee.
- 3.3 On issue, each San Remo Share will be deemed to be paid to 5.5 cents.

4. Redemption

4.1 Redemption Trigger

- (a) The Bidder must:
- (1) Redeem each San Remo Share, by giving a Redemption Notice to Holders within 20 days of the Redemption Trigger; and
 - (2) paying to the Holders on the Redemption Date the Redemption Amount.
- (b) The Redemption Amount may, in Bidder's discretion, be paid by way of redemption, buyback, repurchase (or purchase by a related entity), reduction of capital or any combination thereof. If Bidder is prohibited by law from paying the Redemption Amount in any manner, it must pay the balance of the Redemption Amount through one of the other permitted means of Redemption.

4.2 Redemption restrictions

The Bidder must Redeem all San Remo Shares at the same time.

4.3 Obligation on Bidder to Redeem

Upon the Redemption Trigger, the Bidder will be obliged to redeem all San Remo Shares by paying the Redemption Amount to each Holder on the Redemption Date.

4.4 Effect of Redemption on Holders

On the Redemption Date:

- (a) the only right Holders will have in respect of their San Remo Shares will be to obtain the Redemption Amount payable in accordance with these Terms; and
- (b) upon payment of the Redemption Amount, all other rights conferred or restrictions imposed by the San Remo Shares will no longer have effect.

4.5 Redemption by buy-back of San Remo Shares

If the Redemption involves a buy-back of San Remo Shares:

- (a) the Redemption Notice will constitute a buy-back offer for the Redemption Amount payable on the relevant Redemption Date; and
- (b) the Holders must accept the buy-back offer for their San Remo Shares and will be deemed to have accepted that buy-back offer for San Remo Shares held by that Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those San Remo Shares to the Bidder free of all encumbrances on the Redemption Date equal to the Redemption Amount.

4.6 Cancellation of San Remo Shares

Upon Redemption, the San Remo Shares the subject of Redemption will be cancelled and may not be re-issued.

5. General San Remo Share Terms

5.1 Register

The Bidder shall maintain the Register.

5.2 General Rights

- (a) Each San Remo Share ranks equally with each other San Remo Share.
- (b) A San Remo Share does not confer on its Holder any right to participate in profits or property except as set out in these Terms or in the Constitution.
- (c) In the event of the Bidder being wound up, the holding of a San Remo Share shall entitle each Holder to payment of an amount, for each San Remo Share equal to:
 - (1) if the Redemption Trigger has occurred, any part of the Redemption Amount that has not been paid to the Holder; and
 - (2) if the Redemption Trigger has not occurred \$0.000001.

in priority to any other class of shares on issue in the Bidder, but shall not provide any further entitlement in respect of the ownership and distribution of surplus assets of the Bidder.

- (d) Until all San Remo Shares have been Redeemed, the Bidder must not, without approval of all Holders, issue shares ranking in priority to the San Remo Shares or permit the variation of any rights of any existing shares to shares ranking equally or in priority to the San Remo Shares.
- (e) If a takeover bid is made for the securities of the Bidder, acceptance of which is recommended by the Directors, or the Directors recommend a member's scheme of arrangement, the Directors will procure that equivalent takeover offers are made to the Holders or that they participate in the scheme of arrangement on an equivalent basis.

- (f) The San Remo Shares confer no rights to subscribe for new securities in the Bidder or to participate in any bonus issues.
- (g) A San Remo Share does not entitle a Holder to vote at any general meeting of the Bidder except in the following circumstances:
 - (1) on a proposal:
 - (A) to reduce the share capital of the Bidder;
 - (B) that affects rights attached to the San Remo Shares;
 - (C) to wind up the Bidder; or
 - (D) for the disposal of the whole of the property, business and undertaking of the Bidder;
 - (2) on a resolution to approve the terms of a buy back agreement; or
 - (3) during the winding up of the Bidder,

in which case a Holder is entitled to cast one vote on a show of hands and one for each San Remo Share held on a poll.
- (h) Holders are entitled to receive notice of, and attend, any general meeting of the Bidder and a copy of any report or financial statements to be considered at the meeting.
- (i) Subject to complying with all applicable laws, the Bidder may, without the authority, assent or approval of the Holders, amend or add to these terms of issue if such amendment or addition is, in the opinion of the Bidder:
 - (1) of a formal, minor or technical nature;
 - (2) made to correct a manifest error; or
 - (3) not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the Holders.
- (j) Each San Remo Share shall be non-transferable.

5.3 Deductions from payments

Bidder may make from any money payable in respect of any San Remo Share any deduction or withholding from or on account of tax and any other amount which Bidder is required to make by law.

5.4 Attorney

By accepting San Remo Shares, each Holder irrevocably appoints each Director of Bidder severally (each an **Attorney**) as the true and lawful attorney of the Holder to execute a transfer to Bidder in registrable form of the San Remo Shares (or such other document by which title to the San Remo Shares may be vested in the Bidder) and to give any necessary direction to any other person or take any action which may be required to facilitate the Redemption of the San Remo Shares, and agrees that in exercising this power of attorney the Bidder or any Attorney must act in accordance with these Terms.

5.5 Lapse

If, by the Lapse Date, no Redemption has occurred, the San Remo Shares cease to have any rights and are deemed to have been Redeemed by the Bidder for nil consideration.

SCHEDULE 5

Guarantee

Deed of Guarantee and Indemnity

This deed and deed Poll (**Deed**) is made in favour of the Target and each holder of San Remo Shares. In consideration of the Target having at the request of **##name of first Guarantor##** of **##address of first Guarantor##** and **##name of second Guarantor##** of **##address of second Guarantor##** (**Guarantors**) agreeing to enter into the bid implementation deed to which this guarantee and indemnity is annexed (**Bid Implementation Deed**) with, the Guarantors jointly and severally:

1. acknowledge and agree that the capitalised terms used in this document unless otherwise defined shall have the corresponding meaning ascribed to that term in the Bid Implementation Deed;
2. irrevocably and unconditionally guarantees to the Target and to each holder of San Remo Shares the due and punctual performance of the Bidder's obligations under the Bid Implementation Deed, the Bid and the terms of the San Remo Shares including its obligations to Redeem the San Remo Shares and to pay the Redemption Amount payable in accordance with and pursuant to the terms of San Remo Shares and the Bid Implementation Deed, the Bid and the terms of the San Remo Shares (**Prescribed Obligation**);
3. as a separate and independent obligation, covenant and agree with the Target that the Guarantors will indemnify the Target and keep the Target indemnified against any loss which the Target may suffer or incur in consequence of any failure on the part of the Bidder to promptly perform the Prescribed Obligation and will pay on demand the amount of any such loss ; and
4. covenant and agree that its obligations under this guarantee and indemnity are a principal and continuing obligation and that this guarantee and indemnity will not be affected or discharged by:
 - (a) the Target granting to the Bidder any time or other indulgence or other consideration;
 - (b) any transactions that may take place between the Target and the Bidder or between the Target and a Guarantor; or
 - (c) any other act or omission on the Bidder's part by which the liability of a Guarantor as surety would but for this provision have been affected or discharged.

Dated this day of

Executed and delivered as a **Deed**.

Executed by ##name of first Guarantor##

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director

Print full name of Director/Secretary

Signed, sealed and delivered by **##name of second Guarantor##** in the presence of

Signature of Witness

##name of second Guarantor##

Print full name of Witness

Executed and delivered as a deed.

Executed by **Unity Pacific Investment Management Limited** (ABN 47 137 565 149) in its capacity as responsible entity of Unity Pacific Stapled Trust (ARSN 111 389 596) in accordance with section 127 of the *Corporations Act 2001* (Cth):



Director Signature

JAMES BRETT LOCHRAN HEADING

Print Name



Director/Secretary Signature

CHRISTOPHER. A. MORTON

Print Name

Executed by **Unity Pacific Limited** (ABN 11 110 831 288) in accordance with section 127 of the *Corporations Act 2001* (Cth):



Director Signature

JAMES BRETT LOCHRAN HEADING

Print Name

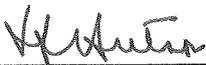


Director/Secretary Signature

CHRISTOPHER. A. MORTON

Print Name

Executed by **Ebert Investments Pty Ltd** (ACN 138 124 044) as trustee for Ebert Investment Trust in accordance with section 127 of the *Corporations Act 2001* (Cth), by its sole director and secretary in the presence of:



Witness Signature

JENNIFER JOAN HUTSON

Print Name



Director/Secretary Signature

WARREN JAMES EBERT,

Print Name