



Patties Foods Ltd
ABN 62 007 157 182



Operations

161-169 Princes Highway
Bairnsdale VIC 3875
PO Box 409
Bairnsdale VIC 3875
Phone: 03 5150 1800
Admin Fax: 03 5152 1135
Sales Fax: 03 5152 1054
info@patties.com.au
www.patties.com.au

Corporate Office

Chifley Business Park
Level 2, 1 Joseph Avenue
Mentone VIC 3194
PO Box 115
Dingley VIC 3172
Phone: 03 8540 9100
Fax : 03 9551 3393
Info@patties.com.au
www.patties.com.au

5 September 2016

Scheme of Arrangement legally effective

Further to recent announcements in relation to the scheme of arrangement between Patties Foods Limited (ASX:PFL) (**Patties**) and its ordinary shareholders (**Scheme**), Patties confirms that an office copy of the orders made by the Supreme Court of Victoria on 2 September 2016 approving the Scheme was lodged with ASIC today.

Accordingly, pursuant to section 411(10) of the Corporations Act, the Scheme is now legally effective. Accompanying this announcement is a copy of the Court's orders as lodged with ASIC.

ENDS

For further information please contact:

Shareholder Information Line

Tel: 1300 782 058 (within Australia)
Tel: +61 3 9415 4109 (outside Australia)

Company Secretary

Clinton Orr
Tel: +61 3 8540 9100



Patties



Nanna's



**IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL COURT
REDCREST CORPORATIONS LIST**

S ECI 2016 001135

**IN THE MATTER OF PATTIES FOODS LIMITED
ACN 007 157 182**

**PATTIES FOODS LIMITED
ACN 007 157 182**

Plaintiff

GENERAL FORM OF ORDER

JUDGE: The Honourable Justice Elliott

DATE MADE: 2 September 2016

ORIGINATING PROCESS: Originating Process filed 30 June 2016 ("Originating Process")

HOW OBTAINED: On adjournment of the Originating Process

ATTENDANCE: Mr G J Ahern of Counsel for the plaintiff
Dr O. Bigos of Counsel for Australasian Foods Bidco Pty Limited

OTHER MATTERS:

A. The Court noted that a statement dated 2 September 2016 had been given by the Australian Securities and Investments Commission in accordance with section 411(17)(b) of the *Corporations Act 2001* (Cth).

B. The Court noted the affidavits received into evidence (and the exhibits thereto) as set out in paragraph A of "Other Matters", together with each of the further matters referred to in "Other Matters" in the Order made by the Honourable Associate Justice Randall on 31 August 2016.

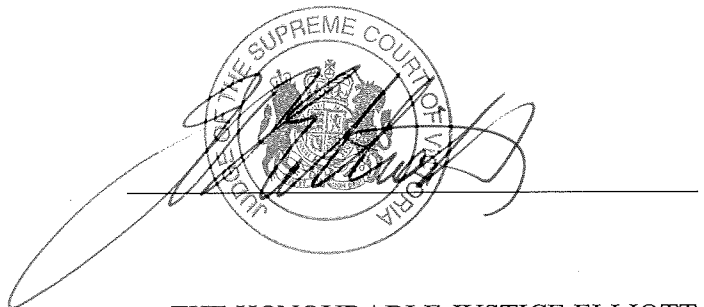


- C. In addition to the affidavits referred to in paragraph B above, the Court received into evidence the affidavits of:
1. Amy Victoria Hirth sworn 31 August 2016.
 2. Michael James Watts affirmed 1 September 2016.
 3. Trudy Edwards affirmed 1 September 2016.
 4. Clinton Mark Orr sworn 2 September 2016.
 5. Alberto Colla sworn 2 September 2016.
 6. Amy Victoria Hirth sworn 2 September 2016,
- and the exhibits thereto.

THE COURT ORDERS THAT:

1. The scheme of arrangement in this proceeding, the terms of which are set out in Schedule A to this Order, is hereby approved pursuant to section 411(4)(b) of the *Corporations Act* 2001 (Cth).
2. The plaintiff be exempted pursuant to section 411(12) of the *Corporations Act* 2001 (Cth) from compliance with section 411(11) of the *Corporations Act* 2001 (Cth) in relation to the scheme of arrangement.

Dated: 2 September 2016

The image shows a circular seal of the Supreme Court of Victoria. The seal features a central emblem with a shield and a crown, surrounded by the text 'THE SUPREME COURT OF VICTORIA'. A large, stylized signature is written across the seal. Below the seal, the text 'THE HONOURABLE JUSTICE ELLIOTT' is printed.

THE HONOURABLE JUSTICE ELLIOTT



Scheme of Arrangement

Patties Foods Limited ABN 62 007 157 182

Scheme Shareholders

Scheme of Arrangement

Patties Foods Limited ABN 62 007 157 182

Details	3
Agreed terms	4
1. Defined terms & interpretation	4
1.1 Definitions	4
1.2 Interpretation	7
1.3 Business Day	8
1.4 Listing requirements included as law	8
2. Preliminary	8
2.1 Patties	8
2.2 Bidder	8
2.3 General	8
2.4 Consequence of this Scheme becoming Effective	8
3. Conditions	9
4. Implementation	9
4.1 Lodgement of Court orders	9
4.2 Transfer of Scheme Shares	9
5. Scheme Consideration	10
5.1 Amount of Scheme Consideration	10
5.2 Election procedure	10
5.3 Foreign Scheme Shareholders	10
5.4 Provision of Scheme Consideration	10
5.5 Joint holders	11
5.6 Fractional entitlements	11
5.7 Unclaimed monies	11
5.8 Status of Class B Shares	12
5.9 Order of a court or Regulatory Authority	12
5.10 Definition of 'sending'	12
6. Dealings in Shares	12
6.1 Determination of Scheme Shareholders	12
6.2 Register	13
7. Quotation of Shares	13
8. General Scheme provisions	14
8.1 Consent to amendments to this Scheme	14
8.2 Binding effect of Scheme	14
8.3 Scheme Shareholders' agreements and acknowledgment	14
8.4 Warranties by Scheme Shareholders	14
8.5 Title to and rights in Scheme Shares	15
8.6 Authority given to Patties	15
8.7 Appointment of sole proxy	16
8.8 Instructions and elections	16
9. General	16
9.1 Stamp duty	16
9.2 Notices	16
9.3 Further assurances	16
9.4 Governing law and jurisdiction	16
Schedule 1 – Shareholders Deed	18

Details

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

Between the parties

Patties Foods Limited ABN 62 007 157 182 of 161-169 Princes Highway, Bairnsdale, Victoria 3875
(**Patties**)

and

Each Scheme Shareholder

Agreed terms

1. Defined terms & interpretation

1.1 Definitions

In this Scheme:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, or as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

Bidder means Australasian Foods Bidco Pty Limited ACN 612 643 795.

Bidder Group means Bidder and each of its Subsidiaries (excluding, at any time, Patties and its Subsidiaries to the extent that Patties and its Subsidiaries are subsidiaries of Bidder at that time). A reference to a **member of the Bidder Group** or a **Bidder Group Member** is a reference to Bidder or any such Subsidiary.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Victoria, Australia.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

Class B Share means a fully paid Class B Share in the capital of TopCo issued on the terms of issue set out in the Shareholders Deed.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Victoria or such other court of competent jurisdiction under the Corporations Act agreed in writing between Patties and Bidder.

Deed Poll means the deed poll dated 14 July 2016 executed by Patties, Bidder and TopCo under which Bidder and TopCo covenant in favour of the Scheme Shareholders to perform the actions attributed to them respectively under this Scheme.

Delivery Time means, in relation to the Second Court Date, two hours before the commencement of the hearing or, if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve this Scheme in accordance with section 411(4)(b) of the Corporations Act.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Election means an election by a Patties Shareholder to receive either:

- (a) 40% or greater but less than 100% of the total value of any Scheme Consideration they are to receive in the form of Class B Shares (such Election, **Partial Election**); or
- (b) 100% of the total value of any Scheme Consideration they are to receive in the form of Class B Shares (such Election, **Full Election**).

Election Date means 5.00pm on the date that is three clear Business Days before the date of the Scheme Meeting.

Election Form means a form issued by Patties for the purposes of a Patties Shareholder making an Election.

End Date means:

- (a) 31 October 2016; or
- (b) such other date and time agreed in writing between Bidder and Patties.

Excluded Shareholder means any person who:

- (a) is registered in the register maintained by Patties under section 168(1) of the Corporations Act as a holder of one or more Shares; and
- (b) is a member of the Bidder Group.

Foreign Scheme Shareholder means a Scheme Shareholder whose address in the Share Register as at the Record Date is a place outside Australia or its external territories.

Implementation Date means the fifth Business Day after the Record Date or such other date after the Record Date agreed to in writing between Patties and Bidder.

Listing Rules means the official listing rules of ASX as amended from time to time.

Market Integrity Rules means any rules made by ASIC under section 798G of the Corporations Act that apply to ASX or any other prescribed financial market on which Shares are quoted.

Patties Registry means Computershare Investor Services Pty Ltd ACN 078 279 277 or any replacement provider of share registry services to Patties.

Patties Shareholder means a person who is registered in the register maintained by Patties under section 168(1) of the Corporations Act as a holder of one or more Shares but excludes an Excluded Shareholder.

Performance Right means a right granted under the Patties Foods Limited Long Term Incentive Plan to acquire by way of issue or transfer one or more Shares subject to the terms of such plan.

Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between Patties and Bidder.

Registered Address means, in relation to a Patties Shareholder, the address shown in the Share Register as at the Record Date.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
 - (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
 - (c) any regulatory organisation established under statute,
- in Australia whether federal, state, territorial or local.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Patties and the Scheme Shareholders, subject to any alterations or conditions agreed or any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act but does not include the Shareholders Deed.

Scheme Consideration in respect of a Scheme Shareholder means:

- (a) if:
 - (i) the Scheme Shareholder is not a Foreign Scheme Shareholder and has made a valid Election on or before the Election Date; and
 - (ii) the total number of Class B Shares in respect of which Scheme Shareholders in aggregate have made valid Elections on or before the Election Date equals or exceeds 5,555,555 but does not exceed 50,000,000 (**Share Cap**),
- then:

- (iii) if the Scheme Shareholder has made a Partial Election, one Class B Share for each Scheme Share held by the Scheme Shareholder in accordance with the Scheme Shareholder's Election and \$1.65, less the amount per Share of any Special Dividend for every Scheme Share held by the Scheme Shareholder not covered by the Scheme Shareholder's Election; or
 - (iv) if the Scheme Shareholder has made a Full Election, one Class B Share for each Scheme Share held by the Scheme Shareholder;
- (b) if:
 - (i) the Scheme Shareholder is not a Foreign Scheme Shareholder and has made a valid Election on or before the Election Date; and
 - (ii) the total number of Class B Shares in respect of which Scheme Shareholders in aggregate have made valid Elections exceeds the Share Cap,
 then:
 - (iii) one Class B Share for the number of Scheme Shares calculated as:

$$(B/A) \times C,$$
 where:
 - A = the number of Class B Shares in respect of which Scheme Shareholders in aggregate have made valid Elections on or before the Election Date;
 - B = the Share Cap; and
 - C = if the Scheme Shareholder:
 - (a) has made a Partial Election, the number of Scheme Shares in respect of which the Scheme Shareholder has made an Election; or
 - (b) has made a Full Election, the number of Scheme Shares held by the Scheme Shareholder; and
 - (iv) \$1.65, less the amount per Share of any Special Dividend, for each of the Scheme Shares held by the Scheme Shareholder less the number of Scheme Shares held by the Scheme Shareholder in respect of which Class B Shares are to be issued as calculated in accordance with paragraph (iii); or
- (c) if:
 - (i) the Scheme Shareholder is a Foreign Scheme Shareholder or has not made a valid Election on or before the Election Date; or
 - (ii) either:
 - (A) the total number of Class B Shares in respect of which Scheme Shareholders in aggregate have made valid Elections on or before the Election Date is less than 5,555,555; or
 - (B) Scheme Shareholders in aggregate have not made valid Elections on or before the Election Date for any Class B Shares,
 \$1.65 less the amount per Share of any Special Dividend for every Scheme Share held by the Scheme Shareholder.

Scheme Implementation Deed means the scheme implementation deed dated [] May 2016 between Patties and Bidder.

Scheme Meeting means the meeting of Patties Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Share on issue as at the Record Date other than any Share then held by an Excluded Shareholder.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Settlement Rules means the ASX Settlement Operating Rules.

Share means an issued fully paid ordinary share in the capital of Patties.

Shareholders Deed means the Shareholders Deed in relation to TopCo in the form set out in Schedule 1 to this Scheme.

Share Register means the register of members of Patties maintained in accordance with the Corporations Act.

Special Dividend means a dividend referred to in clause 7.4 of the Scheme Implementation Deed.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

TopCo means Australasian Foods Holdco Pty Limited (ACN 612 640 329) of level 31, 126–130, Phillip Street, Sydney NSW 2000.

Trust Account means an Australian dollar denominated trust account operated by Patties as trustee for the benefit of Scheme Shareholders.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause or schedule is a reference to a clause of or schedule to this Scheme.
- (f) A reference to an **agreement** or **document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes, except to the extent this Scheme expressly provides otherwise the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this Scheme or an agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) 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.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.

- (k) A reference to **dollars** and **\$** is to Australian currency.
- (l) All references to time are to Melbourne, Australia time.
- (m) Mentioning anything after *includes, including, for example*, or similar expressions, does not limit what else might be included.
- (n) A word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act.

1.3 Business Day

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

1.4 Listing requirements included as law

A listing rule or operating rule of a financial market and a Market Integrity Rule will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 Patties

- (a) Patties is a public company limited by shares, registered in Victoria and admitted to the official list of ASX.
- (b) The Shares are officially quoted on ASX. As at the date of the Scheme Implementation Deed:
 - (i) 139,312,537 Shares were on issue which are officially quoted on ASX; and
 - (ii) 1,191,338 Performance Rights were on issue which are not quoted on any financial market.

2.2 Bidder

Bidder is a proprietary company limited by shares registered in Victoria, Australia.

2.3 General

- (a) Patties and Bidder have agreed by executing the Scheme Implementation Deed to implement this Scheme.
- (b) This Scheme attributes actions to Bidder but does not itself impose an obligation on it to perform those actions, as Bidder is not a party to this Scheme. Bidder and TopCo have agreed, by executing the Deed Poll, to perform the actions attributed to them respectively under this Scheme, including the provision of the Scheme Consideration to the Scheme Shareholders.

2.4 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) Bidder and TopCo will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and
- (b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to Bidder, and Patties will enter Bidder in the Share Register as the holder of the Scheme Shares with the result that Patties will become a wholly-owned subsidiary of Bidder.

3. Conditions

- (a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:
 - (i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(i) of the Scheme Implementation Deed (Court approval)) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the Delivery Time on the Second Court Date;
 - (ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms by no later than the Delivery Time on the Second Court Date;
 - (iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by Patties and Bidder;
 - (iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied; and
 - (v) the orders of the Court made under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date Patties and Bidder agree in writing).
- (b) The satisfaction of the conditions referred to in clause 3(a) of this document is a condition precedent to the operation of clauses 4 and 5.

4. Implementation

4.1 Lodgement of Court orders

Patties must lodge with ASIC office copies of any Court orders under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme as soon as reasonably practicable after the Court approves this Scheme and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to:
 - (i) the payment by Patties of the cash component of the Scheme Consideration in the manner contemplated by clause 5.4(c); and
 - (ii) Bidder confirming in writing to Patties by no later than 12 noon (or such later time as Bidder and Patties may agree) on the Implementation Date that the Class B Shares component of the Scheme Consideration (if any) has been provided in the manner contemplated by clause 5.4(b) (**Bidder Confirmation Certificate**),
- the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Patties or its officers as agent and attorney of the Scheme Shareholders under clause 8.6 or otherwise), by:
- (iii) Patties delivering to Bidder a duly completed and executed share transfer form to transfer all the Scheme Shares to Bidder, executed on behalf of the Scheme Shareholders by Patties; and

- (iv) Bidder duly executing such transfer form and delivering it to Patties for registration; and
- (b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(iv), Patties must enter, or procure the entry of, the name of Bidder in the Share Register in respect of the Scheme Shares transferred to Bidder in accordance with this Scheme.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration.

5.2 Election procedure

- (a) Each Patties Shareholder other than a Foreign Scheme Shareholder will be entitled to make an Election. All Elections will take effect in accordance with this Scheme to the extent that any Patties Shareholder who makes an Election qualifies as a Scheme Shareholder.
- (b) A Patties Shareholder which makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form so that it is received on or before the Election Date.
- (c) An Election must be made in accordance with the terms and conditions of the Election Form and this clause 5.2, and an Election not so made will not be a valid election for the purpose of this Scheme and will not be recognised by Bidder or Patties for any purpose (provided that Bidder may, with the agreement of Patties, waive this requirement and may, with the agreement of Patties, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Election, and any such decision will be conclusive and binding on Bidder, Patties and the relevant Scheme Shareholder).
- (d) Clause 5.3 will apply to any Patties Shareholder who purports to make an Election but who qualifies as a Foreign Scheme Shareholder.
- (e) Subject to clause 5.2(f), if a Patties Shareholder makes an Election, that Election will be deemed to apply in respect of the Patties Shareholder's registered holding of Patties Shares at the Record Date, regardless of whether the Patties Shareholder's holding of Patties Shares at the Record Date is greater or less than the Patties Shareholder's holding at the time it made its Election.
- (f) A Patties Shareholder who is noted on the Share Register as holding one or more parcels of Patties Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections under this clause 5.2 in relation to each of those parcels of Shares (subject to it providing to Bidder and Patties any substantiating information they reasonably require), and if it does so it will be treated as a separate Patties Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Record Date, it holds fewer Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Patties Shares notified Patties whether the Shares sold relate to any such separate Election (and if so which separate Election the Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Patties Shares (or will be treated in any other manner that Bidder and Patties agree is fair to the Patties Shareholder in all the circumstances acting reasonably).

5.3 Foreign Scheme Shareholders

TopCo will be under no obligation to issue, and must not issue, any Class B Shares under the Scheme to Foreign Scheme Shareholders.

5.4 Provision of Scheme Consideration

- (a) Bidder must, by no later than the Business Day before the Implementation Date, deposit in cleared funds into the Trust Account an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders, such amount to be held by Patties on trust for the Scheme Shareholders and for the purpose of

sending the aggregate cash component of the Scheme Consideration to the Scheme Shareholders (except that any interest on the amount will be for the account of Bidder).

- (b) Bidder, and TopCo must before 12 noon (or such later time as Bidder and Patties may agree) on the Implementation Date procure that the name of each Scheme Shareholder (if any) entitled to receive Class B Shares under this Scheme is entered in TopCo's register of members as the holder of those Class B Shares (having the same holding name and address and other details as the holding of the relevant Scheme Shares).
- (c) On the Implementation Date and subject to funds having been deposited in accordance with clause 5.4(a), Patties must pay or procure the payment of the cash component of the Scheme Consideration to each Scheme Shareholder from the Trust Account by doing any of the following at its election:
 - (i) sending (or procuring the Patties Registry to send) it to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the Trust Account; or
 - (ii) depositing (or procuring the Patties Registry to deposit) it into an account with any Australian ADI (as defined in the Corporations Act) notified to Patties (or the Patties Registry) by an appropriate authority from the Scheme Shareholder.
- (d) On or before the date that is five Business Days after the Implementation Date, Bidder must send or procure the sending of a certificate to each Scheme Shareholder entitled to receive Class B Shares under this Scheme, reflecting the issue of such Class B Shares.
- (e) To the extent that, following satisfaction of Patties' obligations under clause 5.2(c), there is a surplus in the amount held in the Trust Account, that surplus may be paid by Patties to Bidder.

5.5 Joint holders

In the case of Scheme Shares held in joint names:

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

5.6 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent or a fraction of a Class B Share, that fractional entitlement will be rounded down to the nearest whole cent or Class B Share as the case may be.

5.7 Unclaimed monies

- (a) Patties may cancel a cheque sent under this clause 5 if the cheque:
 - (i) is returned to Patties; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 11 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Patties (or the Share Registry) (which request may

not be made until the date which is 20 Business Days after the Implementation Date), Patties must reissue a cheque that was previously cancelled under clause 5.7(a).

- (c) The *Unclaimed Moneys Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 3 of the *Unclaimed Moneys Act 2008* (Vic)).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Bidder.

5.8 Status of Class B Shares

Subject to this Scheme becoming Effective, TopCo and Bidder must:

- (a) issue (or procure the issue of) the Class B Shares required to be issued under this Scheme on terms such that each such Class B Share will rank equally in all respects with each other Class B Share; and
- (b) ensure that each Class B Share required to be issued under this Scheme is duly issued and is fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of TopCo).

5.9 Order of a court or Regulatory Authority

If:

- (a) written notice is given to Patties (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Patties in accordance with this clause 5, then Patties may procure that payment is made in accordance with that order or direction; or
- (b) written notice is given to Patties (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that prevents Patties from making a payment to any particular Scheme Shareholder in accordance with clause 5.4(c), or such payment is otherwise prohibited by applicable law, Patties may retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by Patties (or the Share Registry) will constitute the full discharge of Patties' obligations under clause 5.4(c) with respect of the amount so paid or retained until, in the case of clause 5.9(b), it is no longer required to be retained.

5.10 Definition of 'sending'

For the purposes of clause 5, the expression **sending** means, in relation to each Scheme Shareholder:

- (a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Shareholder as at the Record Date; or
- (b) delivery to the Registered Address of that Scheme Shareholder as at the Record Date by any other means at no cost to the recipient.

6. Dealings in Shares

6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Shares on or before 7.00pm on the Record Date; and

- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day on which the Record Date occurs at the place where the Share Register is kept,

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

6.2 Register

- (a) **(Registration of transfers)** Patties must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by or as soon as reasonably practicable after the Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires Patties to register a transfer that would result in a Patties Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (as defined in the Settlement Rules).
- (b) **(No registration after Record Date)** Patties will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after 5.00pm on the day on which the Record Date occurs, other than to Bidder in accordance with this Scheme and any subsequent transfer by Bidder or its successors in title.
- (c) **(Maintenance of Share Register)** For the purpose of determining entitlements to the Scheme Consideration, Patties must maintain the Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) **(No disposal after Record Date)** From the Record Date until registration of Bidder in respect of all Scheme Shares under clause 4, no Patties Shareholder may dispose or otherwise deal with Shares (or purport to do so) in any way except as set out in this Scheme and any attempt to do so will have no effect and Patties shall be entitled to disregard any such disposal or dealing.
- (e) **(Statements of holding from Record Date)** All statements of holding for Shares will cease to have effect from the Record Date as documents of title in respect of those shares (other than statements of holding in favour of any Excluded Shareholders). As from the Record Date, each entry current at that date on the Share Register (other than entries in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Shares relating to that entry.
- (f) **(Provision of Scheme Shareholder details)** As soon as practicable after the Record Date and in any event within one Business Day after the Record Date, Patties will ensure that details of the names, Registered Addresses and holdings of Shares for each Scheme Shareholder are available to Bidder in the form Bidder reasonably requires.

7. Quotation of Shares

- (a) Patties will apply to ASX to suspend trading on the ASX in Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Bidder, and only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), Patties will apply:
 - (i) for termination of the official quotation of Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

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

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

8.2 Binding effect of Scheme

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

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

- (a) agrees to the transfer of their Shares together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
- (b) agrees to any variation, cancellation or modification of the rights attached to their Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Bidder, destroy any share certificates relating to their Shares;
- (d) to the extent they are to receive Class B Shares as a component of the Scheme Consideration to which they are entitled, agrees to become a shareholder of TopCo and to be bound by its constitution and the Shareholders Deed; and
- (e) acknowledges and agrees that this Scheme binds Patties and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Patties, in its own right and for the benefit of Bidder, that as at the Implementation Date:
 - (i) all of its Shares which are transferred to Bidder under this Scheme, including any rights and entitlements attaching to those Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its Shares which are transferred to Bidder under this Scheme will, on the date on which they are transferred to Bidder, be fully paid;
 - (iii) it has full power and capacity to transfer its Shares to Bidder together with any rights attaching to those shares; and
 - (iv) it has no existing right to be issued any Shares, options exercisable into Patties shares, Performance Rights, Patties convertible notes or any other Patties securities, other than, in the case of any Scheme Shareholder who is also the holder of Patties options or Performance Rights, the right to be issued Shares on the exercise of those Patties options or Performance Rights before the Record Date in accordance with their terms.

- (b) Patties undertakes that it will provide the warranties in clause 8.4(a) to Bidder as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attached to Scheme Shares) transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- (b) On and from the Implementation Date, immediately after Bidder and TopCo satisfy their respective obligations in clauses 5.4(a) and 5.4(b), Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Patties of Bidder in the Share Register as the holder of the Scheme Shares.

8.6 Authority given to Patties

- (a) Scheme Shareholders will be deemed to have authorised Patties to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing and delivering, as agent and attorney of each Scheme Shareholder:
 - (i) a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2;
 - (ii) any deed or document required by Patties, Bidder or TopCo that causes each Scheme Shareholder entitled to Class B Shares to be bound by the Shareholders Deed and constitution of TopCo;
 - (iii) if the aggregate of:
 - (A) the total number of holders of Class B Shares; and
 - (B) the total number of expected holders of other classes of shares in TopCo, would, in Bidder's reasonable opinion, exceed 50, any transfer of Class B Shares issued to a Scheme Shareholder to a trustee to hold on bare trust for the Scheme Shareholder absolutely; and
 - (iv) any deed or document required by Patties, Bidder or TopCo that causes each Scheme Shareholder issued Class B Shares under this Scheme to be bound by the constituent documents of any trust for the Scheme Shareholder referred to in clause 8.6(a)(iii).
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Patties and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
 - (i) enforcing the Deed Poll against Bidder and TopCo, and Patties undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder and TopCo on behalf of and as agent and attorney for each Scheme Shareholder; and
 - (ii) executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares,and Patties accepts each such appointment.

8.7 Appointment of sole proxy

Immediately after Bidder and TopCo satisfy their respective obligations in clauses 5.4(a) and 5.4(b) until Patties registers Bidder as the holder of all Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder as its attorney and agent (and directed Bidder in such capacity) to appoint an officer or agent nominated by Bidder as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Patties, exercise the votes attaching to the Scheme Shares registered in its name and sign any Shareholders' resolution;
- (b) undertakes not to otherwise attend Shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than pursuant to clause 8.7(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), Bidder and any officer or agent nominated by Bidder under clause 8.7(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Shareholder to Patties binding or deemed binding between the Scheme Shareholder and Patties relating to Patties or Shares (including any email addresses, instructions relating to communications from Patties, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from Patties) will be deemed from the Implementation Date (except to the extent determined otherwise by Bidder in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Bidder until that instruction, notification or election is revoked or amended in writing addressed to Bidder at its registry.

9. General

9.1 Stamp duty

Bidder must pay all stamp duty payable in connection with the transfer of the Scheme Shares to Bidder pursuant to this Scheme.

9.2 Notices

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

9.3 Further assurances

- (a) Patties must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Shareholder consents to Patties doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 Governing law and jurisdiction

- (a) This Scheme is governed by the laws of Victoria.

- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme.

Schedule 1– Shareholders Deed