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Attention: Company Announcement Officer

BigAir Group Limited
Level 1
203 Pacific Highway
St Leonards NSW 2065

1300 244 247
www.bigair.net.au

28 October 2016

First Court Hearing and Scheme Booklet

BigAir Group Limited (ASX:BGL) ("BigAir" or "Company") is pleased to advise that the Federal Court of Australia ("Court") has approved orders to convene meetings of the Company's shareholders to consider and vote on the Scheme of Arrangement ("Scheme") under which Superloop Limited will acquire all BigAir shares which it does not already own.

A full copy of the Scheme Booklet is attached, as approved by the Court for dispatch to shareholders. The Scheme Booklet includes an Independent Expert Report prepared by Lonergan Edwards & Associates Limited. The Independent Expert has opined that the Scheme is fair and reasonable and in the best interests of BigAir shareholders, in the absence of a superior proposal.

Indicative timetable

The timetable steps for completion of the Scheme are:

Scheme Meeting	11.00am on Wednesday, 7 December 2016
Second Court Date for approval of the Scheme	Friday, 9 December 2016
Effective Date	Friday, 9 December 2016
Court order lodged with ASIC	
BigAir Shares suspended from trading on ASX	
New Superloop shares commence trading on ASX on a deferred settlement basis	Monday, 12 December 2016
Record Date for determining entitlement to the Scheme Consideration	Wednesday, 14 December 2016
Implementation Date	Wednesday, 21 December 2016
Payment of cash consideration and issue of New Superloop Shares	
Trading of New Superloop Shares commence on ASX on a normal settlement basis	By Thursday, 22 December 2016

This timetable is indicative only and, among other things, is subject to the satisfaction of or, where applicable, waiver of the conditions precedent to the Scheme, and to all necessary shareholder and Court approvals. Any variation to the timetable set out above will be announced to ASX.

For investor and media enquiries please contact:

Jason Ashton
Chief Executive Officer
BigAir Group Limited
02 9461 0162 | jason@bigairnet.au



Scheme Booklet

For a scheme of arrangement between BigAir Group Limited (ABN 57 098 572 626) and its shareholders in relation to the proposed acquisition of BigAir Group Limited by Superloop Limited.

VOTE IN FAVOUR

Your directors unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal.

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

If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the BigAir Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm (Sydney time).

The logo for Baker & McKenzie, consisting of a red rectangular bar with the text "BAKER & MCKENZIE" in white, serif, uppercase letters. Above the bar is a yellow-to-white gradient bar, and below it is a blue-to-white gradient bar.

BAKER & MCKENZIE

Legal Adviser

TMTPARTNERS

Corporate Adviser

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Important notices

Purpose of Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved) and to provide information as is prescribed or otherwise material to the decision of BigAir Shareholders whether to approve the Scheme.

Read the entire Scheme Booklet

BigAir Shareholders are encouraged to read this Scheme Booklet in its entirety before voting on the Scheme. If you have any questions, you should refer to section 4 (Frequently Asked Questions), visit BigAir's website at www.bigair.com.au or contact the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia). Alternatively, you should contact your financial, legal, taxation or other professional adviser.

Responsibility for information

BigAir has prepared, and is responsible for, the BigAir Information in this Scheme Booklet. Superloop and its related bodies corporate, directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the BigAir Information.

Superloop has provided, and is responsible for, the Superloop Information in this Scheme Booklet, and BigAir and its related bodies corporate, directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Superloop Information.

Lonergan Edwards & Associates Limited has prepared and is responsible for the Independent Expert's Report. None of BigAir, Superloop and their respective related bodies corporate, directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report except, in the case of BigAir and Superloop, in relation to the information given by them respectively to the Independent Expert. A copy of the complete Independent Expert's Report is set out in Annexure A.

Deloitte Corporate Finance Pty Limited (**Deloitte**) has been engaged by Superloop to prepare the Investigating Accountant's report in relation to the compilation of the Pro Forma Historical Information contained in section 8 of this Scheme Booklet and takes responsibility for that report. None of BigAir, Superloop and their respective related bodies corporate, directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of the information contained in that report. A copy of the Investigating Accountant's Report is set out in Annexure B.

ASIC and ASX

This Scheme Booklet contains the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act. A copy of this Scheme Booklet has been registered with ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given an opportunity to review and comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. Neither ASIC nor any of its officers is responsible for the contents of this Scheme Booklet.

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

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

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

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

- (a) has formed any view as to the merits of the proposed Scheme or as to how BigAir Shareholders should vote (on this matter BigAir Shareholders must reach their own decision); or**
- (b) has prepared, or is responsible for the content of, the Scheme Booklet.**

Notice of Second Court Hearing

The Scheme is subject to shareholder approval by the requisite majorities and approval of the Court on the Second Court Date. BigAir Shareholders have the right to appear at the Court hearing on the Second Court Date (the **Second Court Hearing**) and

oppose the approval of the Scheme by the Court and be heard, including in opposition to the approval of the Scheme. The Second Court Hearing is expected to be held on Friday, 9 December 2016 at the Federal Court of Australia, Queens Square, Sydney, before Justice Yates.

Any BigAir Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on BigAir a notice of appearance in the prescribed form together with any affidavit that the BigAir Shareholder proposes to rely on.

Investment decisions

This Scheme Booklet is intended for all BigAir Shareholders collectively and does not take into account the investment objectives, financial situation or particular needs of each BigAir Shareholder or any other particular person. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme or your BigAir Shares. Before making any investment decision in relation to the Scheme or your BigAir Shares, including any decision to vote in favour of or against the Scheme, you should consider whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should seek independent financial, legal, taxation or other professional advice before making any investment decision in relation to the Scheme or your BigAir Shares.

Future matters and intentions

Certain statements in this Scheme Booklet relate to the future. The forward looking statements in this Scheme Booklet reflect the current expectations of BigAir, or in relation to the Superloop Information, Superloop. These forward looking statements involve known and unknown risks, uncertainties, assumptions (including without limitation assumptions regarding the present and future business strategies of BigAir, Superloop and the environment in which Merged Group will operate in the future) and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. Forward looking statements should, therefore, be construed in light of such factors and you are cautioned not to place undue reliance on any such statement. BigAir Shareholders should also note that the historical financial performance of BigAir and Superloop is no assurance of the future performance of BigAir, whether or not the Scheme proceeds.

Other than as required by law, neither BigAir nor Superloop nor any director of those entities nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. The forward looking statements in this Scheme Booklet reflect the views held only at the date of this Scheme Booklet. Subject to any continuing obligation under law or the ASX Listing Rules, BigAir, Superloop and their respective directors disclaim any responsibility, obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements of any change in events, conditions or circumstances on which any such statement is based.

Overseas Shareholders

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements and Australian accounting standards which may be different from those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. See section 11.8 for specific restrictions on the distribution and use of this document in New Zealand, Hong Kong, and Spain.

BigAir Shareholders who are Ineligible Foreign Shareholders (which, as at the date of this Scheme Booklet, are expected to comprise those BigAir Shareholders with registered addresses in jurisdictions outside Australia and its external territories, Hong Kong and Spain) will not be issued with New Superloop Shares but will receive a cash payment. See section 5.13 for further details.

Scheme Shareholders whose address as shown on the BigAir Share Registry on the Record Date is a place within New Zealand will be entitled to receive New Superloop Shares under the Scheme, unless BigAir and Superloop determine to treat those Scheme Shareholders as Ineligible Foreign Shareholders for the purposes of the Scheme (for the reasons set out in section 5.13 below)

BigAir Shareholders resident outside Australia for tax purposes should seek specific taxation advice in relation to the Australian and overseas taxation implications of the Scheme.

References to defined terms, time and currency

A number of terms used in this Scheme Booklet have special meanings. These are listed in the Glossary at the back of this Scheme Booklet. The documents reproduced in some of the Annexures to this Scheme Booklet each have their own defined terms which are sometimes different from those in the Glossary. Unless otherwise specified, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet. All references to time in this Scheme Booklet are to time in Sydney, Australia. All references to \$, A\$ or AUD in this Scheme Booklet are to Australian dollars, unless otherwise specified.

Effect of rounding

A number of figures, amounts, percentages, estimates and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet. In particular, all entitlements to New Superloop Shares will be rounded up or down to the nearest whole number of New Superloop Shares (with any fractional entitlement of 0.5 or more being rounded up) in order to avoid fractions of New Superloop Shares.

Privacy

BigAir and Superloop may collect personal information in the process of implementing the Scheme. This personal information may include the names, contact details and security holdings of BigAir Shareholders and the names of persons appointed by BigAir Shareholders to act as proxy, corporate representative or attorney at the Scheme Meeting. The primary purpose of collecting this personal information is to assist BigAir and Superloop to conduct the Scheme Meeting and implement the Scheme in the manner described in this Scheme Booklet. The collection of this personal information is authorised by the Corporations Act.

Personal information may be disclosed to the BigAir Share Registry, to the Superloop Share Registry, to securities brokers, to third party service providers, including print and mail service providers and professional advisers, to related bodies corporate of Superloop, BigAir and each of their agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required by law or allowed by law or where the relevant individual has consented.

BigAir Shareholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access personal information collected in relation to them. Such individuals should contact the BigAir Share Registry in the first instance if they wish to request access to that personal information.

BigAir Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting should ensure that they inform that person of the matters outlined above.

BigAir website

The content of BigAir's website does not form part of this Scheme Booklet and investors should not rely on any such content.

Date of this Scheme Booklet

This Scheme Booklet is dated 28 October 2016.

Important dates

First Court Date for approval of this Scheme Booklet	Friday, 28 October 2016
Latest time and date by which Election Forms must be received by BigAir Share Registry	5.00pm on Monday, 28 November 2016
Latest time and date for receipt of proxy forms for the Scheme Meeting	11.00am on Monday, 5 December 2016
Time and date for determining eligibility to vote at Scheme Meeting	7:00pm on Monday, 5 December 2016
Scheme Meeting	11.00am on Wednesday, 7 December 2016
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Second Court Date for approval of the Scheme	Friday, 9 December 2016
Effective Date	Friday, 9 December 2016
Court order lodged with ASIC	
BigAir Shares suspended from trading on ASX	
New Superloop Shares commence trading on ASX on a deferred settlement basis	Monday, 12 December 2016
Record Date for determining entitlement to the Scheme Consideration	Wednesday, 14 December 2016
Implementation Date	Wednesday, 21 December 2016
Payment of cash consideration and issue of New Superloop Shares	
Trading of New Superloop Shares commence on ASX on a normal settlement basis	By Thursday, 22 December 2016

This timetable is indicative only and, among other things, is subject to the satisfaction of or, where applicable, waiver of the Conditions Precedent, and to all necessary Court and regulatory approvals. Any variation to the timetable set out above will be announced to ASX and published on BigAir's website at www.bigair.com.au.

All references to time in this Scheme Booklet are references to Sydney time unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Letter from the Chairman of BigAir

Dear BigAir Shareholder,

On behalf of the BigAir Directors, I am pleased to provide you with this Scheme Booklet which contains important information in relation to the proposed combination of BigAir and Superloop (together, the **Merged Group**).

The Scheme

On 13 September 2016, Big Air and Superloop announced that they had entered into a Scheme Implementation Deed which provides for the combination of the two companies.

If the Scheme is approved and implemented, BigAir Shareholders will receive Scheme Consideration of either:

- all Superloop Shares, being 0.371 New Superloop Shares for each BigAir Share held (**Scrip Consideration**); or
- cash and Superloop Shares, being a combination of \$0.70 in cash payable on completion of the Scheme and 0.118 New Superloop Shares for each BigAir Share held (**Mixed Consideration**).

Based on Superloop's share price of \$3.31 on 13 September 2016 (the date of the announcement of the Scheme), the implied value of the Scrip Consideration is \$1.23 and of the Mixed Consideration is \$1.09, being a premium of 46% and 30% respectively over the closing price of BigAir Shares on 13 September 2016 of \$0.84.

Based on the 30-day VWAP of Superloop Shares of \$2.98 on 25 October 2016 (the last practicable trading date before the date of this Scheme Booklet), the implied value of the Scrip Consideration is \$1.10 and of the Mixed Consideration is \$1.05, being a premium of 40% and 33% respectively over the 30-day VWAP of BigAir Shares on 13 September 2016 of \$0.79.

The cash component of the Mixed Consideration is subject to a \$95 million cap and will be scaled back on a pro-rata basis depending on the number of BigAir Shareholders who Elect to receive the Mixed Consideration. If such a scale back occurs, each BigAir Shareholder who Elects to receive the Mixed Consideration will receive, in relation to each BigAir Share held by them, an additional 0.337 Superloop Shares for each dollar of cash scaled back.

Directors' unanimous recommendation

Superloop is a telecommunications infrastructure company that owns and operates fibre optic cable networks in capital cities in Australia and in Singapore and Hong Kong. Superloop is still at an early stage in commercialising these networks and, accordingly, while Superloop is growing rapidly, its revenues are modest relative to BigAir.

The proposed combination with Superloop is expected to provide material benefits to BigAir's business and customers. For example, a combination with Superloop should enhance BigAir's network capabilities (enabling it to offer customers access to Superloop's fibre network); offer network savings (as the Merged Group may negotiate better terms with transmission providers) and provide a platform for expansion of BigAir's fixed wireless and managed service offerings into Asia. As shareholders in the Merged Group, BigAir Shareholders will share in these synergies.

The Directors have considered the advantages and disadvantages of the Scheme and unanimously recommend that BigAir Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Independent Expert's conclusion

The BigAir Directors have commissioned the specialist valuation firm Lonergan Edwards & Associates Limited to prepare an Independent Expert's Report in relation to the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of BigAir Shareholders, in the absence of a superior proposal.

The Independent Expert has assessed the value of BigAir Shares to be in the range of \$0.99 and \$1.06 per share. The Independent Expert states that the implied value of the Scheme Consideration, being in the range of \$1.08 and \$1.15 for the Scrip Consideration, and \$1.04 and \$1.07 for the Mixed Consideration, is consistent with this range and therefore the Scheme is fair and reasonable.

As part of its assessment of the Scheme, the Independent Expert sets out advantages and disadvantages of the Scheme, noting (among other things) that BigAir Shareholders may have exposure to a higher risk business than they currently do.

Voting and further information

Your vote is important in determining whether or not the Scheme proceeds. If the Scheme is not approved at the Scheme Meeting by the required statutory majorities, the Scheme will not be implemented and you will not receive the Scheme Consideration.

In deciding how to vote, you should consider the reasons to vote in favour of the Scheme Resolution, set out in detail in section 1. As with all transactions of this nature, the Scheme also has disadvantages and risks, and these are set out in sections 2 and 9 of this Scheme Booklet.

I encourage you to read this Scheme Booklet carefully and in its entirety as it contains important information on the Scheme and the future of BigAir's business. I also encourage you to seek independent legal, financial, taxation or other professional advice before making an investment decision in relation to your BigAir Shares.

If you have questions regarding the Scheme, please contact the BigAir Information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days, between 8.30am and 5.30pm (Sydney time) or contact your broker or legal, financial, taxation or other professional adviser.

I also wish to take this opportunity to thank you for your ongoing support of BigAir. This is a positive and transformative opportunity for BigAir and its shareholders, and I look forward to your participation at the Scheme Meeting.

If you do not wish to or are unable to attend the Scheme Meeting in person, I *strongly encourage you* to vote online at www.votingonline.com.au/bglscheme or by completing the accompanying Proxy Form and returning it to the BigAir Share Registry so that it is received by no later than 11.00am (Sydney time) on Monday, 5 December 2016.

Yours sincerely,



Vivian Stewart
Chairman
BigAir Group Limited

Letter from the Chairman of Superloop

Dear BigAir Shareholder,

The Superloop Board and management are pleased to present this opportunity to participate in the combination of Superloop and BigAir to create a leading independent owner and provider of connectivity services in the Asia Pacific region.

The combination of Superloop and BigAir is supported by the BigAir Directors, who unanimously recommend that BigAir Shareholders vote in favour of the Scheme, in the absence of a superior proposal for BigAir. Lonergan Edwards & Associates, the Independent Expert, has also concluded that the Scheme is fair and reasonable and in the best interests of BigAir Shareholders, in the absence of a superior proposal.

Superloop is an ASX listed telecommunications company that owns and operates underground fibre-optic cable networks in Australia and Singapore and is currently expanding operations into Hong Kong. Superloop seeks to interconnect locations within these markets that have high connectivity requirements (eg. data centres, submarine cable landing stations and major enterprise buildings) and deliver innovative and cost-effective connectivity solutions. Superloop's vision is to become a leading independent provider of connectivity solutions in the Asia Pacific region.

The Scheme will combine Superloop's expansive telecommunications infrastructure with BigAir's last mile connectivity across Australia to unlock considerable value and provide an enhanced service offering to customers. Superloop considers that the combination will benefit both companies' shareholders as the Merged Group is expected to generate significant synergies and will be strategically positioned as a full service, end-to-end provider, which will be able to more meaningfully compete with other telecommunications providers.

Further details of the benefits of the transaction to BigAir Shareholders are detailed in the reasons to vote in favour of the Scheme set out in section 1 of this Booklet. A summary of the reasons identified by the BigAir directors as to why you may not want to vote in favour of the Scheme is set out in section 2 of this Booklet.

As a BigAir Shareholder, your vote is important to ensure that the Scheme is implemented and the benefits of the transaction can be realised by all shareholders.

This Booklet provides important information in relation to the transaction and, on behalf of the Superloop Board, I encourage you to read it carefully and vote in favour of the Scheme at the Scheme Meeting to be held at Level 17, 383 Kent Street, Sydney NSW 2000 at 11.00am on Wednesday 7 December 2016.

As Executive Chairman of the Superloop Board, I look forward to welcoming you as a shareholder of Superloop on successful implementation of the Scheme.

Yours sincerely,



Bevan Slattery
Executive Chairman & Chief Executive Officer
Superloop Limited

Key considerations relevant to your vote on the Scheme

What is the proposed transaction?

Superloop proposes to acquire all of the BigAir Shares on issue by way of a scheme of arrangement (**Scheme**). If the Scheme is approved and implemented, all of the BigAir Shares (other than those held by Superloop) will be transferred to Superloop, and Superloop will be the sole shareholder of BigAir.

What is the Scheme Consideration?

If the Scheme is approved and implemented, and you are a BigAir Shareholder on the Record Date (**Scheme Shareholder**), you will receive either:

- 0.371 New Superloop Shares for each BigAir Share (**Scrip Consideration**); or
- if you so Elect, a combination of cash and New Superloop Shares (as described below), depending on the Elections made by other Scheme Shareholders (**Mixed Consideration**),

(collectively, the **Scheme Consideration**).

As a Scheme Shareholder, you will receive Scrip Consideration by default unless you Elect to receive the Mixed Consideration by the Election Date (being 5.00pm (Sydney time) on Monday, 28 November 2016) in respect of the BigAir Shares you hold.

The Record Date is currently expected to be 7.00pm (Sydney time) on Wednesday, 14 December 2016. Ineligible Foreign Shareholders will not receive any New Superloop Shares and will instead receive a cash payment. See section 5.13 for further information.

What will I receive if I Elect Mixed Consideration?

Superloop has offered to make a maximum of \$95 million in cash (**Cash Cap**) available to pay Scheme Shareholders who Elect to receive the Mixed Consideration. If you Elect to receive the Mixed Consideration, you will receive \$0.70 cash plus 0.118 New Superloop Shares for each BigAir Share you hold, unless the total amount of cash required to pay all Scheme Shareholders who have validly Elected to receive the Mixed Consideration exceeds \$95 million. In this case, the cash component of the Mixed Consideration that you receive will be scaled back on a pro-rata basis and the scaled back portion of the cash component the Mixed Consideration will instead be satisfied in additional New Superloop Shares on the basis of 0.337 Superloop Shares for each dollar of cash scaled back.

By way of example, set out below are calculations of the cash amount and the number of New Superloop Shares that a Scheme Shareholder may receive as part of the Mixed Consideration.

(a) Example of cash paid and New Superloop Shares issued if no scale back, assuming 1,000 BigAir Shares

Number of BigAir Shares you own	1,000
Cash component of Mixed Consideration	<i>multiplied by \$0.70</i>
Total cash paid	\$700

Number of BigAir Shares you own	1,000
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Scrip component of Mixed Consideration	<i>multiplied by 0.118</i>
Total New Superloop Shares issued	118
Total consideration	\$700 plus 118 New Superloop Shares

(b) Example of cash paid and New Superloop Shares issued, assuming 10% pro-rata scale back

Number of BigAir Shares you own	1,000
Cash component (90% x \$0.70 = \$0.63)	<i>multiplied by \$0.63</i>
Total cash paid	\$630

Number of BigAir Shares you own	1,000
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The number of New Superloop Shares to be issued to replace the scaled back portion of the cash component of the Mixed Consideration:

balance of cash component per share (\$0.70 – \$0.63 = \$0.07) x 0.337, being the number of New Superloop Shares equivalent to \$0.70 (based on the VWAP of Superloop's shares shortly prior to the announcement of the Scheme)

= 0.0236 additional New Superloop Shares per BigAir Share

PLUS 0.118 New Superloop Shares (being the scrip component of the Mixed Consideration)

Scrip component: *multiplied by 0.1416*

Total New Superloop Shares issued (rounded)	142
Total consideration	\$630 plus 142 New Superloop Shares

See sections 5.3 and 5.4 for further information, including details of the formula for calculating the Mixed Consideration where pro-rated scale back is required.

What will I receive if I make no Election at all?

If you make no Election at all by the Election Date in respect of the BigAir Shares you hold, and you are a Scheme Shareholder, you will receive 0.371 New Superloop Shares for each BigAir Share.

How to make an Election for the Mixed Consideration

You can Elect to receive the Mixed Consideration by completing the enclosed Election Form and returning it to the BigAir Share Registry in accordance with the instructions on the Election Form so that it is received by the BigAir Share Registry prior to 5.00pm on Monday, 28 November 2016 (**Election Date**). You may vary your Election until the Election Date by notifying the BigAir Share Registry that you wish to withdraw your Election.

If you do not make an Election, or an Election is invalid, or the BigAir Share Registry receives your Election after the Election Date, you will receive the Scrip Consideration as your Scheme Consideration for all of your BigAir Shares.

See sections 5.3 and 5.4 for further information.

Can I make a partial Election?

No. You can only Elect to receive the Mixed Consideration for all of your BigAir Shares. However, if you are a trustee or nominee and hold BigAir Shares for multiple underlying beneficial owners then you can make separate Elections for each whole beneficial holding. See section 5.4(d) for further detail.

How to vote on the Scheme

The Scheme will be approved if BigAir Shareholders pass a resolution approving the Scheme (**Scheme Resolution**) by the following majorities:

- a majority in number (more than 50%) of BigAir Shareholders present and voting at the Scheme Meeting (**Headcount Test**); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by BigAir Shareholders on a poll,

(collectively, the **Requisite Majorities**).

If you are registered as a BigAir Shareholder on the BigAir Register at 7.00pm (Sydney time) on Monday, 5 December 2016, you are entitled to vote at the Scheme Meeting. You can vote in any of the following ways:

- attending the Scheme Meeting in person, by attorney or by corporate representative if you are a corporate shareholder at Level 17, 383 Kent Street, Sydney, NSW, at 11.00am on Wednesday, 7 December 2016;
- appointing a proxy by completing the enclosed Proxy Form and returning it to the BigAir Share Registry by 11.00am on Monday, 5 December 2016:
 - » by mail addressed to Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001; or
 - » by hand delivering to Boardroom Pty Ltd at Level 12, 225 George Street, Sydney NSW 2000; or
- lodging a proxy online with the BigAir Share Registry via www.votingonline.com.au/bglscheme

Recommendation of BigAir Directors

The BigAir Directors unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal.

The BigAir Directors consider that the Scheme is in your best interests as a BigAir Shareholder and the reasons for you to vote in favour of the Scheme outweigh the reasons to vote against the Scheme. These reasons are set out in detail in sections 1 and 2 of this Scheme Booklet.

Further, the Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of BigAir Shareholders, in the absence of a superior proposal. The Independent Expert's Report is set out in full in Annexure A.

Each BigAir Director intends to vote in favour of the Scheme in respect of all BigAir Shares controlled or held by, or on behalf of, each of them (including any proxies placed at their discretion) in the absence of a superior proposal.

Before making your decision in relation to the Scheme, the BigAir Directors encourage you to read this Scheme Booklet in its entirety. If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia). Alternatively, you should contact your financial, legal, taxation or other professional adviser.

1. Reasons to vote in favour of the Scheme

Section 1 sets out the reasons why the BigAir Directors unanimously recommend that you vote in favour of the Scheme. This section should be read in conjunction with section 2 which sets out the reasons why you may consider voting against the Scheme and section 9 which sets out the risks associated with the Scheme.

(a) Independent Expert's Opinion

BigAir appointed Lonergan Edwards & Associates Limited to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of BigAir Shareholders.

The Independent Expert considers that the Scheme is fair and reasonable and is in the best interests of BigAir Shareholders in the absence of a superior proposal.

The Independent Expert's Report is included in Annexure A of this Scheme Booklet. BigAir Directors encourage BigAir Shareholders to read the Independent Expert's Report carefully and in its entirety.

(b) Unanimous Board Recommendation

The BigAir Directors have assessed the merits of the Scheme and unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a superior proposal.

In making their recommendation, the BigAir Directors have considered the advantages and disadvantages of the Scheme, including the information contained in:

- i) the "Reasons to vote in favour of the Scheme" in this section 1;
- ii) the "Reasons to vote against the Scheme" in section 2 of this Scheme Booklet;
- iii) the risk factors in section 9 of this Scheme Booklet; and
- iv) the Independent Expert's Report in Annexure A of this Scheme Booklet.

In addition, Jason Ashton and Vivian Stewart, Directors of BigAir, have, amongst others, granted to Superloop call options over their shareholdings in BigAir, reflecting their support for the Scheme.

Further details of the interests of the BigAir Directors are contained in section 11.1 of this Scheme Booklet.

(c) The Scheme Consideration offered represents an attractive control premium over the recent trading price of BigAir Shares

The Scheme Consideration represents a significant premium over the price of BigAir Shares immediately prior to the announcement of the Scheme. The level of the premium depends on, among other things, the Scheme Consideration selected by each BigAir Shareholder:

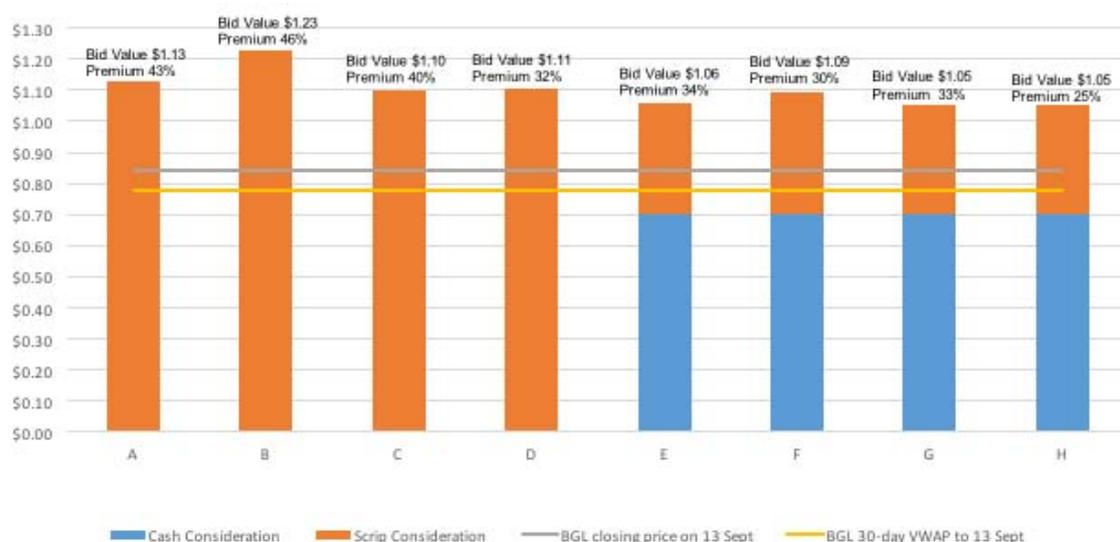
- **Scrip Consideration** – the Scrip Consideration of 0.371 New Superloop Shares for each BigAir share held reflects an implied value of:

- A) \$1.13 based on the 30-day VWAP of Superloop Shares prior to 13 September 2016, of \$3.05. This is a premium of 43% over the 30-day VWAP of BigAir Shares of \$0.79 over the same period;
 - B) \$1.23, based on the closing price of Superloop Shares of \$3.31 on 13 September 2016 before the Scheme was announced. This is a premium of 46% over the closing price of BigAir Shares on the same date;
 - C) \$1.10, based on the 30-day VWAP of Superloop Shares of \$2.98 on 25 October 2016 (the last practicable trading date before the date of this Scheme Booklet). This is a premium of 40% over the 30-day VWAP of BigAir Shares on 13 September 2016; or
 - D) \$1.11, based on the closing price of Superloop Shares of 2.98 on 25 October 2016 (the last practicable trading date before the date of this Scheme Booklet). This is a premium of 32% over the closing price of BigAir Shares on 13 September 2016.
- **Mixed Consideration** – the Mixed Consideration, being a combination of \$0.70 in cash and 0.118 Superloop shares for each BigAir Share held, reflects an implied value of:
 - E) \$1.06 based on the respective 30-day VWAP of Superloop Shares prior to 13 September 2016, of \$3.05. This is a premium of 34% over the 30-day VWAP of BigAir Shares of \$0.79 over the same period;
 - F) \$1.09 based on the closing price of Superloop Shares on 13 September 2016 of \$3.31. This is a premium of 30% over the closing price of BigAir Shares on the same date;
 - G) \$1.05, based on the 30-day VWAP of Superloop Shares of \$2.98 on 25 October 2016 (the last practicable trading date before the date of this Scheme Booklet). This is a premium of 33% over the 30-day VWAP of BigAir Shares on 13 September 2016; or
 - H) \$1.05 based on the closing price of Superloop Shares of \$2.98 on 25 October 2016 (the last practicable trading date before the date of this Scheme Booklet). This is a premium of 25% over the closing price of BigAir Shares on 13 September 2016.

The diagram below depicts the above premia of Scheme Consideration.

Figure: Implied Scheme Consideration premium to closing price of BigAir Shares on 13 September 2016 and 30-day VWAP to 13 September 2016.

Implied Value and Premium of Bid



(d) The Scheme offers significant synergies in which BigAir Shareholders will share

The proposed combination with Superloop is expected to provide material benefits to BigAir's business and customers. As shareholders in Superloop, BigAir Shareholders will share in these synergies (those BigAir Shareholders that receive the Scrip Consideration will have more exposure to these synergies). The expected synergies include:

- Increased scale – Superloop will be able to scale BigAir's high speed fixed wireless capabilities, and by leveraging Superloop fibre will build a low-cost access alternative for Gigabit+ speeds;
- Enhanced network capabilities – BigAir will be able to offer its medium-sized and enterprise customers access to Superloop's fibre network with reduced reliance on third party infrastructure;
- IP transit and backhaul / transmission savings – as aggregated network flows enable the Merged Group to negotiate better terms with transmission providers;
- Expansion of existing fixed wireless and managed service offerings into Asia – leveraging BigAir's fixed wireless, cloud and managed IT service offerings across Superloop's customer base, initially in Australia and then also into Asia.

(e) The cash component of the Mixed Consideration underpins the value of the offer

The Mixed Consideration includes \$0.70 cash per BigAir share (potentially subject to scale back) in addition to 0.118 New Superloop Shares.

The \$0.70 cash component of the Mixed Consideration represents approximately (i) 83% of the value of BigAir Shares on 13 September 2016 of \$0.84 cents or (ii) 90% of the one month daily weighted average price of BigAir Shares prior to close of business on 13 September 2016 of \$0.78.

This cash consideration provides immediate, albeit partial, liquidity for BigAir Shareholders opting for the Mixed Consideration. This relative certainty should be compared against the risks and uncertainties of remaining a BigAir Shareholder (if the Scheme is not approved) to which BigAir Shareholders are currently already exposed.

(f) No superior proposal has emerged as at the date of this Scheme Booklet

From the initial announcement of the Scheme on 13 September 2016 to the date of this Scheme Booklet, no superior proposal has emerged.

(g) The price of BigAir Shares is likely to fall, at least in the short term, if the Scheme is not implemented

The closing price of BigAir Shares on 13 September 2016, being the trading day before BigAir announced it had entered into the Scheme Implementation Deed, was \$0.84 per BigAir Share.

Since that date, the trading price of BigAir Shares has risen significantly. The VWAP of BigAir Shares from 14 September 2016 to 25 October 2016 was \$1.05.

There are many factors that affect the BigAir Share price. However, the BigAir Directors consider that if the Scheme is not implemented and there is no superior proposal or an alternative proposal, BigAir's share price is likely to fall below current levels.

Figure: BigAir Share Price History



(h) ASX trading

Superloop Shares also trade on the ASX. Accordingly, if the Scheme proceeds and you do not wish to remain invested in the Merged Group, you will have the option to trade any Superloop Shares that you receive as Scheme Consideration on the ASX.

(i) CGT rollover may be available for all or part of your Scheme Consideration

Resident Scheme Shareholders may be eligible for a full CGT rollover if you receive the Scrip Consideration, and a partial CGT rollover for the scrip component of the Mixed Consideration. See section 10 for further information on Australian taxation implications of the Scheme.

(j) No brokerage or stamp duty will be payable by you on the transfer of your BigAir Shares

You will not incur any brokerage or stamp duty on the transfer of your BigAir Shares to Superloop under the Scheme.

2. Reasons not to vote in favour of the Scheme

The BigAir Directors consider that the benefits of the Scheme outweigh the disadvantages and unanimously recommend that BigAir Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

In addition, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of BigAir Shareholders, in the absence of a superior proposal.

However, BigAir Shareholders are not obliged to follow the recommendation of the BigAir Directors or the conclusions of the Independent Expert. Set out below are reasons that may lead you to vote against the Scheme. This section should be read in conjunction with section 9, which sets out a number of risks associated with Scheme.

(a) You may disagree with the BigAir Directors and the opinion of the Independent Expert and consider that the Scheme is not in your best interests

Despite the recommendation of the BigAir Directors and the opinion of the Independent Expert that the Scheme is in the best interests of BigAir Shareholders, in the absence of a superior proposal, you may believe that the Scheme is not in your best interests.

(b) You may believe there is the potential for a superior proposal to be made in the future

You may believe that there is potential for a superior proposal to be made in the foreseeable future. Since the initial announcement of entry into the Scheme Implementation Deed to the date of this Scheme Booklet, no superior proposal has been received by the BigAir Directors.

(c) You may believe it is in your best interests to maintain your current investment and risk profile

You may wish to keep your BigAir Shares as you may want to preserve your investment in a company with the specific characteristics of BigAir.

Alternatively, or in addition, you may not wish to be invested in the Merged Group in light of your view of the specific features of Superloop. There may be a risk that the price of Superloop Shares may fall (for example, if Superloop does not meet market expectations regarding its financial performance) and BigAir Shareholders may not fully realise the implied value of the Scheme Consideration.

One of the benefits of the Scheme is the potential for the Merged Group to realise the synergies as detailed in section 8 of this Scheme Booklet. However, you may believe that the integration of BigAir and Superloop may be more difficult or take more time than that currently anticipated and that there is a risk that the expected synergies may not be realised within the anticipated time frame or to their full extent. Failure to achieve targeted synergies within the anticipated timeframe may have an adverse effect on the operations, financial performance and position of the Merged Group and the value of Superloop Shares.

Further, the Independent Expert notes that the business operations of Superloop are, prima facie, a higher risk investment (from an operational perspective) than BigAir as Superloop has not yet reached profitability. The Independent Expert considers that Superloop is at an early stage of commercialisation of its dark fibre network infrastructure with only 12.9% of its network being utilised as at 30 June 2016.

An overview of Superloop is provided in section 7 of this Scheme Booklet. Further details of the risks associated with Superloop and the Merged Group are set out in section 9 of this Scheme Booklet. BigAir Shareholders are encouraged to read these sections carefully and in their entirety.

(d) The tax consequences of the Scheme may not suit your current financial position

Implementation of the Scheme may result in financial consequences which are not favourable for you. For example, it may trigger a CGT liability to the extent the Scheme Consideration received by you exceeds the tax cost base of your BigAir Shares, or the timing of the disposal may not result in an optimal CGT holding period outcome for you, depending on when you acquired your BigAir Shares.

BigAir Shareholders should read the general taxation considerations outlined in section 10 of this Scheme Booklet and seek professional taxation advice with respect to their individual tax situation.

3. Other relevant considerations in relation to the Scheme

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) The Superloop Share price may fluctuate and this will affect the value of the Scheme Consideration you receive

Both the Scrip Consideration and the Mixed Consideration alternatives involve Scheme Shareholders receiving a degree of New Superloop Shares in exchange for their BigAir Shares.

The value of New Superloop Shares to be received by Scheme Shareholders on the implementation of the Scheme will depend on the price at which New Superloop Shares trade on the ASX on or after the Implementation Date. Following implementation of the Scheme, the price of New Superloop Shares may rise or fall based on market conditions and the Merged Group's financial and operational performance. If the price of New Superloop Shares falls, the value of the Scheme Consideration will decline.

Further, if a significant number of Scheme Shareholders decide not to retain their New Superloop Shares there may be an oversupply of Superloop Shares, which in turn may have an adverse impact on the Superloop Share price, at least in the short term.

Accordingly, there is no guarantee as to the future value of the Scheme Consideration, and in particular no guarantee that future Superloop Share prices will exceed historical prices described in this Scheme Booklet or the value attributed to Superloop Shares by the Independent Expert.

(b) The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

Even if you vote against the Scheme, or do not vote, the Scheme may still be implemented if it is approved by the requisite majorities of BigAir Shareholders and by the Court. If this happens, your BigAir Shares will be transferred to Superloop and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme.

Further, if you do not Elect to receive the Mixed Consideration then if the Scheme is implemented you will receive the Scrip Consideration as your Scheme Consideration.

(c) Deemed warranties by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, each Scheme Shareholder will be deemed to have warranted to Superloop that their Scheme Shares are transferred to Superloop on the Implementation Date free from charges, encumbrances, security interests, and other third party interests, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares. See section 5.14 for further detail.

(d) Break fee

A break fee of \$2.1 million is payable by BigAir to Superloop and a break fee of \$2.1 million is payable by Superloop to BigAir in certain circumstances. However, no break fee is payable by BigAir merely for the reason that BigAir Shareholders do not approve the Scheme at the Scheme Meeting. See section 5.17(c)

4. Frequently asked questions

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

Question	Answer	More Information
QUESTIONS ABOUT THE SCHEME		
What is the Scheme?	The Scheme is a scheme of arrangement between BigAir and Scheme Shareholders by which Superloop will acquire BigAir. If the Scheme proceeds, BigAir will become a wholly-owned subsidiary of Superloop and will be delisted from ASX.	Section 5 provides an overview of the Scheme. The terms of the Scheme are set out in full in Annexure C.
What is a scheme of arrangement?	A scheme of arrangement is a means of implementing an acquisition of shares under the Corporations Act. It requires a vote in favour of the Scheme by the Requisite Majorities of BigAir Shareholders at the Scheme Meeting and also requires Court approval.	Section 5 provides an overview of the Scheme. The terms of the Scheme are set out in full in Annexure C.
Is the Scheme subject to any conditions?	The Scheme is subject to a number of conditions, some of which have already been satisfied. Conditions which have not yet been satisfied relate to (among other things), shareholder and Court approval, prescribed occurrences, material adverse change and warranties. If the conditions are not satisfied or waived then the Scheme will not proceed.	Section 5.17(a) provides a summary of the conditions. The conditions are set out in full in the Scheme Implementation Deed announced to ASX on 13 September 2016.
Who is Superloop?	Superloop is an Australian company in the business of fibre optic telecommunications infrastructure. It is listed on the ASX with market capitalisation of approximately \$464.9 million.	Section 7 contains further information on Superloop and its business.
What are Superloop's intentions for BigAir?	If the Scheme is implemented, Superloop intends to operate BigAir largely in its current form. Full details of Superloop's intentions are outlined in section 8.4 of this Scheme Booklet.	Section 8.4 sets out further information on Superloop's intentions for BigAir.
What do the BigAir Directors recommend?	The BigAir Directors unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal. The BigAir Directors consider that the Scheme is in the best interests of BigAir Shareholders for the reasons set out in section 1. Each BigAir Director who controls or holds BigAir Shares or on whose behalf BigAir Shares are held at the time of the Scheme Meeting intends to vote in favour of the Scheme in the absence of	Section 5.7 sets out the BigAir Directors' recommendation in detail. Section 1 sets out reasons to vote in favour of the Scheme. This section should be read in conjunction with section 2 which sets out reasons not to vote in

Question	Answer	More Information
	a superior proposal.	favour of the Scheme.
What is the opinion of the Independent Expert?	<p>The BigAir Directors have engaged Lonergan Edwards & Associates Limited to provide an Independent Expert's Report on the Scheme.</p> <p>The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of BigAir Shareholders, in the absence of a superior proposal.</p> <p>The Independent Expert has assessed the value of BigAir Shares to be in the range of \$0.99 and \$1.06 per share. The Independent Expert states that the implied value of the Scheme Consideration, being in the range of \$1.08 and \$1.15 for the Scrip Consideration, and \$1.04 and \$1.07 for the Mixed Consideration, is consistent with this range and therefore the Scheme is fair and reasonable.</p>	The Independent Expert's Report is set out in full in Annexure A.
Am I obliged to follow the recommendation of the BigAir Directors or the conclusions of the Independent Expert?	No. While the BigAir Directors and Independent Expert consider that the Scheme is in the best interests of BigAir Shareholders in the absence of a superior proposal, BigAir Shareholders are not obliged to follow the recommendation of the BigAir Directors or the conclusions of the Independent Expert.	Section 2 sets out the reasons why BigAir Shareholders may not vote in favour of the Scheme. This section should be read in conjunction with section 9, which sets out the risks associated with the Scheme.
What are the prospects of receiving a superior proposal?	<p>Since the Scheme was announced, no superior proposal has been received by the BigAir Directors. BigAir Directors have no basis for believing that a superior proposal will be forthcoming.</p> <p>BigAir Shareholders should note that BigAir has agreed to certain exclusivity and break fee provisions in favour of Superloop.</p> <p>If a superior proposal emerges, this will be announced to ASX and the BigAir Directors will carefully reconsider the Scheme and advise you of their recommendation.</p>	<p>Section 5.17 provides a summary of the exclusivity and break fee provisions.</p> <p>These provisions are set out in full in the Scheme Implementation Deed announced to ASX on 13 September 2016.</p>
QUESTIONS ABOUT THE SCHEME CONSIDERATION		
What will I receive if the Scheme proceeds?	<p>If the Scheme is approved and implemented, and you are a Scheme Shareholder (other than an Ineligible Foreign Shareholder), you will receive either:</p> <ul style="list-style-type: none"> 0.371 New Superloop Shares for each BigAir 	Sections 5.3 and 5.4 provide further information regarding Scheme Consideration.

Question	Answer	More Information
	<p>Share; or</p> <ul style="list-style-type: none"> if you so Elect, a combination of cash and New Superloop Shares depending on the Elections made by other Scheme Shareholders. <p>As a Scheme Shareholder, you will receive Scrip Consideration by default unless you Elect to receive the Mixed Consideration prior to the Election Date.</p>	
<p>How is the cash component of the Mixed Consideration calculated?</p>	<p>Superloop has offered to make a maximum amount of \$95 million in cash (Cash Cap) available to pay Scheme Shareholders who Elect to receive the Mixed Consideration. If you Elect to receive Mixed Consideration, you will receive \$0.70 cash plus 0.118 New Superloop Shares for each BigAir Share you hold, unless the total amount of cash required to pay all BigAir Shareholders who have Elected to receive the Mixed Consideration exceeds the Cash Cap. In this case, the cash component of the Mixed Consideration that you receive will be scaled back on a pro-rata basis and the scaled back portion of the cash component the Mixed Consideration will instead be satisfied in additional New Superloop Shares, on the basis of 0.377 Superloop Shares for each dollar of cash scaled back.</p> <p>See page 10 for a worked example of the calculation of the Mixed Consideration that you may receive.</p>	<p>Sections 5.3 and 5.4 provide further information regarding Scheme Consideration.</p>
<p>How do I make an Election to receive the Mixed Consideration?</p>	<p>You can Elect to receive the Mixed Consideration by completing the enclosed Election Form and returning it to the BigAir Share Registry by the Election Date. Once made, you may withdraw your Election until the Election Date.</p>	<p>Section 5.4 provides further information regarding Elections.</p>
<p>Does an Election to receive the Mixed Consideration apply to additional BigAir Shares which I subsequently acquire?</p>	<p>Yes. The Election you make will apply to all BigAir Shares that you hold as at the Record Date. If you acquire additional BigAir Shares after you receive this Scheme Booklet and you hold these BigAir Shares on the Record Date, any Election you make will apply to those additional BigAir Shares you have acquired.</p>	<p>Section 5.11 provides further information on determining entitlements to the Scheme Consideration.</p>
<p>If I hold BigAir Shares as trustee or nominee for multiple beneficial owners, can I make separate Elections?</p>	<p>Yes, so long as Elections relate to the entire underlying beneficial holding. You should contact the BigAir Share Registry to obtain the necessary form to do this.</p>	<p>Section 5.4(d) provides further information on varying Elections.</p>

Question	Answer	More Information
What if I do not make an Election?	If you do not make an Election, or an Election is invalid, or the BigAir Share Registry receives your Election after the Election Date, you will receive the Scrip Consideration as your Scheme Consideration for all of your BigAir Shares.	Section 5.4 provides further information regarding Elections.
How will I know the result of Elections made?	BigAir will announce a summary of the Elections as soon as possible after the Election Date to ASX and on BigAir's website.	
What if I am an Ineligible Foreign Shareholder?	<p>All BigAir Shareholders, regardless of their country of residence, will be entitled to Elect to receive the Mixed Consideration.</p> <p>However, regardless of this Election, Ineligible Foreign Shareholders, being Scheme Shareholders whose address as shown on the BigAir Share Registry on the Record Date is a place outside Australia and its external territories or Hong Kong or Spain, will not receive any New Superloop Shares.</p> <p>Scheme Shareholders whose address as shown on the BigAir Share Registry on the Record Date is a place within New Zealand will be entitled to receive New Superloop Shares under the Scheme, unless BigAir and Superloop determine to treat those Scheme Shareholders as Ineligible Foreign Shareholders for the purposes of the Scheme (for the reasons set out in section 5.13 below).</p> <p>Any New Superloop Shares that would have been issued to any Ineligible Foreign Shareholders will be issued to a Sale Nominee appointed by Superloop. The Sale Nominee will sell those shares for cash and remit the proceeds of sale after deducting any applicable brokerage, taxes and charges to Ineligible Foreign Shareholders.</p>	Section 5.13 provides further information on the Scheme Consideration available to Ineligible Foreign Shareholders.
When will I receive my Scheme Consideration?	<p>The aggregate amount of the cash component of the Mixed Consideration payable to Scheme Shareholders (Aggregate Cash Consideration) will be paid and New Superloop Shares will be issued on the Implementation Date.</p> <p>Ineligible Foreign Shareholders will be paid the proceeds of sale from any New Superloop Shares to which they are entitled in accordance with the process set out in section 5.13.</p>	Sections 5.12 and 5.13 set out the process for implementation of the Scheme.
Do I have to pay brokerage fees or stamp duty?	No. You will not have to pay brokerage fees or stamp duty on the disposal of your BigAir Shares	

Question	Answer	More Information
	under the Scheme.	
When can I start trading my New Superloop Shares on ASX?	<p>Trading on ASX of New Superloop Shares issued as part of the Scheme Consideration is expected to commence on a deferred settlement basis on Monday, 12 December 2016. It is the responsibility of each holder of New Superloop Shares to confirm their holding before trading in New Superloop Shares.</p> <p>Trading on ASX of New Superloop Shares on a normal settlement basis is expected to commence on Thursday, 22 December 2016.</p>	Section 5.15 provides further information on the commencement of trading in New Superloop Shares.
QUESTIONS ABOUT VOTING AND APPROVALS		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at Level 17, 383 Kent Street, Sydney, NSW on Wednesday, 7 December 2016 commencing at 11am (Sydney time).	<p>Section 5.5 sets out further information on the Scheme Meeting.</p> <p>The Notice of Scheme Meeting is set out in Annexure E.</p>
How do I vote?	You can vote by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative (if you are a corporate shareholder) to attend the Scheme Meeting and vote on your behalf.	Section 5.9 provides information on how to vote.
Am I entitled to vote at the Scheme Meeting?	You are entitled to vote at the Scheme Meeting if you are registered as a BigAir Shareholder on the BigAir Register as at 7.00pm (Sydney time) on Monday, 5 December 2016.	Section 5.9 provides information on voting.
Is voting compulsory?	Voting is not compulsory, however, the BigAir Directors believe that the Scheme is important to all BigAir Shareholders and encourage you to read this Scheme Booklet carefully and to vote in favour of the Scheme, in the absence of a superior proposal.	Sections 1 and 5.7 contain details on the BigAir Directors' recommendation and the reasons for it.
What vote is required to approve the Scheme?	<p>The Scheme will be implemented if the Scheme Resolution is approved by the Requisite Majorities as follows:</p> <ul style="list-style-type: none"> a majority in number (more than 50%) of BigAir Shareholders present and voting at the Scheme Meeting; and at least 75% of the total number of votes cast on the Scheme Resolution on a poll, <p>being in favour of the Scheme.</p>	Section 5.6 and the Notice of Meeting in Annexure E contain further details of the approvals required to implement the Scheme.
What happens if I do not vote, or if I vote	If the Scheme proceeds and you are a Scheme Shareholder (other than an Ineligible Foreign	Section 4.10 provides further information on

Question	Answer	More Information
against the Scheme and the Scheme proceeds?	<p>Shareholder), you will receive the Scheme Consideration for your BigAir Shares. This is so even if you did not vote, or voted against the Scheme.</p> <p>If you do not make an Election and the Scheme proceeds, you will receive the Scrip Consideration as your Scheme Consideration even if you did not vote, or voted against the Scheme.</p>	the effect of the Scheme.
When will the results of the Scheme Meeting be available?	The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX as soon as practicable. The results will also be available on BigAir's website.	
If the Scheme is approved at the Scheme Meeting, what other approvals are required?	If the Scheme is approved by the Requisite Majorities of BigAir Shareholders at the Scheme Meeting, BigAir will apply to the Court for approval of the Scheme. The Second Court Hearing is expected to be held on Friday, 9 December 2016.	Section 4.6 sets out the approvals required for the Scheme to become Effective.
What happens if the Scheme does not proceed?	<p>If the Scheme is not approved at the Scheme Meeting or is approved at the Scheme Meeting but is not approved by the Court, then the Scheme will not proceed. BigAir Shareholders will not receive the Scheme Consideration and will retain their BigAir Shares. BigAir will continue to operate as a standalone company listed on ASX.</p> <p>Depending on the reasons for the Scheme not proceeding, BigAir may be liable to pay a break fee of \$2.1 million to Superloop. No break fee is payable merely because BigAir Shareholders do not approve the Scheme.</p>	Section 4.16 provides further information on the implications for BigAir Shareholders if the Scheme does not proceed.
How do I oppose the Scheme?	If BigAir Shareholders pass the Scheme Resolution at the Scheme Meeting and you wish to oppose the approval of the Scheme, you should lodge a notice of intention to appear at the Second Court Hearing, attend the hearing and indicate opposition to the Scheme.	
OTHER QUESTIONS		
What should I do?	You should read this Scheme Booklet carefully in its entirety and then vote at the Scheme Meeting by attending the meeting in person, by attorney or by corporate representative (if you are a corporate shareholder), or by appointing a proxy to vote on your behalf.	
Can I sell my BigAir	Yes. You can sell your BigAir Shares on market	

Question	Answer	More Information
Shares now?	<p>at any time before close of trading on ASX on the Effective Date (which is currently expected to be Friday, 9 December 2016) at the then prevailing market price.</p> <p>BigAir intends to apply to ASX for BigAir Shares to be suspended from trading from close of trading on the Effective Date. You will not be able to sell your BigAir Shares on market after this time.</p>	
What are the tax consequences of the Scheme for me?	<p>This Scheme Booklet contains a discussion of the main Australian taxation implications for Resident Scheme Shareholders.</p> <p>The tax implications of the Scheme will depend upon your personal circumstances.</p> <p>Your decision on how to vote on the Scheme should be made only after consultation with a financial, legal, taxation or other professional adviser based on your own investment objectives, financial situation, taxation position and particular needs.</p>	<p>Section 10 contains information on the main Australian taxation implications for Scheme Shareholders.</p>
What are the forms accompanying this Scheme Booklet?	<p>There are two forms accompanying this Scheme Booklet:</p> <ul style="list-style-type: none"> • a Proxy Form – If you wish to appoint a proxy to vote on your behalf at the Scheme Meeting you should complete and sign the Proxy Form and return it to the BigAir Share Registry in accordance with the instructions on that form; and • an Election Form – To Elect to receive the Mixed Consideration, you must complete and sign the Election Form and return it to the BigAir Share Registry in accordance with the instructions on that form by the Election Date. You do not need to return the Election Form if you wish to receive the Scrip Consideration. 	
Where can I get further information?	<p>If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the BigAir Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm (Sydney time). Alternatively, you should consult your financial, legal, taxation or other professional adviser.</p>	
Is the Merged Group's business capital intensive?	<p>Yes. The Merged Group's business will be capital intensive in nature, and the continued growth of the Merged Group will rely on the</p>	

Question	Answer	More Information
	acquisition and development of new fibre optic telecommunications infrastructure and ongoing maintenance of existing fibre optic telecommunications infrastructure. The Merged Group will require sufficient access to debt and equity capital to fund this expenditure.	

5. Overview of the Scheme

5.1 Background

On 13 September 2016, BigAir and Superloop announced a proposal for Superloop to acquire 100% of the shares in BigAir by way of a scheme of arrangement. The announcement was made immediately after BigAir and Superloop signed an agreement containing the key terms and conditions of the proposed transaction (**Scheme Implementation Deed**).

If the Scheme is approved and implemented, all BigAir Shares (other than those held by Superloop) will be transferred to Superloop, and BigAir will become a wholly-owned subsidiary of Superloop. Following implementation of the Scheme, BigAir will apply to be de-listed from ASX.

This Scheme Booklet contains important information that you should consider before voting on the Scheme. The BigAir Directors encourage you to read this Scheme Booklet in its entirety and recommend that you vote in favour of the Scheme, in the absence of a superior proposal. A copy of the Scheme is set out in full in Annexure C.

5.2 Overview of Scheme implementation steps

The key steps to implement the Scheme are:

- 1) BigAir Shareholders vote on whether to approve the Scheme at the Scheme Meeting.
- 2) If BigAir Shareholders approve the Scheme, and all conditions to the Scheme (other than Court approval) have been satisfied or waived, BigAir will apply to the Court for approval of the Scheme.
- 3) If the Court approves the Scheme, BigAir will lodge with ASIC a copy of the court orders approving the Scheme. The date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of BigAir Shares on ASX.
- 4) On the Implementation Date, Superloop will acquire all of the BigAir Shares (other than those held by Superloop) and will provide the Scheme Consideration.
- 5) Following implementation of the Scheme, BigAir will apply for suspension of trading in BigAir Shares, followed by removal of BigAir from the official list of ASX.

5.3 Scheme Consideration

(a) General

If the Scheme is approved and implemented, and you are a Scheme Shareholder, you will receive either:

- 0.371 New Superloop Shares for each BigAir Share; or
- if you so Elect, a combination of cash and New Superloop Shares depending on the Elections made by other Scheme Shareholders.

As a Scheme Shareholder, you will receive Scrip Consideration by default unless you Elect to receive the Mixed Consideration in respect of the BigAir Shares you hold by the Election Date.

Ineligible Foreign Shareholders will not receive any New Superloop Shares and will instead receive a cash payment. See section 5.13 for further information.

(b) Calculation of Mixed Consideration and pro-rata scale back

Superloop has offered to make a maximum of \$95 million in cash available to pay Scheme Shareholders who Elect to receive the Mixed Consideration. If you Elect to receive the Mixed Consideration, you will receive \$0.70 cash plus 0.118 New Superloop Shares for each BigAir Share you hold, unless the total amount of cash required to pay all Scheme Shareholders who have validly Elected to receive the Mixed Consideration exceeds the \$95 million Cash Cap. In this case, the cash component of the Mixed Consideration that you receive will be scaled back on a pro-rata basis and the scaled back portion of the cash component of the Mixed Consideration will instead be satisfied in additional New Superloop Shares.

If required, the pro-rata scale back of the cash component of the Mixed Consideration will be calculated as follows.

Cash per Scheme Share

$$A = \frac{B}{C} \times \$0.70$$

where:

- A is the amount of cash to be paid to the Scheme Shareholder for each Scheme Share
- B is the Cash Cap (being \$95 million)
- C is \$0.70 multiplied by the number of Scheme Shares held by all Scheme Shareholders who validly Elect to receive the Mixed Consideration.

PLUS

That number of New Superloop Shares per Scheme Share required to satisfy the outstanding amount of the cash component

$$X = ((\$0.70 - A) \times Y) + 0.118$$

where:

- X is the number of New Superloop Shares to be issued to the Scheme Shareholder
- A is the amount calculated above
- Y is 0.337

See page 10 for a worked example of the calculation of the Mixed Consideration.

(c) Fractional entitlements

Any fractional entitlement of a Scheme Shareholder to a part of a New Superloop Share will be rounded up or down to the nearest whole number of New Superloop Shares.

(d) Share splitting

If either BigAir or Superloop is of the opinion that two or more Scheme Shareholders have been parties to the splitting or division of a shareholding in an attempt to obtain an advantage by reference to any rounding provided for in the calculation of entitlement to Scheme Consideration, then BigAir may give notice to those Scheme Shareholders:

- setting out their names and registered addresses as shown in the BigAir Register;
- stating that opinion; and
- attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares.

Superloop in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.4 Election mechanism

(a) General

BigAir Shareholders may Elect to receive the Mixed Consideration as their Scheme Consideration. You can only make an Election for all of your BigAir Shares, unless you are a trustee or nominee.

(b) How to make an Election

To make an Election, you must complete the Election Form accompanying this Scheme Booklet. An Election Form will only be valid if it is completed in accordance with the instructions on the Election Form and returned so that it is received by the BigAir Share Registry by 5:00pm (Sydney time) on the Election Date (Monday, 28 November 2016).

If the Scheme becomes Effective, a valid Election made by a Scheme Shareholder will apply to all of the Scheme Shares held by the Scheme Shareholder as at the Record Date.

If you wish to receive the Scrip Consideration, you do not need to return the Election Form.

A Scheme Shareholder will receive Scrip Consideration by default unless an Election to receive the Mixed Consideration is made by the Election Date.

If no Election is made, or an Election is invalid, or it is received after the Election Date, a Scheme Shareholder will receive Scrip Consideration.

(c) How to change an Election

You can change an Election by lodging a signed, written request to withdraw your Election provided that it is received by the BigAir Share Registry by 5.00pm on the Election Date. You can obtain information on an acceptable form of written request by contacting the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm (Sydney time). The last valid Election Form or withdrawal request received by the BigAir Share Registry by the Election Date will be used for the purposes of determining the Election made by Scheme Shareholder (if any).

(d) Trustee or nominee holdings

A BigAir Shareholder who BigAir accepts as holding one or more parcels of BigAir Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of BigAir Shares to reflect the instructions of the beneficial owners of BigAir Shares.

In order to make separate Elections, the trustee or nominee must notify BigAir and establish sufficient distinct holdings in the BigAir Register to carry out their underlying client's instructions regarding an Election. The trustee or nominee may then make an Election in respect of some but not all of its distinct holdings in accordance with client instructions. An election made in respect of one such parcel will not be taken to extend to the other parcels

Separate holdings must be established prior to the Election Date in order to make separate Elections for the Mixed Consideration in relation to each relevant holding. The trustee or nominee should then lodge a separate Election Form for each separate holding by the Election Date. Trustees and nominees can obtain additional copies of the Election Form by contacting BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm (Sydney time).

Trustees or nominees who would like further information on how to make a separate Election in relation to parcels of BigAir Shares that they hold should contact the BigAir Information Line on the above numbers.

5.5 Scheme Meeting

On Friday, 28 October 2016, the Court ordered that BigAir convene the Scheme Meeting in accordance with the Notice of Scheme Meeting and appointed Vivian Stewart to chair the meeting. The Court order does not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

The purpose of the Scheme Meeting is for BigAir Shareholders to consider whether to approve the Scheme. BigAir Shareholders who are registered on the BigAir Register at 7.00pm (Sydney time) on Monday, 5 December 2016 are entitled to vote at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll. Instructions on how to attend and vote at the Scheme Meeting (in person or by proxy) are set out in section 4.9 and in the Notice of Scheme Meeting in Annexure E.

5.6 Approvals required from BigAir Shareholders and the Court

The Scheme will only become Effective if it is approved by:

- the Requisite Majorities of BigAir Shareholders at the Scheme Meeting; and
- the Court on the Second Court Date.

The Scheme will be approved if BigAir Shareholders vote in favour of the Scheme Resolution by the following Requisite Majorities:

- a majority in number (more than 50%) of BigAir Shareholders present and voting at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by BigAir Shareholders.

The Scheme Resolution will be voted on by way of poll.

If the Scheme is approved by the Requisite Majorities of BigAir Shareholders and all conditions to the Scheme (other than approval of the Court) have been satisfied or waived, BigAir will apply to the Court for orders approving the Scheme.

The Corporations Act and the relevant Court rules provide a procedure for BigAir Shareholders to oppose the approval of the Scheme by the Court. If you wish to oppose the approval of the Scheme at the Second Court Hearing you may do so by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. You should notify BigAir in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be Friday, 9 December 2016. Any change to this date will be announced through the ASX and notified on BigAir's website.

5.7 Recommendation of BigAir Directors

The BigAir Directors consider that the Scheme is in your best interests as a BigAir Shareholder and unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal for the reasons set out in section 1. The BigAir Directors consider that the reasons for BigAir Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme. As at the date of this Scheme Booklet, no other competing proposal for BigAir has emerged.

Each BigAir Director intends to vote in favour of the Scheme in respect of all BigAir Shares controlled or held by, or on behalf of, each of them (including any proxies placed at their discretion) in the absence of a superior proposal.

In making their recommendation and determining how to vote on the Scheme, the BigAir Directors have considered the following:

- the reasons for BigAir Shareholders to vote in favour of the Scheme, as set out in section 1;
- the reasons for BigAir Shareholders not to vote in favour the Scheme as set out in section 2;
- the risks associated with the Scheme, as set out in section 9; and
- the report of the Independent Expert, which has concluded that the Scheme is in the best interests of BigAir Shareholders, in the absence of a superior proposal as set out in Annexure A.

Before making your decision in relation to the Scheme, the BigAir Directors encourage you to read this Scheme Booklet in its entirety, having regard to your investment objectives, financial situation, tax position or particular needs. If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia). Alternatively, you should contact your financial, legal, taxation or other professional adviser.

The interests of BigAir Directors are disclosed in section 11.

5.8 Independent Expert

The BigAir Directors have engaged Lonergan Edwards & Associates Limited to consider whether the Scheme is in the best interests of BigAir Shareholders and prepare a report with its findings and conclusions.

The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of BigAir Shareholders, in the absence of a superior proposal.

The Independent Expert summarised its views on the likely advantages and disadvantages of the Scheme for BigAir Shareholders as follows:

Advantages

The Scheme has the following benefits for BigAir Shareholders:

- (a) the Scheme Consideration under both the Scrip Consideration and the Mixed Consideration is consistent with our assessed value range of BigAir Shares on a 100% controlling interest basis*
- (b) the Scheme Consideration represents a significant premium to the recent market prices of BigAir Shares prior to the announcement of the Scheme on 13 September 2016, and reflects an implied premium which generally exceeds observed premiums paid in successful takeovers generally.*

Disadvantages

In our opinion, there are no material disadvantages of the Scheme for BigAir Shareholders. However, those BigAir shareholders who decide to hold their Superloop Shares beyond the short term should note that the standalone Superloop business incurred a loss in FY16 and is not expected to be profitable in the short term (reflecting the nature of its activities).

A copy of the Independent Expert's Report (which sets out further details about the Independent Expert's conclusions) is set out in Annexure A. BigAir Shareholders are encouraged to read this report in its entirety.

5.9 How to vote

If you are registered as a BigAir Shareholder on the BigAir Register at 7.00pm (Sydney time) on Monday, 5 December 2016, you are entitled to vote at the Scheme Meeting. BigAir Shareholders can vote by either of the two following ways:

- by attending the Scheme Meeting and voting in person, or by attorney or by corporate representative if you are a corporate shareholder; or
- by appointing a proxy to attend and vote on your behalf.

See page 12 of this Scheme Booklet for a summary on how to vote. For detailed information on voting procedure, see the Notice of Scheme Meeting set out in Annexure E.

5.10 What happens if the Scheme proceeds?

If the Scheme is approved by BigAir Shareholders by the Requisite Majorities and the Court at the Second Court Hearing, all BigAir Shareholders (other than Superloop or a subsidiary of Superloop) who hold BigAir Shares as at the Record Date, being Scheme Shareholders, will participate in the Scheme, regardless of their voting decision.

Once the Court approves the Scheme, BigAir will lodge with ASIC a copy of the Court orders approving the Scheme. On the date that this lodgement occurs (**Effective Date**), the Scheme will become Effective.

After the Scheme becomes Effective, a Scheme Shareholder must not dispose of or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date. BigAir will disregard any such disposal and any attempt to do so will have no effect.

BigAir will notify ASX and apply for BigAir Shares to be suspended from trading from close of trading on the Effective Date. Following the Implementation Date, BigAir will apply for termination of the official quotation of BigAir Shares and removal from the official list of ASX.

If approved and implemented, the Scheme will result in:

- each Scheme Shareholder receiving the Scheme Consideration;
- the transfer of all Scheme Shares to Superloop; and
- BigAir being delisted from ASX and becoming a wholly-owned subsidiary of Superloop.

5.11 Determination of entitlement to Scheme Consideration

For the purposes of establishing who are Scheme Shareholders, dealings in BigAir Shares will only be recognised if:

- 1) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the BigAir Register as the holder of the relevant BigAir Shares on or before the Record Date; and
- 2) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the BigAir Share Registry.

Subject to the Corporations Act, ASX Listing Rules and the BigAir constitution, BigAir must register transmission applications or transfers which it receives by the Record Date. BigAir will not accept for registration or recognise for any purpose any transmission application or transfer in respect of BigAir Shares received after the Record Date.

BigAir will, until the Scheme Consideration has been provided and Superloop has been entered in the BigAir Register as the holder of all Scheme Shares, maintain the BigAir Register on this basis and the BigAir Register in this form will solely determine entitlements to the Scheme Consideration.

With effect from the Record Date:

- all statements of holding in respect of BigAir Shares cease to have effect as documents of title in respect of such BigAir Shares; and
- each entry on the BigAir Register will cease to be of any effect other as evidence of entitlement to Scheme Consideration.

5.12 Implementation of the Scheme

If the Scheme becomes Effective, Superloop will acquire all of the BigAir Shares (other than those held by Superloop) and will provide Scheme Shareholders with the Scheme Consideration on the Implementation Date, currently expected to be Wednesday, 21 December 2016.

For the purposes of paying the cash component of the Mixed Consideration, Superloop will deposit in cleared funds, by no later than the Business Day before the Implementation Date, the Aggregate Cash Consideration payable to all Scheme Shareholders who have validly Elected to receive the Mixed Consideration into a trust account operated by BigAir to be held on trust for the Scheme Shareholders.

On the Implementation Date, in consideration for the transfer of each Scheme Share to Superloop:

- 1) Superloop will issue to each Scheme Shareholder such number of New Superloop Shares as that Scheme Shareholder is entitled to as Scheme Consideration;
- 2) Superloop will issue to a Sale Nominee such number of New Superloop Shares that would otherwise have been issued to the Ineligible Foreign Shareholders;
- 3) Superloop will procure the entry in the Superloop Register of the name and address of:
 - A) each Scheme Shareholder who is not an Ineligible Foreign Shareholder in respect of the New Superloop Shares issued to them; and
 - B) the Sale Nominee appointed by Superloop in respect of those New Superloop Shares that would otherwise be issued to each Scheme Shareholder who is an Ineligible Foreign Shareholder;
- 4) Each Scheme Shareholder who has Elected to receive the Mixed Consideration will be paid such amount of the Aggregate Cash Consideration as that Scheme Shareholder is entitled to for each Scheme Share they hold, in Australian currency by:
 - A) making a deposit into the nominated Australian bank account of the relevant Scheme Shareholder recorded on the BigAir Register as at the Record Date. If you have not previously notified the BigAir Share Registry of your nominated bank account or would like to change your existing nominated bank account, you should contact the BigAir Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) prior to the Record Date; or
 - B) if a Scheme Shareholder does not have a nominated Australian bank account on the BigAir Register as at the Record Date, Australian dollar cheque for any such amount sent by prepaid post to their address recorded in the BigAir Register as at the Record Date.

If the whereabouts of a Scheme Shareholder are unknown as at the Record Date, the cash component of the Mixed Consideration will be paid into a separate bank account and held until claimed or applied under laws dealing with unclaimed moneys.

Holding statements, or confirmation for CHESS holdings, detailing the issue of New Superloop Shares are expected to be despatched to BigAir Shareholders within five Business Days after the Implementation Date.

5.13 Ineligible Foreign Shareholders

A Scheme Shareholder whose address as recorded on the BigAir Register as at the Record Date is a place outside Australia and its external territories or Hong Kong or Spain will not be entitled to receive any New Superloop Shares under the Scheme unless BigAir and Superloop determine that:

- it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Superloop Shares if the Scheme becomes Effective; or
- it is lawful for that Scheme Shareholder to participate in the Scheme by the law of the relevant place outside Australia and its external territories,

each such person being an **Ineligible Foreign Shareholder** for the purposes of the Scheme.

A Scheme Shareholder whose address as recorded on the BigAir Register as at the Record Date is a place within New Zealand will be entitled to receive New Superloop Shares under the Scheme, unless BigAir and Superloop determine that it would be unduly onerous or

impracticable to issue that Scheme Shareholder with New Superloop Shares if the Scheme becomes Effective or that it would be unlawful for that Scheme Shareholder to participate in the Scheme under the laws of New Zealand. If BigAir and Superloop so determine, the Scheme Shareholders with registered addresses in New Zealand will be treated as Ineligible Foreign Shareholders for the purposes of the Scheme.

Ineligible Foreign Shareholders will not be issued New Superloop Shares under the Scheme. Instead, the New Superloop Shares that would otherwise have been issued to them under the Scheme will be issued to a Sale Nominee appointed by Superloop on the Implementation Date.

Under the terms of the Scheme, Superloop is required, as soon as reasonably practicable after the Implementation Date (and in any event within 15 Business Days) to procure the Sale Nominee to:

- 1) sell those New Superloop Shares on ASX (in such manner and at such price and on such other terms as the Sale Nominee determines); and
- 2) pay the net sale proceeds received, after deducting any applicable brokerage, stamp duty and other taxes, to the Ineligible Foreign Shareholders.

BigAir, Superloop and the Sale Nominee give no assurance as to the price that will be achieved for the sale of New Superloop Shares described above. The proceeds that Ineligible Foreign Shareholders will receive may be more or less than the market value of Superloop Shares as at the date of this Scheme Booklet. Sale of the New Superloop Shares by the Sale Nominee may result in a significant number of New Superloop Shares being offered for sale at the same time, which may have the effect of reducing the sale price of those shares.

Full details of this process are contained in clause 5.3 of the Scheme, which is set out in Annexure C.

5.14 Deemed warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is deemed to have warranted to Superloop that:

- as at the Implementation Date, all of their Scheme Shares are free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to sell and to transfer their Scheme Shares.

Scheme Shareholders should be aware that, to the extent that this warranty is untrue and their Scheme Shares are not transferred under the Scheme free of third party interests, they may be liable to compensate Superloop for any damage caused to Superloop resulting from such an encumbrance.

5.15 Commencement of trading of New Superloop Shares

Superloop will seek confirmation from ASX that, as from the Business Day after the Effective Date (or such other date as ASX requires), the New Superloop Shares issued as Scheme Consideration will be quoted on ASX. New Superloop Shares are expected to trade on a deferred settlement basis from the commencement of trading on this date.

It is the responsibility of each New Superloop Shareholder to confirm their holding before trading in New Superloop Shares to avoid the risk of selling shares that they do not own. Holders of New Superloop Shares who sell their shares before they receive their holding

statement or confirm their uncertificated holdings of New Superloop Shares (as applicable) do so at their own risk.

Trading on ASX of New Superloop Shares on a normal settlement basis is expected to commence on the Business Day after the Implementation Date.

5.16 What happens if the Scheme does not proceed?

If the Scheme is not approved at the Scheme Meeting or all of the conditions to the Scheme are not satisfied or waived, the Scheme will not proceed, and:

- BigAir will continue to operate as an independent entity listed on ASX;
- BigAir Shareholders will continue to hold their BigAir Shares and share in any benefits and risks of BigAir's ongoing business; and
- BigAir Shareholders will not receive the Scheme Consideration.

Depending on the reasons why the Scheme does not proceed, BigAir may be liable to pay a break fee of \$2.1 million to Superloop. See section 5.17(c) for further information on the break fee.

The BigAir Directors have confidence in BigAir's future as an independent entity and its ability to maintain earnings and growth. It is difficult to predict the effect on the BigAir Share price if the Scheme does not proceed. Despite the confidence of the BigAir Directors in the future of BigAir as an independent entity, the BigAir Directors consider that the Scheme is in the best interests of BigAir Shareholders, in the absence of a superior proposal.

5.17 Scheme Implementation Deed

BigAir and Superloop have entered into a Scheme Implementation Deed as announced on 13 September 2016. Copies of the full Scheme Implementation Deed are available on the ASX website and on BigAir's website.

The Scheme Implementation Deed sets out the rights and obligations of BigAir and Superloop in connection with the Scheme. The key terms of the Scheme Implementation Deed are summarised below.

(a) Conditions Precedent

The Scheme is subject to a number of conditions, some of which have already been satisfied. The conditions which have not yet been satisfied include:

- **(Restraints)** no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any Court of competent jurisdiction or Governmental Agency or other legal restraint or prohibition preventing or materially restricting the Scheme is in effect at 8.00am on the Second Court Date;
- **(Orders convening Scheme Meeting)** the Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act;
- **(Shareholder approval)** the Scheme is approved by BigAir Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- **(Regulatory Approvals)** before 8.00am on the Second Court Date, all Regulatory Approvals required to implement the Scheme are granted or obtained (including ASIC and ASX having issued or provided such consents, waivers or approvals as are

necessary or which BigAir and Superloop agree are reasonably necessary or desirable to implement the Scheme), either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably), and those Regulatory Approvals have not been withdrawn, cancelled or revoked before 8.00am on the Second Court Date;

- **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- **(No BigAir Prescribed Occurrence)** no BigAir Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **(No Superloop Prescribed Occurrence)** no Superloop Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **(No BigAir Material Adverse Change)** there is no BigAir Material Adverse Change between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **(No Superloop Material Adverse Change)** there is no Superloop Material Adverse Change between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **(BigAir Warranties)** the BigAir Warranties being true and correct in all material respects on the date of the Scheme Implementation Deed and at 8.00am on the Second Court Date;
- **(Superloop Warranties)** the Superloop Warranties being true and correct in all material respects on the date of the Scheme Implementation Deed and at 8.00am on the Second Court Date;
- **(Decline in S&P/ASX 300 Index)** on no day in the period between the date of the Scheme Implementation Deed and the Business Day before the Second Court Date is the S&P/ASX 300 Index at the close of trading for the previous 5 trading days 15% or more below its level as at the close of trading on the date of the Scheme Implementation Deed (which was 5177.20); and
- **(BigAir Performance Rights and BigAir Service Rights)** before 8.00am on the Second Court Date, arrangements have been put in place and all necessary Regulatory Approvals, consents and waivers have been obtained so that all BigAir Performance Rights and BigAir Service Rights outstanding at the date of the Scheme Implementation Deed will either vest, be cancelled or have lapsed before the Record Date in accordance with clause 12 of the Scheme Implementation Deed.

If the conditions are not satisfied or waived then the Scheme will not proceed.

See the Scheme Implementation Deed and the Glossary for the meanings of the defined terms in this section 5.17(a).

(b) Exclusivity Provisions

BigAir has agreed to the following exclusivity provisions in the Scheme Implementation Deed:

- **No-shop:** BigAir must not solicit, invite, initiate or encourage any competing proposal (being a proposal that, if completed, would mean a person may (among other things)

acquire voting power in more than 10% of BigAir Shares, acquire a material part of BigAir's business or assets, acquire control of BigAir or otherwise acquire or merge with BigAir) or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a competing proposal;

- **No-talk:** BigAir must not negotiate or participate in discussions with any person or communicate an intention to do these things in relation to (or that could reasonably be expected to lead to) a competing proposal even if that competing proposal was not solicited, encouraged or initiated by BigAir. This no-talk restriction does not apply if the competing proposal is bona fide and the BigAir Directors determine, in good faith, and after consulting with BigAir's financial advisers and receiving legal advice, that not taking action with respect to the competing proposal would constitute a breach of the directors' fiduciary or statutory duties (**Fiduciary out**);
- **No due diligence:** BigAir must not, except with Superloop's consent, solicit, initiate, facilitate or permit any third party to undertake due diligence in respect of BigAir or make available to any third party any non-public information relating to BigAir in connection with the third party developing or finalising a competing proposal. This no due diligence restriction is subject to the Fiduciary Out;
- **Notification of approaches:** BigAir must notify Superloop of any approach, inquiry or proposal made by a third party to initiate any discussions or negotiations that concern or could reasonably lead to a competing proposal and any request made by any third party to BigAir for any information relating to BigAir in connection with that third party developing or finalising a competing proposal. Subject to the Fiduciary Out, a notice must be accompanied by all material details of the relevant event including the identity of the third party and the material terms and conditions of the competing proposal.
- **Superloop's right to respond to a competing proposal:** If BigAir notifies Superloop of an approach made by a third party as set out above, Superloop will have the right but not the obligation at any time during the period of three Business Days after receiving the notification, to amend the terms of the Scheme including increasing the amount of consideration offered or propose any other form of transaction (**Counter Proposal**). The BigAir Directors must consider the Counter Proposal and if it is more favourable to BigAir Shareholders than the competing proposal, BigAir and Superloop must use reasonable endeavours to amend the Scheme Implementation Deed to reflect the terms of and implement the Counter Proposal.

See clause 10 of the Scheme Implementation Deed for detailed exclusivity provisions.

(c) Break fee

BigAir has agreed to pay Superloop a break fee of \$2.1 million if at any time after the date of the Scheme Implementation Deed and before the End Date (as defined in the Scheme Implementation Deed), any of the following events occur:

- any BigAir Director fails to recommend the Scheme (**Recommendation**) or fails to make a statement that he intends to vote in favour of the Scheme in respect of all BigAir Shares controlled or held by, or on behalf of, each of them (including any proxies placed at their discretion) in the absence of a superior proposal (**Voting Intention**);
- any BigAir Director changes withdraws or modifies his Recommendation and Voting Intention statement unless BigAir receives a competing proposal and the BigAir Directors determine that the competing proposal is a superior proposal, or the

Independent Expert concludes that the Scheme is not in the best interests of BigAir Shareholders or concludes that the Scheme is in the best interests of BigAir Shareholders but changes this conclusion (provided that the change in conclusion is not due to a competing proposal). The Independent Expert is not considered to have changed its conclusion if it initially concludes that the Scheme Consideration is in the best interests of BigAir Shareholders and then subsequently determines that one of either the Scrip Consideration or the Mixed Consideration is no longer in the best interests of BigAir Shareholders, as long as the Independent Expert retains its conclusion that the other of the Scheme Consideration alternatives remains in the best interests of BigAir Shareholders;

- a competing proposal is announced and within 9 months of announcement, results in a person obtaining Control (as defined in section 50AA of the Corporations Act) of BigAir, voting power in more than 50% of BigAir Shares, merging or amalgamating with BigAir or acquiring an interest in all or a substantial part of BigAir's business or assets;
- a condition is not satisfied due to an action (or failure to take action) by BigAir; or
- Superloop terminates the Scheme Implementation Deed because BigAir is in material breach of any of its obligations under the deed (other than a breach of a representation or warranty) and BigAir has not remedied the breach within five Business Days of Superloop notifying BigAir of the breach.

Superloop has agreed to pay BigAir a break fee of \$2.1 million if BigAir terminates the Scheme Implementation Deed because Superloop is in material breach of any of its obligations under the deed (other than a breach of a representation or warranty) and Superloop has not remedied the breach within five Business Days of BigAir notifying Superloop of the breach.

(d) Termination

Either party may terminate the Scheme Implementation Deed if the other party is in material breach of any of its obligations under the deed (other than a breach of a representation or warranty) and the party in breach has not remedied the breach within five Business Days of being notified of the breach.

BigAir may terminate the Scheme Implementation Deed if:

- a majority of BigAir Directors publicly recommend a competing proposal which is a superior proposal and do not reinstate their recommendation of the Scheme; or
- Superloop is in material breach of a representation or warranty and if fails to remedy that breach within five Business Days of being notified of the breach by BigAir, and the breach was of a kind that would have resulted in BigAir either not entering into the Scheme Implementation Deed or entering into it on materially different terms, if the breach had been disclosed to BigAir prior to entering into the deed.

Superloop may terminate the Scheme Implementation Deed if:

- BigAir is in material breach of a representation or warranty and if fails to remedy that breach within five Business Days of being notified of the breach by Superloop, and the breach was of a kind that would have resulted in Superloop either not entering into the Scheme Implementation Deed or entering into it on materially different terms, if the breach had been disclosed to Superloop prior to entering into the deed, or the breach amounts to a BigAir Material Adverse Change; or

- any BigAir Director fails to make the Recommendation or Voting Intention statement or changes, withdraws or modifies his Recommendation or takes any other action that is inconsistent with his Recommendation.

5.18 Deed Poll

On 25 October 2016, Superloop executed the Deed Poll under which Superloop has effectively agreed to (among other things) provide the Scheme Consideration to each Scheme Shareholder, subject to the Scheme becoming Effective.

A copy of the Deed Poll is attached as Annexure D to this Scheme Booklet.

5.19 Employee and Executive Share Rights Plans

BigAir operates the BigAir Equity Incentive Plan (**Plan**) under which it made grants of BigAir Performance Rights and BigAir Service Rights which are subject to vesting conditions based on continuation of employment and performance criteria.

As at 25 October 2016, being the last practicable day prior to the date of this Scheme Booklet, there were 917,040 outstanding BigAir Performance Rights and 166,515 outstanding Service Rights issued under the Plan.

It is a condition of the Scheme Implementation Deed that prior to 8.00am on the Second Court Date, arrangements are in place so that all BigAir Performance Rights and BigAir Service Rights are vested, cancelled or have lapsed before the Record Date.

In order to comply with its obligation, BigAir must cause some or all of the outstanding BigAir Performance Rights and BigAir Service rights to vest and following such vesting cause the relevant number of BigAir Shares to be issued to allow the relevant former holders of the relevant BigAir Performance Rights and BigAir Service rights to participate in the Scheme.

The BigAir Directors have determined in accordance with the Plan that, provided that the Scheme becomes Effective, they will exercise their discretion under the Plan to waive all outstanding vesting conditions applicable to BigAir Performance Rights and BigAir Service Rights then on issue, and ensure the applicable BigAir Shares are issued before the Record Date.

5.20 Announcement of financial results

BigAir announced its full year results to 30 June 2016 on 26 August 2016, and its 2016 Annual Report on 28 September 2016. Superloop announced its full year results to 30 June 2016 on 29 August 2016. The results are available on ASX. In addition, BigAir results are available on its website, and Superloop results are available on its website at www.superloop.com.

5.21 Obtaining further information

If you have any questions or require further information about the Scheme, you should contact the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm. You should seek independent financial, legal, taxation or other professional advice before making any decision regarding this Scheme.

6. Information about BigAir

The information set out in this section 6 contains information in relation to BigAir and was prepared by BigAir. Additional information about BigAir is included in the Independent Expert's Report in Annexure A to this Scheme Booklet.

Further information regarding BigAir is also available in BigAir's Annual Report for FY2016, which is available on ASX and on the BigAir website.

6.1 Overview

BigAir is one of Australia's leading providers of managed IT services and networking infrastructure. We operate our business across three divisions:

- Network Infrastructure

BigAir operates one of Australia's largest business-grade fixed wireless network with extensive regional coverage. The network is interconnected with all major carriers and utility networks across Australia. BigAir provides a wide range of network services from this network to more traditional cable based solutions using fibre, dark fibre, ethernet over copper and ADSL2. This agnostic approach to infrastructure enables BigAir to offer configured network solutions to its customers virtually anywhere across the country.

- Cloud & Managed IT Services

BigAir's Cloud and Managed IT Services division is a consultancy-based business that provides cloud-based managed services in partnership with leaders in the technology industry.

BigAir's cloud services comprise both public and private clouds as well as hybrid options and includes an outsourced service desk offering.

BigAir's recent acquisition of Cyberhound announced in June 2016 also enables BigAir to offer one of the industry's leading managed security services – with particular strengths in the education sector, an increasingly important market for BigAir.

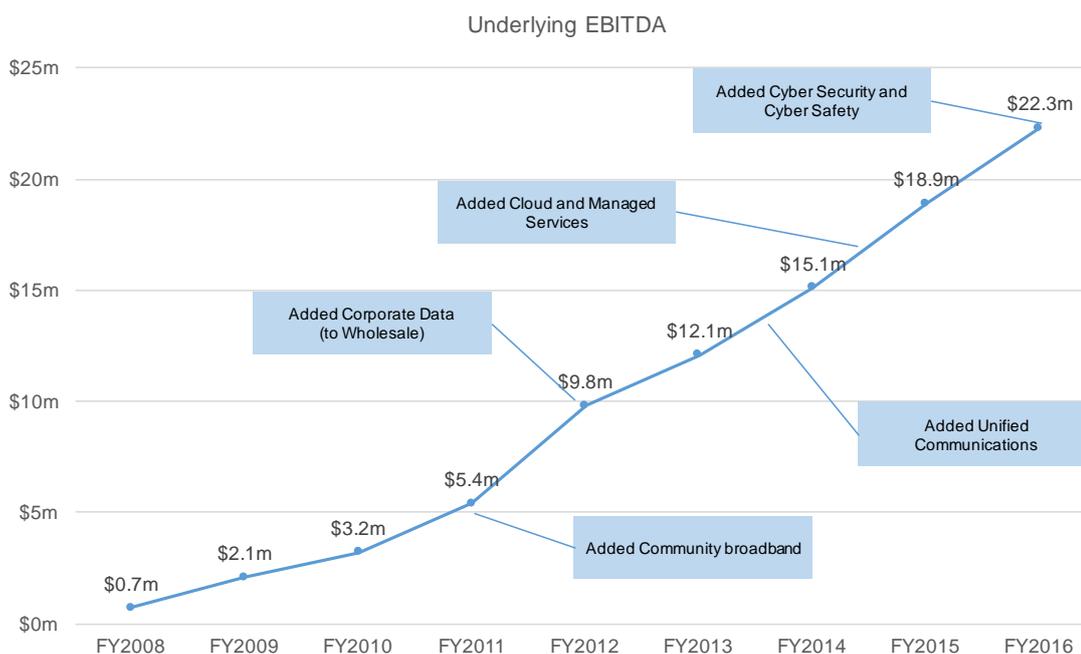
- Campus Solutions

BigAir is a market leader in providing managed end-to-end high speed broadband, networking, billing systems and 24/7 operational support systems to the tertiary student accommodation market.

BigAir is now the largest operator in managed Wi-Fi in the tertiary student accommodation sector with 30,000+ beds.

BigAir has been able to extend this capability seamlessly into other campus style environments including retirement villages, shopping centres, local councils, mining camps, and tourist accommodation.

BigAir's customer proposition and Underlying EBITDA have grown consistently over the last decade through a combination of organic growth and strategic acquisitions. "Underlying EBITDA" means EBITDA with non-recurring costs excluded and/or added back.



6.2 Directors and senior management

The board of directors of BigAir comprises the following directors:

- Vivian Stewart, Non-Executive Chairman;
- Jason Ashton, Chief Executive Officer; and
- Nigel Jeffries, Non-Executive Director.

The Company Secretary and CFO is Charles Chapman.

Other senior management include Tony Tilbrook (CTO - Design and Construct), Scott Atkinson (CTO Cloud and Managed Services), and Aidan Mountford (Chief Operations Officer (Networks)).

6.3 Capital structure

(a) Securities on issue

As at the date of this Scheme Booklet, the capital structure of BigAir is as set out below:

- 185,191,728 BigAir Shares;
- 917,040 BigAir Performance Rights; and
- 166,515 BigAir Service Rights.

All BigAir Performance Rights and BigAir Service Rights were issued under the BigAir Equity Incentive Plan. Details regarding the treatment of BigAir Performance Rights and BigAir Service Rights if the Scheme proceeds are set out in section 5.19 of this Scheme Booklet.

Refer to section 11.1 of this Scheme Booklet for details of the BigAir Shares, BigAir Performance Rights and BigAir Service Rights held by or on behalf of BigAir Directors.

(b) Substantial shareholders

As at the date of this Scheme Booklet, the substantial shareholders of BigAir who have notified their interests to ASX are as set out below:

Holder	Percentage notified
Superloop Limited	10.75%
Microequities Asset Management Pty Limited	9.92%
J P Morgan Nominees Australia Limited	9.195%
National Nominees Limited	9.12%
Milford Asset Management	6.064%
JMAS Pty Ltd	5.72%

6.4 BigAir Directors' intentions

All BigAir Directors, namely Vivian Stewart, Jason Ashton and Nigel Jeffries, have confirmed that they intend, in respect of any BigAir Shares controlled or held by or on behalf of them, to vote in favour of the Scheme in the absence of a superior proposal.

6.5 Historical financial information

(a) Basis of presentation

This section sets out summary financial information in relation to BigAir for the purpose of this Scheme Booklet. The financial information has been extracted from BigAir's audited financial results for FY2016 and FY2015.

The financial information contained in this section has been presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

BigAir's full financial accounts, including all notes to those accounts, can be found in BigAir's Annual Reports for FY2016 and FY2015, which are available on ASX and BigAir's website at <http://www.bigair.com.au/newsroom/topic/asx-announcements>.

BigAir's financial statements for each of these years were audited by Grant Thornton Audit Pty Limited in accordance with Australian Auditing Standards. Grant Thornton Audit Pty Limited issued an unqualified audit opinion in respect of these financial statements.

(a) Consolidated Income Statement

	Audited FY2016 \$	Audited FY2015 \$
Revenue	79,743,639	62,650,228
Cost of sales	(38,980,315)	(27,111,723)
Gross Profit	40,763,324	35,538,505
Other revenue	20,496	10,262
Other income	903,099	825,631

Employee benefits expense	(14,183,232)	(9,368,465)
General administration expenses	(7,425,953)	(8,628,670)
Depreciation and amortisation expenses	(8,281,483)	(6,514,433)
Occupancy expenses	(1,153,631)	(1,069,921)
Finance costs	(1,604,225)	(1,001,669)
Profit before adjustment to contingent consideration and tax	9,038,395	9,791,240
Adjustments to contingent consideration	4,273,497	(1,898,846)
Profit before income tax	13,311,892	7,892,394
Income tax expense	(3,037,377)	(3,046,789)
Profit for the year	10,274,515	4,845,605
Other comprehensive income	-	-
Total comprehensive income for the year	10,274,515	4,845,605
Earnings per share		
- Basic (cents per share)	5.8	2.8
- Diluted (cents per share)	5.8	2.8

(b) Consolidated Balance Sheet

	Audited FY2016 \$	Audited FY2015 \$
Assets		
Current Assets		
Cash and cash equivalents	2,111,736	2,653,421
Trade and other receivables	7,673,037	6,276,358
Current tax assets	1,186,090	1,129,146
Other assets	1,249,058	1,277,785
Total current assets	12,219,921	11,336,710
Non-current assets		
Other non-current assets	2,225,935	924,766
Property, plant and equipment	34,812,746	31,402,111
Deferred tax assets	-	107,428
Goodwill	44,839,799	44,020,009
Other intangible assets	6,437,046	4,495,395
Total non-current assets	88,315,526	80,949,709
Total assets	100,535,447	92,286,419
Liabilities		
Current liabilities		
Trade and other payables	9,768,331	14,827,462
Income received in advance	1,767,446	903,629
Borrowings	4,104,474	2,886,378
Provisions	2,028,130	1,793,523
Total current liabilities	17,668,381	20,410,992
Non-current liabilities		
Trade and other payables	-	7,758,182

Income received in advance	1,355,234	1,268,752
Borrowings	25,099,900	16,247,422
Deferred tax liabilities	831,463	-
Provisions	463,793	597,754
Total non-current liabilities	27,750,390	25,872,110
Total liabilities	45,418,771	46,283,102
Net assets	55,116,676	46,003,317
Equity		
Share capital	34,919,488	34,225,311
Share option reserve	288,907	46,323
Retained earnings	19,908,281	11,731,683
Total equity	55,116,676	46,003,317

6.6 Material changes in BigAir's financial position since 30 June 2016

Within the knowledge of the BigAir Directors, the financial position of BigAir has not materially changed since 30 June 2016, being the date of BigAir's Annual Report for FY2016 (released to the ASX on 28 September 2016).

6.7 Publicly available information

BigAir is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to certain reporting and disclosure obligations. This requires BigAir to give continuous disclosure by lodging disclosures with the ASX of any information BigAir has that a reasonable person would expect to have a material effect on the price or value of BigAir Shares.

Information about BigAir, including financial information, is available in electronic form on BigAir's website.

All announcements made by BigAir from 28 September 2016 (being the date that BigAir's Annual Report for FY2016 was announced to the ASX) to the day before the date of this Scheme Booklet are listed below.

Title	Date
Appendix 3B	30 September 2016

In addition, BigAir is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by BigAir may be obtained from <https://asicconnect.asic.gov.au/>. BigAir will also make copies of these documents available, free of charge, to BigAir Shareholders. Requests can be made by contacting the BigAir Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) on Business Days between 8.30am and 5.30pm (Sydney time).

7. Information about Superloop

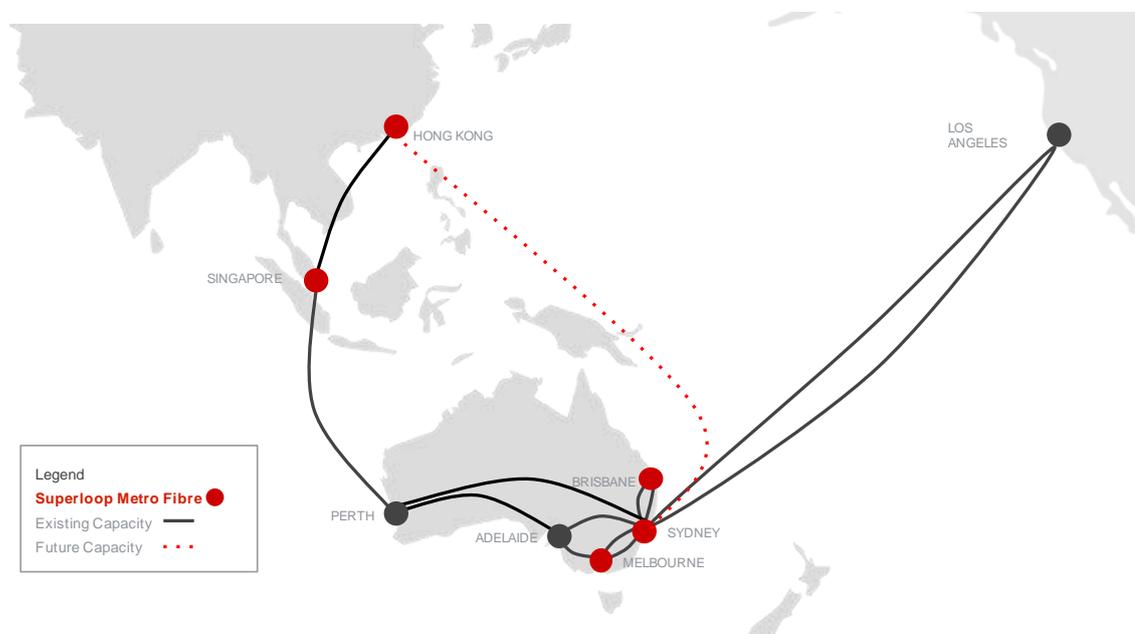
The information set out in this section 7 contains information in relation to Superloop and Superloop Shares and was prepared by Superloop. As noted in section 11.8, Superloop takes responsibility for the Superloop Information in this Scheme Booklet.

7.1 Overview of Superloop

Superloop is a telecommunications company established in 2014, with a vision to become the leading independent owner and provider of connectivity services in the Asia Pacific region.

Superloop listed on the ASX in June 2015 and Superloop Shares are quoted on the ASX under the code 'SLC'. Superloop's market capitalisation as at 25 October 2016, being the last practicable trading day prior to the date of this Scheme Booklet, was approximately \$464.9 million.

Figure: Superloop's International Network (including via arrangements with third party suppliers) as at 30 June 2016



Superloop owns and operates underground fibre-optic cable networks in Australia, Singapore and Hong Kong and as well as leases connectivity circuits from other carriers and providers to interconnect these networks. Superloop seeks to interconnect locations within these markets that have high connectivity requirements (eg. data centres, submarine cable landing stations and major enterprise buildings) and deliver innovative and cost-effective connectivity services. As at 30 June 2016, Superloop's infrastructure included 378 km of dark fibre, connecting 52 of these region's key data centres. Superloop has also successfully completed and integrated two previous strategic acquisitions, APEXnetworks and CINENET Systems, which have assisted the organisation expand its operations in the carrier wholesale and media verticals.

Superloop generates revenue through the provision of network infrastructure and high-speed data services including network interconnectivity, facilitated through its network assets. Both the Australian and Singapore networks were complete in September and October 2015 respectively and in the company's first financial year since becoming operational (ended 30 June 2016), Superloop reported revenue and other gains from transactions with customers of \$7.0 million and, as at year end, had Contracted Annualised Recurring Revenue of over \$11.9 million. As at 30 June 2016, Superloop's consolidated total assets were approximately \$126.9

million and net assets were approximately \$119.7 million. It is important to note that the current 2017 financial year will mark the first full financial year since the Australian and Singapore fibre networks have been constructed.

Further information about Superloop can be obtained from Superloop's website at www.superloop.com or on the ASX announcements platform at www.asx.com.au.

7.2 Overview of Superloop's business

(a) Service offering

Superloop offers flexible connectivity solutions via the sale of mostly physical Network Infrastructure (Layer 1) through the company's dark fibre service and sale of Network Solutions (Layer 2) through various services including Wavelength, Ethernet Backhaul and Ethernet Access. These services are all designed to provide carriers, cloud providers and enterprises with a suite of interconnection solutions that are able to best fit their connectivity requirements.

Physical Network Infrastructure (Layer 1)

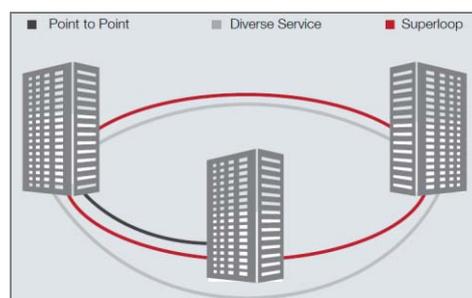
Superloop's dark fibre service provides dedicated connectivity between key buildings, submarine cable-landing stations and data centre infrastructure in Brisbane, Sydney, Melbourne, Singapore and Hong Kong. Dark fibre refers to optical fibre networks which are "unlit", that is, sold to clients without telecommunications transmission equipment provided as part of the fibre service. A Dark fibre service is typically two strands of "unlit" fibre (one strand for transmitting data through pulses of light and the other to receive data) and offers customers the flexibility to deploy and upgrade transmission equipment as their bandwidth needs change without needing to engage their telecommunications provider. Thus, Dark fibre is ideally suited for Governments and enterprises, including those in the financial services, media, and telecommunications sectors, which require:

- High speed, low latency connections;
- Carriage of high volumes of data;
- High availability with diverse paths for redundancy;
- Future-proofing scalability;
- Secure, private connections away from the internet and other users; and
- Control of the speed and bandwidth through ownership of the transmission equipment.

Superloop's Dark Fibre services include:

- **Point-to-Point:** One path, one entry. Provides dedicated connectivity between two specific buildings. Typically purchased by a customer looking to augment an existing network with additional carrier diversity on a specific path.
- **Diverse Service:** Two paths, two entries. Allows a customer to connect together multiple buildings with diversity. If one path is interrupted, the customer has an alternative path.

Figure: Superloop's Fibre product offering



- **Superloop:** Full diversity. Allows a customer to connect via a ring of dark fibre between multiple buildings on the network, all with high availability and physical diversity. A Superloop can be provided across multiple fibre cores so that more services can be deployed and separated, providing maximum flexibility.

Network Solutions (Layer 2)

Superloop is currently expanding its product set to include a number of Layer 2 products. These products offer customers tailored networking solutions.

Layer 2 services include:

- **Ethernet Backhaul:** Point-to-point service connecting data centre sites and cable landing stations. It is a carrier-centric service delivered over a high capacity and low-latency Ethernet core which is protected over Superloop’s diverse fibre paths. Bandwidth capacity can scale between 1 Megabit/s to 10 Gigabit/s.
- **Wavelength:** Provides a dedicated circuit provisioned between two locations using wavelength division multiplexing technology and Superloop’s fibre network. Interface support includes both Ethernet and synchronous digital hierarchy (SDH) in increments between 10 Gigabit/s and 100 Gigabit/s.
- **Ethernet Access:** Provides scalable, Full-Duplex Ethernet connectivity between geographically diverse sites using a high capacity and low-latency Ethernet core. Preferred solution for many carriers and enterprises to deliver services to end-customers and access the cloud. It is a trusted platform for providing reliable wide-area network (WAN) connectivity due to its cost efficiency and scalability to support a broad range of applications.

(b) Customer profile

Superloop provides critical core infrastructure for wholesale carriers, global content providers and major enterprises who require high-speed, low-latency, scalable and reliable connectivity to carry high volumes of data.

Superloop’s current customer segmentation is dominated by telecommunications and technology providers, however this is expected to shift towards finance and media companies as more enterprise buildings are brought on-net.

Superloop’s current customer mix by region is currently dominated by Australia with Singapore and Hong Kong growing as those networks become more established.

Figure:
FY16 customer revenue by segment

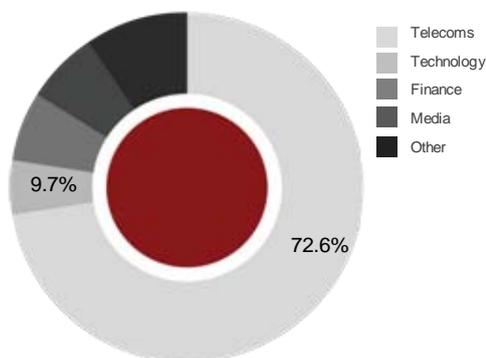
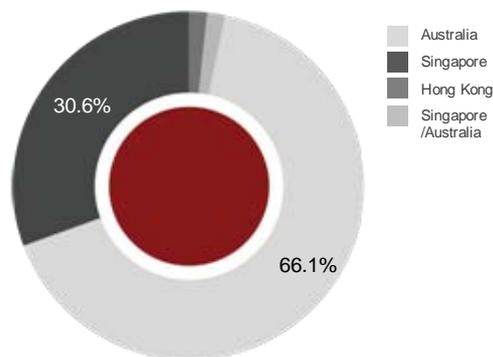


Figure:
FY16 customer revenue by region



(c) Infrastructure network and competitive landscape by region

Superloop operates four and soon to be five metropolitan fibre optic networks across Australia, Singapore and Hong Kong (planned to go live in December 2016), totalling 378 km of installed fibre as at 30 June 2016.¹

Additionally, in Hong Kong, Superloop is constructing a fibre optic network and will soon commence construction of TKO Express, a domestic under-harbor submarine cable.

Australia

The Australian network connects major data centres and exchanges to the Central Business District precincts of each city, offering customers direct routes and path diversity to many strategic locations at competitive pricing.

Superloop holds exclusive rights to use networks in Australia, providing access to 288 single mode core fibres via a 15-year Indefeasible Right of Use (IRU) over the fibre cores, established in October 2014, with an option to extend the term for a further 10 years for \$1 million.

The table below contains a summary of the Australian fibre network.

Table: Australian network summary as at 30 June 2016

	Fibre Length	Cores	Data centres
Total	159	288	42

Superloop announced the completion of all of its Australian networks in October 2015.

Figure: Australian network maps



Superloop is one of three major dark fibre providers in Australia. There are other smaller unlisted providers as well as electricity network providers who offer dark fibre networks.

Superloop has been able to secure new customers on its Australian network through service innovation, with cornerstone customers committing to longer-term service agreements (five years or longer). These contracts cover the direct operational and maintenance costs of the Australian network, while leaving significant capacity for the sale of additional services to new customers.

Singapore

Singapore is an attractive growth market, being home to more than 80 of the top 100 software and services companies and featuring 15 international submarine cable systems and a large

¹ This includes 83 km of installed fibre in Hong Kong from a total of 110 km under construction.

number of commercial carrier and carrier neutral data centre providers operating throughout Singapore.

Superloop owns a 136 km fibre network of largely 624 core fibres across the majority of its Singapore network which interconnects to many strategic data centres and landing stations and is now expanding into enterprise buildings.

Additionally in Singapore, Superloop also owns the secure duct network which houses the fibre optic cables. This duct network has significant spare capacity and provides Superloop with the ability to substantially expand capacity by hauling additional cables through the network at significantly lower cost than the initial investment.

The table below contains a summary of the Singapore fibre network.

Table: Singapore network summary as at 30 June 2016

City	Fibre Length	Cores	Data centres	Cable landing stations	Commercial buildings
Singapore	136	624	8	2	14

Superloop announced live commercial services on the Singapore network in October 2015.

Figure: Singapore network maps



Superloop continues to invest in expanding the Singapore network to provide services for pre-committed orders. At present, Superloop is adding strategic locations to the network, including the Singapore Exchange and the iO and NTT data centres.

The Singapore dark fibre market has experienced significantly less competitive tension than Australia, with competitors focused on managed services and providing only limited dark fibre services. These competitors include Singtel, Star Hub and M1.

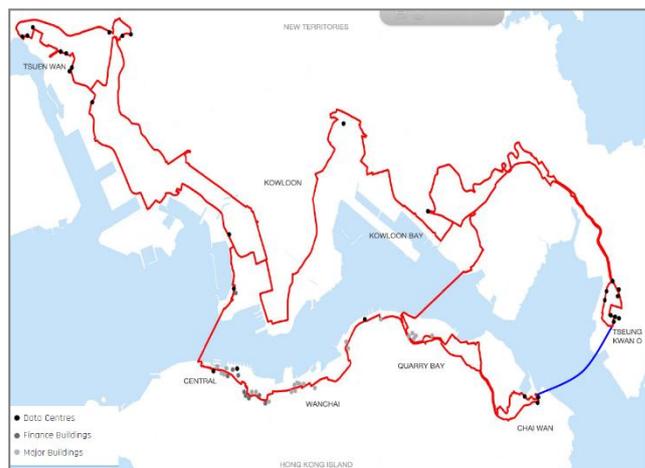
Superloop offers a differentiated service, specifically designed to provide flexibility, security, lower latency and offer direct paths between geographic sites.

Hong Kong

As one of the world's leading international financial centres and densely populated, enterprise-rich regions, Hong Kong is an ideal target for high density fibre optic cable deployment.

Superloop is constructing a 110 km fibre optic network providing a backbone network of 2,000 fibre cores which will initially connect 30 key strategic enterprise buildings and data centres. Superloop expects to complete construction of the Hong Kong network by December 2016. Following construction, Superloop will have an exclusive and indefeasible right to use and access this network for an initial term of 25 years, with an option to extend the term for two further periods of 5 years.

Figure: Hong Kong network maps



Separately, Superloop is also constructing the 3 km TKO Express, a new domestic submarine cable designed to provide the shortest, most direct path linking Superloop's core network in the data centre campuses of Chai Wan and the Tseung Kwan O Industrial Estate tech hub. This cable provides much needed physical diversity and the lowest latency path between Hong Kong's major finance and technology hubs. Superloop will fully own this infrastructure and expects to complete construction of TKO Express by January 2017.

Hong Kong will represent Superloop's highest-capacity deployment to date. The network is established in campuses to allow for short-paths and diversity between local clusters of facilities and buildings, connected together with a diverse ring backbone.

The table below contains a summary of the Hong Kong fibre network upon completion of construction.

Table: Hong Kong network summary at completion

City	Initial Fibre Length	Cores	Strategic locations
Hong Kong	110	2,000	30
TKO Express	3	1,724	-

Similar to the Singapore market, operators in Hong Kong focus on more managed service offerings and access to dark fibre is at times difficult and/or expensive compared to other markets in the region including Australia. Major Hong Kong operators include Hutchison Global Communications, Hong Kong Broadband Network, PCCW and Wharf T&T.

Superloop offers a differentiated service specifically designed to provide flexibility, security, lower latency and offer direct paths between geographic sites. Additionally, TKO Express will be the only direct connection between the data centre campuses of Chai Wan and the Tseung Kwan O Industrial Estate tech hub, providing a strategic point of difference.

(d) Acquisitions

Superloop has successfully completed and integrated two strategic acquisitions, APEXnetworks and CINENET Systems. The acquisition of these profitable and growing

businesses expanded Superloop’s capabilities and added customers, revenue, intellectual property and talent to the Superloop group.

The acquisition of APEXnetworks allowed Superloop to rapidly deploy managed services capability for its wholesale and channel customers via APEXnetwork’s IT and product platforms. The acquisition of CINENET enabled Superloop to quickly extend its network capabilities into the fast growing digital media vertical and provides a platform for further expansion into this vertical across the Asia Pacific region.

Table: Superloop’s corporate acquisitions

Acquisition	Date	Overview
APEXnetworks	October 2015	<ul style="list-style-type: none"> APEXnetworks was incorporated in 2006 to service niche requirements in Australian business broadband and connectivity services. The network is designed to service the needs of low latency business applications and voice services (VoIP). Incorporates service qualification tools and systems to manage ordering, provisioning, billing, support and network management.
CINENET Systems	November 2015	<ul style="list-style-type: none"> CINENET is Australia’s only high-speed broadband data network created specifically for screen media industries. Provides shared, connected infrastructure for studios, producers, editing facilities, visual effects providers, sound facilities and DVD producers to create and exchange large digital assets and connect to infrastructure providers.

7.3 Superloop's strategy and competitive advantages

Strategy

Superloop has an established vision to become the leading independent provider of connectivity services across the Asia Pacific region.

Superloop seeks to offer customers the latest low-loss fibre technology designed to enable terabit network connectivity requirements. This technology, combined with a network designed and installed between strategic locations, allows for ultra-low latency connectivity, a feature important for many enterprise clients. Superloop also provides flexible solutions to customers through its network solutions products (Ethernet Backhaul, Wavelength and Ethernet Access).

Superloop has established a platform to leverage core infrastructure assets to drive customer acquisition and revenue growth. As utilisation increases, additional revenue translates directly to increased margin and yield.

To achieve its vision, Superloop will seek to:

- Leverage its core fibre networks to drive further growth and customer acquisition, including expanding its network of on-net enterprise buildings;
- Invest in its Singapore and Hong Kong networks by adding strategic sites to meet customer demand;

- Continue to differentiate itself from competitors by designing and constructing bespoke, high speed, low latency dark fibre networks;
- Expand its Layer 2 product set to capture a greater share of customer spend; and
- Continue to explore new market opportunities in the Asia Pacific region, including by continuing to evaluate strategic acquisitions where complementary to Superloop’s current business.

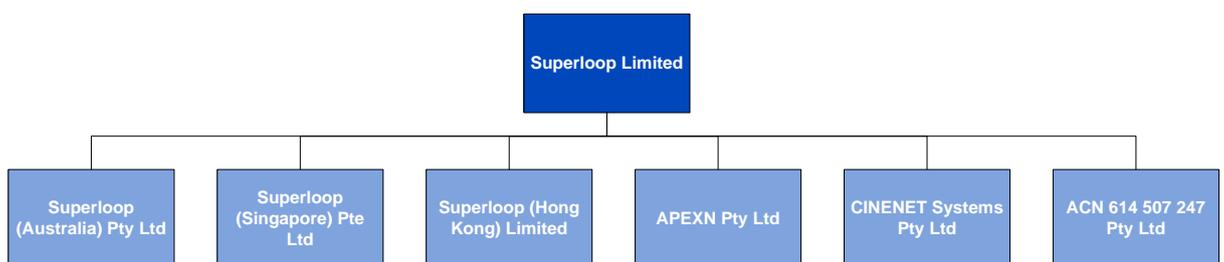
Competitive advantages

Superloop considers that its offering has the following competitive advantages:

- Advanced fibre technology featuring:
 - ultra-low latency;
 - low-loss; and
 - support for terabit network connections;
- A single multi-jurisdiction, global Master Services Agreement, offering customers the ability to buy services on each of Superloop’s networks under consistent terms and conditions;
- Highly competitive service level agreements;
- Dedicated networks with path diversity;
- Customer centric focus – flexibility to deliver customer dedicated solutions quickly;
- Superior customer experience: “360” customer provisioning and network management portal; and
- An agile network which seeks to achieve the most direct path between key strategic locations, designed specifically to meet the needs of customers.

7.4 Corporate structure

Superloop’s business currently operates through a number of different wholly-owned entities, which are set out in the diagram below:



7.5 Directors and senior management of Superloop

(a) Directors

As at the date of this Scheme Booklet, the directors of Superloop are:

Name	Biography
<p>BEVAN SLATTERY Executive Chairman & Chief Executive Officer</p>	<p>Bevan Slattery is the Executive Chairman and CEO. Bevan has a background in building successful Australian IT and telecommunications companies.</p> <p>Prior to establishing Superloop, Bevan founded Megaport in 2013 with the aim of becoming a global leader in the fast growing elastic interconnection services market. Megaport successfully listed on the ASX in December 2015.</p> <p>In 2010, Bevan founded NEXTDC, with a vision to become Australia's largest independent datacentre provider. As the founding CEO of NEXTDC, Bevan oversaw its listing on the ASX, overall design of its initial facilities and its initial facility rollout.</p> <p>In 2002, Bevan co-founded PIPE Networks which grew to become Australia's largest Internet Exchange and Australia's third largest metropolitan fibre network provider with over 1,500km of fibre in 5 cities connecting 80 data centres, 250 Telstra exchanges and over 1000 buildings. In 2009, PIPE Networks completed construction of Pipe Pacific Cable 1 (PPC-1), a \$200 million submarine cable system linking Sydney to Guam. PIPE Networks was sold to TPG for an enterprise value of \$420 million in May 2010.</p> <p>Bevan holds a Master of Business Administration (Hon.) from Central Queensland University.</p>
<p>DANIEL ABRAHAMS Executive Director & Chief Infrastructure Officer</p>	<p>Daniel Abrahams is the Chief Infrastructure Officer of Superloop and is also an Executive Director.</p> <p>Daniel was formerly the Vice President & Chief Risk Officer at Aurizon. Aurizon operates the world's largest coal supply chain in Central Queensland in addition to haulage interests in iron ore, bulk commodities and freight across Australia.</p> <p>Daniel brings a strong commercial approach and expertise across strategy, finance, governance and risk management.</p> <p>Daniel was the former Group Financial Controller at Energex responsible for the preparation of the annual audited accounts and commercial and financial advice. His prior roles with Suncorp in audit, risk and capital management equipped him with a strong focus on risk taking to generate returns for shareholders. He also worked at Toyota (Tsusho) for 5 years in a variety of roles, including as the Group's Business Review Manager and as part of the finance leadership team with APAC responsibilities.</p> <p>Daniel completed a Bachelor of Business degree (Central Queensland University) and has completed the CPA Program and Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. He has been conferred with</p>

Name	Biography
	<p>FCPA and FGIA in recognition of his strong governance experience.</p> <p>Daniel is not standing for re-election as a Director at Superloop's 2016 Annual General Meeting.</p> <p>Additionally, as Superloop progresses towards completion of its Hong Kong network and the expansion of its Singapore network to strategic commercial buildings, the position of Chief Infrastructure Officer will no longer be required.</p>
<p>GREG BAYNTON Independent Non-Executive Director</p>	<p>Greg Baynton is the founder and Managing Director of Orbit Capital, an investment and advisory company and holder of an Australian Financial Services Licence. He has a background in investment banking, infrastructure investment, and new projects and has experience in IPOs and other capital raisings, mergers and acquisitions, investor relations and corporate governance.</p> <p>He has considerable experience as a director of ASX-listed companies. Among those, Greg is a former Director of Asia Pacific Data Centre Limited, NEXTDC Limited and of PIPE Networks Limited.</p> <p>Greg holds a Master of Business Administration (QUT), a Master of Economic Studies (UQ), a Postgraduate Diploma in Applied Finance & Investment (SIA), and Bachelor of Business (Accountancy).</p>
<p>LOUISE BOLGER Independent Non-Executive Director</p>	<p>Louise Bolger is an experienced in-house telecommunications, media and technology lawyer and company secretary.</p> <p>Currently Louise is General Counsel and Company Secretary for the ASX listed pre-paid cards issuer Emerchants Limited, and prior to that was General Counsel and Company Secretary at Southern Cross Media Group Limited and PIPE Networks Limited.</p> <p>Louise commenced her career in private legal practice before continuing on to in-house roles with Telstra, Logica and Bank of Queensland.</p> <p>Louise holds a Bachelor of Laws (Hons) and a Bachelor of Arts (Modern Asian Studies) from Griffith University.</p>
<p>MICHAEL MALONE Independent Non-Executive Director</p>	<p>Michael Malone is the former CEO of iiNet Limited, having founded the company in 1993. During his tenure, iiNet became the second largest broadband DSL ISP in Australia.</p> <p>Michael has been recognised with a raft of industry accolades. In 2009, Michael was CEO of the Year in the Australian Telecom Awards and National Customer Service CEO of the Year in the CSIA's Australian Service Excellence Awards. Michael was named a finalist for WA Citizen of the Year and in 2011 he won the Ernst & Young Entrepreneur of the Year Award. In April 2016, Michael was appointed to the Board of NBN Co Limited.</p>
<p>RICHARD ANTHONY (TONY) CLARK</p>	<p>Tony is an Emmy Award-winning Cinematographer as well as co-founder and Director of Rising Sun Pictures (RSP) and Cospective,</p>

Name	Biography
Independent Non-Executive Director	<p>and co-founder of CINENET Systems Pty Ltd.</p> <p>Tony has a wealth of industry knowledge and experience in digital media and is a 2010 recipient of an Academy Award for Scientific & Technical Achievement as creator of the remote collaboration tool cineSync. His deep understanding of digital film became the foundation for the technology spin-off Rising Sun Research (now Cospective).</p> <p>Tony has served as a board member on the South Australian Film Corporation, is currently on the board of Ausfilm and is an active member of AMPAS, the Academy of Motion Picture Arts, and Sciences and the Visual Effects Society.</p>

(b) Senior management

As at the date of this Scheme Booklet, the other key management personnel of Superloop are:

Name	Biography
<p>PAUL JOBBINS</p> <p>General Manager, Corporate and Strategy</p> <p>Joint Company Secretary</p>	<p>Paul Jobbins is the Group's General Manager, Corporate and Strategy with responsibility for the Group's corporate functions including Finance, Legal, Talent and Culture and Investor Relations as well as driving the Group's corporate strategy.</p> <p>Paul has previously worked in senior executive roles with several ASX listed companies including NEXTDC Limited, Reverse Corp Limited and Sunshine Gas Limited.</p> <p>Paul holds a Bachelor of Business (Accountancy) from QUT, a Graduate Diploma in Applied Finance and Investments from Finsia, a Masters in Applied Finance from Macquarie University and is a Chartered Accountant.</p>
<p>GREGORY BRYANT</p> <p>Chief Financial Officer</p> <p>Joint Company Secretary</p>	<p>Gregory Bryant is the Chief Financial Officer of Superloop Limited.</p> <p>Gregory is a senior finance executive with over 20 years' experience in the financial services industry where he held several executive management positions including Chief Financial Officer for Suncorp Bank. Gregory has also worked in senior finance roles for AMP Bank, the Australian National Credit Union, and with a leading consultancy firm specialising in Asset & Liability management.</p> <p>Gregory holds a Bachelor of Commerce (Accountancy Major) from the University of Wollongong, a Masters in Applied Finance from Macquarie University and is a CPA.</p>
<p>RYAN CROUCH</p> <p>Chief Technology Officer</p>	<p>Ryan Crouch is responsible for the active network, software and technical solutions that make up the Superloop network in Australia and abroad.</p> <p>Prior to joining Superloop, Ryan was a co-founder of APEXnetworks, a wholesale network access service aggregator within the Australian telecommunications market. From technical design, software development and system architecture, Ryan was the driving force in</p>

Name	Biography
	technical delivery and product offering to channel customers building a multi-carrier access network that spanned Australia for over nine years.
STEVE BOND General Manager – Sales & Marketing	<p>Steve is responsible for driving Superloop's growth through the development and execution of its commercialisation strategy. He leads the Sales and Marketing functions ensuring that Superloop drives business value for its customers and partners.</p> <p>Steve has over 25 years of experience in the technology industry focused on delivering value to customers through technology based solutions. He has led teams globally, predominately with IBM, across the world's fastest growing regions and industries. He brings significant experience in building and leading technology businesses in the Asia Pacific region.</p> <p>Steve holds a Bachelor of Commerce in Computer Science, a Masters of Management in Commercial Banking and an MBA.</p>
MATTHEW GREGG General Manager – APEXnetworks	<p>Matthew Gregg is responsible for the continued growth and daily operations of APEXnetworks within the Superloop Group.</p> <p>Matt co-founded APEXnetworks, an Australian based wholesale network aggregator back in 2006. Prior to joining Superloop, Matt was responsible for the business management and administration side of APEXnetworks.</p> <p>Matt has a technical background in banking networks prior to APEXnetworks.</p>

7.6 Corporate governance

The Superloop Board is responsible for the corporate governance of Superloop Group. The Superloop Board has committed to incorporating each of the ASX Corporate Governance Council's Revised Principles and Recommendations, in accordance with ASX Listing Rule 4.10.3 into its corporate governance policies (except as otherwise stated in its Annual Report).

Superloop's corporate governance policies are summarised below and full details are available on Superloop's website at www.superloop.com/investor.

(a) Superloop Board appointment and composition

It is the Board's policy that there should be a majority of independent, non-executive Directors. That is, that the majority of Directors should be free from any business or other relationship that could materially compromise their independent judgement. The Board is currently made up of six Directors, four of whom are independent non-executive Directors, namely Mr Baynton, Ms Bolger, Mr Malone and Mr Clark.

The Board considers a Director to be independent if he or she is independent of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board considers the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

Based on the above criteria, the Superloop Board considers Vivian Stewart will be an independent non-executive Director. Furthermore, Daniel Abrahams has indicated his intention not to stand for re-election as director at Superloop's 2016 Annual General Meeting. Accordingly, there will continue to be a majority of independent, non-executive Directors post-implementation of the Scheme.

(b) Risk management

The identification and proper management of Superloop's risks is an important priority of the Board. The Board is responsible for overseeing and approving risk management strategy and policies. The Board has delegated to the Audit and Risk Management Committee responsibility for identifying major risk areas and monitoring risk management to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Audit and Risk Management Committee is required to establish and implement processes to capture and identify any issues or weaknesses in the risk management, internal control mechanisms and financial reporting of Superloop, although ultimate responsibility for risk oversight and risk management rests with the Superloop Board.

Superloop regularly undertakes reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the CEO or CFO to provide the required declaration under section 295A of the Corporations Act.

Superloop management also monitors and manages risks in the ordinary course of business to ensure that these risks are addressed continuously. Superloop has implemented a system whereby management is required to report as to key operational and financial risks, as well as its adherence to policies and guidelines approved by the Board for the management of those risks, to the Superloop Board at each Superloop Board meeting.

(c) Board charter

The Board has adopted a charter that formally recognises its responsibilities, functions, power and authority and composition. This charter further defines other matters it considers are important for effective corporate governance, including:

- a detailed definition of 'independence';
- a framework for the identification of candidates for appointment to the Board and their selection (including undertaking appropriate background checks);
- a framework for individual performance review and evaluation;
- training to be made available to Directors;
- procedures for meetings of the Board and its committees including frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- a code of conduct;
- a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and employees; and
- communications with Shareholders and the market.

The purpose of the charter is to 'institutionalise' good corporate governance and to build a culture of best practice both in Superloop internal practices and its dealings with others. A copy of the Board Charter is available on Superloop's website at www.superloop.com/investor.

(d) Board committees

The Board discharges its duties in relation to certain specific functions through the following committees of the Board:

- **Audit and Risk Management Committee:** The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control for the management of the Company. The committee consists of a majority of independent non-executive directors, and is chaired by an independent Chairman who is not Chairman of the Board. The committee meets at least three times per year.
- **Remuneration and Nomination Committee:** The purpose of this committee is to assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and senior management and on remuneration and related policies and practices (including remuneration of senior management and non-executive Directors). The committee meets at least once per year.

The powers and activities of the committees are reviewed regularly to ensure they meet the needs of the Superloop Board, comply with corporate governance requirements and reflect changes in Superloop. Copies of the charters of the Audit and Risk Management Committee and the Remuneration and Nomination Committee are available on Superloop's website at www.superloop.com/investor.

(e) Market disclosure and shareholder communications

Superloop has adopted a Continuous Disclosure policy to ensure that it complies with the continuous disclosure regime under the Listing Rules and the Corporations Act. To that end, the policy provides a framework for the Board and officers of Superloop to internally identify and report information which may need to be disclosed and sets out practical implementation processes in order to ensure any identified information is adequately communicated to ASX and Shareholders.

Superloop communicates with its shareholders via its website, half year and annual reports, market announcements and media disclosures. Superloop also encourages shareholder participation at general meetings.

7.7 Superloop issued securities

(a) Capital structure

The capital structure of Superloop as at the date of this Scheme Booklet is as follows:

Securities	Number of Securities
Ordinary shares	125,528,355
Restricted fully paid ordinary shares	30,491,250
Performance rights	196,068
Options	725,814

(b) Substantial holders

The substantial holders of Superloop as at 25 October 2016, being the last practicable trading day before the date of this Scheme Booklet, are as follows:

Substantial holder	Number of Shares	Voting Power
Bevan Andrew Slattery	60,007,894	38.5%

7.8 Recent Superloop share price performance

Superloop Shares are listed on the ASX under the stock code “SLC”. Below is a summary of recent trading prices of Superloop Shares on the ASX.

As at 25 October 2016, being the last practicable trading day prior to the date of this Scheme Booklet:

- the last recorded trading price of Superloop Shares on the ASX was \$2.98; and
- the lowest and highest recorded sale prices of Superloop Shares during the previous 3 months were \$2.40 (on 26 July 2016) and \$3.48 (on 8 September 2016) respectively.

As at 13 September 2016, being the last trading day before Superloop and BigAir announced they had entered into a Scheme Implementation Deed, the last recorded trading price of Superloop shares on the ASX was \$3.31.

On 13 September 2016, Superloop announced to the ASX the final terms of a placement to sophisticated and professional investors (**Placement**). The Placement was completed on 14 September 2016 through the issue of 21,666,667 new ordinary shares in Superloop at \$3.00 per share. The shares were issued on 19 September 2016.

Set out below is a graph depicting the share price performance of Superloop Shares on the ASX from since listing on 3 June 2015 to 25 October 2016, being the last practicable trading day prior to the date of this Scheme Book.

Figure – Superloop Share price performance since listing



7.9 Historical financial information

(a) Basis of Preparation

Sections 7.9(b) and 7.9(c) below set out a summary of certain historical financial information about the consolidated Superloop Group for the year ended 30 June 2016 (being Superloop's most recent published annual financial results) and for the period 28 April 2014 to 30 June 2015, being the first reporting period for the Superloop Group.

The financial information is presented in a summary form and consequently does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. Further financial information is available in Superloop's audited annual financial report for the periods ended 30 June 2016 and 30 June 2015. These reports set out Superloop's significant accounting policies during these periods and are available on Superloop's website at investors.superloop.com/Investors/?page=Annual-Reports.

The historical financial information for the periods ended 30 June 2016 and 30 June 2015 have been extracted from Superloop's audited annual financial reports for which Deloitte Touche Tohmatsu has issued unqualified audit opinions.

(b) Consolidated statement of financial position

Consolidated Statement of Financial Position			
As at 30 June 2016			
	30 June 2016	30 June 2015	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	45,854,135	18,011,900	
Trade and other receivables	1,397,290	190,867	
Other current assets	471,550	360,201	
Total Current Assets	47,722,975	18,562,968	
NON-CURRENT ASSETS			
Property, plant and equipment	66,850,737	33,576,396	
Other non-current assets	17,180	-	
Intangible assets	12,363,209	4,300,000	
Deferred tax assets	-	-	
Total Non-Current Assets	79,231,126	37,876,396	
TOTAL ASSETS	126,954,101	56,439,364	
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6,579,093	2,585,677	
Provisions	342,124	83,777	
Deferred revenue - current	204,314	-	
Interest-bearing borrowings	-	-	
Total Current Liabilities	7,125,531	2,669,454	
NON-CURRENT LIABILITIES			
Provisions	69,303	-	
Other non-current liabilities	22,458	-	
Interest-bearing borrowings	-	-	
Total Non-Current Liabilities	91,761	-	
TOTAL LIABILITIES	7,217,292	2,669,454	
NET ASSETS	119,736,809	53,769,910	
EQUITY			
Contributed equity	131,186,364	58,144,794	
Reserves	235,031	145,592	
Other equity	(3,327,034)	(3,327,034)	
Accumulated gains / (losses)	(8,357,552)	(1,193,442)	
TOTAL EQUITY	119,736,809	53,769,910	

(c) **Consolidated statement of comprehensive income**

Consolidated Statement of Comprehensive Income		
For the year ended 30 June 2016		
	For the year ended 30 June 2016	For the period 28 April 2014 to 30 June 2015
REVENUE FROM CONTINUING OPERATIONS		
Revenue	6,248,753	7,217
Other gains and income	745,617	-
Direct network costs	(5,063,806)	(290,048)
Profit after direct network costs	1,930,564	(282,831)
OPERATING EXPENSES		
Employee benefits expense	(4,168,141)	(1,135,390)
Office and administrative expenses	(3,399,430)	(2,129,267)
Total Operating Expenses	(7,567,571)	(3,264,657)
Earnings before interest-paid, tax, depreciation, amortisation, contingent consideration and foreign exchange gains/losses (EBITDA)	(5,637,007)	(3,547,488)
Depreciation and amortisation expense	(1,881,969)	(589,777)
Interest on loans	-	(475,874)
Foreign exchange gains / (losses)	354,866	3,419,697
Profit / (Loss) before income tax	(7,164,110)	(1,193,442)
Income tax benefit / (expense)	-	-
Profit / (Loss) for the period after tax from continuing operations	(7,164,110)	(1,193,442)
Other Comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	457,999	145,592
Net fair value loss on hedging transactions entered into for cash flow hedge	(368,560)	-
Total Other Comprehensive income, net of income tax	89,439	145,592
Total Comprehensive Income for the period	(7,074,671)	(1,047,850)

7.10 Material changes in the financial position of Superloop

Superloop has completed two capital raisings since 30 June 2016:

- **Retail Component of Entitlement Offer:** As at 30 June, Superloop was in the process of completing the retail component of an entitlement offer, which settled in July 2016. The retail component of the offer raised \$12.7 million through the issue of 6,109,637 additional shares.
- **Placement:** To part fund the proposed acquisition of BigAir, Superloop has completed a Placement of share capital, raising \$63.4 million net of transaction costs, via the issue of 21,666,667 additional shares.

On 13 July 2016, 725,814 options were issued under the Group's Executive Option Plan, consistent with the resolution approved by shareholders on 21 June 2016, and on 13 July 2016, 196,068 performance rights were issued under the Group's Employee Rights plan.

On 31 August 2016, Superloop entered into a three-year corporate debt facility for \$25 million with the ANZ Bank. The facility can be drawn in multiple currencies and can be used for capital expenditure, working capital and permitted acquisitions. The facility is subject to customary conditions precedent to the first drawing.

Other than as disclosed above, or as disclosed in the Scheme Booklet, or as disclosed by Superloop to the ASX, within the knowledge of the Superloop Board, Superloop's financial position has not materially changed since 30 June 2016, being the date of Superloop's most recent audited annual financial report, other than Superloop's financial performance since 30 June 2016 being within the ordinary course of trading activities.

7.11 Forecast financial information

Superloop has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The Superloop Board has concluded that, as at the date of this Scheme Booklet, a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice, and that the inclusion of such forecasts could be potentially misleading.

The financial performance of Superloop in any period cannot, at this time, be predicted with a high level of confidence given Superloop's stage of development and various factors that are outside the control of Superloop. In particular, the financial performance of Superloop may be affected by:

- the timing and level of network expansion in response to customer demand and competition;
- any delay or unexpected costs associated with planning, construction and development activities;
- outages or damage to Superloop's networks;
- prevailing exchange rates which are subject to material change from time to time;
- changes in respect of existing operations and the provision of services to customers and the overall customer profile;
- change in the regulatory environment;
- general economic (including accounting and tax) risks;; and
- integration of recently acquired businesses.

Superloop does not have an established practice of issuing financial forecasts given the potential impact of the considerations shown above.

7.12 Financing of the Superloop Group

Superloop has historically funded its activities via equity from shareholders. More recently, Superloop has developed alternative funding sources via a debt facility, and entered into an initial term debt facility with Australia and New Zealand Banking Group Limited (**ANZ**) for \$25 million on 31 August 2016.

Superloop currently has sufficient funds for upcoming planned capital projects.

Superloop intends to finance the Cash Consideration and related cash payments under the Scheme through a combination of external debt and funds raised under the Placement.

Pursuant to the terms outlined in the Commitment Letter dated 13 September 2016 signed by ANZ and accepted by Superloop, Superloop will enter into a debt facility with ANZ for up to \$80 million. This will replace the existing \$25 million term debt facility.

An overview of these financing arrangements, including a summary of the terms of the proposed new debt facilities, is contained in section 8.5.

7.13 Dividend policy of the Superloop Group

Superloop has not historically paid a dividend. Please see section 8.4(f) for more information on the dividend policy for the Merged Group.

7.14 Litigation

As at the date of this Booklet, no member of the Superloop Group is involved in any ongoing litigation or dispute which the Superloop directors believe is material in the context of the Superloop Group taken as a whole.

7.15 Rights and liabilities attached to New Superloop Shares

If the Scheme becomes Effective, Superloop will issue New Superloop Shares to Scheme Participants. New Superloop Shares will be issued as fully paid ordinary shares and will rank equally with all issued ordinary shares of Superloop from the date of their allotment.

New Superloop Shares will have the same rights and liabilities attaching to them as existing Superloop Shares by virtue of Superloop's constitution, the Corporations Act and the common law.

Below is a summary of the key provisions of Superloop's constitution. This summary is not exhaustive, nor does it constitute a definitive statement of Superloop shareholders' rights and obligations.

(a) Shares

The Board is entitled to issue and cancel shares in the capital of Superloop, grant options over unissued shares and settle the manner in which fractions of a share are to be dealt with. The Board may decide the persons to whom and the terms on which shares are issued or options are granted as well as the rights and restrictions that attach to those shares or options. Superloop's constitution also permits the issue of preference shares on terms determined by the Board.

(b) Compulsory sale and other important matters

Superloop's constitution regulates the acquisition of voting power in Superloop, restricting a person and their associates from controlling 12% or more but less than 30% (12% threshold) or 30% or more (30% threshold), of the voting power without the approval of the Infocomm Development Authority of Singapore (IDA) (Voting Power Restriction). Pursuant to the Singapore Telecommunications Act, a person must also notify the IDA if they acquire control of more than 5% of the voting power in Superloop within 7 days of acquiring such control. Based on the composition of the BigAir and Superloop share registers as at the date of this Scheme Booklet (and assuming that all BigAir shareholders elect to receive the Scrip Consideration under the Scheme), there is no person who will end up contravening these restrictions or needing to make a notification to the IDA as a result of the issue of New

Superloop Shares under the Scheme. If a person contravenes these restrictions, Superloop has broad powers including to suspend the exercise of votes attached to Shares, direct the Shareholder to transfer or dispose of the Shares, restrict payments on the Shares (eg. in respect of dividends) and pre-emptively restrict any transfer (including refusing to register a transfer) that might give rise to a breach. In addition to the above, Superloop has broad rights to request information it considers necessary to comply with its obligations under the relevant Singapore competition law.

Superloop may also sell a share that is part of an unmarketable parcel of shares in accordance with the procedure set out in Superloop's constitution. An unmarketable parcel is a parcel of Superloop Shares worth less than \$500, based on the Superloop share price on ASX.

(c) Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

(d) Restricted securities

If the ASX classifies any of Superloop's share capital as 'restricted securities' then the restricted securities must not be disposed of during the escrow period and Superloop must refuse to acknowledge a disposal of the restricted securities during the escrow period except as permitted under the Listing Rules or by the ASX.

As at the date of this Scheme Booklet, there are 30,491,250 restricted ordinary shares in Superloop's share capital. Additionally, there are a further 30,677,812 ordinary shares subject to voluntary escrow arrangements.

Under option deeds dated 13 September 2016, each of Vivian Stewart, JMAS Pty Ltd as trustee for The Ashton Trust and Vorpall Pty Ltd as trustee for VJMS Family Trust have agreed to a voluntary escrow of any Superloop Shares they receive pursuant to implementation of the Scheme or settlement of the option deed (as the case may be) for up to 12 months from the date of their issue.

(e) Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, Superloop need not issue share certificates if the Superloop directors so decide.

(f) Calls

The Board may, from time to time, call upon Shareholders for unpaid monies on their shares. The Board must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If such a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is deemed to have been made when a directors' resolution passing the call is made or on such later date fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(g) Forfeiture and lien

Superloop is empowered to forfeit shares in relation to any call or other amount payable in respect of shares which remains unpaid following any notice to that effect sent to a

shareholder. Forfeited shares become the property of Superloop and the Superloop directors may sell, reissue or otherwise dispose of the shares as they think fit.

A person whose shares have been forfeited may still be required to pay Superloop all calls and other amounts owing in respect of the forfeited shares (including interest) if the Superloop directors so determine.

Superloop has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's shares. The lien extends to all distributions relating to the shares, including dividends.

Superloop's lien over shares will be released if it registers a transfer of the shares without giving the transferee notice of its claim.

(h) Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Rules or by a written transfer in any usual form or in any other form approved by the Superloop directors. The Board may refuse to register a transfer of securities of Superloop where the transfer is not in registrable form, Superloop has a lien over any of the shares to be transferred or where it is permitted to do so by the Listing Rules, the ASX Settlement Operating Rules or because Superloop has to do so under the Voting Power Restrictions in section 7.15(b).

(i) General meetings

Each Superloop shareholder and Superloop director is entitled to receive notice of and attend any general meeting of Superloop. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

(j) Voting rights

Subject to any rights or restrictions attached to any shares or class of shares, on a show of hands each member present has one vote and, on a poll, one vote for each fully paid share held, and for each partly paid share, a fraction of a vote equivalent to the proportion to which the share has been paid up. Voting may be in person or by proxy, attorney or representative.

(k) Remuneration of directors

Each Superloop director is entitled to remuneration for their services as decided by the Superloop directors but the total amount provided to all non-executive directors for their services must not exceed in aggregate in any financial year the amount fixed by Superloop in a general meeting. The remuneration of a Superloop director (other than the managing director or an executive director) must not include a commission on, or a percentage of, profits or operating revenue.

Remuneration may be provided in such manner that the Superloop directors decide, including by way of non-cash benefits. On 21 June 2016, Superloop adopted an Executive Option Plan which provides for the granting of options to key executives in certain circumstances. There is also provision for directors who devote special attention to the business of Superloop or who otherwise perform services which are regarded as being outside of their ordinary duties as directors, or who at the request of the Board engage in any journey on Superloop's business, to be paid extra remuneration as determined by the Board.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to Superloop's affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in Superloop's business.

(l) Interest of directors

A Superloop director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

(m) Election of directors

There must be a minimum of three directors and a maximum of twelve directors, which the Superloop board may determine from time to time.

Where required by the Corporations Act and Listing Rules, Superloop must hold an election of directors each year. No director, other than the managing director(s), may hold office without re-election beyond the third annual general meeting following the meeting at which the Superloop director was last elected or re-elected.

With respect to the retirement of Superloop directors, the director(s) longest in office since last being elected must retire. If a number of directors were elected on the same day, the Superloop directors to retire shall (in default of agreement between them), be determined by ballot.

A Superloop director appointed to fill a casual vacancy, who is not a managing director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no director is required to retire, then the director who has been longest in office since last being elected must retire.

(n) Dividends

If the Board determines that a final or interim dividend is payable, it will (subject to the terms of issue on any shares or class of shares) be paid on all shares proportionate to the amount for the time being paid on each share. Dividends may be paid by cheque, electronic transfer or any other method as the Board determines.

The Board has the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. Such capitalisation and distribution must be in the same proportions that the Shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Listing Rules, the Board may pay a dividend out of any fund or reserve or out of profits derived from any particular source.

(o) Proportional takeover bids

Superloop may prohibit registration of transfers purporting to accept an offer made under a proportionate takeover bid unless a resolution of Superloop has been passed approving the proportional takeover bid in accordance with the provisions of Superloop's constitution.

The rules in Superloop's constitution relating to proportional takeover bids will cease on the third anniversary of the adoption of Superloop's constitution or the renewal of the rules unless renewed by a special resolution of shareholders.

Superloop's constitution was adopted in May 2015. There has not been any renewal of the rules since its adoption.

(p) Indemnities and insurance

Superloop must indemnify current and past directors and other executive officers (**Officers**) of Superloop on a full indemnity basis and to the full extent permitted by law against all liabilities incurred by the Officer as a result of their holding office of Superloop or of a related body corporate.

Superloop may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office of Superloop or of a related body corporate.

7.16 Further information

As an ASX listed company and a “disclosing entity” under the Corporations Act, Superloop is subject to regular reporting and disclosure obligations. Among other things, these obligations require Superloop to announce price sensitive information to the ASX as soon as Superloop becomes aware of information, subject to some exceptions.

Pursuant to the Corporations Act, Superloop is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Superloop directors and an audit or review report.

Copies of each of these documents can be obtained (free of charge) by contacting Superloop on +61 7 3088 7300 or by email at investor@superloop.com.

ASIC also maintains a record of documents lodged with it by Superloop, and these may be obtained from, or inspected at, any office of ASIC. Information is also available on Superloop’s website at www.superloop.com.

Superloop’ continuous disclosure notices to the ASX after the lodgement with the ASX of its annual report for the year ended 30 June 2016 on 29 August 2016 and before the lodgement for registration of this Booklet by ASIC are listed in the table below.

Date	Announcement
31 August 2016	Corporate Debt Facility
13 September 2016	Trading Halt
13 September 2016	Acquisition of BigAir Group and Capital Raising
13 September 2016	Scheme Implementation Deed
13 September 2016	Investor Presentation
14 September 2016	BGL: Scheme Implementation Deed
14 September 2016	BGL: Investor Presentation
14 September 2016	Completion of Capital Raising
15 September 2016	Becoming a substantial holder for BGL
16 September 2016	Appendix 3B

19 September 2016	Cleansing Notice
19 September 2016	Placement Disclosure – ASX Listing Rules 3.10.5A and 7.1A
30 September 2016	Release of Shares from Voluntary Escrow – ApexN Pty Ltd
30 September 2016	Change in substantial holding
30 September 2016	Change in substantial holding
10 October 2016	Hong Kong Update
18 October 2016	Notice of Annual General Meeting / Proxy Form

Superloop' recent announcements are available from the ASX's website at www.asx.com.au. Further announcements concerning Superloop will continue to be made available on this website after the date of this Scheme Booklet.

8. Profile of the Merged Group

The information set out in this section 8 contains information in relation to the Merged Group and was prepared by Superloop with assistance from BigAir. As noted in section 11.8, Superloop takes responsibility for the Superloop Information in this Scheme Booklet.

8.1 Business overview

Superloop's management believes that the Merged Group has the potential to unlock considerable value through deep integration of the businesses of Superloop and BigAir and by providing an enhanced service offering through the combination of complementary capabilities. Superloop provides backbone infrastructure and access to facilitate interconnectivity across the Asia Pacific region. BigAir provides last mile connectivity in Australia, enabling access to enterprise buildings in Melbourne, Sydney and Brisbane. The combination will position the Merged Group as a leading independent provider of end-to-end connectivity services throughout the region.

BigAir's Australian metropolitan presence will enable Superloop to expand its network into major enterprise buildings and facilitate interconnectivity on Superloop's existing network between enterprise buildings and locations of high interconnection density (eg. data centres and submarine cable landing stations).

The combination of network infrastructure and managed services (connectivity, voice and cloud) positions the Merged Group as a full service, end-to-end provider, which will be able to meaningfully compete with other telecommunications providers.

BigAir and Superloop have complementary assets and skill-sets which will potentially allow the Merged Group to win more new customers and increase cross-selling of new products to existing customers.

Looking forward, Superloop may use BigAir's expertise and technology to roll out both fixed wireless and managed services offerings to Singapore and Hong Kong, subject to any applicable regulatory requirements.

The Merged Group is expected to initially generate the majority of its earnings in Australia. However, meaningful revenues are expected to be derived in Singapore and Hong Kong, and in the medium term these will likely increase at a greater rate than those of Australia as Superloop executes on its strategy post-acquisition.

8.2 Rationale for Superloop's proposed acquisition of BigAir

The combination of BigAir and Superloop brings together two highly complementary and culturally aligned businesses with track records of creating substantial value for shareholders.

(a) The acquisition fundamentally enhances opportunities for Superloop's fibre business, allowing Superloop to accelerate the rollout of fibre across Australia

Superloop will remain focused on its core physical network infrastructure and network services across the Asia Pacific region, interconnecting major enterprise buildings and data centres.

The combination provides the critical mass to scale Superloop's Australian footprint into enterprise buildings, at low cost due to BigAir's presence in high quality towers in close proximity to Superloop fibre.

Elements of the BigAir base station backhaul network can be "swapped out" with Superloop fibre in high-value CBD and inner metro buildings. Importantly, it is expected that this will require little or no incremental operating expenditure; rather it is expected to require an

increase in one-time capex only. This expansion of the fibre network will allow Superloop to offer wholesale and enterprise customers last mile dark fibre and metro access to many of the major buildings in existing markets.

Separately, there is an additional benefit of bolstering backhaul to current wireless base station POPs, reducing incremental operating costs for additional capacity.

Swapping out existing backhaul solutions for Superloop fibre will improve network coverage whilst also adding the capability to deliver redundancy (via technology diversity) to enterprise customers.

Finally, the Merged Group will be able to leverage BigAir's existing relationships in a number of high-growth verticals, including education, health, aged care and construction.

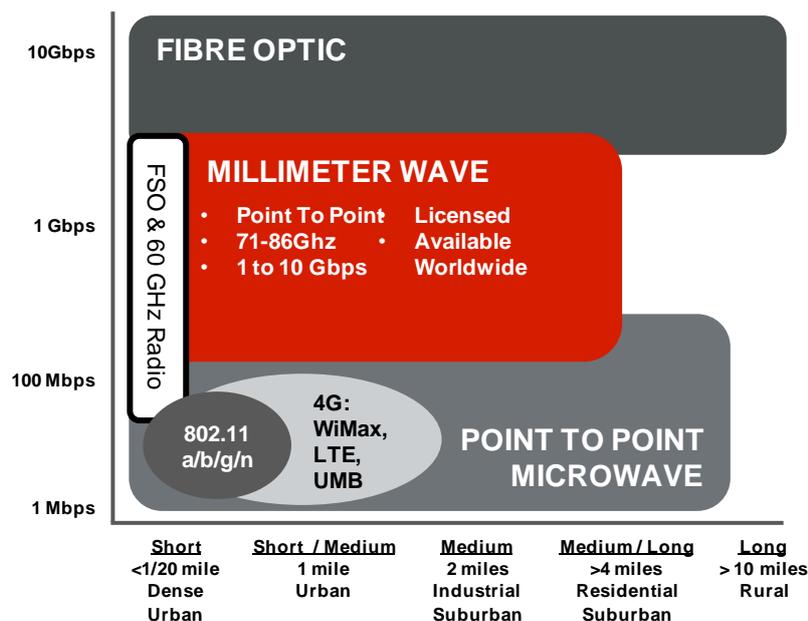
(b) Superloop plans to hyper-scale BigAir's wireless and "fibre extender" capability by leveraging its fibre network. Superloop and BigAir intend to build a low-cost access alternative for Gigabit+ speeds

BigAir will continue to focus on the wholesale "last mile" wireless access market. By leveraging Superloop's fibre assets and BigAir's existing wireless network and capabilities, the Merged Group will deliver wholesale providers a high-speed NBN alternative in outer metro and regional Australia.

BigAir "fibre extender" millimetre wave wireless solution for 1km-4km services can be combined with Superloop fibre backbone to deliver low cost Gigabit+ access alternative.

The Merged Group is aiming to offer an alternative of fixed wireless (using millimetre wave) to enable significantly greater coverage as a primary or redundant service.

The Merged Group will be able to offer to the market a service which scales and allows customers low-latency, low-cost access to managed service offerings including hosted PBX, managed firewall, corporate VPN and hosted private and public cloud offerings.



(c) **It is intended that the BigAir managed service offerings will be restructured and rebranded to create a fully integrated and focused managed service provider business with a clear statement on market position and product offerings**

The Merged Group intends to rebrand and reposition BigAir's current managed services business as a separate division, focusing on the medium to large enterprise space. The rebranding is intended to create a fully integrated and focused managed service provider with a clear statement on market position and product offerings. The service offering will include enterprise connectivity, voice and cloud services.

This division will leverage Superloop's and BigAir's network capabilities and infrastructure advantage to underpin the connectivity requirements of its managed service offering.

The Superloop Directors and BigAir Directors, and management of both businesses, see significant opportunity for growth in this business unit.

8.3 Benefits of the Transaction

The Superloop Directors and the BigAir Directors believe that the Merged Group will generate significant benefits to all shareholders through the exposure to a larger, more diversified full-service connectivity provider, with enhanced capability for growth and wealth creation. In addition to the combined service offering, Superloop and BigAir have identified the following potential synergies:

(a) **Synergies**

Cost synergies

The annualised cost synergies have been estimated by BigAir and Superloop management teams at approximately \$4 million per annum, which are expected to be realised over approximately two years.

- **Network capabilities:** estimated \$2 – \$3 million

In order to deliver internet connectivity, BigAir's network requires fibre connections. In 2016, BigAir spent over \$10 million in backhaul, intercap and access charges. In certain circumstances, services acquired from third party providers can be delivered by Superloop.

Following implementation of the Scheme, the Merged Group will replace long-span fixed wireless backhaul with Superloop fibre, allowing ACMA license fees to be reduced.

Other costs that are intended to be reduced include duplication co-location / data centre costs, and the spend on transmission internet and transit IP.

- **Corporate overhead:** estimated \$1 – \$2 million

The Merged Group expects savings from duplicated public company costs and other selling, general and administrative costs.

Revenue synergies

The Merged Group may also realise revenue enhancement opportunities through:

- Cross-selling opportunities across the combined base;
- Flexibility from having the antenna equipment connected to a co-owned dark-fibre network, making it easier to achieve high utilization rates; and

- Benefits from the rebranding and relaunching of the managed services division.

Future costs avoided

The Merged Group will benefit from savings from avoiding costs that would have otherwise been incurred if the businesses were to continue standalone. One example is that Superloop will be able to leverage BigAir's existing 24-hour Network Operations Centre (NOC).

(b) Costs to achieve synergies

The BigAir and Superloop management teams estimate the one-time costs associated with achieving the abovementioned cost synergies to be approximately \$0.5 to \$1.0 million.

These will include costs of reducing corporate overhead, such as IT and finance system integration costs and redundancy payments, and costs of realising the network capability synergies, such as laying additional fibre and terminating existing agreements.

This is separate to transaction costs associated with the acquisition which are detailed in section 11.10.

BigAir and Superloop have both had experience of integrating assets and businesses, however the achievement of any synergies is not certain.

There is a risk that synergies may not be realised at all or not realised to their full extent, or that they may be realised over a longer period of time than anticipated. Further detail regarding these risks is set out in section 9.1(b).

8.4 Superloop's intentions if the Scheme is implemented

(a) Overview

This section 8.4 sets out the intentions of Superloop for the Merged Group if the Scheme is implemented in relation to, among other things:

- the continuation of the business of BigAir;
- any major changes to be made to the business of BigAir, including any redeployment of the fixed assets of the company; and
- the future employment of the present employees of BigAir.

The statements of intention made in this section 8.4 are based on the information concerning

BigAir and the circumstances affecting the business of BigAir that are known to Superloop at the date of this Scheme Booklet. Final decisions on these matters will only be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this section 8.4 are statements of current intention only, which may change as new information becomes available or circumstances change.

(b) Continuation of business

If the Scheme is implemented, Superloop intends to continue the business of BigAir largely in its current form other than the rebranding of the managed services business as described in section 8.2(c).

Superloop intends, over time, to seek to maximise the performance of the BigAir business through operational improvement and the realisation of the synergies discussed in section

8.3(a). Superloop intends to collaborate with BigAir's staff and existing management team to optimise BigAir's prospects and operating performance.

(c) Implementation and integration process

Superloop has no current intention to make significant changes to any parts of BigAir, nor redeploy any of BigAir's fixed assets or transfer any of BigAir's current businesses or material assets.

While Superloop has no current intention to make any significant changes to any parts of BigAir's business, there may be some instances where a compelling logic exists to rationalise existing operations or processes. Through the integration of these businesses and processes, Superloop expects to achieve increased efficiency and synergy benefits over time.

A new role of Group Chief Operating Officer will be established to lead the integration of the combined group, to achieve increased efficiencies and synergy benefits, and the delivery of a broader service offering. Superloop is currently recruiting for this role.

(d) Superloop board

In accordance with the Scheme Implementation Deed, Jason Ashton and Vivian Stewart will be appointed to the Superloop board effective on the Implementation Date as an executive director and an independent non-executive director, respectively. As previously announced to the market, Mr Daniel Abrahams, Executive Director and Chief Infrastructure Officer, does not intend to stand for re-election as a director at Superloop's 2016 Annual General Meeting.

Post-implementation of the Scheme, Superloop also intends to seek a board member with significant Asian industry experience.

(e) Future employment of the present employees of BigAir

Superloop will seek to retain key members of BigAir's management and staff, where appropriate.

Superloop intends to consolidate BigAir's corporate head office functions with those of Superloop. Superloop may close certain BigAir offices where services provided by those offices can be provided more efficiently by the Superloop Group. Superloop will review the roles of those employees providing services that are duplicated within the Merged Group. There may be a small number of redundancies as a result of this review, however Superloop will endeavour to minimise the disruption (if any) to BigAir and its employees.

Superloop will also seek the resignation of the existing directors of BigAir and appoint, in their place, nominees of Superloop. Superloop has not yet determined the identity of its proposed nominees, although the candidates who are likely to be considered by Superloop for appointment to the BigAir board will be executives or officers of the Superloop Group with appropriate experience, qualifications and skills for BigAir and its business and to implement Superloop's intentions for BigAir.

As at the date of this Scheme Booklet, BigAir has 917,040 BigAir Performance Rights and 166,515 BigAir Service Rights on issue. Please see section 5.19 for details of the treatment of these BigAir Performance Rights and BigAir Service Rights under the Scheme.

The remuneration arrangements of employees, the terms of any new incentive plans and the employees who will be entitled to participate in those plans will be determined by Superloop after implementation of the Scheme, in consultation with BigAir's management team. Superloop intends that the remuneration arrangements will continue to attract and retain employees.

(f) Dividend policy for the Merged Group

Superloop has not historically paid any dividends, however if the Scheme is implemented, Superloop intends that the Merged Group's board of directors will determine the dividend policy of the Merged Group having regard to its NPAT for FY17, its financial position and an assessment of the capital required to grow its businesses. Accordingly, there is no guarantee that the Merged Group will continue to pay dividends in line with BigAir's historical dividend policy.

(g) Leverage ratio

Superloop intends to target leverage on a pro forma Net Debt / EBITDA basis of less than 2.5x.

For this purpose EBITDA is inclusive of Superloop and BigAir's EBITDA for the previous twelve months, excludes transaction costs and one-off or significant items, and includes pro forma cost synergies.

The Superloop Board has considered this leverage target having regard to the fact that the relative take-up of the All Scrip versus Cash/Scrip consideration will have a material impact on Net Debt.

(h) BigAir to be delisted

Once the Scheme has been implemented, Superloop intends to procure that BigAir apply for a suspension from trading on the ASX of BigAir shares and apply to have itself removed from the official list of the ASX.

Superloop intends to remain listed on the ASX.

(i) Other intentions for the Merged Group

Other than as set out in this section 8.4, if the Scheme is implemented, it is Superloop's present intention to:

- continue the business of BigAir in substantially the same manner as presently conducted;
- not make any major changes to the business of BigAir nor redeploy the fixed assets of BigAir; and
- continue the employment of the present employees of BigAir.

8.5 Funding of cash component of Scheme consideration

If the Scheme becomes Effective, Superloop will pay Scheme Participants who elect to receive the Mixed Consideration cash on the Implementation Date in accordance with the Scheme. The maximum amount of cash to be paid by Superloop to Scheme Participants under the Scheme, in aggregate, is \$95 million (**Maximum Cash Consideration**).

Superloop will fund the cash component of the Scheme Consideration and related transaction costs from the following sources:

- funds drawn down under the new debt facilities totalling \$80 million outlined in section 8.5(a) below; and
- funds raised under the Placement outlined in section 8.5(b) below.

The total amount of funds available to Superloop from these sources shall be sufficient to pay the Maximum Cash Consideration.

(a) ANZ debt facilities

Superloop has executed a legally binding commitment letter with ANZ dated 13 September 2016 (**Commitment Letter**) under which ANZ has committed to provide debt funding pursuant to the terms of a multi-currency facility agreement in a form substantially as set out in the Commitment Letter (the **Facility Agreement**). The facilities to be provided total \$80 million and consist of:

- a 3 year bullet revolving cash advance facility of up to \$75 million (**Facility A**); and
- an interchangeable and revolving 3 year bullet multi-option facility of up to \$5 million (**Facility B**),

(together, the **Facilities**).

Subject to the satisfaction of certain conditions precedent, Facility A will be available for drawing from the Second Court Date until, in the case of a draw for the purposes of funding the Scheme, no later than 15 March 2017 or, in the case of any other a draw, 30 days prior to the Facility Maturity Date. Facility B will be available for drawing from the date the Facility Agreement is signed to no later than 30 days prior to the Facility Maturity Date.

Facility A is available to assist in funding permitted acquisitions, including the Scheme, to retire/refinance any existing indebtedness of BigAir and to assist with the payment of fees, costs and expenses incurred by the Superloop Group in connection with the Scheme. Facility B is available to assist with the general corporate purposes of the Superloop Group including capital expenditure and working capital requirements.

ANZ's commitment to provide the Facilities is subject to satisfaction of the following conditions:

- compliance by Superloop with all the material terms of the Commitment Letter;
- no default is subsisting (the events of default are customary for facilities of this nature);
- each of the representations and warranties made by Superloop in the Commitment Letter being correct in all material respects; and
- execution of the Facility Agreement and related documentation and the making of the drawing under them by no later than 15 March 2017 or any later date agreed between Superloop and ANZ.

As at the date of this Scheme Booklet, Superloop is not aware of any reason why these conditions precedent will not be satisfied before the Second Court Date.

As at the date of this Scheme Booklet, outstanding conditions precedent applicable to the draw down of funds by Superloop under the Facilities include, but are not limited to:

- provision by Superloop to ANZ of a verification certificate confirming certain matters;
- provision of a certificate nominating certain persons to act as authorised representatives in respect of the finance documents;
- provision of audited financial statements, a pro forma balance sheet and a 12 month financial forecast;

- execution of all relevant finance documents and other material documents required by ANZ;
- BigAir shareholder approval and Court approval of the Scheme;
- receipt of title documents in respect of the secured property, as well as certain share registers;
- provision of duly completed and executed discharges and releases of any security interests (other than a permitted security interest) existing over the secured property;
- provision of a business plan and financial model for the Merged Group;
- evidence of insurance policies required under the finance documents;
- copies of a tax sharing agreement and tax funding agreement for the Superloop tax consolidated group;
- evidence of receipt by Superloop of funds from the Placement;
- evidence that no default has occurred and is subsisting;
- provision of a funds flow statement; and
- provision of a Merged Group structure chart.

As at the date of this Scheme Booklet, Superloop is not aware of any reason why the conditions precedent to first draw down under the Facilities will not be satisfied in time to allow the Facilities to be drawn down to contribute towards the payment of the Maximum Cash Consideration as and when it is due under the terms of the Scheme.

ANZ's commitment to provide the Facilities under the Commitment Letter will terminate in certain events which are customary for commitment letters of this nature. As at the date of this Scheme Booklet, Superloop is not aware of any circumstances that would give rise to a termination event.

The Facilities are also to be provided on customary 'certain funds' terms, which means that from the period from and including the date of the Commitment Letter to and including the last day of availability of drawings under Facility A, ANZ must comply with any draw down request by Superloop to fund the acquisition of the BigAir Group. The draw down is subject only to:

- no major representation being untrue or misleading in any material respect and no major default occurring (in each case, only in respect of a member of the Superloop Group);
- no insolvency event occurring with respect to a member of the BigAir Group;
- it being lawful for ANZ to perform its obligations under the Facility Agreement;
- Mr Bevan Andrew Slattery continuing to legally and beneficially own at least 20% of each class of the issued share capital of Superloop;
- the nature of the core business carried on by the Superloop Group as a whole ceases to be consistent with the nature of its core business as at the date of the Facility Agreement (without the consent of ANZ); and

- the satisfaction or waiver of all documentary and other conditions precedent under the Facility Agreement.

As at the date of this Scheme Booklet, Superloop is not aware of any circumstances that would lead to an event of default, or that would give ANZ a right to terminate any of the Facilities or its obligation to fund under the Commitment Letter.

Superloop expects that, prior to the date of the Scheme Meeting, it will finalise its debt facilities for an amount no less than the amount available under the Facilities, by entering into the Facility Agreement.

(b) Placement by Superloop

On 13 September 2016, Superloop announced to the ASX the final terms of a placement to sophisticated and professional investors (**Placement**). The Placement was completed on 14 September 2016 and raised approximately \$63.5 million (net of costs, advisor fees and other expenses) through the issue of 21,666,667 new ordinary shares in Superloop at \$3.00 per share. The shares were issued on 19 September 2016.

8.6 Financing of the Merged Group

Under the terms of the Facility Agreement, it is proposed that Superloop is required to ensure that, within a certain period following the implementation of the Scheme, each member of the BigAir Group accedes to the Facility Agreement and executes certain other related documentation as a guarantor and security provider. However, under the Corporations Act Superloop shareholders must approve the accession to the Facility Agreement.

If Merged Group shareholders approve the accession to the Facility Agreement, the Merged Group will continue to have access to the Facilities pursuant to terms and conditions of the Facility Agreement. These terms are customary for facilities of this nature, and include, but are not limited to, the following:

- (a) Financial covenants:** The Facility Agreement proposes that, following 30 June 2017, Superloop must ensure:
- (i) compliance with certain agreed leverage and interest cover ratios for the Consolidated Group;
 - (ii) that it maintains a minimum total consolidated shareholders' equity of the Consolidated Group; and
 - (iii) that the aggregate EBITDA and the aggregate value of the total assets of the guarantors under the Facility Agreement is (respectively) at least 90% of the aggregate EBITDA and the aggregate value of the total assets of the Consolidated Group.
- (b) Review Event:** It will constitute a review event under the proposed Facility Agreement if:
- (i) Mr Bevan Andrew Slattery legally and beneficially owns less than 20% of each class of the issued share capital of Superloop;
 - (ii) trading in Superloop shares is suspended from the ASX for more than 3 consecutive trading days for reasons other than a requirement to suspend trading on account of an imminent major acquisition/merger or announcement;
 - (iii) if the shares of any guarantor under the Facility Agreement which is listed on a securities exchange are removed from the official list of that securities exchange or suspended from trading for 5 consecutive trading days; or

- (iv) Superloop has used its best endeavours to ensure compliance with the financial covenant described in section 8.6(a)(ii)8.6(a)(ii) above, but has not been able to satisfy such obligations or requirements due to a failure to obtain any relevant shareholder approval.

Following the occurrence of a Review Event, including where Superloop shareholders do not approve each member of the BigAir Group acceding to the Facility Agreement, Superloop and ANZ are to negotiate in good faith for a period of 30 days in order to agree a strategy to rectify or restructure the circumstances giving rise to the Review Event. If the parties cannot reach agreement for the continuation of the Facilities after the 30 day consultation period, ANZ may give Superloop notice cancelling the Facilities or declaring the Facilities due and payable (such cancellation or repayment not to be effected or required earlier than 45 days after any such notice from ANZ). As at the date of this Scheme Booklet, Superloop is not aware of any reason why these conditions precedent will not be satisfied before the Second Court Date.

- (c) **Hedging:** Under the terms of the Facility Agreement, within 60 days after Financial Close, Superloop is required to enter into appropriate hedging documentation in order to hedge at least one-third of its floating interest rate exposure under the Facilities until the Facility Maturity Date.

8.7 Capital structure

The capital structure of the Merged Group will depend on the number of BigAir Shareholders who elect to receive the Mixed Consideration, and therefore the number of New Superloop Shares issued under the Scheme.

As such, the capital structure shown in the figure below is based on two scenarios:

- no BigAir Shareholders elect to receive the Mixed Consideration, such that a total of approximately 69,108,130 New Superloop Shares will be issued; and
- the Cash Cap is fully utilised, such that a total of approximately 33,902,102 New Superloop Shares will be issued.

Figure: Number of Superloop Shares on issue after implementation of the Scheme

	No elections to receive Mixed Consideration	Elections to receive Mixed Consideration cause Cash Cap to be fully utilised
New Superloop Shares to be issued as part of the Scheme Consideration ²	69,108,130	33,902,102
Total Superloop Shares on issue following the Implementation Date ³	226,049,617	190,843,589
BigAir Shareholder pro forma	30.6%	17.8%

² On a fully diluted basis, assuming that a total of 184,213,537 BigAir Shares are on issue and not held by Superloop or its subsidiaries on the Record Date, and up to 1,083,555 BigAir Shares are issued in relation to the BigAir Performance Rights and BigAir Service Rights. The vesting of 917,040 BigAir Performance Rights and 166,515 BigAir Service Rights remains subject to a determination of the BigAir Board on or around the Effective Date. This figure is subject to rounding for fractional entitlements.

³ Assumes that on the Record Date a total of 125,528,355 Superloop Shares are on issue, plus 30,491,250 restricted ordinary shares, 196,068 performance rights and 725,814 options.

	No elections to receive Mixed Consideration	Elections to receive Mixed Consideration cause Cash Cap to be fully utilised
ownership of the Merged Group		

8.8 Pro forma historical financial information

(a) Overview

The Merged Group Unaudited Pro Forma Historical Financial Information has been prepared to provide BigAir Shareholders with an illustrative historical statement of comprehensive income and historical financial position of the Merged Group if the Scheme is implemented.

The Merged Group Unaudited Pro Forma Historical Financial Information contained in this section 8.8 comprises the:

- unaudited pro forma statement of comprehensive income for the combined Superloop and BigAir business (**Merged Group Unaudited Pro Forma Statement of Comprehensive Income**) for the financial year ended 30 June 2016; and
- unaudited pro forma statement of financial position for the combined Superloop and BigAir business as at 30 June 2016 (**Merged Group Unaudited Pro Forma Statement of Financial Position**).

The Merged Group Unaudited Pro Forma Historical Financial Information is indicative only and does not illustrate the financial information that may be contained in future financial statements when the Scheme is implemented. This section 8.8 should be read in conjunction with the information contained elsewhere in this Booklet, including the risk factors set out in section 9, and also the accounting policies of Superloop as disclosed in its most recent annual financial report.

Deloitte has been engaged as the Investigating Accountant to prepare an Investigating Accountant's Report on the compilation of the Merged Group Unaudited Pro Forma Historical Financial Information, as set out in this section 8.8. The Investigating Accountant's Report is set out in Annexure B. BigAir Shareholders should note the scope and limitations of the Investigating Accountant's Report.

(b) Basis of preparation

The Merged Group Unaudited Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards and Superloop's and BigAir's adopted accounting policies. Key assumptions have been set out in section 8.8(d), and should be read with the Merged Group Unaudited Pro Forma Historical Financial Information.

The Merged Group Unaudited Pro Forma Historical Financial Information contained in this section 8.8 is based on:

- BigAir's audited financial report for the year ended 30 June 2016;
- Superloop's audited financial report for the year ended 30 June 2016;

- the Merged Group Unaudited Pro Forma Historical Financial Information has been adjusted for certain pro forma transactions and/or other adjustments described in the notes, including BigAir's post 30 June 2016 acquisition of Cyberhound; and
- the key assumptions set out in section 8.8(d) below.

The proposed acquisition consideration comprises two alternative options (refer section 8.8(c)) available to BigAir Shareholders, and the Merged Group Unaudited Pro Forma Historical Financial Information has been prepared to show the impact of 100% acceptance of either option.

The Merged Group Unaudited Pro Forma Historical Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements and comparative information required by the Australian Accounting Standards as they are applicable to annual financial reports prepared in accordance with the Corporations Act.

The Merged Group Unaudited Pro Forma Historical Financial Information is provided for illustrative purposes and is prepared on the assumption that:

- for the purposes of the Merged Group Unaudited Pro Forma Statement of Comprehensive Income, the Scheme had been implemented on 1 July 2015; and
- for the purposes of the Merged Group Unaudited Pro Forma Statement of Financial Position, the Scheme had been implemented as at 30 June 2016.

The Merged Group Unaudited Pro Forma Historical Financial Information is not intended to reflect the financial performance or the financial position that would have actually resulted had the Scheme been implemented on these dates, or the results that may be obtained in the future. If the proposed transaction had occurred in the past, Superloop's financial position and financial performance would likely have been different from that presented in the Merged Group Unaudited Pro Forma Historical Financial Information. Due to the nature of pro forma information, it may not give a true picture of the Merged Group's financial position and financial performance. The Merged Group Unaudited Pro Forma Historical Financial Information is not represented as being indicative of Superloop's views on its future financial position or future financial performance.

All amounts disclosed in the tables are presented in Australian dollars.

(c) Scenarios

The proposed acquisition consideration comprises two alternative options available to BigAir Shareholders. A summary of the offer options is outlined below (refer to section 5.3) of this booklet for more detail:

- Option A:** All Scrip Offer – 0.371 Superloop shares per BigAir share;
- Option B:** Mixed Consideration – \$0.70 plus 0.118 Superloop shares per BigAir share. The cash component of this mixed alternative is subject to a \$95 million cap on the amount of cash that will be paid, with a pro rate scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed Consideration alternative. If such a scale back occurs, each BigAir Shareholder who elects to receive the Mixed Consideration alternative will receive, in relation to each BigAir share held by them, an additional 0.00377 Superloop shares for each 1 cent of cash scaled back.

As a result of the options available to BigAir Shareholders, two alternative scenarios have been applied in preparing the Merged Group Unaudited Pro Forma Historical Financial Information:

Scenario 1: The base scenario assumes 100% of BigAir Shareholders select Option B – Mixed Consideration, and as a result the \$95 million cash cap and scale back provisions described above are applied.

Scenario 2: Assumes 100% of BigAir Shareholders select Option A – All Scrip Offer.

A sensitivity table based on different election outcomes by BigAir Shareholders between Option A and Option B has been prepared to show the impact on the acquisition accounting, and is presented in section 8.8(f).

(d) Key assumptions

The Merged Group Unaudited Pro Forma Historical Financial Information has been prepared based on the key assumptions set out below:

Variation in accounting policies

The Merged Group Unaudited Pro Forma Historical Financial Information has applied the individual accounting policies of Superloop and BigAir respectively. Superloop has not had sufficient access to BigAir's financial records to determine the consequences of applying Superloop's accounting policies to BigAir's financial report, and therefore there is some uncertainty regarding the extent and/or the amount of the impact that may result as a change if BigAir were to adopt Superloop's accounting policies. Whilst both Superloop and BigAir prepare their financial information in accordance with Australian Accounting Standards, individual accounting policy choices, or variations in specifically how accounting policies have been applied, may result in an impact if BigAir were to adopt Superloop's accounting policies. No allowance for any variations in the adoption of Superloop's accounting policies by BigAir has been made in the Merged Group Unaudited Pro Forma Historical Financial Information.

Scheme Consideration

For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, Scenario 1 has been assumed to apply as the base case (refer section 8.8(c)). Scenario 2, being 100% acceptance of the scrip offer, has been shown as a comparative, with the excess cash first being applied to reduce the utilisation of the debt facility, and any surplus cash being held on the Statement of Financial Position. In the event of Scenario 2, Superloop would continue to evaluate other potential organic and inorganic expansion opportunities aimed at increasing shareholder value, however should opportunities to utilise the surplus cash not be identified within a reasonable time period, a return of capital to Shareholders would be considered. Any return of capital will be subject to final Board consideration and approval.

Acquisition accounting – fair value of consideration paid

For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, it has been assumed that there will be no material difference between the price of the Superloop shares at completion date and the share price adopted under the Scheme Consideration outlined above. Any difference between the fair value of Superloop shares at completion date and the share price used will impact the accounting for the fair value of the consideration paid and intangible assets.

Acquisition accounting – Fair value of identifiable assets and liabilities acquired

For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, it has been assumed there are no adjustments to the carrying values of identified assets and liabilities acquired.

Acquisition accounting – Other intangibles

For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, it has been assumed there are no separately identifiable intangible assets other than those already recognised in the respective statement of financial positions. It is, however, likely that separately identified intangibles will be identified, with the resulting effect of reducing goodwill arising on acquisition.

Deferred Taxation

Superloop has not recognised any deferred tax assets in its Consolidated Statement of Financial Position as at 30 June 2016. A significant portion of Superloop's unrecognised deferred tax assets relate to tax credits for prior year tax losses, as disclosed in Superloop's audited Annual Financial Report. For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, no adjustments have been made to recognise any deferred tax assets for Superloop with respect to prior financial years. Tax benefits flowing from the loss before tax incurred by Superloop for the financial year ended 30 June 2016 have been recognised in the Merged Group Unaudited Pro Forma Historical Financial Information offsetting tax outflows of BigAir for the same reporting period. Superloop conducts operations in foreign jurisdictions, principally Singapore and Hong Kong, and the pro forma tax benefit recognised incorporates tax rates applicable in each jurisdiction. It has also been assumed that there will be no resetting of BigAir's tax cost bases following the acquisition for the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information.

(e) Merged Group Unaudited Pro Forma Statement of Comprehensive Income

The Merged Group Unaudited Pro Forma Statement of Comprehensive Income for the year ended 30 June 2016 has been derived from combining:

- the Superloop Historical Consolidated Statement of Comprehensive Income for the year ended 30 June 2016, which was extracted from Superloop's audited annual financial report;
- the BigAir Historical Consolidated Statement of Comprehensive Income for the year ended 30 June 2016, which was extracted from BigAir's audited annual financial report; and
- the pro forma adjustments noted below.

Unaudited Pro-forma Statement of Comprehensive Income - Merged Group

For the year ended 30 June 2016

	Historical Audited				Scenario 1 - Pro-forma Historical	Pro-forma adjustments - Scenario 2	Scenario 2 - Pro-forma Historical
	Consolidated Superloop Group	Consolidated BigAir Group	Pro-forma adjustments - Scenario 1	Pro-forma adjustments - Scenario 2			
REVENUE FROM CONTINUING OPERATIONS							
Revenue	6,248,753	79,743,639	(131,931)		85,860,461		85,860,461
Other gains and income	745,617	923,595			1,669,212		1,669,212
Direct network costs	(5,063,806)	(38,980,315)	131,931		(43,912,190)		(43,912,190)
Profit after direct network costs	1,930,564	41,686,919	-		43,617,483		43,617,483
OPERATING EXPENSES							
Employee benefits expense	(4,168,141)	(14,183,232)			(18,351,373)		(18,351,373)
Office and administrative expenses	(3,399,430)	(8,579,684)			(11,979,014)		(11,979,014)
Total Operating Expenses	(7,567,571)	(22,762,816)	-		(30,330,387)		(30,330,387)
Earnings before interest-paid, tax, depreciation, amortisation, contingent consideration and foreign exchange gains/losses (EBITDA)	(5,637,007)	18,924,103	-		13,287,096		13,287,096
Depreciation and amortisation expense	(1,881,969)	(8,281,483)			(10,163,452)		(10,163,452)
Interest on loans	-	(1,604,225)	(1,739,120)		(3,343,345)	1,779,221	(1,564,125)
Foreign exchange gains / (losses)	354,866				354,866		354,866
Adjustments to contingent consideration	-	4,273,497	(4,273,497)		-		-
Profit / (Loss) before income tax	(7,164,110)	13,311,892	(6,012,617)		135,165	1,779,221	1,914,385
Income tax benefit / (expense)	-	(3,037,377)	2,378,665		(658,712)	(533,766)	(1,192,478)
Profit / (Loss) for the year after tax from continuing operations	(7,164,110)	10,274,515	(3,633,952)		(523,547)	1,245,454	721,908
Other Comprehensive income, net of income tax							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign operations	457,999	-			457,999		457,999
Net fair value loss on hedging transactions entered into for cash flow hedge	(368,560)	-			(368,560)		(368,560)
Total Other Comprehensive income, net of income tax	89,439	-	-		89,439	-	89,439
Total Comprehensive Income for the year	(7,074,671)	10,274,515	(3,633,952)		(434,108)	1,245,454	811,347

Pro Forma Adjustments to the Statement of Comprehensive Income

The following pro forma adjustments have been included in the Merged Group Unaudited Pro Forma Statement of Comprehensive Income as if the Scheme had occurred on 1 July 2015:

Pro Forma Adjustments – Scenario 1 (refer section 8.8(c))

(1) *Transactions between BigAir and Superloop*

BigAir currently acquires dark-fibre services from Superloop, and Superloop (via APEXnetworks) currently acquires managed services from BigAir. The total revenue and expenses associated with these transactions for the financial year ended 30 June 2016 represented \$131,931 and have been eliminated against revenue and network operational costs respectively in the Merged Group Unaudited Pro Forma Statement of Comprehensive Income.

(2) *Adjustment to Contingent Consideration*

The adjustment to contingent consideration, as reported in the BigAir Annual Financial Report for the year ended 30 June 2016, represents a material one-off accounting transaction arising from a transaction that pre-dates the financial year ended 30 June 2016 and has been eliminated from the Merged Group Unaudited Pro Forma Statement of Comprehensive Income.

(3) *Finance costs*

Superloop has obtained debt Facilities, in part to finance the proposed cash component of the acquisition of BigAir, as well as refinance the existing BigAir debt facility. The interest expense for the year is based on the amount proposed to be drawn as per the Merged Group Unaudited Pro Forma Statement of Financial Position, and includes the associated establishment fee amortised over the term of the facility and the commitment fee payable on the undrawn portion of the debt facility.

(4) *Income tax benefit / (expenses)*

Superloop has not recognised any deferred tax assets in its audited Statement of Financial Position at 30 June 2016. The income tax benefit / (expense) pro forma adjustment in the Merged Group Unaudited Pro Forma Statement of Comprehensive Income recognises the tax benefit arising from the loss before tax incurred by Superloop for the financial year ended 30 June 2016 offsetting tax outflows of BigAir for the same reporting period as well as the tax impact of the other pro forma adjustments in the Merged Group Unaudited Pro Forma Statement of Comprehensive Income. Superloop conducts operations in foreign jurisdictions, principally Singapore and Hong Kong, and the pro forma tax benefit recognised for the audited loss before tax incorporates the tax rates applicable in each jurisdiction, based on the accounting profit / loss per jurisdiction.

Pro Forma Adjustments – Scenario 2

Under Scenario 2, 100% of BigAir Shareholders are assumed to select option A, the all scrip offer. The Merged Group Unaudited Pro Forma Statement of Comprehensive Income incorporates all of the adjustments as per Scenario 1, except for interest expense on loans, which reduces as a result of Superloop not being required to draw down the debt facility to fund the cash component of the proposed offer and results in an operating profit before tax.

The associated tax expense increases as a result of the increase in profit before tax arising from the reduction of interest expense.

(f) Merged Group Unaudited Pro forma Statement of Financial Position

The Merged Group Unaudited Pro Forma Statement of Financial Position for the year ended 30 June 2016 has been derived from combining:

- the Superloop Historical Consolidated Statement of Financial Position as at 30 June 2016, which was extracted from Superloop's audited annual financial report;
- the BigAir Historical Consolidated Statement of Financial Position as at 30 June 2016, which was extracted from BigAir's audited annual financial report; and
- the pro forma adjustments noted below.

Unaudited Pro-forma Statement of Financial Position - Merged Group

As at 30 June 2016

	Historical Audited		Post Balance Date Adjustments		Merged Group	Scheme Arrangement and acquisition entries - Scenario 1	Scheme Arrangement and acquisition entries - Scenario 2	Scenario 2 - Pro-forma Historical
	Consolidated Superloop Group	BigAir Group	Superloop Capital Raisings	BigAir's Post Balance Date Acquisition of Cyberhound				
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	45,854,135	2,111,736	76,093,931	(692,173)	122,007,372	(71,051,621)	40,519,279	91,475,029
Trade and other receivables	1,397,290	7,673,037	-	2,064,887	11,135,214	-	11,135,214	11,135,214
Other current assets	471,550	2,435,148	-	13,074	2,919,772	-	2,919,772	2,919,772
Total Current Assets	47,722,975	12,219,921	76,093,931	1,385,788	136,062,358	(71,051,621)	40,519,279	105,530,015
NON-CURRENT ASSETS								
Property, plant and equipment	66,850,737	34,812,746	-	99,861	101,763,344	-	101,763,344	101,763,344
Other non-current assets	17,180	2,225,835	-	53,255	2,298,370	-	2,298,370	2,298,370
Intangible assets	12,363,209	51,276,845	-	6,467,337	70,107,391	137,220,466	10,618,082	217,945,939
Deferred tax assets	-	-	-	-	-	-	-	-
Total Non-Current Assets	79,231,126	88,315,526	-	6,620,453	174,167,105	137,220,466	10,618,082	322,005,654
TOTAL ASSETS	126,954,101	100,535,447	76,093,931	8,006,241	310,229,463	66,168,845	51,137,361	427,535,669
LIABILITIES								
CURRENT LIABILITIES								
Trade and other payables	6,579,093	9,768,331	-	2,948,442	16,843,758	-	16,843,758	16,843,758
Provisions	342,124	2,028,130	-	76,751	2,447,005	-	2,447,005	2,447,005
Deferred revenue - current	204,314	1,767,446	-	1,683,250	3,655,010	-	3,655,010	3,655,010
Interest-bearing borrowings	-	4,104,474	-	-	4,104,474	(2,500,000)	1,604,474	1,604,474
Total Current Liabilities	7,125,531	17,668,381	-	4,708,443	27,050,247	(2,500,000)	24,550,247	24,550,247
NON-CURRENT LIABILITIES								
Provisions	69,303	463,793	-	20,487	553,583	-	553,583	553,583
Other non-current liabilities	22,458	2,196,697	-	-	2,209,155	-	2,209,155	2,209,155
Interest-bearing borrowings	-	25,099,900	-	-	25,099,900	34,139,999	(56,259,942)	2,979,957
Total Non-Current Liabilities	91,761	27,759,390	-	20,487	27,862,638	34,139,999	(56,259,942)	5,742,695
TOTAL LIABILITIES	7,217,292	45,418,771	-	4,728,930	54,912,885	31,639,999	(56,259,942)	30,292,942
NET ASSETS	119,736,809	55,116,676	76,093,931	3,277,311	255,316,579	34,528,846	107,397,303	397,242,728
EQUITY								
Contributed equity	131,186,364	34,919,488	76,093,931	3,277,311	250,752,847	58,233,753	105,618,082	414,604,682
Reserves	235,031	288,907	-	(288,907)	235,031	-	235,031	235,031
Other equity	(3,327,034)	-	-	-	(3,327,034)	-	(3,327,034)	(3,327,034)
Accumulated gains / (losses)	(8,357,552)	19,908,281	-	(3,894,994)	7,655,735	(23,704,907)	1,779,221	(14,269,952)
TOTAL EQUITY	119,736,809	55,116,676	76,093,931	3,277,311	255,316,579	34,528,846	107,397,303	397,242,728

Pro Forma Adjustments to the Statement of Financial Position

The following pro forma adjustments have been included in the Merged Group Unaudited Pro Forma Statement of Financial Position as if the Scheme had occurred as at 30 June 2016:

Post Balance Date Adjustments

(1) *Superloop Capital Raisings*

Since 30 June 2016, Superloop has completed two additional capital raisings.

- **Retail Component of Entitlement Offer:** As at 30 June, Superloop was in the process of completing the retail component of an entitlement offer, which settled in July 2016. The retail component of the offer raised \$12.7 million (after transaction costs) through the issue of additional share capital.
- **Placement:** To part fund the proposed acquisition of BigAir, Superloop has completed a Placement of share capital, raising \$63.5 million net of transaction costs.

Transaction costs associated with these capital raisings have been accounted for as per Superloop's accounting policy as a deduction from equity.

(2) *BigAir Post Balance Date Acquisition of Cyberhound*

BigAir completed the acquisition of Cyberhound on 1 July 2016. The preliminary Statement of Financial Position and acquisition accounting entries have been incorporated into the Merged Group Unaudited Pro Forma Statement of Financial Position, as if it occurred on 30 June 2016. For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Financial Information, it has been assumed that there will be no adjustments to the carrying value of identified assets and liabilities acquired, and there will be no separately identifiable intangible assets other than those already recognised in the respective statement of financial position. The acquisition also includes contingent consideration liability of up to \$2 million payable in cash, which has been recognised in the Merged Group Unaudited Pro Forma Statement of Financial Position as a payable.

(3) *BigAir Post Balance Date Share Transactions*

Post the balance date of BigAir's 30 June 2016 Audited Annual Financial Report, there has been a number of transactions undertaken by BigAir which impact the contributed equity in the Statement of Financial Position and number of shares on issue of BigAir. Pro forma adjustments have been made in the Merged Group Unaudited Pro Forma Statement of Financial Position to reflect these transactions and to ensure the number of issued shares as per the BigAir's Share Register is reflected in the calculation of the acquisition in the Merged Group Unaudited Pro Forma Historical Financial Information:

(i) *Contingent Consideration – Oriel Technologies Pty Ltd*

A portion of the contingent consideration in relation to the acquisition of Oriel Technologies Pty Ltd by BigAir is settled via the issue of new shares in BigAir. An additional 2,078,058 BigAir shares were issued on 19 September 2016 at a share price of \$1.030, representing the closing price for BigAir shares on 19 September 2016.

(ii) *Dividends Paid and Reinvestment Plan*

BigAir declared and paid a dividend and completed a dividend reinvestment plan which was partially underwritten. This resulted in the issue of an additional 2,168,219 BigAir shares on 30 September 2016 at the relevant share price.

(iii) *Vesting of Outstanding Performance and Service Rights*

As at 30 June 2016, BigAir has outstanding Performance and Service Rights as disclosed in BigAir's audited Annual Financial Report of 1,083,555. The Performance and Services Rights have been assumed to fully vest on change of control, resulting in the issue of 1,083,555 additional BigAir shares.

Scheme Arrangement and Acquisition Entries - Scenario 1

(i) *Consideration*

The base scenario assumes 100% of BigAir Shareholders select Option B – Mixed Consideration and as a result the \$95 million cash cap and scale back provisions described above are applied.

(ii) *Debt Financing*

Superloop has obtained debt Facilities, in part to finance the proposed cash component of acquisition of BigAir, as well as to refinance the existing BigAir debt facility. The Merged Group Unaudited Pro Forma Statement of Financial Position recognises the amount of debt required to refinance the existing BigAir debt facility as at 30 June 2016, and to fund the cash component of the proposed acquisition net of the cash already raised by Superloop via the Placement undertaken in September 2016.

(iii) *Transaction Costs*

Transaction costs associated with the proposed transaction totalling \$5,952,500 have been recognised in accumulated losses.

(iv) *Consolidation Accounting*

Consolidation accounting adjustments for subsidiaries as per Superloop's Accounting policy have been applied, eliminating the equity position of the BigAir subsidiary against the investment in subsidiary (recognised as an intangible asset in the Merged Group Unaudited Pro Forma Statement of Financial Position).

Scheme Arrangement and Acquisition Entries - Scenario 2 (delta to Scenario 1)

The Merged Group Unaudited Pro Forma Statement of Financial Position shows the impact should BigAir Shareholders elect to receive 100% of Option A (scrip offer). This potential outcome increases the number of Superloop shares required to be issued by Superloop for BigAir shares and reduces the cash required to be paid to BigAir Shareholders. The excess cash generated in this scenario is first applied to reduce the utilisation of the debt facility, with any surplus cash being held on the Statement of Financial Position. In the event of Scenario 2, Superloop would continue to evaluate other potential organic and inorganic expansion opportunities aimed at increasing shareholder value. However, should opportunities to utilise the surplus cash not be identified within a reasonable time period, a return of capital to Shareholders would be considered. Any return of capital will be subject to final Board consideration and approval.

(g) Sensitivity

The proposed acquisition consideration comprises two alternative options available to BigAir Shareholders. The following table shows the impact on the number of shares required to be issued by Superloop, the cash payment required to BigAir Shareholders and the total acquisition cost (assuming a Superloop Share price of \$3.00), as a result of different election outcomes by BigAir Shareholders.

Percentage of Option A Election	Percentage of Option B Election	Number of Superloop Shares Issued	Value of Superloop Shares Issued (assuming \$3.00 share price)	Cash Payment @ \$0.70 per share	Total Acquisition Cost
100.00%	0.00%	69,108,130	\$207,324,390	\$0	\$207,324,390
90.00%	10.00%	64,395,365	\$193,186,096	\$13,039,270	\$206,225,366
80.00%	20.00%	59,682,601	\$179,047,802	\$26,078,540	\$205,126,342
70.00%	30.00%	54,969,836	\$164,909,508	\$39,117,809	\$204,027,317
60.00%	40.00%	50,257,071	\$150,771,214	\$52,157,079	\$202,928,293
50.00%	50.00%	45,544,307	\$136,632,920	\$65,196,349	\$201,829,269
40.00%	60.00%	40,831,542	\$122,494,626	\$78,235,619	\$200,730,245
30.00%	70.00%	36,118,777	\$108,356,332	\$91,274,889	\$199,631,221
20.00%	80.00%	34,550,339	\$103,651,018	\$95,000,000	\$198,651,018
10.00%	90.00%	34,220,632	\$102,661,897	\$95,000,000	\$197,661,897
0.00%	100.00%	33,902,102	\$101,706,305	\$95,000,000	\$196,706,305

9. Risks associated with the Scheme

The Scheme presents a number of potential risks that BigAir Shareholders should consider when deciding how to vote on the Scheme and in deciding whether to elect to receive the Scrip Consideration or the Mixed Consideration.

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Superloop Shares. The value of the Scheme Consideration to Scheme Shareholders will depend on the price of Superloop Shares following implementation of the Scheme. There are many risk factors that could adversely affect the Merged Group's business, operations, financial performance, cash flows and prospects which will consequently affect the price of Superloop Shares.

Although the Merged Group will have in place a number of strategies to minimise the exposure to, and mitigate the effects of, some of the risks outlined in this section 9, there can be no assurance that such arrangements will protect the Merged Group fully from such risks. In addition, certain risks will remain outside the control of the Merged Group.

The risk factors described in this section 9 outline some of the key, but not all, risks associated with an investment in the Merged Group. The outline of risks in this section is a summary only and should not be considered exhaustive.

You should carefully consider the following risks as well as the other information contained in this Scheme Booklet before voting on the Scheme. This section 9 does not take into account the investment objectives, financial situation, taxation position or particular needs of Scheme Shareholders.

9.1 Risks relating to the implementation of the Scheme

(a) Market value of the Scheme Consideration

Under the terms of the Scheme, BigAir Shareholders will receive New Superloop Shares for each BigAir Share they hold as at the Record Date. The value of the Scheme Consideration that would be realised by individual BigAir Shareholders will depend on the price at which New Superloop Shares trade on the ASX after the Implementation Date.

For Ineligible Foreign Shareholders, the value of the consideration they will receive will depend on the price realised by the Sale Nominee in respect of the sale of New Superloop Shares attributable to the Ineligible Foreign Shareholders.

Some of BigAir's Shareholders may not intend to continue to hold the New Superloop Shares received under the Scheme and may wish to sell them on the ASX soon after the Implementation Date. In addition, the Sale Nominee will sell New Superloop Shares on the ASX as soon as reasonably practical after the Implementation Date. There is a risk that such sales may exert downward pressure on the price of Superloop Shares in the short term.

In any event, there is no guarantee regarding the market price of the Superloop Shares before the Scheme Meeting or after the Implementation Date. Future market prices may either be above or below current or historical market prices. Information about the current trading prices of Superloop Shares may be obtained from www.asx.com.au.

(b) Integration risk and realisation of synergies

There is a risk that the Merged Group's success and profitability could be adversely affected if BigAir's business is not integrated effectively. There is a risk that the integration of BigAir may encounter unexpected challenges or issues. These include (but are not limited to) a failure to obtain necessary consents or unexpected delays, challenges, liabilities and costs in relation to, but not limited to, integrating operating and management systems such as IT, information

or accounting systems, or that it diverts management attention or does not deliver the expected benefits (including synergy benefits) and this may affect the Merged Group's operating and financial performance. BigAir has also undertaken a number of recent acquisitions, and there is a risk that the Scheme will affect the integration of acquisitions announced but not yet completed by BigAir and may have an impact on the financial performance or strategy of the Merged Group.

There is a risk that integration could take longer or cost more than expected or that the anticipated benefits and synergies of the integration may be less than estimated. Any failure to achieve targeted synergies may impact on the financial performance and position of the Merged Group and the future price of Superloop Shares. Possible problems may include:

- disruption to the ongoing operations of both businesses;
- higher than anticipated integration costs;
- unforeseen costs relating to integration of IT platforms, network capabilities, management information systems and financial and accounting systems of both businesses;
- unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the Scheme;
- unforeseen costs or disruption as a result of the transition of BigAir into a wholly-owned subsidiary of Superloop; and
- a failure to maintain key access arrangements.

(c) Contract risk

Some contracts to which BigAir is a party may contain 'change of control' provisions (or equivalent) that could be triggered by implementation of the Scheme, allowing the counterparty to renegotiate or terminate the contract. If a counterparty to any such contract were to terminate or seek to renegotiate the contract this may have an adverse effect on the Merged Group, depending on the relevant contract.

(d) Court delays

There is a risk that the Court may not approve the Scheme, or that the approval of the Court is delayed.

(e) Uncertainty of Scheme Consideration and risks of trading during deferred settlement trading period

Scheme Shareholders may elect to receive the Mixed Consideration. Scheme Shareholders making such elections will not know at the time of election the exact combination of cash and New Superloop Shares that they will receive. As a result, some Scheme Shareholders may not be able to accurately assess the effect of the Scheme on their tax and investment situation.

Moreover, Scheme Shareholders will not necessarily know the exact number of New Superloop Shares that they will receive as Scheme Consideration until a number of days after those shares can be traded on the ASX on a deferred settlement basis. Scheme Shareholders who trade New Superloop Shares on a deferred settlement basis without knowing the number of New Superloop Shares they will receive as Scheme Consideration may risk adverse financial consequences if they purport to sell more New Superloop Shares than they receive under the Scheme.

(f) Risks to BigAir Shareholders if the Scheme does not proceed

If the Scheme does not proceed and no other acceptable proposal is received, BigAir will continue on a standalone basis and BigAir Shareholders will retain their BigAir Shares. In these circumstances there is a risk that BigAir Shares may trade below their current market price. BigAir will have incurred significant transaction costs in relation to the proposed Scheme even if it does not proceed.

In addition, under the Scheme Implementation Deed, BigAir is required to pay a break fee of \$2.1 million to Superloop if the Scheme does not proceed in certain circumstances. See section 5.17(c) for further information on the break fee.

(g) Change of existing management

The potential loss of senior management personnel from the BigAir business could have an adverse effect on the Merged Group and the day-to-day running of the newly acquired businesses during the transitional period while Superloop integrates BigAir into its group.

(h) Access arrangements

BigAir has certain statutory access rights to facilities to establish new networks. Other access must be negotiated with facilities owners. There is a risk that following the implementation of the Scheme, certain access arrangements will be subject to change or review. Such changes may adversely impact the financial performance of BigAir's existing business. There is also no guarantee that future licence arrangements will be able to be negotiated on acceptable terms, or in some cases, at all. If BigAir breaches any of its access agreements, then those agreements may be terminated. Licence arrangements are generally for fixed terms of up to 5 years. If these agreements are not renewed on expiry, or are terminated in accordance with their terms, then this may have an adverse effect on the Merged Group's business.

(i) Debt financing risk

Superloop has entered into new financing arrangements with ANZ pursuant to which the existing Superloop and BigAir facilities will be refinanced and the new facilities will be drawn down to (in part) fund the cash consideration under the Scheme. In the unlikely event of certain conditions precedent not being satisfied to enable financial close of those arrangements, ANZ may terminate their obligation, which may have an adverse impact on the Scheme in the event that other banks are not able to step into the shoes and provide financing on equivalent terms. Further information about the new financing arrangements and the financing of the Merged Group is contained in sections 8.5 and 8.6 respectively.

(j) Acquisition accounting risk

In accounting for the BigAir Acquisition in the pro forma Merged Group Unaudited Pro Forma Statement of Financial Position, Superloop has used the 30 June 2016 audited financial statements. A fair value assessment of the Statement of Financial Position has not been performed for the purposes of the Merged Group Unaudited Pro Forma Statement of Financial Position. Superloop will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of BigAir post-implementation of the Scheme, which may give rise to different values to those used for the purposes of the pro forma financial information set out in this Scheme Booklet. Such a scenario could result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and also an increase or decrease in depreciation, impairment and other amortisation charges in Superloop's income statement (and a respective increase or decrease in net profit after tax), and may have an adverse impact on the reported financial performance of the Merged Group.

9.2 Risks specifically related to the Merged Group

(a) Change in risk and investment profile

Scheme Shareholders will receive at least some portion of their Scheme Consideration in New Superloop Shares in exchange for their BigAir Shares. An investment in Superloop is not an identical substitute for an investment in BigAir as the Merged Group will have a different risk and investment profile.

BigAir Shareholders will be exposed to risk factors relating to Superloop, and to certain risks relating to the Merged Group as set out in this section 9.2. The investment profile for BigAir Shareholders will also change. The operational profile, capital structure and size of the Merged Group will be different from that of BigAir on a standalone basis.

(b) Retention of key personnel

The Merged Group will be highly dependent upon qualified, technical and managerial personnel and the continued engagement and performance of several key people, including the proposed directors and management of the Merged Group discussed above in section 7.5 and section 8.4(d). The loss of the services of certain personnel could adversely affect the Merged Group's ability to execute its business plan. If key personnel were to be unable or unwilling to continue in their designated positions, the Merged Group may be unable to replace them, or to do so in a timely manner or at a comparable expense, and this may disrupt its business and have significant implications on its financial performance. Additionally, the loss of key personnel to competitors may adversely impact the Merged Group. With only a small number of employees, it is essential that appropriately skilled staff be available in sufficient numbers to continue to support the Merged Group's business. The Merged Group may not be able to attract and retain the qualified personnel necessary for the continued development of its business. The loss of the services of existing personnel, as well as the failure to recruit additional key technical, managerial and other personnel in a timely manner could harm the Merged Group's business. The Merged Group may not be able to attract and retain the qualified personnel necessary for the continued development of its business. The loss of the services of existing personnel, as well as the failure to recruit additional key technical, managerial and other personnel in a timely manner could harm the Merged Group's business. There is significant competition for qualified personnel in the Merged Group's business, and as such, loss of key personnel and staff to a competitor may amplify this adverse impact.

(c) Relationships with key intellectual property licensors and technology

The Merged Group will use intellectual property and technology developed in the course of its business that is owned by the Merged Group. The Merged Group will also rely on relationships with key intellectual property licensors and technology partners, from whom it licenses the right to use particular intellectual property and technology. The Merged Group's ability to construct, maintain and manage its fibre optic telecommunications infrastructure will depend on its ability to use particular intellectual property and technology, and any change in the ability to use intellectual property that the Merged Group will rely on may have an effect on the Merged Group's future financial performance and position.

(d) Planning, development and construction risks

The Merged Group may undertake development of new fibre optic telecommunications infrastructure, and expansion, maintenance, and refurbishment of existing infrastructure. The Merged Group must also negotiate access to areas that it cannot rely on its carrier powers to access. The terms of access may be such that the build is not economically viable (in the opinion of the Board and management) or access may not be able to be negotiated. Any delays or unexpected costs associated with planning, construction, development and access negotiation activities which the Merged Group pursues in the future may harm growth prospects, operating results, and financial performance. Delays could result from a variety of

causes, including but not limited to blockages to pulling fibre through the duct network, objections from community groups, or issues in securing fibre optic cable and related materials.

(e) Competitive environment

The Merged Group will operate in a competitive landscape alongside various other network owners and operators of telecommunications infrastructure with competing offerings and a geographically diverse presence. The Merged Group will also face the risk of being disrupted by new market entrants, employing new technologies. Increased competition or consolidation in the industry could impact the Merged Group's financial performance by affecting its ability to grow its customer base and/or its ability to make money from its service offerings.

(f) Limited track record

Superloop is a relatively newly established company and has limited operational track record. As Superloop is at a reasonably early stage of development, there are still considerable uncertainties associated with future revenues and expenses of the Merged Group.

(g) Network damage and interruptions

Any accidental damage from civil works (cable cuts), intentional damage from vandalism or terrorism and acts of God such as earthquakes or other natural disasters may result in outages and damage to the Merged Group's network. The Merged Group is also exposed to short, medium or long-term interruptions to its operations as it relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including but not limited to human error, power loss, physical or electronic breaches, or vandalism. A significant disruption of the Merged Group's business through network or systems failure could cause financial loss or increased customer churn.

(h) Raising of additional funds

The Merged Group's business will be capital intensive in nature, and the continued growth of the Merged Group will rely on the acquisition and development of new fibre optic telecommunications infrastructure and ongoing maintenance of existing fibre optic telecommunications infrastructure. The Merged Group will require sufficient access to debt and equity capital to fund this expenditure. Failure to obtain capital on favourable terms may hinder the Merged Group's ability to expand and pursue growth opportunities, which may reduce competitiveness and have an adverse effect on the financial performance, position and growth prospects of the Merged Group. Depending on the amount of income generated from its operations, the Merged Group may require further financing in the form of debt or equity, including to implement its business plans effectively over time. Further funds raised may result in dilution for shareholders. There is also a risk that the Merged Group may not be able to raise further funds as and when required or that they will not be able to secure those funds on reasonable commercial terms.

(i) Servicing debt

The Merged Group's ability to service its debt and other obligations will depend on its future performance and cash flows which, to a certain extent, are subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. Superloop and BigAir's historical financial results (on a pro forma basis) have been, and it is anticipated that the Merged Group's future financial results will continue to be, subject to fluctuations. Cash flows can vary and the Merged Group's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations. Any inability to secure sufficient debt funding (including to refinance on acceptable terms) or to service its existing and new debt may have a material adverse effect on the Merged Group's financial performance and prospects.

(j) Changes in technology

Demand for technology infrastructure can change rapidly because of technological innovation, new product introductions, declining prices and evolving industry standards, among other factors. New solutions and new technology often render existing solutions and services obsolete, excessively costly or otherwise unmarketable. As a result, the success of the Merged Group will depend on the Merged Group being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into its fibre optic telecommunications infrastructure. Advances in technology may also require the Merged Group to commit resources to developing or acquiring and then deploying new technologies for use in operations.

(k) Decline in demand and oversupply

The Merged Group's growth strategy will incorporate the commitment of substantial operational and financial resources to design, construct and maintain fibre optic telecommunications infrastructure and to expand existing infrastructure. Development of expansion of dark fibre networks does not necessarily require commitments from customers prior to commencement, and as such, sufficient demand may not exist post-completion. A decline in or lack of customer demand, or an oversupply of fibre optic telecommunications infrastructure in the market, could have negative implications on the Merged Group's ability to achieve desired return on investment, and have a material adverse effect on the growth prospects and/or the financial performance of the Merged Group which may cause the Merged Group to require further funding.

(l) Multi-jurisdictional risk

As the Merged Group will conduct business in Australia, Singapore and Hong Kong, the Merged Group will also be exposed to a range of multi-jurisdictional risks such as risks relating to labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which the Merged Group will operate. Further, as a result of the Merged Group operating in multiple jurisdictions, fluctuations in applicable exchange rates could have an impact on the financial position and performance of the Merged Group.

(m) Counterparty obligations

The Merged Group will rely on third parties, such as customers, suppliers, landlords, contractors, intellectual property licensors, technology alliance partners, joint venture partners and other counterparties to operate its business. Where arrangements are already in place, some third parties may not be willing or able to perform their obligations to the Merged Group. If one or more key counterparties default on their obligations to the Merged Group or encounter financial difficulties, this would have an adverse effect on the Merged Group's future financial performance and position.

(n) Customer satisfaction and loyalty

Any diminution in customer sentiment towards the Merged Group may have an adverse impact on the financial performance and position of the Merged Group.

(o) Future acquisitions risk

The Merged Group may pursue acquisition of assets that meet its investment criteria as opportunities arise and if funding is available. Such acquisitions are likely to involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of the target's business or assets and it is possible that unexpected problems may arise.

9.3 General investment risks

(a) Risks relating to share investment

There are various risks associated with investing in any form of business and with investing in listed entities generally. The value of Superloop Shares following implementation of the Scheme will depend upon general share market and economic conditions as well as the specific performance of the Merged Group. There is no guarantee of profitability, dividends, return of capital, or the price at which Superloop Shares will trade on the ASX. The past performance of Superloop Shares is not necessarily an indication as to future performance as the trading price of shares can go down or up in value.

(b) Risks relating to the general economy and capital markets

The financial performance of the Merged Group and the value of Superloop Shares will fluctuate due to various factors including movements in the Australian and international capital markets, recommendations by brokers and analysts, interest rates, exchange rates, inflation, Australian and international economic conditions, change in government, fiscal, monetary and regulatory policies, prices of commodities, activity levels in the telecommunication industry, global geo-political events and hostilities and acts of terrorism, investor perceptions and other factors that may affect the Merged Group's financial position and earnings. In the future, these factors may affect the income and expenses of the Merged Group and may cause the price of Superloop Shares to fluctuate and trade below current prices.

(c) Regulatory and tax

The Merged Group's businesses and earnings could be affected by the legal, regulatory, fiscal or other policies adopted by various regulatory authorities of the Australian government, other foreign governments and international agencies. Further, the nature and impact of future changes of such regulations and policies are not predictable and will be beyond the Merged Group's control. Changes in regulations or regulatory policy could adversely affect one or more of the Merged Group's businesses and could require substantial compliance costs. In addition, any significant changes in taxation law could have an adverse effect on the Merged Group's financial condition and financial performance.

There is a risk that government policy could directly and indirectly affect the product offerings and competitive landscape, particularly in markets where the government has significant investment in telecommunications assets (eg. Australia's National Broadband Network, Singapore's Next Generation National Broadband Network, and the Singapore Government's shareholding in Singtel and Starhub through related investment companies). The Merged Group requires certain licences to operate in the various jurisdictions in which it will carry on business, and any modification or cancellation of any of these licences may impact its ability to operate in that particular jurisdiction.

(d) Legal proceedings and contingent liabilities

The Merged Group may be subject to litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes or occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could adversely affect the Merged Group's business, operating and financial performance.

10. Taxation implications

This section is intended to serve as a general summary of the Australian income tax, Goods and Services Tax (GST) and stamp duty implications of the Scheme for Resident Scheme Shareholders. This general summary does not consider any tax implications with respect to the Call Option Deeds, the BigAir Performance Rights, or the BigAir Service Rights.

In particular, this general summary does not apply to Scheme Shareholders who:

- hold their BigAir Shares on revenue account or as trading stock;
- are Ineligible Foreign Shareholders; or
- are not residents of Australia as that term is defined under section 6(1) of the *Income Tax Assessment Act 1936* (Cth) or any applicable Australian double tax agreement.

The tax implications of the Scheme will depend upon your personal circumstances. Accordingly, all Scheme Shareholders should make their own inquiries and seek independent professional advice on the particular taxation consequences that apply to them under the Scheme.

It is assumed that all Resident Scheme Shareholders hold their BigAir Shares on capital account for the purposes of their investment, and are not subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

10.1 Disposal of BigAir Shares

(a) CGT Event A1

CGT Event A1 should happen to Resident Scheme Shareholders upon disposal of their BigAir Shares.

A Resident Scheme Shareholder should make a capital gain from the occurrence of CGT Event A1 if the capital proceeds from the disposal of a BigAir Share exceeds the share's cost base. Correspondingly, a Resident Scheme Shareholder should make a capital loss if the capital proceeds from the disposal of a BigAir Share is less than the share's cost base.

(b) Roll-over relief

Most Resident Scheme Shareholders receiving Scrip Consideration should be able to claim scrip-for-scrip roll-over in respect of the disposal of their BigAir Shares where (apart from the roll-over) the respective Resident Scheme Shareholder would make a capital gain as a result of CGT Event A1.

Where a Resident Scheme Shareholder receives Mixed Consideration in lieu of Scrip Consideration, the Resident Scheme Shareholder should only be able to obtain a partial roll-over. Specifically, there should be no roll-over for the part of the BigAir Shares for which the Resident Scheme Shareholder receives cash.

Scrip-for-scrip roll-over should enable each Resident Scheme Shareholder to disregard any capital gain made on disposal of the BigAir Shares, to the extent that the Resident Scheme Shareholder receives consideration in the form of New Superloop Shares. The capital gain should not be disregarded to the extent the consideration received is cash.

In order to obtain scrip-for-scrip roll-over a choice must be made to obtain the roll-over, which for present purposes may be made by preparing the relevant tax return as if roll-over had been applied.

If Resident Scheme Shareholders are (for any reason) not able to access scrip-for-scrip roll-over relief, the CGT discount may still be available in respect of shares held on capital account. Relevantly, the CGT discount may be available in respect of capital gains made on the disposal of CGT assets by an individual, a trust or certain superannuation or life insurance entities, where that CGT asset has been

held by the relevant taxpayer for at least 12 months (not including the date of acquisition or the date of disposal). Generally, the discount allows the relevant taxpayer to reduce the gain made by 50% if the taxpayer is an individual or a trust, and by 33⅓% if the taxpayer is a qualifying superannuation or life insurance entity.

(c) Stamp duty

A BigAir Shareholder will not be liable to pay stamp duty on a disposal of the BigAir Shares under the Scheme.

(d) GST

A disposal of BigAir Shares will not be subject to GST.

10.2 Receipt of New Superloop Shares

(a) Cost base

To the extent that Resident Scheme Shareholders qualify for roll-over relief, the first element of the cost base of their New Superloop Shares should be the cost-base of their respective BigAir Shares (taking into account the potential different number of shares held in each). However, the cost-base of the BigAir Shares should first be reduced by that part of the cost base that is reasonably attributable to any cash consideration received under the Mixed Consideration (if applicable).

For all other Resident Scheme Shareholders, the replacement New Superloop Shares should be deemed to be acquired for market value, at the actual time of acquisition.

(b) Stamp duty

A liability to stamp duty should not arise for a BigAir Shareholder on the receipt of New Superloop Shares (via a transfer or subscription) as a result of the receipt of the Scheme Consideration, provided that no single BigAir Shareholder (alone or together with any associates) acquires an interest of 90% or more in Superloop.

(c) GST

A receipt of New Superloop Shares will not be subject to GST.

11. Additional information

This section 11 sets out additional information required pursuant to the Corporations Act and the Corporations Regulations in respect of the Scheme, as well as other relevant information.

11.1 Interests of BigAir Directors

(a) Interests of BigAir Directors in marketable securities of BigAir

No marketable securities of BigAir are controlled or held by or on behalf of any BigAir Directors, other than as listed below.

Name	Number of BigAir Shares	Number of BigAir Performance Rights	Number of BigAir Service Rights
Jason Ashton	10,488,751	295,887	-
Nigel Jeffries	500,000	-	41,637
Vivian Stewart	1,703,648	-	42,134

(b) Dealings in marketable securities of BigAir Shares

No BigAir Director has acquired or disposed of a Relevant Interest in any marketable securities of BigAir in the four month period ending on the date immediately before the date of this Scheme Booklet.

(c) Interests of BigAir Directors in marketable securities of Superloop

No marketable securities of Superloop are controlled or held by or on behalf of any BigAir Director.

(d) Dealings in marketable securities of Superloop

No BigAir Director has acquired or disposed of a Relevant Interest in any marketable securities of Superloop in the four month period ending on the date immediately before the date of this Scheme Booklet.

11.2 Superloop's interests in BigAir Shares

(a) Superloop's interests

As at the date of this Scheme Booklet, Superloop has a Relevant Interest in 19,448,839 BigAir Shares (representing approximately 10.50% of the total voting power) as follows:

- 1) Bell Potter Nominees Limited is the registered holder of 978,191 BigAir Shares for and on behalf of A.C.N. 614 507 247 Pty Ltd, a wholly owned subsidiary of Superloop, following on-market trades on 29 August 2016 and 6 September 2016; and
- 2) on 13 September 2016, Superloop entered into option deeds (**Call Option Deeds**) with certain BigAir Shareholders in respect of 18,470,648 BigAir Shares (in aggregate). See section 11.2(c) for further information on the Call Option Deeds.

Further details of these dealings can be found in Superloop's Form 603 *Notice of initial substantial holder* released to the ASX on 15 September 2016.

The highest price at which Superloop acquired a Relevant Interest in BigAir Shares under the on-market trades on 29 August 2016 and 6 September 2016 described above was \$0.89 per BigAir Share.

Other than as disclosed in this Scheme Booklet, neither Superloop nor its associates:

- have a Relevant Interest in any BigAir Shares or any other marketable securities of BigAir; or
- provided, or agreed to provide, consideration for any BigAir Shares in the four months before the date of this Scheme Booklet.

(b) Interests of Superloop Directors in marketable securities of BigAir

No marketable securities of BigAir are controlled or held by or on behalf of any Superloop Directors.

(c) Call Option Deeds and Escrow Deeds

On 13 September 2016, Superloop entered into the Call Option Deeds with Vivian Stewart, Paul Tyler, Fison Investments Pty Limited ATF the Fison Family Trust, JMAS Pty Ltd ATF the Aston Trust and Vorpai Pty Ltd ATF VJWS Family Trust (**Call Option Shareholders**).

Under the terms of the Call Option Deeds, the Call Option Shareholders grant Superloop call options in respect of the BigAir Shares they hold. Superloop may exercise the call options within the last 10 Business Days of the Option Period, being from the date of the Call Option Deed until the latest of:

- 1) if the Scheme Meeting is held, 20 Business days after the date of the meeting;
- 2) if no Scheme Meeting is held within four months from the date of the Call Option Deed, the end of that four month period; and
- 3) if a competing proposal is announced before the earlier of the dates in 1) and 2) above, the date which is 20 Business Days after the competing proposal is announced.

If the Scheme Meeting is held but BigAir Shareholders vote against the Scheme, the call options lapse immediately.

The exercise price of the call options are the same as the Scheme Consideration offered and the Call Option Shareholders have the same ability to Elect to receive the Mixed Consideration. If no Election is made within five Business Days of the relevant call option being exercised, the relevant Call Option Shareholder will receive the Scrip Consideration.

Superloop cannot exercise a call option if a higher competing proposal is made unless it first matches the price of that competing proposal. This means that Superloop has to either vary the Scheme Consideration so that at least one of the Scheme Consideration alternatives matches the higher competing proposal or Superloop otherwise varies the Scheme Consideration such that it is recommended by the BigAir Directors.

The Call Option Deeds do not restrict the Call Option Shareholders from voting on the Scheme as they see fit in their absolute discretion.

In conjunction with the Call Option Deeds, Superloop has required certain Call Option Shareholders associated with Jason Ashton and Vivian Stewart to also enter into a voluntary Escrow Deed. The escrow applies to any New Superloop Shares issued as a result of either a call option being exercised or the Scheme being implemented. The escrow period is until the

earlier of 12 months from the date of issue of the New Superloop Shares, or Mr Ashton or Mr Stewart (as applicable) being removed or not re-elected as a Superloop Director.

The terms of the Call Option Deed and Escrow Deed were disclosed in full to the ASX in a notice dated 15 September 2016.

11.3 Benefits and agreements

(a) Payments in connection with retirement from office

Other than as disclosed in this Scheme Booklet there is no payment or other benefit that is proposed to be made or given to any BigAir Director or secretary or executive officer of BigAir (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in BigAir or any of its Related Bodies Corporate.

(b) No collateral benefits offered by Superloop in the last four months

Other than as disclosed in this Scheme Booklet, during the four month period before the date of this Scheme Booklet, neither Superloop, a Superloop Director or any associate of Superloop gave, or offered to give or agreed to give a benefit to another person which was likely to induce the other person or an associate of the other person to:

- 1) vote in favour of the Scheme; or
- 2) dispose of any BigAir Shares,

which benefit was not offered to all BigAir Shareholders.

(c) Agreements or arrangements connected with or conditional on the Scheme

Other than as set out below or as set out elsewhere in this Scheme Booklet, there are no agreements or arrangements made between any BigAir Director and another person in connection with, or conditional on, the outcome of the Scheme other than in their capacity as a BigAir Shareholder.

Superloop has agreed under the Scheme Implementation Deed to appoint Jason Ashton and Vivian Stewart to the board of Superloop if the Scheme is implemented, subject to them providing their consent.

Superloop has indemnified each BigAir Director from any claim, action, damage, loss, liability, cost, expense or payment which any BigAir Director may suffer, incur or be liable for arising out of any breach of any of the representations and warranties given by Superloop in clause 9.1 of the Scheme Implementation Deed.

(d) Benefits under the Scheme

Other than as set out set out in this Scheme Booklet, no BigAir Director, secretary or executive officer of BigAir (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Superloop which is conditional on, or is related to, the Scheme, other than in their capacity as a BigAir Shareholder.

(e) Interests of BigAir Directors in Superloop contracts

Other than as described in this Scheme Booklet, no BigAir Director has an interest in any contract entered into by Superloop.

11.4 Creditors of BigAir

The Scheme, if implemented, is not expected to materially prejudice BigAir's ability to pay its creditors as it involves the acquisition of shares in BigAir for consideration provided by a third party. No material new liability (other than transaction costs) is expected to be incurred by BigAir as a consequence of the implementation of the Scheme. BigAir has paid and is paying all of its creditors within normal terms and is solvent and trading in an ordinary commercial manner.

11.5 Regulatory approvals and consents

No approvals or consents are required from any regulatory bodies (including the Australian Competition and Consumer Commission and the Foreign Investment Review Board) for the implementation of the Scheme.

11.6 ASIC relief and ASX waivers

In connection with the Scheme, BigAir has applied to ASIC for relief under section 250P of the Corporations Act to extend the time by which BigAir must hold its annual general meeting for FY2016 (**2016 AGM**). Without relief, BigAir would need to hold its 2016 AGM by no later than 30 November 2016. The relief would permit BigAir to hold the meeting by no later than 31 January 2017. BigAir will announce to ASX whether ASIC has granted the relief requested as soon as the decision is available.

BigAir does not require any ASX consents or approvals to implement the Scheme.

11.7 Important Notice to U.S. Shareholders

BigAir and Superloop intend to rely on an exemption from the registration requirements of the U.S. Securities Act of 1933 (the **U.S. Securities Act**) provided by Section 3(a)(10) of the US Securities Act in connection with the consummation of the Scheme and the issuance of New Superloop Shares. Approval of the Scheme by the Court will be relied upon by BigAir and Superloop for the purposes of qualifying for the Section 3(a)(10) exemption.

U.S. shareholders should note that this offer is made for the securities of an Australian company in accordance with the laws of Australia and ASX Listing Rules. The Scheme is subject to disclosure requirements of Australia that are different from those of the U.S. For example, the financial statements included in this Scheme Booklet have been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements may not be comparable to the financial statements of U.S. companies prepared in accordance with generally accepted accounting principles in the U.S.

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

You should be aware that Superloop may, subject to the requirements of the Corporations Act, purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

This Scheme Booklet has not been filed with or reviewed by the SEC or any U.S. state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

The New Superloop Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state or other jurisdiction. The Scheme Consideration will not be issued to any BigAir Shareholder in any U.S. state or other jurisdiction where it is not legally permitted to do so or that require registration or qualification.

11.8 International offer restrictions

This Scheme Booklet does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New Superloop Shares may not be offered or sold, in any country outside Australia except to the extent provided below.

(a) New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). Any offer of Superloop Shares under the Scheme will only be made if an exemption is granted by the Financial Markets Authority pursuant to section 556 of the Financial Markets Conduct Act 2013 and then only to existing BigAir Shareholders. Accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

As set out in section 5.13, a Scheme Shareholder whose address as recorded on the BigAir Register as at the Record Date is a place within New Zealand will be entitled to receive New Superloop Shares under the Scheme, unless BigAir and Superloop determine that it would be unduly onerous or impracticable to issue that Scheme Shareholder with New Superloop Shares if the Scheme becomes Effective or that it would be unlawful for that Scheme Shareholder to participate in the Scheme under the laws of New Zealand. If BigAir and Superloop so determine, the Scheme Shareholders with registered addresses in New Zealand will be treated as Ineligible Foreign Shareholders for the purposes of the Scheme.

(b) Hong Kong

WARNING - The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This document also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this document may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this document, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of BigAir Shareholders in connection with the Scheme, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Scheme by the person to whom this document is addressed.

(c) Spain

This Scheme Booklet is addressed only to holders of BigAir Shares and not to the general public. This document does not constitute a public offering in Spain in accordance with the consolidated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and Royal Decree 1310/2005, of November 4, on admission to Trading of Securities, Public Offerings and the Prospectus Required in Such Cases. Accordingly, this Scheme Booklet has not been verified nor will it be registered with the Spanish Securities and Exchange Commission (Comisión Nacional del Mercado de Valores). This Scheme Booklet and any other related material are strictly confidential and may not be distributed to any person or any entity other than its recipients.

11.9 Consents and disclaimers

(a) Consent to be named

The following persons have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- 1) Lonergan Edwards & Associates Limited as the Independent Expert;
- 2) Deloitte Corporate Finance Pty Limited as the Investigating Accountant;
- 3) Grant Thornton Audit Pty Limited as the auditor to BigAir;
- 4) TMT Partners as corporate adviser to BigAir; and
- 5) Baker & McKenzie as legal adviser and tax adviser to BigAir.

(b) Consent to the inclusion of statements

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- 1) Superloop in respect of the Superloop Information only;

- 2) Lonergan Edwards & Associates Limited in respect of the Independent Expert's Report;
- 3) Deloitte Corporate Finance Pty Limited in respect of the Investigating Accountant's Report; and
- 4) Grant Thornton Audit Pty Limited in relation to its role as auditor of the financial report for the financial year ended 30 June 2016.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

(c) Disclaimers of responsibility

Each person named in sections 11.9(a) and 11.9(b):

- 1) has not authorised or caused the issue of this Scheme Booklet;
- 2) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - Superloop in respect of the Superloop Information only;
 - Lonergan Edwards & Associates Limited in respect of the Independent Expert's Report;
 - Deloitte Corporate Finance Pty Limited in respect of the Investigating Accountant's Report; and
 - Grant Thornton Audit Pty Limited in relation to its role as auditor of the financial report for the financial year ended 30 June 2016.
- 3) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in sections 11.9(a) and 11.9(b).

To the maximum extent permitted by law, BigAir expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet where there is a reference to a name and/or a statement (if any) included in this Scheme Booklet with the consent of a party specified in sections 11.9(a) and 11.9(b).

11.10 Fees and interests of advisers

Each of the persons named in sections 11.9(a) and 11.9(b) (other than Superloop) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. BigAir has paid, or agreed to pay:

- Lonergan Edwards & Associates Limited approximately A\$100,000 (including GST);
- Deloitte Corporate Finance Pty Limited approximately A\$85,000 (including GST);
- TMT Partners approximately A\$700,000 (excluding GST); and
- Baker & McKenzie approximately A\$225,000 (excluding GST) up to the date of this Scheme Booklet.

Other than as described above, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet has, or had in the two years before the date of this Scheme Booklet, an interest in:

- 1) the formation or promotion of Superloop;
- 2) any property acquired or proposed to be acquired by Superloop in connection with its formation or promotion of the proposed issued of New Superloop Shares under the Scheme; or
- 3) the proposed issued of New Superloop Shares under the Scheme,

and no amounts have been paid or agreed to be paid, and no one has given or agreed to give a benefit, to any such person for services rendered in connection with the promotion or formation of Superloop or the proposed issue of New Superloop Shares under the Scheme.

11.11 Other material information

Other than as set out in this Scheme Booklet, as at the date of this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme, being information which is in the knowledge of:

- BigAir or any BigAir Director or director of any of its Related Bodies Corporate; or
- Superloop or of any Superloop Director,

which has not been previously disclosed to BigAir Shareholders or to ASX.

11.12 Supplementary disclosure

BigAir will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Scheme Meeting:

- a material statement in this Scheme Booklet being false, misleading or deceptive;
- a material omission from this Scheme Booklet;
- a material change affecting a matter that is referred to in this Scheme Booklet; or
- a significant new matter arising which would be been required to be included in this Scheme Booklet.

The form which the supplementary document may take, and whether a copy will be sent to each BigAir Shareholder, will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be released to ASX and made available online from BigAir's website at www.bigair.com.au.

12. Glossary and interpretation

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

Term	Meaning
\$, A\$ or AUD, cents or c	Australian currency.
Aggregate Cash Consideration	the aggregate amount of the cash component of the Mixed Consideration payable to Scheme Shareholders, which must not exceed the Cash Cap.
ANZ	Australia and New Zealand Banking Group (ACN 005 357 522).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited or the securities market which it operates, as the context requires.
ASX Listing Rules	the Listing Rules of ASX.
ATO	the Australian Taxation Office.
BigAir	BigAir Group Limited (ABN 57 098 572 626) and, where the context requires, includes BigAir and each of its subsidiaries.
BigAir Director	a director of BigAir.
BigAir Group	BigAir Group Limited ACN 098 572 626 and its wholly-owned subsidiaries.
BigAir Information	the information contained in this Scheme Booklet except for the Superloop Information, Independent Expert's Report, and Investigating Accountant's Report.
BigAir Information Line	1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).
BigAir Material Adverse Change	<p>an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to Superloop (whether it becomes public or not) after the date of the Scheme Implementation Deed, and which (individually or when aggregated with other events, occurrences or matters) has or could reasonably be expected to have:</p> <ol style="list-style-type: none"> a) the result that the business of BigAir is unable to be carried on substantially in the way it is carried on as at the date of the Scheme Implementation Deed; b) one or more of the following effects (in each case determined in accordance with Accounting Standards): <ol style="list-style-type: none"> i) diminishing the net assets of BigAir by \$10 million or more as compared to the net assets shown in BigAir's audited financial statements for the year ended 30 June 2016;

Term	Meaning
	<ul style="list-style-type: none"> ii) diminishing the Underlying EBITDA (being earnings before interest, tax, depreciation and amortization calculated in accordance with the Accounting Standards and with Schedule 5 of the Scheme Implementation Deed) or the revenue of the BigAir Group by at least 10% (on an organisational basis) of the Underlying EBITDA or revenue (as the case may be) shown in BigAir's audited financial statements and related public announcements for the year ended 30 June 2016; or iii) increasing the costs or expenses of BigAir by \$10 million or more (on an organisational and pre-tax deduction basis) as compared to the costs and expenses shown in BigAir's audited financial statements for the year ended 30 June 2016, <p>other than events, occurrences or matters:</p> <ul style="list-style-type: none"> c) required to be done or procured by BigAir pursuant to the Scheme Implementation Deed or the Scheme; d) resulting directly from changes in general economic and political conditions or changes that affect the telecommunications industry generally; e) to the extent that it was fairly disclosed in a disclosure letter to Superloop or in due diligence materials; f) to the extent it was fairly disclosed to the ASX before the date of the Scheme Implementation Deed or which may arise from an event, occurrence or matter which was so disclosed; or g) which Superloop has previously approved in writing.
BigAir Performance Right	a right granted under the BigAir Equity Incentive Plan to acquire by way of issue, a BigAir Share subject to the terms of the Plan.
BigAir Register	the register of shareholders of BigAir maintained by or on behalf of BigAir in accordance with section 168(1) of the Corporations Act.
BigAir Service Right	a right granted under the BigAir Equity Incentive Plan to acquire by way of issue, a BigAir Share subject to the terms of the Plan.
BigAir Share	a fully paid ordinary share in the capital of BigAir.
BigAir Share Registry	Boardroom Pty Ltd (ABN 14 003 209 836).
BigAir Shareholder	a person who is registered in the BigAir Register as a holder or one or more BigAir Shares.

Term	Meaning
BigAir Warranties	<p>BigAir represents and warrants to Superloop that as at the date of the Scheme Implementation Deed and at all subsequent times until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date):</p> <ul style="list-style-type: none"> a) BigAir is a validly existing corporation registered under the laws of its place of incorporation; b) the execution and delivery of the deed by BigAir has been properly authorised by all necessary corporate action and BigAir has full corporate power and lawful authority to execute and deliver the deed and to perform or cause to be performed its obligations under the Scheme Implementation Deed; c) the Scheme Implementation Deed constitutes legal, valid and binding obligations on BigAir and the execution of the deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which BigAir or any of its Subsidiaries is a party or to which they are bound; d) no BigAir Prescribed Occurrence has occurred; e) the information contained in the Scheme Booklet (other than the Superloop Information): <ul style="list-style-type: none"> i) will be prepared and included in the Scheme Booklet in good faith; and ii) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and ASIC Regulatory Guide 60; f) as at the date the Scheme Booklet is despatched to BigAir Shareholders, the <ul style="list-style-type: none"> i) Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Superloop Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise); ii) as at the date of the deed, BigAir is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the proposed Scheme or as disclosed in writing to Superloop on or before the date of the Scheme Implementation Deed); g) the issued capital of BigAir as of the date of the Scheme

Term**Meaning**

Implementation Deed is:

- i) 180,945,451 BigAir Shares;
- ii) 917,040 BigAir Performance Rights;
- iii) 166,515 BigAir Service Rights,

and there are no other BigAir options, performance rights, shares, warrants, convertible notes, instruments or other securities (or offers or agreements to issue any of the foregoing) that may convert into BigAir Shares;

- h) BigAir's financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as BigAir is aware, there has not been any event, change, effect or development which would require BigAir to restate its financial statements as disclosed to the ASX;
 - i) no member of the BigAir Group has issued, or agreed to issue, any other securities or instruments which may convert into BigAir Shares or any other securities in BigAir;
 - j) so far as the BigAir Board and the key management personnel of any member of the BigAir Group are aware, or ought reasonably to be aware, after due and diligent inquiry of each BigAir Group member, as at the date of the Scheme Implementation Deed, there is no material breach by any BigAir Group member of:
 - i) any law or regulation applicable to them (or order of any Regulatory Authority having jurisdiction over them); or
 - ii) any material contract to which it is a party, which breach (alone or together with any other breaches of law or contract) has or could reasonably be expected to have the effect of causing:
 - iii) any material contract to be terminable or terminated; or
 - iv) a BigAir Group member to be restricted in conducting its business, or to be subject to criminal liability or penalty; or
 - v) a BigAir Material Adverse Change;
 - k) so far as the BigAir Board and the key management personnel of any member of the BigAir Group are aware, or ought reasonably to be aware, all responses by BigAir and its authorised persons (being a director, officer,
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Term	Meaning
	contractor, agent, employee, adviser, and a director, officer, or employee of an adviser) to Superloop's requests for information in connection with its due diligence investigations of the BigAir Group are materially true, accurate, complete and not misleading or deceptive whether by omission or otherwise; and
	l) the BigAir Group owns, or has the right to use, all of the assets, real property, information technology and intellectual property that are material for the conduct of the business of the BigAir Group, and will continue to do so upon and immediately following Implementation.
Business Day	a day that is not a Saturday, Sunday or public holiday in Sydney.
Cash Cap	\$95,000,000.
CGT	Australian capital gains tax.
CHESS Holding	a holding of shares on the CHESS Sub-register of BigAir.
CHESS Sub-register	the Clearing House Electronic Sub-register System for the electronic transfer of BigAir Shares and other financial products operated by ASX Settlement Pty Ltd (ABN 49 008 504 532).
Commitment Letter	has the meaning given in section 8.5(a).
Contracted Annualised Recurring Revenue	the value of revenue expected to be derived in a 12 month period based on current contracts in place, on a recurring basis and therefore not including one-off fees or components of revenue that are variable with respect to volume or usage.
Controlling Participant	in relation to your BigAir Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the Corporations Act 2001 (Cth).
Corporations Regulations	the Corporations Regulations 2001 (Cth).
Court	the Federal Court of Australia or such other Court of competent jurisdiction under the Corporations Act to approve the Scheme as agreed by BigAir and Superloop.
Deed Poll	the deed poll as set out in Annexure D to this Scheme Booklet.
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation.
Effective	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 the Scheme.

Term	Meaning
Effective Date	the date on which the Scheme becomes Effective.
Election Date	the last date for receipt of an election form in order to make an Election in accordance with the terms of the Scheme, being that date that is five Business Days before the date of the Scheme Meeting (currently expected to be Monday, 28 November 2016) or such other date as BigAir and Superloop agree in writing.
Election Form	the election form provided with this Scheme Booklet under which each Scheme Shareholder may elect to receive the Mixed Consideration (instead of the Scrip Consideration) in respect of all their Scheme Shares.
Excluded Shareholder	any BigAir Shareholder who is Superloop or a subsidiary of Superloop.
Facilities	has the meaning given in section 8.5(a).
Facility Agreement	has the meaning given in section 8.5(a).
Facility Maturity Date	the date being 3 years from the date of Financial Close.
Financial Close	the date on which the first drawing under a Facility occurs
First Court Date	the day on which an application made to the Court, in accordance with the Scheme Implementation Deed, for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme, is heard.
FY	financial year ended 30 June.
Governmental Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.
GST	Australian goods and services tax.
Implementation Date	the fifth Business Day following the Record Date (currently expected to be Wednesday, 21 December 2016) or such other day as BigAir and Superloop may agree.
Independent Expert	Lonergan Edwards & Associates Limited (ABN 53 095 445 560).
Independent Expert's Report	the report prepared by the Independent Expert dated 27 October 2016, a copy of which is set out in Annexure A.
Ineligible Foreign Shareholder	the meaning given to that term in section 5.13 of this Scheme Booklet.
Investigating Accountant	Deloitte Corporate Finance Pty Limited

Term	Meaning
Investigating Accountant's Report	the report from the Investigating Accountant in relation to the historical financial information of Superloop and the pro-forma combined historical financial information of the Merged Group in section 8.8 of this Scheme Booklet, a copy of which is set out in Annexure B.
Merged Group	the combined BigAir and Superloop groups of companies following the acquisition of all BigAir Shares by Superloop as a result of the Scheme.
Mixed Consideration	a combination of cash and New Superloop Shares (the mix of which depends on the Elections made by other Scheme Shareholders) as described in section 5.3(b).
New Superloop Shareholder	a holder of New Superloop Shares.
New Superloop Shares	Superloop Shares to be issued under the Scheme as Scheme Consideration.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure E.
Plan	the BigAir Equity Incentive Plan.
Prescribed Occurrence	<p>in respect of either party to the Scheme Implementation Deed, any of the following:</p> <ul style="list-style-type: none"> a) a party converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act); b) a party or any of its subsidiaries resolves to reduce its share capital in any way; c) a party or any of its subsidiaries: <ul style="list-style-type: none"> i) enters into a buy-back agreement; or ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act; d) a party or any of its subsidiaries declares, pays or distributes any dividend other than the fully franked dividend in respect of the financial year ending 30 June 2016 (being a cash amount per BigAir Share not exceeding \$0.013 as announced to ASX on 26 August 2016), bonus or other share of its profits or assets or returning or agreeing to return any capital; e) a party or any of its subsidiaries issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option;

Term	Meaning
	<ul style="list-style-type: none"> f) a party or any of its subsidiaries issues, or agrees to issue, convertible notes; g) a party or any of its subsidiaries disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; h) a party or any of its subsidiaries creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, other than in the usual and ordinary course of business consistent with past practice; or i) a party or any of its subsidiaries becomes Insolvent, provided that a Prescribed Occurrence will not include any matter: <ul style="list-style-type: none"> j) required to be done or procured by a party pursuant to the Scheme Implementation Deed or the Scheme; k) to the extent it is disclosed in filings of a party with the ASX prior to the date of the Scheme Implementation Deed; l) to the extent it is disclosed in the a disclosure letter to the other party or in due diligence materials; m) required by law or by an order of a court or Governmental Agency; n) expressly permitted pursuant to the Scheme Implementation Deed; or o) the undertaking of which the other party has previously approved in writing (which approval must not be unreasonably withheld or delayed).
Proxy Form	the proxy form for the Scheme Meeting which accompanies the Scheme Booklet dispatched to each BigAir Shareholder.
Record Date	7:00pm on the third Business Day after the Effective Date (currently expected to be Wednesday, 14 December 2016) or such other date as BigAir and Superloop agree.
Regulatory Approval	<ul style="list-style-type: none"> a) any approval, consent, authorisation, registration, filing, lodgment, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; or b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the

Term	Meaning
	expiry of that period without intervention or action.
Regulatory Authority	includes ASX or ASIC, a government or governmental, semi-governmental or judicial entity or authority, a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government and any regulatory organization established under statute.
Relevant Interest	the meaning given in sections 608 and 609 of the Corporations Act.
Representative	an employee, agent, officer, director, auditor or adviser of a party.
Resident Scheme Shareholders	Scheme Shareholders (other than Ineligible Foreign Shareholders) that are residents of Australia as that term is defined under section 6(1) of the Income Tax Assessment Act 1936 (Cth) or any applicable Australian double tax agreement.
Resolution	the resolution to agree to the terms of the Scheme.
Sale Nominee	the person appointed by Superloop to sell the New Superloop Shares that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme.
Scheme	the scheme of arrangement under which all Scheme Shares will be transferred to Superloop in accordance with Part 5.1 of the Corporations Act, substantially in the form of Annexure C together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
Scheme Booklet	this document.
Scheme Consideration	the consideration payable to Scheme Shareholders under the Scheme, being comprised of the Scrip Consideration and the Mixed Consideration.
Scheme Implementation Deed	the Scheme Implementation Deed between BigAir and Superloop dated 13 September 2016, the key terms of which are summarised in section 5.17 and a copy of which was announced to and available on ASX, and BigAir's website.
Scheme Meeting	the meeting of BigAir Shareholders (other than Excluded Shareholders) to be convened by the Court under section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Share	a BigAir Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	each person who is a BigAir Shareholder (other than an Excluded Shareholder) at the Record Date.
Scrip Consideration	0.371 New Superloop Shares for each Scheme Share held by a Scheme Shareholder who does not validly Elect to

Term	Meaning
	receive the Mixed Consideration.
SEC	the US Securities Exchange Commission.
Second Court Date	the day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard.
Share Consideration	the Share Consideration component of the Scheme Consideration, as described in section 5.3.
Superloop	Superloop Limited (ABN 96 169 263 094) and, where the context requires, includes Superloop and each of its subsidiaries.
Superloop Director	a director of Superloop.
Superloop Group	Superloop Limited (ABN 96 169 263 094) and its subsidiaries.
Superloop Information	the information contained in the letter from the Chairman of Superloop, and sections 7, 8, 9.2 and 11.2 but does not include any information provided by BigAir to Superloop for the purposes of Superloop preparing information on the Merged Group.
Superloop Material Adverse Change	<p>any of the following events:</p> <ul style="list-style-type: none"> a) the Chief Executive Officer of Superloop on the date of the Scheme Implementation Deed, ceases to be either a director or employee of Superloop; or b) an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to BigAir (whether it becomes public or not) after the date of the Scheme Implementation Deed, and which (individually or when aggregated with other events, occurrences or matters) has or could reasonably be expected to have the result that the business of Superloop is unable to be carried on substantially in the way it is carried on as at the date of the Scheme Implementation Deed other than events, occurrences or matters: <ul style="list-style-type: none"> i) required to be done or procured by Superloop pursuant to the Scheme Implementation Deed or the Deed Poll; ii) resulting directly from changes in general economic and political conditions or changes that affect the telecommunications industry generally; iii) to the extent that it was fairly disclosed by Superloop in writing; iv) to the extent it was fairly disclosed to the ASX

Term	Meaning
	<p>before the date of the Scheme Implementation Deed or which may arise from an event, occurrence or matter which was so disclosed; or</p> <p>v) which BigAir has previously approved in writing.</p>
Superloop Share	a fully paid ordinary share in the capital of Superloop.
Superloop Share Registry	Link Market Services (ABN 54 083 214 537).
Superloop Shareholder	a person who is registered in the register of shareholders of Superloop as the holder of one or more Superloop Shares.
Superloop Warranties	<p>Superloop represents and warrants to BigAir that as at the date of the Scheme Implementation Deed and at all subsequent times until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date):</p> <p>a) BigAir is a validly existing corporation registered under the laws of its place of incorporation;</p> <p>b) Superloop is a validly existing corporation registered under the laws of its place of incorporation;</p> <p>c) the execution and delivery of the deed has been properly authorised by all necessary corporate action and Superloop has full corporate power and lawful authority to execute and deliver the deed and to perform or cause to be performed its obligations under the deed;</p> <p>d) the Scheme Implementation Deed constitutes legal, valid and binding obligations on it and the Scheme Implementation Deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Superloop is a party or is bound;</p> <p>e) no Superloop Prescribed Occurrence has occurred;</p> <p>f) the Superloop Information provided to BigAir for inclusion in the Scheme Booklet will:</p> <p>i) be provided in good faith;</p> <p>ii) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and ASIC Regulatory Guide 60; and</p> <p>iii) be provided on the understanding that BigAir will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;</p> <p>g) as at the date the Scheme Booklet is despatched to</p>

Term**Meaning**

BigAir Shareholders, the Superloop Information, in the form and context in which that information appears in the version of the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);

- h) as at the date of the Scheme Implementation Deed, Superloop is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Transaction or as disclosed in writing to BigAiron or before the date of the Scheme Implementation Deed);
 - i) the issued capital of Superloop as at the date of the deed is:
 - i) 103,861,688 Superloop Shares;
 - ii) 30,491,250 restricted fully paid ordinary shares;
 - iii) 196,068 performance rights in relation to Superloop Shares; and
 - iv) 725,814 options over Superloop Shares,and there are no other Superloop options, performance rights, shares, warrants, convertible notes, instruments or other securities (or offers or agreements to issue any of the foregoing) that may convert into Superloop Shares;
 - j) all information provided by or on behalf of Superloop to the Independent Expert to enable the Independent Expert's Report to be included in the Scheme Booklet to be prepared and completed will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;
 - k) Superloop does not require the approval of its shareholders or the approval or consent of any other person to enter into or perform any of its obligations under the Scheme Implementation Deed;
 - l) Superloop's financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as Superloop is aware, there has not been any event, change, effect or development which would require Superloop to restate
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Term	Meaning
	<p>its financial statements as disclosed to the ASX;</p> <p>m) so far as the board of directors of Superloop and the key management personnel of any member of the Superloop Group are aware, or ought reasonably to be aware, after due and diligent inquiry of each Superloop Group member, as at the date of the deed, there is no material breach by any Superloop Group member of:</p> <ul style="list-style-type: none"> i) any law or regulation applicable to them (or order of any Regulatory Authority having jurisdiction over them); or ii) any material contract to which it is a party, which breach (alone or together with any other breaches of law or contract) has or could reasonably be expected to have the effect of causing: <ul style="list-style-type: none"> iii) any material contract to be terminable or terminated; or iv) a Superloop Group member to be restricted in conducting its business, or to be subject to criminal liability or penalty; or v) a Superloop Material Adverse Change; <p>n) so far as the board of directors of Superloop and the key management personnel of any member of the Superloop Group are aware, or ought reasonably to be aware, all responses by Superloop and its authorised persons (being a director, officer, contractor, agent, employee, adviser, and a director, officer, or employee of an adviser) to BigAir's requests for information in connection with its due diligence investigations of the Superloop Group are materially true, accurate, complete and not misleading or deceptive whether by omission or otherwise; and</p> <p>o) the Superloop Group owns, or has the right to use, all of the assets, real property, information technology and intellectual property that are material for the conduct of the business of the Superloop Group, and will continue to do so upon and immediately following Implementation.</p>
U.S.	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
VWAP	volume weighted average price.

12.1 Interpretation

In this Scheme Booklet:

- 1) other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- 2) words of any gender include all genders;
- 3) words importing the singular include the plural and vice versa;
- 4) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- 5) a reference to a section or annexure, is a reference to a section of or annexure of, this Scheme Booklet as relevant;
- 6) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- 7) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- 8) a reference to time is a reference to Sydney time;
- 9) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- 10) the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

Annexure A – Independent Expert's Report

LONERGAN EDWARDS & ASSOCIATES LIMITED

ABN 53 095 445 560
AFS Licence No 246532
Level 7, 64 Castlereagh Street
Sydney NSW 2000 Australia
GPO Box 1640, Sydney NSW 2001

Telephone: [61 2] 8235 7500
www.lonerganedwards.com.au

The Directors
BigAir Group Limited
Level 1
203 Pacific Highway
St Leonards NSW 2065

27 October 2016

Subject: Proposed acquisition by way of Scheme

Dear Directors

Proposed transaction

- 1 On 13 September 2016, BigAir Group Limited (BigAir or the Company) announced that it and Superloop Limited (Superloop) had signed a Scheme Implementation Deed (the Deed) pursuant to which Superloop would acquire all of the shares in BigAir by way of a scheme of arrangement (Scheme).
- 2 If the Scheme is approved by BigAir shareholders and the Court, BigAir shareholders can elect to receive either (collectively the Scheme Consideration):
 - (a) 0.371 Superloop shares for every BigAir share held (the Scrip Consideration); or
 - (b) a combination of \$0.70 in cash payable upon completion of the Scheme and 0.118 Superloop shares for each BigAir share held (the Mixed Consideration).
- 3 The cash component of the Mixed Consideration is subject to a \$95 million cap on the amount of cash that will be paid, with a pro-rata scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed Consideration. If such a scale back occurs each BigAir shareholder who elects to receive the Mixed Consideration will receive, in relation to each BigAir share held by them, an additional 0.00337 Superloop shares for each \$0.01 of cash scaled back. BigAir shareholders who do not make an election will receive the Scrip Consideration.

Purpose of report

- 4 The Scheme is subject to a number of conditions precedent, including an independent expert concluding that the Scheme is in the best interests of BigAir shareholders. In addition, the Directors' recommendation of the Scheme is subject to an independent expert concluding that the Scheme is in the best interests of BigAir shareholders.

- 5 Accordingly, the Directors of BigAir have requested that Lonergan Edwards & Associates Limited (LEA) prepare an independent expert's report (IER) stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of BigAir shareholders and the reasons for that opinion.
- 6 LEA is independent of BigAir and Superloop, and has no other involvement or interest in the proposed Scheme.

Summary of opinion

- 7 In our opinion, the Scheme is fair and reasonable and in the best interests of BigAir shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of BigAir

- 8 LEA has valued 100% of the shares in BigAir at between \$0.99 and \$1.06 per share, as summarised below:

BigAir – valuation		
	Low \$m	High \$m
EBITDA ⁽¹⁾ adopted for valuation purposes	25.0	25.0
EBITDA multiple	8.5	9.0
Enterprise value	212.5	225.0
Net debt as at 30 September 2016	(27.8)	(27.8)
Equity value	184.7	197.2
Fully diluted shares on issue	186.3	186.3
Value per share	<u>\$0.99</u>	<u>\$1.06</u>

Note:

1 Earnings before interest, tax, depreciation and amortisation.

Value of consideration

- 9 We have assessed the value of the Scheme Consideration to be received by BigAir shareholders pursuant to the Scheme at the amounts below:

Value of Scheme Consideration per BigAir share		
	Low \$ per share	High \$ per share
Scrip Consideration		
Assessed realisable value of Superloop shares	2.90	3.10
Scheme ratio (Scrip Consideration)	0.371	0.371
Assessed value of Scheme Consideration – Scrip Consideration	<u>1.08</u>	<u>1.15</u>
Mixed Consideration		
Assessed realisable value of Superloop shares	2.90	3.10
Scheme ratio (Mixed Consideration)	0.118	0.118
Value of scrip consideration	0.34	0.37
Cash consideration	0.70	0.70
Assessed value of Scheme Consideration – Mixed Consideration	<u>1.04</u>	<u>1.07</u>

Other considerations

- 10 BigAir shareholders should note that the listed market price of Superloop shares is subject to daily fluctuation. The price at which Superloop shares may be sold may therefore be greater or less than our assessed realisable value of Superloop shares of \$2.90 to \$3.10 per share.
- 11 BigAir shareholders should also note that any decision to hold Superloop shares beyond the short-term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to hold Superloop shares should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. BigAir shareholders should therefore seek independent professional advice specific to their individual circumstances if required.

Fair and reasonable opinion

- 12 Pursuant to Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111), the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than, the value of the securities the subject of the Scheme.
- 13 In the case of BigAir, the value of the consideration to be received by BigAir shareholders is dependent on (and may vary according to) whether shareholders elect the Scrip Consideration or the Mixed Consideration. We have therefore provided a comparison for each of these alternatives with our assessed value of BigAir shares.

Fairness – Scrip Consideration

- 14 The relevant comparison for BigAir shareholders electing the Scrip Consideration is shown below:

Position of BigAir shareholders – Scrip Consideration			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.08	1.15	1.115
Value of 100% of BigAir	0.99	1.06	1.025
Extent to which the Scheme Consideration exceeds the value of BigAir	0.09	0.09	0.090

- 15 As the value of the Scrip Consideration to be received by BigAir shareholders is above our assessed valuation range for BigAir shares on a 100% controlling interest basis, in our opinion, the Scrip Consideration is fair when assessed based on the guidelines set out in RG 111.

Fairness – Mixed Consideration

- 16 The relevant comparison for BigAir shareholders electing the Mixed Consideration is shown below:

Position of BigAir shareholders – Mixed Consideration			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.04	1.07	1.055
Value of 100% of BigAir	0.99	1.06	1.025
Extent to which the Scheme Consideration exceeds the value of BigAir	0.05	0.01	0.030

- 17 As the value of the Mixed Consideration to be received by BigAir shareholders is towards the high end of our assessed valuation range for BigAir shares on a 100% controlling interest basis, in our opinion, the Mixed Consideration is fair when assessed based on the guidelines set out in RG 111.

Reasonableness

- 18 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is “reasonable” it must also be “in the best interests” of shareholders, in the absence of a superior proposal.
- 19 Consequently, in our opinion, the Scheme is also “reasonable” and “in the best interests” of BigAir shareholders in the absence of a superior proposal.

Assessment of the Scheme

- 20 We summarise below the likely advantages and disadvantages of the Scheme for BigAir shareholders.

Advantages

- 21 The Scheme has the following benefits for BigAir shareholders:
- (a) the value of the Scrip Consideration and the Mixed Consideration is above or toward the high end of our assessed value range of BigAir shares on a 100% controlling interest basis
 - (b) the Scheme Consideration represents a significant premium to the recent market prices of BigAir shares prior to the announcement of the Scheme on 13 September 2016, and reflects an implied premium which generally exceeds observed premiums paid in successful takeovers generally.

Disadvantages

- 22 BigAir shareholders should note that the business operations of Superloop are, prima facie, a higher risk investment (from an operational perspective) than BigAir as Superloop has not yet reached profitability. The lack of current profitability also increases the risk of a substantial share price decline if the future performance of the business does not meet investor expectations.
- 23 Those BigAir shareholders who decide to hold their Superloop shares beyond the short-term should therefore be aware of these risks.

Conclusion

- 24 Given the above analysis, we consider that the acquisition of BigAir shares by Superloop under the Scheme is fair and reasonable and in the best interests of BigAir shareholders in the absence of a superior proposal.

General

- 25 In preparing this report we have considered the interests of BigAir shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.

- 26 The impact of approving the Scheme on the tax position of BigAir shareholders depends on the individual circumstances of each investor. BigAir shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 27 The ultimate decision whether to approve the Scheme should be based on each BigAir shareholder's assessment of their own circumstances. If BigAir shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that BigAir shareholders read the remainder of our report.

Yours faithfully



Craig Edwards
Authorised Representative



Julie Planinic
Authorised Representative

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I Key terms of the Scheme

Terms

- 28 On 13 September 2016, BigAir Group Limited (BigAir or the Company) announced that it and Superloop Limited (Superloop) had signed a Scheme Implementation Deed (the Deed) pursuant to which Superloop would acquire all of the shares in BigAir by way of a scheme of arrangement (Scheme).
- 29 If the Scheme is approved by BigAir shareholders and the Court, BigAir shareholders can elect to receive either:
- (a) 0.371 Superloop shares for every BigAir share held (the Scrip Consideration); or
 - (b) a combination of \$0.70 in cash payable upon completion of the Scheme and 0.118 Superloop shares for each BigAir share held (the Mixed Consideration).
- 30 The cash component of the Mixed Consideration is subject to a \$95 million cap on the amount of cash that will be paid, with a pro-rata scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed Consideration. If such a scale back occurs each BigAir shareholder who elects to receive the Mixed Consideration will receive, in relation to each BigAir share held by them, an additional 0.00337 Superloop shares for each \$0.01 of cash scaled back.
- 31 BigAir shareholders who do not make an election will receive the Scrip Consideration.

Conditions

- 32 The Scheme is subject to the satisfaction of a number of conditions precedent, including the following which are outlined in the Scheme Implementation Deed (Deed) between BigAir and Superloop dated 13 September 2016:
- (a) no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other order issued by any Court of competent jurisdiction or Government Agency or other legal restraint or prohibition preventing or materially restricting the Scheme is in effect at 8.00am on the Second Court Date
 - (b) the Court orders the convening of the Scheme meeting under s411(1) of the *Corporations Act 2001* (Cth) (Corporations Act)
 - (c) all regulatory approvals required to implement the Scheme, including from ASIC and the Australian Securities Exchange (ASX) are granted or obtained either unconditionally or on conditions that do not impose unduly onerous obligations on either party before 8.00am on the Second Court Date, and those regulatory approvals have not been withdrawn, cancelled or revoked before 8.00am on the Second Court Date
 - (d) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose onerous obligations on either party
 - (e) BigAir shareholder approval by the requisite majorities under the Corporations Act at the Scheme meeting

- (f) no “BigAir Prescribed Occurrence” (as defined in Schedule 1 of the Deed) occurs in respect of BigAir on or before 8.00am on the Second Court Date
- (g) no “Superloop Prescribed Occurrence” (as defined in Schedule 1 of the Deed) occurs in respect of Superloop on or before 8.00am on the Second Court Date
- (h) no “BigAir Material Adverse Change” (as defined in Schedule 1 of the Deed) occurs in respect of BigAir on or before 8.00am on the Second Court Date
- (i) no “Superloop Material Adverse Change” (as defined in Schedule 1 of the Deed) occurs in respect of BigAir on or before 8.00am on the Second Court Date
- (j) the “BigAir Warranties” (as set out in clause 9.3 of the Deed) are true and correct in all material respects as at the time they are given
- (k) the “Superloop Warranties” (as set out in clause 9.1 of the Deed) are true and correct in all material respects as at the time they are given
- (l) on no day between 13 September 2016 and the business day before the Second Court Date is the S&P/ASX300 Index at the close of trading for the previous five trading days 15% or more below its level as at the close of trading on 13 September 2016
- (m) the provision of an IER which concludes that the Scheme is in the best interests of BigAir shareholders, and the independent expert not changing or publicly withdrawing this conclusion prior to 8.00am on the Second Court Date
- (n) BigAir enters into appropriate arrangements with each of the holders of performance rights and service rights issued by BigAir to ensure the rights either vest, have lapsed or have been cancelled before the Record Date.

33 In addition, BigAir has agreed that up until the earliest of the effective date of the Scheme or 15 March 2017, it will not:

- (a) solicit, invite, encourage or initiate any competing transaction
- (b) participate in any discussions or negotiations which may reasonably be expected to lead to a competing transaction
- (c) enter into any agreement, arrangement or understanding in relation to a competing transaction or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a competing transaction
- (d) provide any information to a third party for the purposes of enabling that party to table a competing transaction.

34 The exclusivity obligations (other than the “no shop” obligation) do not apply if BigAir has complied with the various exclusivity obligations set out in the Deed and the BigAir Directors determine in good faith:

- (a) the proposed competing transaction is or may reasonably be expected to lead to a superior proposal; and
- (b) after obtaining written advice from its legal advisers, that compliance with exclusivity obligations would be likely to involve a breach of fiduciary or statutory duties.

- 35 Subject to any potential breach of fiduciary duties, BigAir must notify Superloop if it receives a superior competing proposal and give Superloop three business days to match that competing proposal.
- 36 A break fee of \$2.1 million is payable by BigAir to Superloop, and by Superloop to BigAir, in certain circumstances as specified in the Deed.

Resolution

- 37 BigAir shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.
- 38 If the resolution is passed by the requisite majorities, BigAir must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all BigAir shareholders who hold BigAir shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

II Scope of our report

Purpose

- 39 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Corporations Regulations) prescribes information to be sent to shareholders in relation to a members' scheme of arrangement pursuant to s411 of the Corporations Act.
- 40 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 41 Superloop's voting power in BigAir was 10.75% prior to the announcement of the Scheme, and has no representation on the BigAir Board. Accordingly, there is no regulatory requirement for an IER. However, the Scheme is subject to a condition precedent and the BigAir Directors' recommendation of the Scheme is also subject to an independent expert concluding that the Scheme is in the best interests of BigAir shareholders.
- 42 As the Scheme (if approved and implemented) will result in 100% of the securities in BigAir being held by Superloop, RG 111 requires that we provide an opinion on whether the consideration payable under the Scheme is fair and reasonable to the shareholders of BigAir.
- 43 The Directors of BigAir have therefore requested LEA to prepare an IER stating whether the proposed acquisition of the shares in BigAir by Superloop under the Scheme is fair and reasonable and in the best interests of BigAir shareholders and the reasons for that opinion.
- 44 This report has been prepared by LEA for the benefit of BigAir shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Scheme Booklet to be sent to BigAir shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of BigAir shareholders.
- 45 The ultimate decision whether to approve the Scheme should be based on each BigAir shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

- 46 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.
- 47 RG 111 distinguishes "fair" from "reasonable" and considers:
- (a) the Scheme to be "fair" if the value of the Scheme Consideration is equal to or greater than the value of the securities that are the subject of the Scheme. This comparison must be made assuming 100% ownership of the target company

- (b) the Scheme to be “reasonable” if it is fair. The Scheme may also be “reasonable” if, despite not being “fair” in the expert’s view, there are sufficient reasons for shareholders to approve the Scheme in the absence of a superior proposal.

48 There is no legal definition of the expression “in the best interests”. However, RG 111 states that a Scheme may be “*in the best interests of the members of the company*” if there are sufficient reasons for securityholders to vote in favour of the Scheme in the absence of a higher offer.

49 In our opinion, if the Scheme is fair and reasonable under RG 111 it must also be in the best interests of BigAir shareholders.

50 Our report has therefore considered:

- (a) the market value of 100% of the shares in BigAir
- (b) the value of the Scrip Consideration and the Mixed Consideration offered by Superloop
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)
- (d) the extent to which a control premium is being paid to BigAir shareholders
- (e) the listed market price of BigAir shares, both prior to and subsequent to the announcement of the proposed Scheme
- (f) the likely market price of BigAir shares if the proposed Scheme is not approved
- (g) the value of BigAir to an alternative offeror and the likelihood of a higher alternative offer being made for BigAir prior to the date of the Scheme meeting
- (h) the advantages and disadvantages of the Scheme from the perspective of BigAir shareholders
- (i) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

51 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

52 Our report is also based upon financial and other information provided by BigAir and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

53 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of BigAir securityholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be

appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

- 54 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters.
- 55 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 56 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in this report.

III Profile of BigAir

Overview

57 BigAir is an integrated telecommunications carrier providing network infrastructure, managed services, cloud-based solutions and fully managed campus-based networking solutions to corporate and wholesale customers across Australia. The Company owns and operates Australia's largest metropolitan fixed wireless broadband network, which provides extensive coverage across major cities and regional locations.

History

58 BigAir was established in Sydney in 2002 as a specialist provider of fixed wireless broadband services by Mr Jason Ashton and Mr Patrick Choi. It was listed on the ASX in April 2006 and since that date has grown significantly, both organically and through strategic acquisitions. A summary of the Company's major acquisitions since 2010 is shown below:

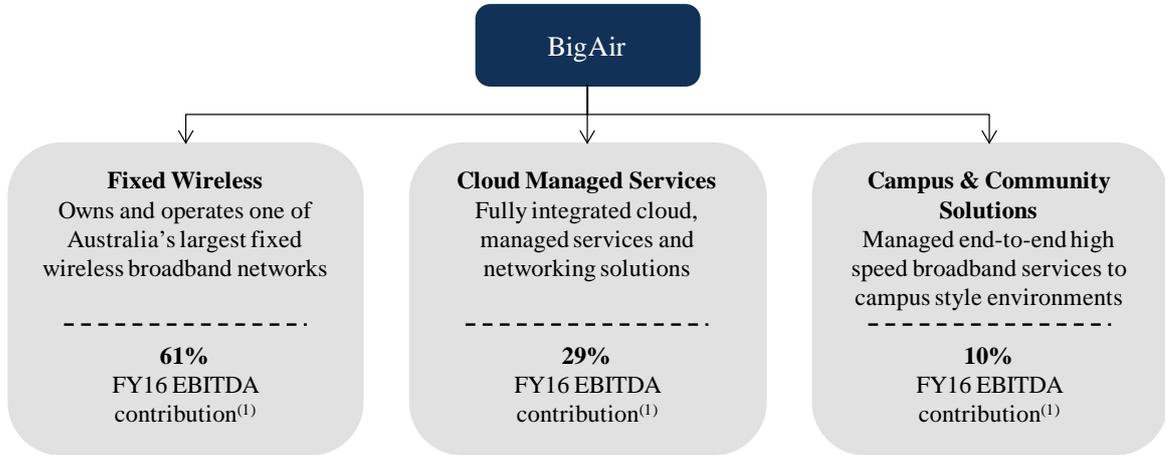
BigAir – key acquisitions		
Date	Acquisition	Business overview
Apr 10	Wizz Communications	Provision of wholesale fixed wireless broadband services to businesses in Sydney, Melbourne and Brisbane.
Jul 10	Star-Tech's assets and customer base	Outsourced managed broadband services to university colleges and private tertiary student accommodation providers.
Nov 10	Clever Communications	Wholesale fixed wireless broadband carrier services to businesses in Melbourne, Sydney, Brisbane and Adelaide.
Jan 11	Access Plus	Provision of outsourced managed internet services to the tertiary student accommodation market.
May 12	Allegro Networks	Specialist provider of business-grade symmetric broadband services to the corporate and tertiary student accommodation markets across south east Queensland.
Jun 12	Link Innovations	High-speed business to business Fixed Wireless Ethernet Broadband network covering Sydney, Melbourne, Newcastle and a number of regional markets.
Aug 13	Intelligent IP Solutions	Provision of hosted PABX (Private Automatic Branch Exchange), unified communications (a blend of carriage, voice, video and data) and managed services, with a presence in the remote mining camp market.
Dec 13	Anittel Communications	Network infrastructure and business communications services, including internet and data, voice and video and cloud services.
Nov 14	Oriel Technologies	Managed services including networking, systems communications, infrastructure-as-a-service, desktop-as-a-service and private, hybrid and public cloud solutions.
Jul 15	Applaud IT	Managed services including service desk and network operations capabilities as well as integration, consulting and cloud services.
Jul 16	CyberHound	Leading supplier of fully managed cybersecurity solutions for business customers, and cybersafety and digital learning enablement services into the primary and high school education markets.

Current operations

59 BigAir operates from a Sydney head office and employs approximately 240 staff. The Company has operations in every state and territory in Australia and serves more than 1,300 customers. BigAir's service offerings are grouped into three operating business units,

being Fixed Wireless, Cloud Managed Services and Campus & Community Solutions, as shown below:

BigAir – overview of operations



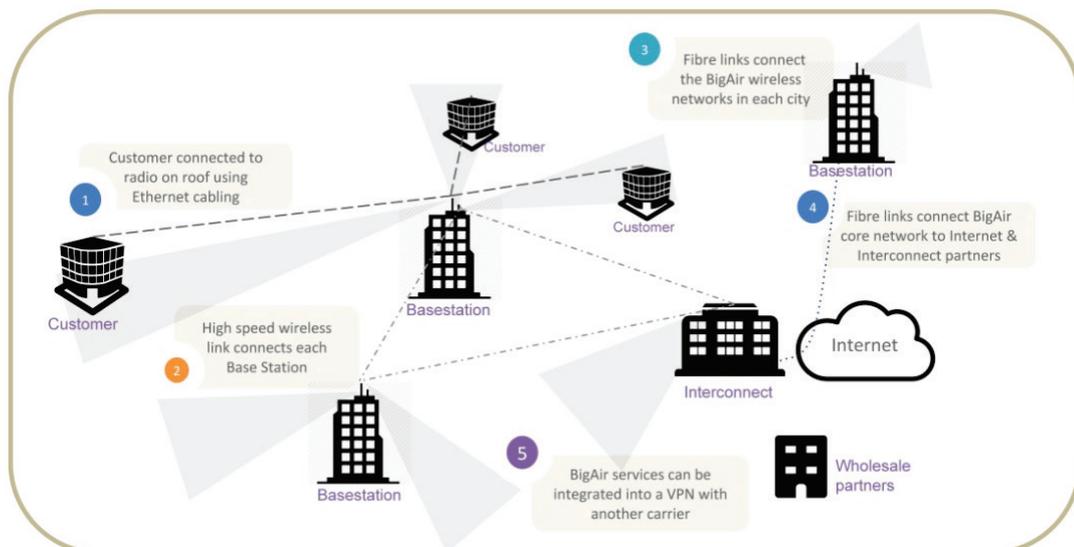
Note:

1 Excluding corporate overheads.

Fixed Wireless

60 BigAir provides a wide range of network services from its national fixed wireless network. The network consists of high speed wireless infrastructure located at points of presence (POPs) typically situated on rooftops in premium central business district locations and on communication towers in outer metropolitan and regional areas. BigAir's network includes over 300 POPs in more than 60 markets across Australia, including Sydney, Melbourne, Brisbane, Perth, Adelaide, Gold Coast, Canberra and Newcastle. A diagrammatic overview of BigAir's fixed wireless network is shown below:

BigAir – fixed wireless network



- 61 BigAir's state-of-the-art carrier-grade fixed wireless network allows installation of dependable symmetric broadband services at speeds up to and beyond 1,000 megabits per second (Mbps), which is substantially faster than broadband speeds offered by copper networks. The fixed wireless network is also available in combination with traditional fixed line infrastructure such as fibre to provide critical network and application infrastructure with complete technology and carrier diversity. The network can be installed in as little as a few hours, connecting to carrier-grade wireless equipment.
- 62 The Fixed Wireless business serves both the direct and wholesale corporate communications markets. The wholesale market was historically BigAir's primary focus, however, the Company has in recent years shifted its focus to the direct corporate market (from 2012¹). Revenue from the wholesale market has declined from around 60% of segment sales in the year to 30 June 2014 (FY14) to 40% in FY16.

Cloud Managed Services

- 63 The Cloud Managed Services division provides innovative, managed private cloud services in combination with managed network and unified communications solutions to the mid-market (medium enterprise) segment across Australia. It was formed through the combination of a number of acquisitions² and has operated as a segment in its own right since FY14. The services offered by Cloud Managed Services include:
- (a) **managed services** – information technology (IT) infrastructure management, managed IT services, managed service desk and business continuity solutions
 - (b) **cloud** – cloud infrastructure and backup, desktop-as-a-service and infrastructure-as-a-service solutions
 - (c) **network services** – managed high speed data networks and unified communications (integrated voice, video, data and mobile applications across fixed and mobile networks), wide-area network optimisation and WiFi-as-a-service solutions.
- 64 In order to provide a complete information communications technology (ICT) offering, BigAir also procures and sells ICT hardware to its clients. These product sales are typically lower margin than the other services provided by this division, which has the effect of lowering the overall segment EBITDA margin. The long term strategy for this division is to move its customers to an as-a-service model which is expected to reduce product sales (as a percentage of overall division revenue).

Campus & Community Solutions

- 65 The Campus & Community Solutions business provides complete managed end-to-end high speed fixed and wireless broadband and operational support systems to campus and community environments. Services provided include both BigAir's wireless network and third party wired infrastructure.

¹ This decision was associated with ongoing industry consolidation across the telecommunications industry which was creating headwinds for wholesale only service providers due to the resulting increase in buying power along with increasing rollout of alternate competitive infrastructure.

² The larger of these acquisitions included Intelligent IP Communications in August 2013, Oriel Technologies in November 2014 and CyberHound as of 1 July 2016.

66 BigAir's primary market is the tertiary education student accommodation sector, where the Company is the leading provider of outsourced managed internet services (covering more than 200 campus sites and more than 35,000 beds across Australia). The segment also targets the retirement village, retail shopping centre, local council, mining camp, hospitality and tourist accommodation sectors.

Financial performance

67 The financial performance of BigAir for the three years to FY16 is set out below:

BigAir – statement of financial performance⁽¹⁾			
	FY14	FY15	FY16
	Audited	Audited	Audited
	\$m	\$m	\$m
Sales revenue	41.7	62.7	79.7
Cost of sales	(15.2)	(27.1)	(39.0)
Gross profit	26.5	35.5	40.8
Underlying EBITDA	15.1	18.9	22.3
Depreciation ⁽²⁾	(4.9)	(6.0)	(7.3)
Underlying EBITA⁽³⁾	10.2	12.9	15.0
Amortisation of acquired intangible assets	(1.0)	(0.5)	(1.0)
Underlying EBIT	9.2	12.3	14.0
Adjustments to contingent consideration payments	-	(1.9)	4.3
Non-recurring items ⁽⁴⁾	(0.4)	(1.6)	(3.4)
Net financial expense	(0.5)	(1.0)	(1.6)
Profit before tax	8.2	7.9	13.3
Income tax expense	(2.8)	(3.0)	(3.0)
Profit after tax	5.3	4.8	10.3
<i>Gross profit margin</i>	<i>63.5%</i>	<i>56.7%</i>	<i>51.1%</i>
<i>Underlying EBITDA margin</i>	<i>36.2%</i>	<i>30.1%</i>	<i>27.9%</i>
<i>Underlying EBITA margin</i>	<i>24.3%</i>	<i>20.5%</i>	<i>18.8%</i>
<i>Growth in sales revenue</i>	<i>39.5%</i>	<i>50.1%</i>	<i>27.3%</i>
<i>Growth in EBITDA</i>	<i>25.2%</i>	<i>24.9%</i>	<i>18.0%</i>
<i>Growth in EBITA</i>	<i>23.5%</i>	<i>26.5%</i>	<i>16.5%</i>

Note:

- 1 Rounding differences exist.
- 2 Includes amortisation of subscriber acquisition costs.
- 3 EBITA = earnings before interest, tax and amortisation of acquired intangibles.
- 4 Non-recurring items is comprised of transaction and restructuring costs and acquisition purchase price adjustments.

Historical performance

68 Whilst revenue and earnings have grown strongly over the three years to FY16, BigAir's earnings margins have declined over this period due to the increasing contributions from the Cloud Managed Services division (which generate lower earnings margins compared to Fixed Wireless services). Notwithstanding this, the combination of Cloud Managed Services with the Fixed Wireless business provides BigAir with significant synergy, given:

- (a) its increased ability to attract new clients through the bundling of a larger range of services or solutions

- (b) increased cross selling opportunities
- (c) the reduced churn, as clients utilising more than one BigAir service tend to be more “sticky” than those with just one service.

69 The following table shows the sales revenue and underlying EBITDA contribution for BigAir’s business units for the three years to FY16:

BigAir – financial performance by segment⁽¹⁾			
	FY14	FY15	FY16
	\$m	\$m	\$m
Sales revenue			
Fixed Wireless – Corporate	8.8	11.6	14.6
Fixed Wireless – Wholesale	13.4	12.1	10.5
Fixed Wireless	22.2	23.7	25.2
Cloud Managed Services	10.5	28.2	41.1
Campus & Community Solutions	9.0	10.7	13.5
	41.7	62.7	79.7
Underlying EBITDA			
Fixed Wireless	13.2	13.8	16.0
Cloud Managed Services	1.8	6.0	7.5
Campus & Community Solutions	1.9	2.1	2.6
Corporate	(1.7)	(3.0)	(3.7)
	15.1	18.9	22.3
Underlying EBITDA margin			
Fixed Wireless	59.1%	58.2%	63.5%
Cloud Managed Services	17.2%	21.1%	18.1%
Campus & Community Solutions	21.0%	19.4%	19.1%

Note:

1 Rounding differences exist.

70 With respect to the results for the three years to FY16 we note that:

- (a) BigAir has made a strategic focus to increase corporate client revenue in its Fixed Wireless division. As a result wholesale client revenue has been in decline
- (b) the Cloud Managed Services business is in the process of integrating a number of acquisitions (the most recent, CyberHound, was completed on 1 July 2016) and is expecting an improvement in margins as a result
- (c) the Community Broadband business unit has benefitted from the significant expansion of the student accommodation market in recent years (which is expected to continue in the short to medium term)
- (d) consistent with the expansion of the Company generally, BigAir’s corporate expenses have increased as additional staff with more dedicated functions have been added to the historically small head office team.

71 In respect of the results for FY16 we note that:

(a) **Fixed Wireless:**

- (i) total revenue increased by 6.2%, with corporate revenue increasing 25.9% and wholesale revenue declining 12.9%
- (ii) underlying EBITDA margins increased from 58.2% to 63.5%, due to a greater proportion of corporate revenue compared to wholesale revenues, (corporate is typically higher margin than wholesale), a reduction in customer churn levels (to 3.7% from 5.6% in FY15) predominantly achieved through the bundling with Cloud Managed Services and the operating leverage implicit in the Fixed Wireless business

(b) **Cloud Managed Services:**

- (i) revenue for the Cloud Managed Services division revenue grew by 45.8%, primarily due to the inclusion of a full year's results from the Oriel Technologies and Applaud IT acquisitions
- (ii) however, underlying EBITDA increased by only 25.1%, largely due to the lower margin revenue added from the Oriel Technologies and Applaud IT acquisitions, noting that segment profitability increased in the second half of the year and this momentum is expected to carry over to FY17

(c) **Community Broadband:**

- (i) revenue grew by 25.2% and underlying EBITDA increased by 23.3%. This was largely attributable to the strength of the student accommodation market in recent years, underpinned by recent growth in the number of foreign students studying in Australia.

FY17 outlook

72 Whilst BigAir management have not provided any detailed earnings guidance to the ASX for FY17, we note that BigAir management stated on 26 August 2017 that they expect to achieve revenue growth of in excess of 10% in the Cloud Managed Services business (principally due to the acquisition of CyberHound). Further, management stated that they expect the recurring services margin for the Cloud Managed Services business to increase to around 27% of revenue in FY17³.

Financial position

73 The financial position of BigAir as at 31 December 2015 and 30 June 2016 is set out below:

³ It should be noted that the overall underlying EBITDA margin of the Cloud Managed Services segment also includes the profit margin on product sales (which is substantially lower than the margin on services).

BigAir – statement of financial position⁽¹⁾		
	31 Dec 15	30 Jun 16
	Reviewed	Audited
	\$m	\$m
Debtors and prepayments	9.4	10.1
Creditors, accruals and provisions	(9.5)	(9.3)
Income received in advance	(1.3)	(1.8)
Net working capital	(1.4)	(1.0)
Plant and equipment	33.8	34.8
Intangible assets and goodwill	53.9	51.3
Other assets (non-current)	2.1	2.2
Deferred tax assets / (liabilities)	(0.4)	(0.8)
Income received in advance (non-current)	(1.4)	(1.4)
Provisions (non-current)	(0.7)	(0.5)
Total funds employed	86.1	84.7
Cash and cash equivalents	2.2	2.1
Interest bearing liabilities	(31.3)	(29.2)
Earn-out provisions	(9.4)	(2.5)
Net cash / (borrowings)	(38.4)	(29.5)
Net assets attributable to BigAir shareholders	47.6	55.1

Note:

1 Rounding differences exist.

Plant and equipment

74 The majority of BigAir's plant and equipment (i.e. \$32.1 million) relates to broadband infrastructure, which is carried at cost less accumulated depreciation. The balance (i.e. \$2.7 million) relates to office furniture and fittings, leasehold fittings and equipment.

Intangible assets

75 The composition of BigAir's intangible assets is shown below:

BigAir – intangible assets		
	31 Dec 15	30 Jun 16
	\$m	\$m
Goodwill	48.0	44.8
Subscriber acquisition costs	0.9	1.0
Customer bases	4.9	5.5
Intangible assets	53.8	51.3

76 The largest component of BigAir's intangible assets is goodwill which is allocated by segment and tested annually for impairment adopting an after-tax discount rate of 11.07%. The carrying value of intangible assets includes acquired customer bases. These are amortised over the expected period of economic benefit, which typically ranges between five years and 13 years.

Net debt

77 A summary of BigAir's net debt position is set out below:

BigAir – net debt⁽¹⁾		
	31 Dec 15	30 Jun 16
	\$m	\$m
Cash and cash equivalents	(2.2)	(2.1)
Lease liabilities	4.8	4.5
Short-term borrowings	2.5	2.5
Long term borrowings	23.9	22.1
Net debt	29.0	27.0

Note:

1 Rounding differences exist.

78 BigAir has utilised debt to fund working capital requirements and acquisitions. During FY16, BigAir increased its existing debt facility with Westpac Banking Corporation (Westpac) to \$45.0 million, of which approximately \$16 million remains undrawn as at 30 June 2016. The facility has a term of four years, with interest rates based on a margin of 1.26% above the Bank Bill Swap Bid Rate plus a line fee of 1%.

Share capital and performance

79 As at 26 September 2016, BigAir had 185.2 million fully paid ordinary shares on issue.

80 In addition, the Company has 917,040 performance rights and 166,515 service rights on issue in connection to the Company's long-term incentive plan. Participants of the long-term incentive plan may be granted rights to fully paid ordinary shares in BigAir for no consideration, subject to the achievement of specified performance hurdles⁴.

Significant shareholders

81 As at 26 September 2016, the significant shareholders in BigAir (i.e. shareholders with an interest in BigAir of more than 5%) were as follows:

BigAir – significant shareholders		
Shareholder	Shares held	
	Million	% interest
Microequities Asset Management Pty Limited	15.8	8.6
Milford Asset Management	11.4	6.3
JMAS Pty Ltd (an entity owned by Mr Jason Ashton) ⁽¹⁾	10.4	5.7
	37.6	20.6

Note:

1 Prior to allowance for option arrangements with Superloop.

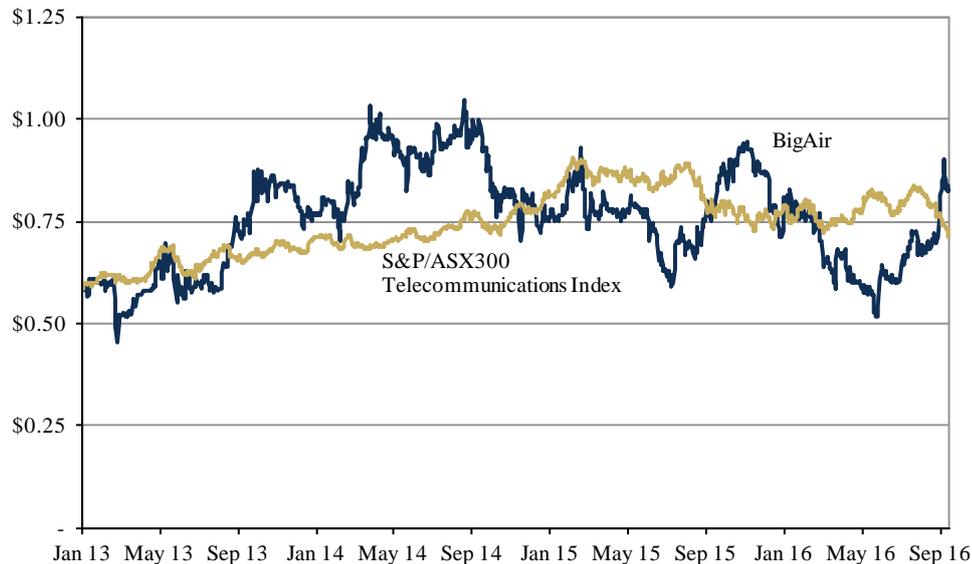
82 On 20 September 2016, Superloop lodged a substantial holder notice to the ASX which reported a relevant interest of 19.4 million shares in BigAir, representing 10.75% of the shares on issue. The relevant interest reflects option arrangements entered into by Superloop and various BigAir shareholders, including BigAir Chairman, Mr Vivian Stewart and BigAir Chief Executive Officer, Mr Jason Ashton, as well as on-market acquisitions.

⁴ The performance rights vest subject to a service period of three years and achievement of earnings per share growth targets, whilst the vesting conditions for the service rights relate to a service period of three years.

Share price performance

83 The following chart illustrates the movement in the share price of BigAir and the S&P/ASX300 Telecommunications Index from 1 January 2013 to 13 September 2016⁵:

BigAir – share price history
1 January 2013 to 13 September 2016



Source: Bloomberg.

84 BigAir shares have generally traded between \$0.50 and \$1.00 since 1 January 2013 and have performed broadly in line with the S&P/ASX300 Telecommunications Index (which is heavily influenced by Telstra Corporation shares).

Liquidity in BigAir shares

85 The liquidity in BigAir shares based on trading on the ASX over the 12 month period up to and including 13 September 2016⁶ is set out below:

BigAir – liquidity in shares						
Period	Start date	End date	No of shares traded 000	WANOS ⁽¹⁾ outstanding 000	Implied level of liquidity Period ⁽²⁾ %	Implied level of liquidity Annual ⁽³⁾ %
1 month	14 Aug 16	13 Sep 16	14,265	180,945	7.9	94.6
3 months	14 Jun 16	13 Sep 16	30,656	179,952	17.0	68.1
6 months	14 Mar 16	13 Sep 16	57,012	177,991	32.0	64.1
1 year	14 Sep 15	13 Sep 16	96,406	176,902	54.5	54.5

Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

86 As indicated in the table above, total share turnover in BigAir shares has been high, indicating a relatively high level of market liquidity for a company of its size.

⁵ Being the last trading date prior to the announcement of the Scheme.

⁶ Being the last trading date prior to the announcement of the Scheme.

IV Profile of Superloop⁷

Overview

87 Superloop is a telecommunications infrastructure company established in 2014, with the aim of becoming an independent provider of connectivity services in the Asia Pacific region. The company provides high-speed data services to wholesale carriers and global content providers who require scalable and reliable connectivity services. As at 30 June 2016, Superloop's network spanned 378 kilometres (km) and had connections to 52 data centres across the metropolitan areas of Sydney, Melbourne, Brisbane, Singapore and Hong Kong.

History

88 Superloop was founded in 2014 by Mr Bevan Slattery with the aim of becoming a leading independent provider of connectivity services in the Asia Pacific region. On 4 June 2015, the company was listed on the ASX following an initial public offering to raise funds for the completion of its networks in Australia and Singapore.

89 In late 2015, Superloop made two acquisitions including:

- (a) APEXN Pty Ltd (APEXN) for \$5.8 million, which was announced on 8 October 2015. The acquisition provided Superloop with the ability to deploy managed services capabilities to its wholesale and channel customers via APEXN's IT and product platforms
- (b) on 23 November 2015, Superloop announced the acquisition of CINENET Systems Pty Ltd (CINENET) for \$3.0 million. CINENET operates a high-speed broadband network which services the screen and broadcast media industries.

90 In early 2016, Superloop began construction of a 110 km fibre optic telecommunications network in Hong Kong. The network is expected to be completed by December 2016 with an expected total investment of \$45 million.

Current operations

91 Superloop operates from a Brisbane head office and provides high-speed data services, including network connectivity. The company is currently focused on the development and operation of fibre optic telecommunications infrastructure between locations of high interconnection density (such as data centres and submarine cable landing stations) in regions experiencing significant growth in interconnectivity⁸.

92 The following table provides a summary of Superloop's fibre network:

⁷ This profile is based on publicly available information in respect of Superloop only.

⁸ Superloop highlights that interconnectivity growth in its markets is being driven by growth in cloud computing, global video traffic, connected mobile devices and backhaul services, as well as the disaster recovery requirements of businesses.

Superloop – fibre network			
Location	Fibre length (km)	Cores	Connected data centres ⁽¹⁾
Australia (3 discrete networks in Sydney, Melbourne and Brisbane)	134	288 (each network)	42
Singapore	136	624	8
Hong Kong ⁽²⁾	110	2,000	30

Note:

- 1 Expected upon network completion, except for Singapore which is based on actual data centres connected as at 30 June 2016.
- 2 The Hong Kong network is currently under construction, with completion expected in December 2016.

- 93 Whilst dark fibre represents Superloop’s flagship service offering, the company recently expanded its connectivity services by providing Layer 2 products⁹. These include Ethernet backhaul, wavelength and Ethernet access services. In addition, the company introduced Superloop 360, a customer provisioning and network management portal, which is provided by the recently acquired APEXN.
- 94 Superloop’s dark fibre network is built in a ring, allowing customers to connect to and between buildings on the ring. Services which can be delivered from the network include:
- (a) **point to point services** (one path, one entry) – a pair of fibres that go between two data centres
 - (b) **diverse services** (two paths, two entries) – if one path is interrupted, the customer has access to an alternative path
 - (c) **superloop** (full diversity) – connectivity services via a ring of dark fibre between three or more sites containing two paths and two entries.

Australia

- 95 Superloop’s fibre networks in Australia connect many of the key data centres within the metropolitan areas of Sydney, Melbourne and Brisbane. The company has been granted an exclusive and indefeasible right of use (IRU) over certain optic fibre strands and associated infrastructure. The IRU has a term of 15 years, but may be extended by Superloop for a further period of 10 years upon payment of a fee of \$1 million. Superloop’s Australian network operations have been live and operational since September 2015.
- 96 The following map provides an overview of Superloop’s network in Australia:

⁹ Layer 2 refers to the means to transfer data across physical links in a network.

Superloop – Australia network



Singapore

97 Superloop’s network in Singapore comprises a duct network which was acquired in January 2015. The duct network houses Superloop’s core fibre network, which interconnects major data centre and submarine cable landing station locations, including Equinix, Global Switch and Digital Reality. It has over 850 manhole access points and significant capacity to allow multiple fibre optic cables to be installed with relatively low incremental cost. Superloop’s core fibre network in Singapore has been live since October 2015.

98 A map of Superloop’s Singapore network is as follows:



- 99 Superloop is currently in the process of expanding its network in Singapore to connect four strategic locations including the Singapore Exchange, iO and NTT data centres. The expansion is approximately 17 km in length and requires an investment of \$5.9 million. Upon completion, the expanded network is expected to have an initial utilisation of 2% and an initial gross yield of 13%.

Hong Kong

- 100 In late 2015, Superloop entered into a binding agreement with a credible partner¹⁰ to construct a 110 km fibre optic network in Hong Kong. The network will connect 30 strategic sites across the city, including the Hong Kong Stock Exchange data centre, and is on schedule to be operational in December 2016¹¹. Once construction of the network is complete, Superloop will hold a 25 year IRU agreement over the infrastructure with two further options to extend the agreement for a period of five years each.
- 101 Superloop is also in the process of commencing construction of a domestic submarine cable between Chai Wan and the Tseung Kwan O Industrial Estate in Hong Kong, with completion expected by January 2017¹². The cable is designed to provide the most direct route between the data centre campuses of Chai Wan and the Tseung Kwan O Industrial Estate technology park, which are among Hong Kong's major finance and technology hubs.

¹⁰ Superloop has not disclosed the name of the partner for confidentiality purposes.

¹¹ As at 30 June 2016, the network was 38% complete.

¹² The TKO Express project has received necessary government approvals and is now awaiting completion of a gazettal notice period.

102 A map of Superloop's Hong Kong network is shown below:

Superloop – Hong Kong network



Financial performance

103 The financial performance of Superloop for the two years ended 30 June 2016 is set out below:

Superloop – statement of financial performance⁽¹⁾

	FY15 Audited \$m	FY16 Audited \$m
Sales revenue	-	6.2
Direct network costs	(0.3)	(5.1)
Gross profit	(0.3)	1.1
Underlying EBITDA	(3.6)	(6.4)
Depreciation and amortisation	(0.6)	(1.9)
Underlying EBIT	(4.2)	(8.3)
Non-recurring items ⁽²⁾	3.4	1.1
Net financial income / (expense)	(0.5)	0.1
Profit before tax⁽³⁾	(1.2)	(7.2)

Note:

- 1 Rounding differences exist.
- 2 Non-recurring items include foreign exchange gains and gains on the disposal of plant and equipment.
- 3 No income tax was reported in FY15 and FY16.

- 104 Superloop is at an early stage in the development and commercialisation of its dark fibre network infrastructure. Its services have only been on offer in Australia and Singapore since October 2015, whilst the Hong Kong network is still under construction. The company's recent financial performance, therefore, is not reflective of the ultimate capacity of the networks it operates, which have only reported modest revenues to date and are yet to reach critical scale¹³.
- 105 Whilst Superloop has not provided any specific guidance for FY17, we note that as at 30 June 2016, Superloop had contracted annualised recurring revenue of \$11.9 million.

Financial position

- 106 The financial position of Superloop as at 31 December 2015 and 30 June 2016 is set out below:

Superloop – statement of financial position⁽¹⁾		
	31 Dec 15	30 Jun 16
	Reviewed	Audited
	\$m	\$m
Debtors and prepayments	1.5	1.9
Creditors, accruals and provisions	(2.6)	(7.1)
Net working capital	(1.1)	(5.3)
Plant and equipment	54.6	66.9
Intangible assets and goodwill	12.4	12.4
Other assets (non-current)	-	0.0
Other liabilities (non-current)	-	(0.1)
Total funds employed	65.9	73.9
Cash and cash equivalents	35.1	45.9
Net cash	35.1	45.9
Net assets attributable to Superloop shareholders	100.9	119.7

Note:

- 1 Rounding differences exist.

Plant and equipment

- 107 The composition of Superloop's plant and equipment is set out below:

Superloop – plant and equipment		
	31 Dec 15	30 Jun 16
	\$m	\$m
Assets in the course of construction	20.9	27.0
Network assets	31.0	36.5
Fibre optic cable	2.6	3.1
Computer equipment, office furniture and leasehold improvements	0.1	0.2
Plant and equipment	54.6	66.9

¹³ As at 30 June 2016, network utilisation was only 12.9%.

108 The majority of Superloop’s plant and equipment assets are comprised of its network assets, and assets in the course of construction, relating to the company’s network deployment in Australia, Singapore and Hong Kong. The carrying value of the company’s assets in the course of construction includes payments for the expansion of the Singapore network and the construction of the Hong Kong network.

Intangible assets

109 A summary of Superloop’s intangible assets is shown below:

Superloop – intangible assets	31 Dec 15	30 Jun 16
	\$m	\$m
Goodwill	6.0	6.0
Rights and licences	4.2	4.2
Computer software	1.6	1.6
Customer relationships, brands and trademarks	0.6	0.6
Intangible assets	12.4	12.4

110 Superloop’s intangible assets are primarily comprised of goodwill which was created in connection with the APEXN and CINENET acquisitions undertaken in 2015. The carrying value of goodwill was tested for impairment during FY16 with the value-in-use method, which incorporated a pre-tax discount rate of 12.5%.

111 The balance of intangible assets includes IRU assets recorded under rights and licenses. The IRU assets are contractual arrangements which provide Superloop with exclusive rights to access fibre network assets in Australia. IRU assets are amortised on a straight-line basis over the remaining life of the contracts.

Debt facilities

112 On 31 August 2016, Superloop announced that it had entered into a three year corporate debt facility agreement with Australia and New Zealand Banking Group (ANZ). The facility has a \$25 million revolving limit and is intended for capital expenditure, working capital and acquisition purposes. However, Superloop intends to replace this debt facility with a new debt facility with ANZ for up to \$80 million.

Share capital and performance

113 As at 20 September 2016, Superloop had 156.0 million fully paid ordinary shares on issue¹⁴. In addition, Superloop had 196,068 performance rights, which vest between 15 April 2017 and 15 April 2020 and 725,814 options which vest on 1 March 2017¹⁵ on issue.

Significant shareholders

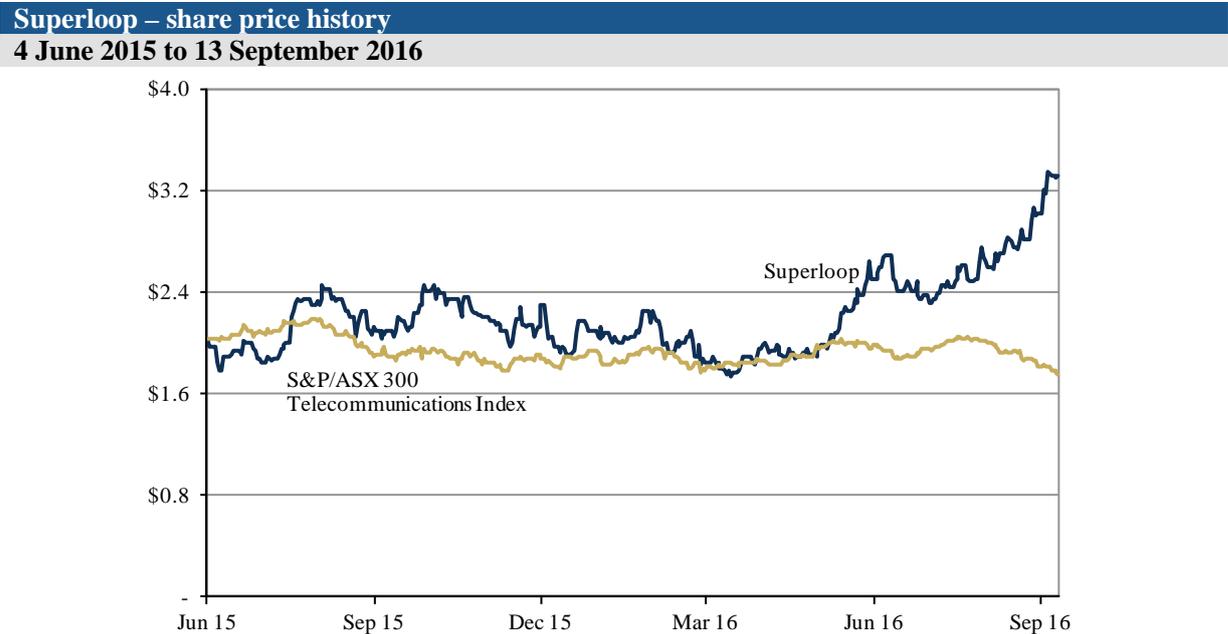
114 As at 20 September 2016, Mr Bevan Slattery was Superloop’s only substantial shareholder, holding 60.0 million shares or 38.5% of the shares on issue.

¹⁴ Comprising 125,528,355 fully paid ordinary shares and 30,491,250 restricted fully paid ordinary shares.

¹⁵ Of the total number of options on issue, 329,916 are subject to performance hurdles.

Share price performance

115 The following chart illustrates the movement in the share price of Superloop from 4 June 2015¹⁶ to 13 September 2016:



Source: Bloomberg.

116 Superloop’s shares listed on the ASX on 4 June 2015 at \$2.02 per share, which is more than a 100% premium to the initial public offer price of \$1.00 per share. Its shares have broadly traded between \$1.70 and \$2.40 up to around June 2016, since then the shares increased to around \$3.00.

117 In respect of recent capital raisings we note that:

- (a) on 17 June 2016, Superloop announced a fully underwritten one for seven pro-rata entitlement offer to raise gross proceeds of \$35.3 million from existing Superloop shareholders at a price of \$2.10 per share. This entitlement offer was priced at a 12.9% discount to the closing price on 16 June 2016. The institutional and retail components of the entitlement offer were both successfully completed
- (b) on 14 September 2016 Superloop announced that it had successfully completed an institutional placement which raised \$65 million in new equity capital (prior to transaction costs) through the issue of 21.7 million new shares at a price of \$3.00 per share. According to Superloop, the offer of new shares received significant demand from domestic and international investors and was “significantly oversubscribed” at the offer price of \$3.00 per share.

¹⁶ Being the date that Superloop shares commenced trading on the ASX.

Liquidity in Superloop shares

118 The liquidity in Superloop shares based on trading on the ASX over the 12 month period up to and including 13 September 2016¹⁷ is set out below:

Superloop – liquidity in shares						
Period	Start date	End date	No of shares traded 000	WANOS⁽¹⁾ outstanding 000	Implied level of liquidity Period⁽²⁾ %	Annual⁽³⁾ %
1 month	14 Aug 16	13 Sep 16	6,950	134,353	5.2	62.1
3 months	14 Jun 16	13 Sep 16	18,295	133,080	13.7	27.5
6 months	14 Mar 16	13 Sep 16	26,998	125,562	21.5	21.5
1 year	14 Sep 15	13 Sep 16	41,564	114,640	36.3	18.1

Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

119 Share market trading in Superloop shares has increased substantially over the 12 month period up to the announcement of the Scheme, reflecting in part the increased number of shares on issue following the recent capital raisings.

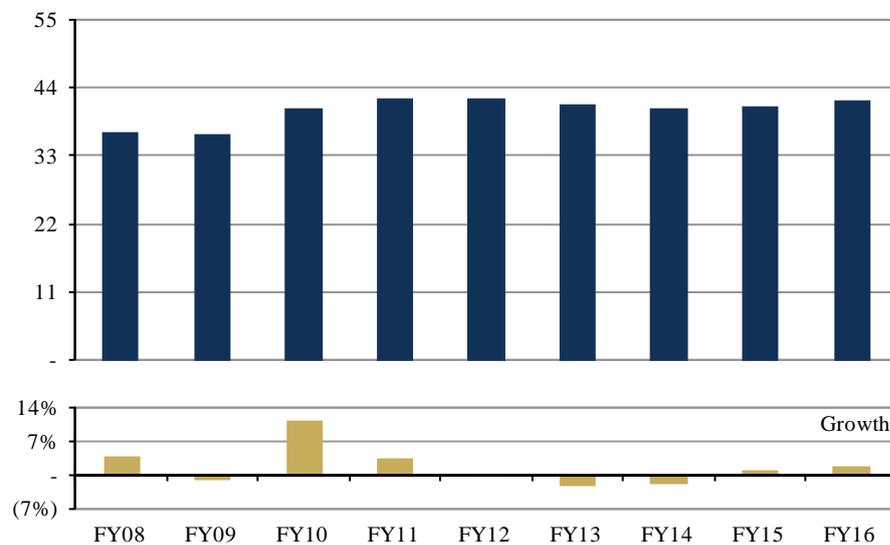
¹⁷ Being the date of announcement of the Scheme (which occurred after market close of the ASX).

V Industry overview

Australian telecommunications sector

120 Increased connectivity has changed the way Australians and Australian businesses interact both personally and professionally. Telecommunications services usage has increased over the past five years, however, intra industry competition has created a difficult trading environment for many operators. Revenue growth in the telecommunications sector has been relatively subdued (or negative), given mobile and wireless sector growth has generally been achieved at the expense of fixed line services. IBISWorld estimates that Australian telecommunications industry turnover was \$42.3 billion¹⁸ in FY16.

Telecommunications services revenue⁽¹⁾
A\$bn (years ending 30 June)



Note:

1 Expressed in inflation adjusted 2016 dollars.

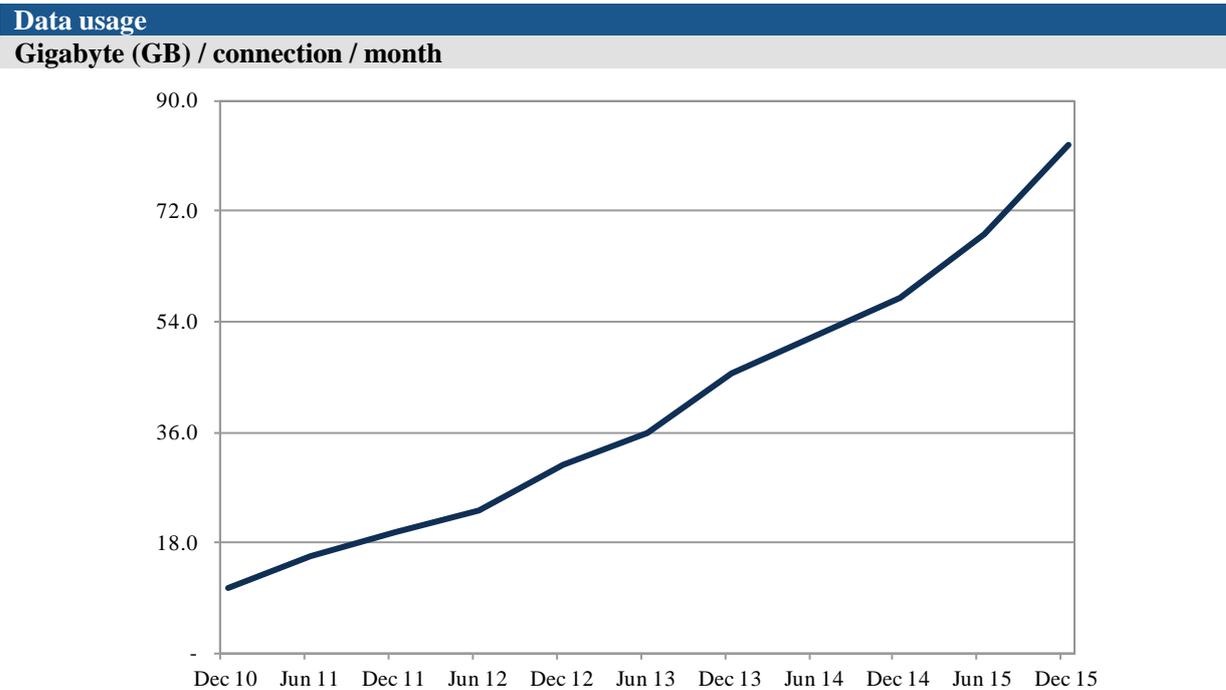
Source: IBISWorld, LEA analysis.

121 Telstra accounts for some 40% to 45% of industry revenue, with other major operators including Optus, Vodafone Hutchison Australia and TPG. Structurally, the sector has seen an increase in market consolidation in recent periods, as carriers seek to increase market share and scale as the NBN is rolled out. The high fixed cost nature of the telecommunications industry and the ability to gain economies of scale has contributed to merger and acquisition activity. Both TPG and Vocus Communications have been at the forefront of this consolidation following TPG's acquisition of iiNet and Vocus Communications' acquisition of Amcom Telecommunications and M2 Group.

122 The increasing importance of telecommunications in an online world is also being driven by increased demand for services that require internet access. These include e-commerce, VoIP, online banking, government services, social networking, online gaming and a range of other services. These services are ingraining internet access as a necessity rather than something discretionary.

¹⁸ Source: IBISWorld (May 2016), *Telecommunications Services in Australia*.

123 Data transfer is becoming increasingly important. On average there are eight connected devices per household, with Australian households consuming some 13 billion hours of online content in the past year¹⁹. Online streaming services such as Netflix and Stan have redefined the way individuals view and consume content. The amount of connected devices per household is predicted to grow from eight to 29 by 2020. Monthly data usage per subscriber has continued to increase at a compound annual growth rate of 50.8% over the past five years to 31 December 2015, as shown below:



Source: Australian Bureau of Statistics 8153.0, December 2015.

Markets segments and competition

124 As the products offered and customer requirements generally differ, the telecommunications market is typically segmented by customer type. The key telecommunication services for each customer segment are set out below:

Telecommunications consumer segments	
Segment	Key services
Retail / Household	<ul style="list-style-type: none"> • Fixed and wireless broadband internet • Direct home lines • Mobile phones and other devices
Small to medium enterprises	<ul style="list-style-type: none"> • High speed data connections (dark fibre, Ethernet and IP-VPN) • Mobile phones and other devices • Corporate phone services (voice over internet protocol (VoIP) and PABX) • Data centre storage and services

¹⁹ NBN Media release, *Aussies watching 13 billion hours of online content a year*, 6 April 2016.

Telecommunications consumer segments	
Segment	Key services
Large businesses and Government	<ul style="list-style-type: none"> • High speed data connections (dark fibre, Ethernet and IP-VPN) • Internet connectivity services • Corporate phone services (VoIP and PABX) • Mobile phones and other devices • Data centre storage and services
Wholesale	<ul style="list-style-type: none"> • Local access infrastructure (copper lines and DSL) • High speed data connections (dark fibre, Ethernet) • Internet connectivity • Services to Mobile Virtual Network Operators

Infrastructure

Local access infrastructure (fixed and mobile)

125 Local access infrastructure refers to the immediate connection between end-user's and the carrier's network. This is commonly known as "last mile" or "first mile" infrastructure and includes the following:

- (a) the twisted copper phone lines that carry PSTN²⁰ (traditional phone) and direct service line (DSL) (broadband internet) services. In Australia the copper wire network is owned by Telstra, however this network will eventually be switched off as the NBN is rolled-out
- (b) the hybrid fibre-coaxial (HFC) cable to the nearest optical node which allows two-way, high-speed broadband content (video, voice and data) to be delivered to the end-user using a combination of fibre and coaxial cable. Telstra and Optus own HFC networks in Australia, which are being transferred to the National Broadband Network (NBN)
- (c) optical fibre networks to the nearest fibre node, cabinet or directly to the premises. In Australia this is provided by the NBN which carries broadband internet and phone services
- (d) fixed wireless connection that transmits data using radio signals instead of cables. Data is transmitted by radio signals rather than copper cable or optical fibre making line of sight from point-to-point essential. The advantage is that fixed wireless has the ability to connect with users in remote areas without cables or optic fibre infrastructure. The NBN also has a fixed wireless platform that utilises cellular technology (LTE and 4G) to transmit signals to and from a small antenna fixed outside a home or business. By the end of the roll-out (2020), the NBN is set to provide their fixed wireless services to approximately 8% of Australia's population (primarily in rural and regional area of Australia).

126 Whilst most of the local access infrastructure is currently privately owned, the NBN is replacing most of the traditional local access infrastructure including the twisted copper line and the vast majority of HFC networks.

²⁰ Public Switched Telephone Network (PSTN) is the traditional analogue phone system, commonly used in businesses around Australia. PSTN runs on copper pair cables into a building which can be used for phone lines, fax lines, EFTPOS lines and internet access.

National Broadband Network

127 On 7 April 2009, the Labour Government announced the creation of a wholesale-only, open-access communications network aimed at delivering high speed broadband and telephony services across Australia. The Government formed NBN Co to carry out the project and to provide services to wholesale customers, without directly servicing the end user. Originally, the plan was to build a 100 Mbps fibre to the premises network to cover 93% of the population, with the remaining 7% covered by satellite and wireless technology. However, a strategic review initiated by the newly elected Liberal Government in late 2013 introduced a more cost efficient proposal, incorporating a mix of technologies which has been summarised below²¹:

NBN rollout corporate plan of ready for service premises				
Technology	Corporate plan 2017		Base case	
	End of rollout FY20 (million)	End of rollout FY20 (% of total)	End of rollout FY20 (million)	End of rollout FY20 (% of total)
Fibre to the premises (FTTP)	2.0 – 2.5	17 – 21	2.0	17
Fibre to the node (FTTN) / Building / Distribution point	5.1 – 6.5	43 – 54	6.1	51
HFC	2.5 – 3.2	21 – 27	2.8	24
Fixed wireless and satellite	0.9 – 1.1	8	1.0	8
Total Australia	11.9	100	11.9	100

Note

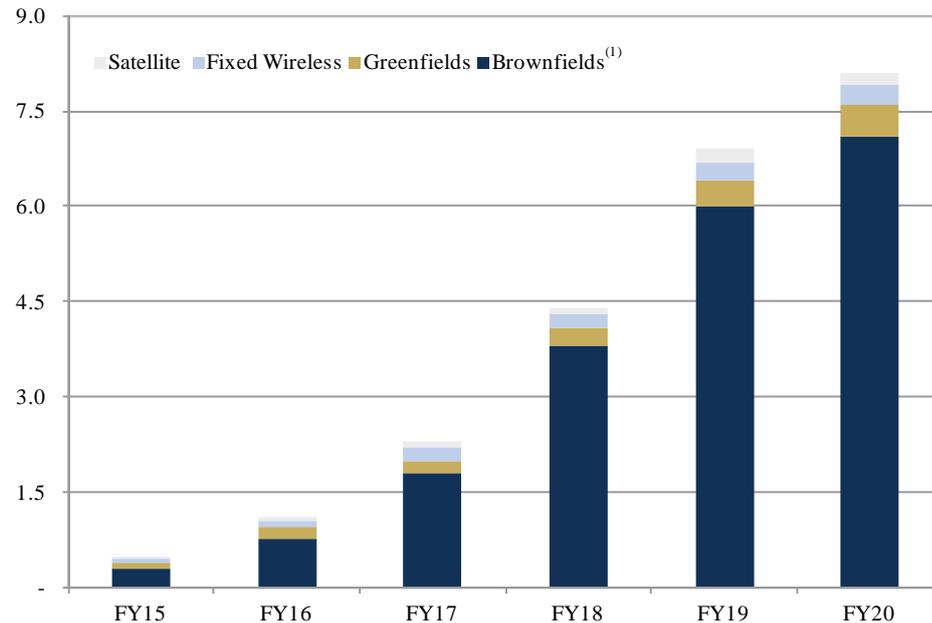
- 1 The installation of optical fibre directly to individual buildings and businesses to provide high speed internet access.
- 2 The installation of optical fibre to a junction box (i.e. a node) in a neighbourhood, a distribution point near the premises or the basement of the building to serve customers within a certain radius.

Source: NBN Corporate Plan 2017.

128 The NBN rollout to date has been intermittent and slow. However, the latest corporate plan is to have the number of active services on the NBN's fixed, wireless or satellite networks passing over 8 million by June 2020, as shown below:

²¹ NBN Corporate Plan 2017, August 2016.

**NBN activated premises rollout plan
FY15 – FY20 (millions)**



Note:

1 Brownfield activated premises include FTTP brownfields, FTTN and HFC segments.

Source: NBN Corporate Plan 2017, NBN weekly summary 15 September 2016.

129 NBN Co has entered into agreements with Telstra and Optus to facilitate migration to the NBN. These have included the:

- (a) renegotiated Telstra Definitive Agreements – on 23 June 2011, NBN Co and Telstra executed a number of Definitive Agreements under which Telstra will progressively disconnect its copper services and HFC broadband services. In December 2014, amendments were made to these agreements under which NBN Co will progressively take ownership of many parts of Telstra’s copper and HFC cable networks and use this infrastructure in the NBN in return for a number of payments
- (b) Optus HFC Agreement – on 23 June 2011, NBN Co and Optus executed an agreement that provides for the progressive migration of Optus HFC subscribers to the NBN as it is rolled out. NBN Co has agreed to make progressive payments to Optus, based on the number of Optus subscribers that migrate from its HFC network
- (c) Telstra HFC Delivery Agreement – on 11 April 2016, Telstra signed an agreement with the NBN to manage the design and construction of the remainder of the work required to extend the NBN to customers currently on Telstra’s pay-TV cable network (HFC cable). Once the build is completed it will be handed to NBN for operation.

130 As a result of the NBN rollout competition is expected to increase from the removal of the infrastructure advantage held by Telstra (and to a lesser extent other infrastructure owners) and the related increase in the ability of small resellers and other unrelated retailers (such as potentially Woolworths or Coles) to enter the market.

Core network

- 131 The core network is the central part of a carrier's network whose primary function is to connect various parts of the access network (via switches) to facilitate the transmission of data. The core network is typically comprised of high capacity fibre optic cables which use light waves to transmit data at very high speeds and with little interference.
- 132 The core network can be subcategorised into metropolitan and long-haul networks. The metropolitan network acts as a link between local access infrastructure in urban areas and long-haul networks, providing connections to local exchanges, data centres, mobile base stations and other network equipment. Long-haul networks cover greater distances and connect multiple metropolitan networks and other long-haul networks to provide national and international connectivity.
- 133 The Australian telecommunications industry relies upon submarine cables to provide connectivity to overseas carriers. Submarine cables are fibre optic cables that are laid along the ocean floor to connect land-based stations in different countries. One of the most prominent submarine cables connected to Australia is the Southern Cross Cable which connects Australia to the west coast of the United States, Fiji, Hawaii and New Zealand.

Dark fibre

- 134 Dark fibre is a dedicated fibre optic connection between two points which provides low latency and low loss transmission of telecommunication information between data centres, submarine cable-landing stations and key office buildings at speeds of up to 10 gigabits per second and higher. The fibre is provided without any transmission equipment (i.e. it is unlit or "dark") so as to allow customers to deploy and maintain the most suitable hardware for their business needs. Dark fibre can be set up in a number of ways, including ring (or loop), point-to-point and point-to-multipoint configurations.
- 135 There are currently several dark fibre providers operating within Australia, with the largest including Superloop, TPG Telecom and Vocus Communications. TPG Telecom acquired 1,400 km of fibre network through its acquisition of PIPE Networks in 2010. More recently, Vocus announced the acquisition of Nextgen Networks which will expand its fibre network by approximately 17,000 km.

VI Valuation methodology

Valuation approaches

- 136 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the discounted cash flow (DCF) methodology
 - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
 - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
 - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
 - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 137 Under the DCF methodology the value of the business is equal to the net present value (NPV) of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 138 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 139 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation (EBITA), earnings before interest and tax (EBIT) or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 140 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the

proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

Methodologies selected

BigAir

- 141 The market value of the shares in BigAir has been assessed on a going concern basis by determining the market value of the business operations and deducting net borrowings. We have adopted the capitalisation of EBITDA method as our primary valuation methodology to determine the value of the business operations.
- 142 The capitalisation of EBITDA method has been adopted as most transaction evidence in the telecommunications sector is expressed in terms of EBITDA multiples. Under this methodology the value of the business is represented by its core underlying EBITDA capitalised at a rate (or EBITDA multiple) reflecting the risk inherent in those earnings.
- 143 As a cross-check on our assessed valuation range, we have also considered the listed market price of BigAir shares prior to the announcement of the Scheme adjusted for a takeover (control) premium. This cross-check is appropriate given that BigAir shares are reasonably liquid (with some \$38 million worth of BigAir shares trading in the six months prior to the announcement of the Scheme).

Value of shares in Superloop offered as consideration

- 144 For the purpose of assessing the value of the Superloop shares offered as consideration, we have had primary regard to the recent listed market prices of Superloop shares. This is principally because the listed market prices of Superloop shares is likely to represent the best proxy for the amount that BigAir shareholders could expect to realise if they sold any BigAir shares received as consideration either immediately or in the short-term.
- 145 We have also cross-checked the reasonableness of our assessed value of Superloop shares being offered as consideration by reference to the recent price at which Superloop has raised new equity capital. As noted in Section III, Superloop raised gross proceeds of \$65 million in September 2016 to partially fund cash payments to BigAir shareholders who elect to receive the Mixed Consideration under the Scheme.
- 146 When assessing the appropriate valuation methodology for Superloop shares post completion of the Scheme we also considered alternative methodologies. However:
- (a) as the standalone Superloop business incurred a loss at the EBITDA line in FY16 and is not expected to be profitable in the short-term (reflecting the nature of its activities), a capitalisation of earnings method cannot be applied
 - (b) as most telecommunications businesses trade at large premiums to their reported net tangible asset (NTA) backing, a NTA approach was also not considered appropriate
 - (c) we do not have sufficiently reliable cash flow forecasts to enable a DCF valuation to be undertaken.

VII Valuation of BigAir

Valuation methodology

- 147 As stated in Section V, the market value of the shares in BigAir has been assessed on a going concern basis by determining the market value of the business operations and deducting net borrowings. We have adopted the capitalisation of EBITDA method as our primary valuation methodology to determine the value of the business operations.
- 148 Under the capitalisation of EBITDA method, the underlying EBITDA (before significant items) is capitalised at an appropriate EBITDA multiple to determine the enterprise value of the business. The value of the equity in BigAir is then derived by deducting net debt.
- 149 As a cross-check on our assessed valuation range, we have also considered the listed market price of BigAir shares prior to the announcement of the Scheme adjusted for a takeover (control) premium. The resulting values under each method are discussed below.

Capitalisation of EBITDA method

EBITDA adopted for valuation purposes

- 150 In order to assess the appropriate level of EBITDA for valuation purposes, we have had regard to the historical and forecast results of the business, and have discussed the business' financial performance, operating environment and prospects with BigAir management.
- 151 A summary of BigAir's revenue and underlying EBITDA²² for the three years ended FY16 is summarised below:

BigAir – segment financial performance⁽¹⁾			
	FY14	FY15	FY16
	\$m	\$m	\$m
Sales revenue			
Fixed Wireless – Corporate	8.8	11.6	14.6
Fixed Wireless – Wholesale	13.4	12.1	10.5
Fixed Wireless	22.2	23.7	25.2
Cloud Managed Services	10.5	28.2	41.1
Campus & Community Solutions	9.0	10.7	13.5
	41.7	62.7	79.7
Underlying EBITDA			
Fixed Wireless	13.2	13.8	16.0
Cloud Managed Services	1.8	6.0	7.5
Campus & Community Solutions	1.9	2.1	2.6
Corporate	(1.7)	(3.0)	(3.7)
	15.1	18.9	22.3
Underlying EBITDA margin			
Fixed Wireless	59.1%	58.2%	63.5%
Cloud Managed Services	17.2%	21.1%	18.1%
Campus & Community Solutions	21.0%	19.4%	19.1%

Note:

1 Rounding differences exist.

²² Before significant items.

152 Commentary on the historical financial performance (by segment) is set out in Section III. In particular, it should be noted that:

Fixed Wireless

- (a) revenues from corporate clients has grown significantly, but this growth has been (partially) offset by reductions in wholesale revenues due to (inter-alia) on-going industry consolidation
- (b) underlying EBITDA margins have been increasing in the Fixed Wireless segment, which primarily reflects:
 - (i) the bundling of new services (such as cloud and managed services) which assisted in reducing customer churn to 3.7% in FY16
 - (ii) the operating leverage of the business (due to the fixed wireless network having mostly fixed costs)
 - (iii) an increased proportion of Corporate revenue which delivers higher average revenue per service and profit margins compared to Wholesale revenue

Cloud Managed Services

- (a) FY16 reflected the first full year contribution from Oriel (which was acquired with effect from 19 December 2014). The revenue and underlying EBITDA from Oriel in FY16 was \$18.2 million and \$1.9 million respectively
- (b) on 8 July 2015, BigAir acquired Applaud, which contributed \$5.9 million in revenue and \$0.4 million in underlying EBITDA in FY16. This low underlying EBITDA margin (of around 6%) is expected to improve in subsequent years
- (c) on 1 July 2016, BigAir acquired CyberHound. This acquisition is expected to add between \$5.0 million and \$6.0 million in revenue and in excess of \$1.0 million in underlying EBITDA to the Cloud Managed Services segment in FY17
- (d) whilst product sales have generally been declining (and are lower margin), recurring contracted revenue streams from service offerings (WAN, cloud and managed services) have been increasing
- (e) recurring services margins increased to 24% in 2H16 (from 18% in 1H16) reflecting improved sales mix and the benefits of completing the integration of the Oriel and Applaud acquired businesses

Campus & Community Solutions

- (a) the increase in underlying EBITDA in FY16 principally reflected the additional earnings contribution from Everywhere Internet (which was acquired effective 4 December 2015). However, management have advised that they do not expect the full year EBITDA contribution from Everywhere Internet in FY17 to be materially greater than its (approximate seven months) contribution in FY16.

FY17 outlook

153 BigAir management have not provided any detailed earnings guidance to the ASX for FY17. Whilst we have been provided with BigAir management's latest forecast for FY17, this has

not been disclosed in our report for reasons of commercial confidentiality. However, we note that:

- (a) only modest underlying EBITDA growth is expected in FY17 from the Fixed Wireless and Campus & Community Solutions businesses
- (b) BigAir management stated on 26 August 2017 that they expect to achieve revenue growth of in excess of 10% in the Cloud Managed Services business (principally due to the acquisition of CyberHound). Further, management stated that they expect the recurring services margin for Cloud Managed Services to increase to around 27% of revenue in FY17²³.

EBITDA adopted for valuation purposes

154 Having regard to the above, we have adopted EBITDA for valuation purposes of \$25 million, based on the below:

BigAir – EBITDA adopted for valuation purposes		
	Low \$m	High \$m
FY16 underlying EBITDA	22.3	22.3
Expected EBITDA contribution from CyberHound ⁽¹⁾	1.0	1.2
Impact of improved service margins in Cloud Managed Services	1.0	2.0
Adjusted EBITDA	24.3	25.5

Note:

1 Acquired on 1 July 2016.

155 We note that our estimate of EBITDA for valuation purposes is consistent with the EBITDA forecasts adopted by analysts for FY17 (which ranged from \$24.1 million to \$25.8 million, and averaged \$25.2 million)²⁴.

EBITDA multiple

156 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

- (a) the stability and quality of earnings
- (b) the quality of the management and the likely continuity of management
- (c) the nature and size of the business
- (d) the spread and financial standing of customers
- (e) the financial structure of the company and gearing level
- (f) the multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors

²³ It should be noted that the overall underlying EBITDA margin of the Cloud Managed Services segment also includes the profit margin on product sales (which is substantially lower than the margin on services).

²⁴ Based on four broker forecasts for FY17 (sourced from broker reports prepared following the announcement of BigAir's results for FY16).

- (g) the future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc.
- (h) the cyclical nature of the industry
- (i) expected changes in interest rates
- (j) the asset backing of the underlying business of the company and the quality of the assets
- (k) the extent to which a premium for control is appropriate
- (l) whether the assessment is consistent with historical and prospective earnings; and
- (m) the multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors.

157 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for BigAir.

Listed company multiples

158 The EBITDA multiples for Australian and New Zealand listed companies operating in the telecommunications sector are set out in Appendix C, a summary of which is as follows:

Listed company trading multiples⁽¹⁾			
	Enterprise value⁽²⁾	EBITDA multiples	
		Historical FY16	Forecast⁽³⁾ FY17
	\$m	x	x
BigAir ⁽⁴⁾	183	8.2	7.3
Superloop	471	nm	nm
Integrated carriers			
Telstra Corporations	75,419	7.2	6.9
Singapore Telecommunications ⁽⁵⁾	66,997	9.9	9.7
Internet focused			
TPG Telecom	8,490	11.0	10.1
Vocus Communications	4,602	21.4 ⁽⁶⁾	9.8
SpeedCast International	514	12.3	9.5
Spirit Telecom	16	15.9	na
Other telecommunications			
Spark New Zealand	7,015	7.4	7.3
Chorus	3,918	6.9	6.5
Amaysim Australia	385	10.9	8.7
MNF Group	279	15.9	12.7
Macquarie Telecom Group	220	6.9	na

Note:

- 1 Enterprise value and earnings multiples calculated as at 30 September 2016, unless otherwise stated.
- 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), preference shares, convertible notes, net derivative liabilities, net pension liabilities, market capitalisation adjusted for material option dilution and buybacks and excludes surplus assets.
- 3 Forecast earnings are based on Bloomberg broker average forecast (excluding outliers and outdated forecasts).
- 4 EBITDA includes the EBIT from Singapore Telecommunications' associates as a proxy for EBITDA for these companies as information on the level of depreciation and amortisation is not available.
- 5 On 22 February 2016 M2 Group merged with Vocus Communications and therefore Vocus Communications' historical FY16 EBITDA does not reflect a full year earnings from M2 Group.
na – not available. nm – not meaningful.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

- 159 As the level of EBITDA adopted for valuation purposes materially exceeds the level of underlying EBITDA achieved in FY16, we consider that the forecast multiples for FY17 are more relevant when valuing BigAir.
- 160 We note that the implied EBITDA multiples at which telecommunications shares generally trade have increased over the last four years, which we have interpreted to reflect (inter alia) expectations of on-going industry consolidation. Given the nature of the industry in which these companies operate, the extent to which these prevailing multiples can be sustained is inherently uncertain, particularly if industry and/or market conditions deteriorate.
- 161 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company.
- 162 We note that any comparison of EBITDA multiples for telecommunications companies should consider (inter-alia):
 - (a) companies' operating models and means of accessing the network, which may impact significantly on respective EBITDA, and therefore on EBITDA multiples
 - (b) the high fixed cost nature of the telecommunications industry and the ability to gain economies of scale has contributed to merger and acquisition activity. The multiples for the companies at the forefront of this consolidation (i.e. TPG and Vocus Communications) must be viewed in light of this.
- 163 Further, with respect of these ASX listed telecommunications companies we note that:
 - (a) the majority of companies are larger and have more diverse operations than BigAir. Smaller companies generally trade on lower multiples than larger companies, provided the outlook for earnings growth and the market sectors in which the businesses operate are similar

- (b) telecommunications companies with an internet focus have recently traded at higher implied EBITDA multiples in comparison to the integrated carriers and other telecommunications companies; and
- (c) those companies with higher growth expectations tend to trade on higher implied EBITDA multiples (and vice versa).

164 BigAir is focused on the Fixed Wireless segment of the Australian telecommunications industry. It shares broad characteristics with some of the ASX listed telecommunications companies, however none of the listed ASX companies are directly comparable in terms of mix of activities and size²⁵.

165 Whilst Spirit Telecom Limited (Spirit) also provides fixed wireless network services²⁶, Spirit is at a much earlier stage of development (Spirit's underlying EBITDA before non-recurring items in FY16 was only \$1.0 million) and the company does not have the same network footprint as BigAir. Further, its high FY16 EBITDA multiple reflects expectations of significant EBITDA growth in the short to medium term. Consequently, in our opinion, the FY16 EBITDA multiple for Spirit is not an appropriate reference point for valuing BigAir. However, for the above reasons we would expect that the forecast FY17 EBITDA multiple for Spirit would be significantly lower than its FY16 EBITDA multiple.

Transaction evidence

166 There have been a number of recent transactions in the telecommunications sector. A summary of the EBITDA multiples implied by these transactions (which reflected the acquisitions of controlling interests) is shown below (refer to Appendix D for company descriptions)²⁷:

Australasian telecommunications transactions					
Date ⁽¹⁾	Target	Acquirer	Enterprise value ⁽²⁾ \$m	EBITDA multiples	
				Historical x	Forecast x
Jun 16	Nextgen Networks ⁽³⁾	Vocus Com.	700.0	na	10.7 ⁽³⁾
Sep 15	M2 Group	Vocus Com.	2,285.4	11.0	9.7
May15	iiNet	TPG Telecom	1,951.8	10.0	9.9
Apr 15	Call Plus Group	M2 Group	245.4	6.9 ⁽⁴⁾	5.6 ⁽⁴⁾
Dec 14	Amcom Telecom.	Vocus Com.	607.6	13.0	12.3
Jul 14	FX Networks	Vocus Com.	107.7	8.5	7.4
Dec 13	AAPT	TPG Telecom	450.0	8.2	6.4
Aug 13	Adam Internet	iiNet	59.1	na	5.1
Mar 13	Telecommunications assets of Leighton Holdings	Ontario Teachers' Pension Plan	824.0 ⁽⁵⁾	na	6.4
Mar 13	Dodo Australia Holdings	M2 Group	203.9	7.0 ⁽⁶⁾	5.0 ⁽⁶⁾
Jul 12	TelstraClear	Vodafone NZ	654.0	6.6	na
Apr 12	Primus Telecom	M2 Group	187.8	4.7	na
Dec 11	Internode	iiNet	131.4	na	5.3
Nov 09	PIPE Networks	TPG Telecom	425.4	22.9	9.9

²⁵ We have also considered the value of Towerstream Corp., a company that provides Fixed Wireless services in around 12 states in the US. The company has an approximate enterprise value of US\$48 million, however, it has reported losses over the past four years and no meaningful EBITDA multiples are available.

²⁶ Spirit currently supplies internet services into more than 200 buildings in Victoria, NSW and Queensland.

²⁷ Excluding those transactions with a value of less than \$50 million.

Note:

- 1 Date of announcement.
- 2 100% basis. New Zealand dollar amounts have been translated at the exchange rate on the relevant transaction dates.
- 3 Transaction yet to complete. Implied EBITDA forecast based on normalised EBITDA before synergies. Forecast implied EBITDA multiple would be 7.3x including management's assessment of attainable cost based synergies.
- 4 Historical multiples based on FY15 forecast and forecast multiples based on FY16 forecast (as at 13 April 2015).
- 5 Assets were sold into a joint venture whereby Ontario Teachers' Pension Plan would own 70.1% of the telecommunication assets and Leighton owning the remaining 29.9%.
- 6 Historical multiples based on FY13 forecast and forecast multiples based on FY14 combined forecast for Eftel and Dodo (as at 18 March 2013).

na – not available.

Source: LEA analysis using data from ASX announcements, broker reports and company annual reports.

167 In relation to the recent transaction evidence we note that:

- (a) the acquisition of Amcom Telecommunications by Vocus Communications implied EBITDA multiples that are high in comparison to other recent acquisitions. In our view, this primarily reflected Amcom Telecommunications ownership of an extensive fibre-optic network²⁸
- (b) the other acquisitions involving dark fibre or telecommunications infrastructure (such as Nextgen Networks and PIPE Networks), have also transacted at relatively high EBITDA multiples
- (c) at the respective dates of acquisition, the iiNet and M2 Group businesses were both large internet service providers predominantly focused on the consumer sector (as opposed to BigAir which is predominantly business focused). Both iiNet and M2 Group were acquired for around \$2 billion and were significantly larger than BigAir (as noted above, larger companies generally trading on higher multiples than smaller companies)
- (d) Call Plus Group was New Zealand's third largest provider of retail broadband and fixed voice services. While broadly similar in size to BigAir, Call Plus Group did not own any telecommunications infrastructure and therefore any comparison to BigAir is limited. As a result we would expect Call Plus Group to transact at lower EBITDA multiples than that we view as appropriate for BigAir
- (e) FX Networks owned and operated an inter-city optical fibre network throughout New Zealand (with some 4,200 km), assets for which tend to be highly sought after. However, the company had a smaller potential customer base and hence lower growth options available in comparison to BigAir. In our view, the lower EBITDA multiples implied by the transaction appears to be a reflection of this.

168 As highlighted in Section III, BigAir has also undertaken a number of acquisitions in recent years. These transactions were all bolt-on acquisitions and ranged in value from approximately \$0.5 million to \$15 million, with implied EBITDA multiples ranging from

²⁸ While Amcom Telecommunications also offered network access, unified communications, cloud solutions and managed services (which appear to be similar to BigAir's Cloud Managed Services division), these services did not contribute material earnings at the time of the transaction.

2.0 times to 5.0 times EBITDA. Given the much larger size (and market position) of BigAir and difference in overall business offering²⁹ compared to the acquired businesses, we believe that a significantly higher EBITDA multiple should be applied to BigAir.

BigAir’s forward EBITDA multiple

169 We have also considered the one year forward EBITDA multiples for BigAir (adjusted for a notional control premium of 32.5%) over the period from 1 January 2013 to 13 September 2016 (i.e. the last trading day prior to the announcement of the Scheme).

**One year forward EBITDA multiples (controlling interest)
1 January 2013 to 13 September 2016**



Source: Bloomberg and LEA analysis.

170 With respect of the above we note that:

- (a) in the period to around June 2014 the forward controlling EBITDA multiples for BigAir traded at between 8.0 times and 12.0 times EBITDA. These EBITDA multiples appear high which we understand to be a reflection of the high growth expectations at the time
- (b) post June 2014 BigAir’s forward controlling EBITDA multiples have reduced to range between 6 and 10 times EBITDA. In our view this range is more consistent with multiples for telecommunications companies generally (as compared to the pre-June 2014 range).

Control premium and treatment of synergies

171 In assessing the EBITDA multiple for the valuation of 100% of BigAir we have applied an appropriate premium for control. As stated above, empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium

²⁹ Most of these businesses were acquired as a part of the Cloud Managed Services division.

of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company.

172 Nonetheless, the existence of synergies from business combinations is one of the key reasons why bidders pay a control premium to acquire a company. Consequently, in our opinion, it is inappropriate (in the circumstances of BigAir) to incorporate a separate value for synergies over and above that already implicitly reflected in the controlling interest multiple applied.

Conclusion on appropriate EBITDA multiple

173 Based on the above, and having regard, in particular, to:

- (a) BigAir's position as a niche Fixed Wireless telecommunications provider with the ability to bypass wholesale telecommunications service providers such as the NBN
- (b) BigAir's installed Australian metropolitan network infrastructure, which would take a third party significant time and effort to replicate,

in our opinion, an EBITDA multiple range of 8.5 to 9.0 is appropriate when applied to the level of underlying EBITDA adopted for valuation purposes.

Enterprise value

174 Given the above, we have assessed the value of BigAir as follows:

BigAir – enterprise value		
	Low \$m	High \$m
EBITDA adopted for valuation purposes	25.0	25.0
EBITDA multiple	8.5	9.0
Enterprise value	212.5	225.0

Net debt and earn-out arrangements

175 For valuation purposes we have adopted net debt of \$27.8 million (being the position as at 30 September 2016).

176 As at 30 September 2016, BigAir had no earn-out liabilities.

Share capital outstanding

177 BigAir has 185.2 million fully paid ordinary shares on issue. In addition there are 0.9 million performance share rights on issue and 0.2 million service rights, which will result in the issue of an equivalent number of new shares in BigAir if performance and service hurdles are achieved. However, under the terms of the Deed, BigAir must procure that the performance rights and service rights vest and convert into ordinary shares prior to the Record Date. In the event of a takeover or other control event, such as the Scheme, BigAir's Board can waive the performance hurdle requirements and accelerate the vesting of those rights. Accordingly, when valuing 100% of the shares in BigAir, in our opinion, it is appropriate to assume that the additional shares in respect of the rights will be issued.

178 For valuation purposes therefore we have assumed 186.3 million fully diluted shares on issue.

Valuation summary

179 On this basis, the value of 100% of BigAir shares under the capitalisation of EBITDA method is as follows:

BigAir – valuation	Low \$m	High \$m
Enterprise value	212.5	225.0
Net debt as at 30 September 2016	(27.8)	(27.8)
Equity value	184.7	197.2
Fully diluted shares on issue	186.3	186.3
Value per share	\$0.99	\$1.06

Cross-check based on listed market price adjusted for a control premium

180 As stated above, empirical evidence undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover).

181 In the one and three month periods prior to the announcement of the Scheme, the volume weighted average price (VWAP) of BigAir shares was \$0.79 and \$0.73 respectively. Significant trading in BigAir shares occurred during these periods (some \$11 million and \$22 million by value in the one and three month period respectively), which indicates (prima facie) that the share trading during these periods was likely to be a reasonably reliable indicator of the portfolio value of BigAir shares prior to the announcement of the Scheme.

182 Adjusting these share prices for a 30% to 35% premium for control results in a theoretical “control” value of \$0.95 to \$1.07 per share. We note that our assessed valuation range is toward the mid to higher end of this range.

VIII Valuation of Consideration

Approach

183 Pursuant to the terms of the Scheme, BigAir shareholders can elect to receive either:

- (a) 0.371 Superloop shares for every BigAir share held (the Scrip Consideration); or
- (b) a combination of \$0.70 in cash³⁰ payable upon completion of the Scheme and 0.118 Superloop shares for each BigAir share held (the Mixed Consideration).

184 As stated in Section VI, it is customary in transactions where scrip is offered as consideration to rely upon the listed market price of the bidder's shares (in this case Superloop) as the reference point for estimating the realisable value of the scrip consideration offered. This is principally because:

- (a) the listed market prices of Superloop shares are likely to represent a reasonable proxy for the amount that BigAir shareholders could expect to realise if they sold any Superloop shares received as consideration either immediately, or in the short-term. However, it should be noted that large buy or sell orders can have a material impact on the listed market price, and accordingly the value of Superloop shares offered as consideration should be assessed within a range
- (b) any decision to continue to hold Superloop shares beyond the immediate to short-term is a separate investment decision which should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. It is also not possible to accurately predict future share price movements
- (c) whilst there may be a future opportunity for BigAir shareholders to share in a control premium in the event Superloop was acquired, this is not a scenario that we consider likely in the short-term.

185 Accordingly, in our opinion, the recent market prices of Superloop shares are the appropriate reference point for estimating the value of the Scheme consideration. In doing so, we have also considered the depth of the market for those securities and the volatility of the share price.

186 We have also cross-checked the reasonableness of our assessed value of Superloop shares being offered as consideration by reference to the recent price at which Superloop has raised new equity capital. As noted below, Superloop raised gross proceeds of \$65 million in September 2016 to partially fund cash payments to BigAir shareholders who elect to receive the Mixed Consideration under the Scheme.

Recent share prices

Recent share trading history (prior to the announcement of the Scheme)

187 The historical share prices for Superloop are set out in Section IV. More recent trading in Superloop shares prior to the announcement of the Scheme is shown below:

³⁰ Subject to total cash payments being capped at \$95 million.

Superloop – share price history (pre-announcement of revised Scheme)

Time periods up to and including 13 September 2016⁽¹⁾	Low \$	High \$	VWAP \$	Number traded (m)
1 month	2.61	3.48	3.05	6.95
2 months	2.40	3.48	2.85	11.85
3 months	2.27	3.48	2.68	18.30

Note:

1 Being the last trading day prior to the announcement of the Scheme.

188 On 17 June 2016 (being close to the beginning of the three month time period referred to in the preceding table), Superloop announced a fully underwritten one for seven pro-rata entitlement offer to raise gross proceeds of \$35.3 million from existing Superloop shareholders. This entitlement offer was priced at a 12.9% discount to the closing price on 16 June 2016 and has therefore negatively impacted the VWAP in the three month period prior to the announcement of the Scheme.

Recent share trading history (subsequent to the announcement of the Scheme)

189 For the purpose of assessing the value of the Superloop shares offered as consideration we believe more regard should be given to the price of Superloop shares since the Scheme was announced on 13 September 2016. This is because we consider the Superloop share price subsequent to 13 September 2016 to be more representative of the share price assuming the Scheme is approved than the prices before 13 September 2016.

190 The following table sets out the prices at which Superloop shares have traded in the period subsequent to the announcement of the Scheme up to 20 October 2016:

Superloop – share price history (post announcement of Scheme)

Time periods	High \$	Low \$	VWAP \$	Number traded (000s)
14 September 2016 ⁽¹⁾ to 20 October 2016	3.15	2.82	3.00	14,435

Note:

1 Being the first day of trading subsequent to the announcement of the Scheme.

Source: Bloomberg.

Most recent capital raising

191 On 14 September 2016 Superloop announced that it had successfully completed an institutional placement which raised \$65 million in new equity capital (prior to transaction costs) through the issue of 21.7 million new shares at a price of \$3.00 per share³¹. According to Superloop, the offer of new shares received significant demand from domestic and international investors and was “significantly oversubscribed” at the offer price of \$3.00 per share.

³¹ We note that Superloop also undertook a non-renounceable entitlement offer to existing shareholders in June 2016 at a price of \$2.10 per share (raising gross proceeds of \$35.3 million).

192 Given the large size of the capital raising (which was undertaken following the announcement of the Scheme), in our view, the placement price is an appropriate reference point upon which to assess the value of the Superloop shares offered as consideration under the Scheme.

Other factors

Share trading restrictions and liquidity

193 To our knowledge there are no significant restrictions on trading in Superloop which would prevent sufficient trading (on a day-to-day basis) to produce an unbiased share price.

194 Further, in our view, the liquidity in Superloop shares over recent months has been relatively high. Excluding the amounts raised in recent capital raisings, we note that a total of \$49 million Superloop shares traded in the three months prior to the announcement of the Scheme.

Information disclosures

195 Whilst Superloop is only covered by two broking analysts³², significant information in relation to the operations of Superloop has been disclosed in its financial reports and ASX announcements. Further, Superloop has an obligation under the ASX Listing Rules (subject to certain exemptions) to notify the ASX immediately of any information that it becomes aware of concerning Superloop which a reasonable person would expect to have a material effect on the price or value of Superloop shares.

Number of Superloop shares to be issued as consideration

196 Following the completion of the abovementioned capital raising, Superloop had 156.9 million fully diluted shares on issue, calculated as follows:

Superloop – fully diluted shares on issue		million
Ordinary shares		156.0
Performance rights (subject to vesting conditions)		0.2
Options exercisable at \$2.00 per share		0.7
Fully diluted shares on issue		<u>156.9</u>

197 The number of shares to be issued by Superloop as consideration under the Scheme will represent between 12.2% and 30.3% of the enlarged capital base of Superloop, as follows:

Scheme Consideration as a % of existing and enlarged capital base			Scrip Consideration (million)	Mixed Consideration (million)
Number of Superloop shares held by existing shareholders ⁽¹⁾			156.9	156.9
Number of shares to be issued pursuant to the Scheme ⁽²⁾	(A)		69.1	22.0
Total shares outstanding in Superloop post transaction ⁽¹⁾	(B)		<u>226.0</u>	<u>178.9</u>
BigAir shareholders' interest ⁽³⁾ in Superloop post transaction.	(A) / (B)		30.6%	12.3%

³² Source: Bloomberg (accessed on 20 September 2016).

Note:

- 1 Including performance rights.
 - 2 Being 186.3 million shares in BigAir converted to Superloop shares at the exchange ratio of 0.371 Superloop shares for every one share in BigAir (Scrip Consideration) or 0.118 Superloop shares for every one share in BigAir (Mixed Consideration). The number of Superloop shares assumed to be issued under the Cash & Scrip Alternative assumes that the limit on the total cash consideration of \$95 million is not reached.
 - 3 Representing the collective interest of BigAir shareholders.
-

- 198 Given the number of new Superloop shares to be issued under the Scheme, if a large number of BigAir shareholders elect not to retain the shares in Superloop received as consideration there may be an oversupply of Superloop shares, which may have an adverse impact on the Superloop share price in the short-term.
- 199 However, given the availability of the Mixed Consideration under the Scheme (subject to the \$95 million cap on total cash payments) this risk is partially mitigated, as BigAir shareholders seeking to realise their investment pursuant to the transaction could do so (at least in part) by acceptance of the Mixed Consideration.

Dilution and synergies

- 200 To the extent that Superloop is paying a control premium (above the listed market price) for BigAir there will be a dilution effect on the value of Superloop shares subsequent to a successful conclusion of the Scheme. This is because the listed market price of Superloop shares will reflect a portfolio rather than a controlling interest in the enlarged group. In the absence of synergies this dilution often results in a fall in the share price of the bidder.
- 201 However, Superloop has indicated that relatively large synergies (particularly relative to the size of BigAir's standalone earnings) are likely to be realised from combining the two businesses. In particular, Superloop stated (in its Investor Presentation dated 13 September 2016) that it expects to achieve annual cost savings of at least \$4.0 million per annum within two years of the acquisition³³. Revenue benefits from cross-selling opportunities across the combined customer base are also expected to be achieved.
- 202 Importantly, both the potential dilution effect and the value of potential synergies will be reflected in the post Scheme announcement trading in Superloop shares.

Potential oversupply of Superloop shares in the short-term

- 203 In assessing the value of the consideration to be received by BigAir shareholders we have also considered the potential short-term impact on the Superloop share price should some BigAir shareholders seek to realise the Superloop shares received as consideration following completion of the Scheme.
- 204 As noted above, BigAir shareholders will receive between 22.0 million and 69.1 million Superloop shares as consideration under the Scheme, depending on whether shareholders elect to receive the Mixed Consideration or Scrip Consideration.

³³ One-off costs associated with realising these synergy benefits are estimated by Superloop at approximately \$1.0 million.

205 In comparison, we note that:

- (a) in the six months ended 13 September 2016 (i.e. prior to the announcement of the Scheme), 27.0 million Superloop shares traded
- (b) in June 2016, Superloop issued 16.8 million new shares in an entitlement offer
- (c) on 14 September 2016 (i.e. following the announcement of the Scheme), Superloop issued a further 21.7 million new shares to institutional investors
- (d) between 14 September 2016 and 20 October 2016, 14.4 million Superloop shares have traded.

206 Given the above trading volumes, the Superloop share price could fall if a large number of BigAir shareholders sell the Superloop shares received as consideration in the short term following the completion of the Scheme. However, in our opinion, it is reasonable to assume that:

- (a) BigAir shareholders who elect to receive the Scrip Consideration are unlikely to sell their Superloop shares in the short-term
- (b) BigAir shareholders who wish to realise their investment in the short-term will either:
 - (i) already have sold their BigAir shares on market following the announcement of the Scheme; or
 - (ii) accept the Mixed Consideration (which offers a large cash payment).

207 Further, we note that:

- (a) the recent share placement by Superloop on 14 September 2016 (which raised gross proceeds of \$65 million) was priced at only a \$0.05 per share (1.6%) discount to the VWAP of Superloop shares in the one month prior to the placement
- (b) the share placement in September 2016 (referred to above) was significantly oversubscribed at the offer price of \$3.00 per share³⁴
- (c) it is reasonable to assume that the current listed market price of Superloop shares implicitly reflects the possibility that some BigAir shareholders may sell some of the Superloop shares received as consideration.

Conclusion

208 In summary, in assessing the value of the Superloop shares offered as consideration under the Scheme we have had regard to:

- (a) the recent trading range of Superloop shares
- (b) the price of \$3.00 per share at which Superloop raised \$65 million in new equity capital in September 2016
- (c) the number of shares to be issued by Superloop under the Scheme compared to the enlarged number of Superloop shares on issue post completion of the Scheme

³⁴ Source: Superloop ASX announcement dated 14 September 2016.

- (d) the likely level of on-market trading in Superloop shares subsequent to completion of the Scheme, having regard to factors including:
- (i) any potential oversupply of Superloop shares from those shareholders in BigAir not wishing to retain the Superloop shares received as consideration
 - (ii) the dilution effect implicit in any control premium being paid by Superloop
 - (iii) the level of synergies relative to the size of Superloop post merger
- (e) recent stock market conditions.

209 Based on the above we have assessed the realisable value of the Superloop shares offered as consideration under the Scheme at between \$2.90 and \$3.10 per share.

Assessed value of Scheme Consideration

210 We have therefore assessed the value of the Scheme Consideration to be received by BigAir shareholders pursuant to the Scheme at the amounts below³⁵:

Value of Scheme Consideration per BigAir share		
	Low \$ per share	High \$ per share
Scrip Consideration		
Assessed realisable value of Superloop shares	2.90	3.10
Scheme ratio (Scrip Consideration)	0.371	0.371
Assessed value of Scrip Consideration	1.08	1.15
Mixed Consideration		
Assessed realisable value of Superloop shares	2.90	3.10
Scheme ratio (Mixed Consideration)	0.118	0.118
Value of scrip consideration	0.34	0.37
Cash consideration	0.70	0.70
Assessed value of Mixed Consideration	1.04	1.07

Other considerations

211 BigAir shareholders should note that the listed market price of Superloop shares is subject to significant daily fluctuation. The price at which Superloop shares may be sold may therefore be greater or less than our assessed realisable value of Superloop shares of \$2.90 to \$3.10 per share.

212 Specifically, reflecting the nature of its business operations³⁶, share trading in Superloop is particularly volatile. In the period since the announcement of the Scheme on 13 September 2016 up to 20 October 2016, Superloop shares have traded at a high of \$3.15 per share and a low of \$2.82 per share, reflecting a trading range of 11.7%³⁷.

³⁵ For clarification, the Total Entitlements which include the Special Dividend and the Scheme Consideration are dealt with in Section X of our report.

³⁶ Superloop generated an operating loss in FY16.

³⁷ Calculated as the high share price minus the low share price divided by the low share price. In contrast, over the same period, the S&P/ASX 200 Index has moved in a range of 4.9% respectively.

- 213 BigAir shareholders should also note that any decision to hold Superloop shares beyond the short-term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to hold Superloop shares should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.
- 214 In considering whether to hold Superloop shares beyond the short-term, BigAir shareholders should also note that the business operations of Superloop are, prima facie, a higher risk investment (from an operational perspective) than BigAir as Superloop has not yet reached profitability.

IX Evaluation of the Scheme

Summary of opinion

215 In our opinion, the Scheme is fair and reasonable and in the best interests of BigAir shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of BigAir shares

216 As set out in Section VII we have assessed the value of BigAir between \$0.99 and \$1.06 per share.

Scrip Consideration

217 If BigAir shareholders approve the Scheme and all conditions are satisfied, BigAir shareholders who elect to receive the Scrip Consideration will receive 0.371 Superloop shares for each BigAir share held. The value of the consideration under the Scrip Consideration is therefore inherently dependent upon the realisable value of Superloop shares.

218 As set out in Section VIII, we have assessed:

- (a) the realisable value for Superloop shares at between \$2.90 and \$3.10 per share; and
- (b) the value of the consideration to be received by BigAir shareholders who elect to receive the Scrip Consideration at \$1.08 to \$1.15 per BigAir share.

Mixed Consideration

219 If BigAir shareholders approve the Scheme and all conditions are satisfied, BigAir shareholders who elect to receive the Mixed Consideration will receive 0.118 shares in Superloop for each BigAir share held plus \$0.70 cash³⁸.

220 Based on a value for Superloop shares of \$2.90 to \$3.10 per share, we have assessed the value of the consideration under the Mixed Consideration at between \$1.04 and \$1.07 per BigAir share (as set out in Section VIII).

Fair and reasonable opinion

221 Pursuant to RG 111, the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than, the value of the securities the subject of the Scheme.

222 In the case of BigAir, the value of the consideration to be received by BigAir shareholders is dependent on (and may vary according to) whether shareholders elect the Scrip Consideration or the Mixed Consideration. We have therefore provided a comparison for each of these alternatives with our assessed value of BigAir shares.

³⁸ The cash component of the Mixed Consideration is subject to a \$95 million cap on the amount of cash that will be paid, with a pro-rata scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed Consideration. If such a scale back occurs each BigAir shareholder who elects to receive the Mixed Consideration will receive, in relation to each BigAir share held by them, an additional 0.00337 Superloop shares for each \$0.01 of cash scaled back.

Fairness – Scrip Consideration

223 The relevant comparison for BigAir shareholders electing the Scrip Consideration is shown below:

Position of BigAir shareholders – Scrip Consideration			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.08	1.15	1.115
Value of 100% of BigAir	0.99	1.06	1.025
Extent to which the Scheme Consideration exceeds the value of BigAir	0.09	0.09	0.09

224 As the value of the Scrip Consideration to be received by BigAir shareholders is above our assessed valuation range for BigAir shares on a 100% controlling interest basis, in our opinion, the Scrip Consideration is fair when assessed based on the guidelines set out in RG 111.

Fairness – Mixed Consideration

225 The relevant comparison for BigAir shareholders electing the Mixed Consideration is shown below:

Position of BigAir shareholders – Mixed Consideration			
	Low \$ per share	High \$ per share	Mid-point \$ per share
Value of Scheme Consideration	1.04	1.07	1.055
Value of 100% of BigAir	0.99	1.06	1.025
Extent to which the Scheme Consideration exceeds the value of BigAir	0.05	0.01	0.03

226 As the value of the Mixed Consideration to be received by BigAir shareholders is towards the high end of our assessed valuation range for BigAir shares on a 100% controlling interest basis, in our opinion, the Mixed Consideration is fair when assessed based on the guidelines set out in RG 111.

Reasonableness

227 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is “reasonable” it must also be “in the best interests” of shareholders, in the absence of a superior proposal.

228 Consequently, in our opinion, the Scheme is also “reasonable” and “in the best interests” of BigAir shareholders in the absence of a superior proposal.

229 In assessing whether the Scheme is reasonable and in the best interests of BigAir shareholders LEA has also considered, in particular:

- (a) the extent to which a control premium is being paid to BigAir shareholders
- (b) the listed market price of BigAir shares, both prior to and subsequent to the announcement of the proposed Scheme
- (c) the likely market price of BigAir shares if the proposed Scheme is not approved

- (d) the value of BigAir to an alternative offeror and the likelihood of a higher alternative offer being made for BigAir prior to the date of the Scheme meeting
- (e) the advantages and disadvantages of the Scheme from the perspective of BigAir shareholders
- (f) other qualitative and strategic issues associated with the Scheme.

230 These issues are discussed in detail below.

Extent to which a control premium is being paid

231 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares³⁹ three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price). This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

232 The implied offer premium relative to BigAir share prices up to 13 September 2016 (i.e. prior to the announcement of the Scheme) is shown below:

Implied offer premium relative to recent BigAir share prices			
	BigAir share price	Implied offer premium	
	\$	Scrp Consideration	Mixed Consideration
Value of consideration		\$1.115 ⁽¹⁾	\$1.055 ⁽¹⁾
1 month VWAP to 13 September 2016 (inclusive)	0.79	41.1%	33.5%
2 month VWAP to 13 September 2016 (inclusive)	0.75	48.7%	40.7%
3 month VWAP to 13 September 2016 (inclusive)	0.73	52.7%	44.5%

Note:

1 Mid-point of LEA range.

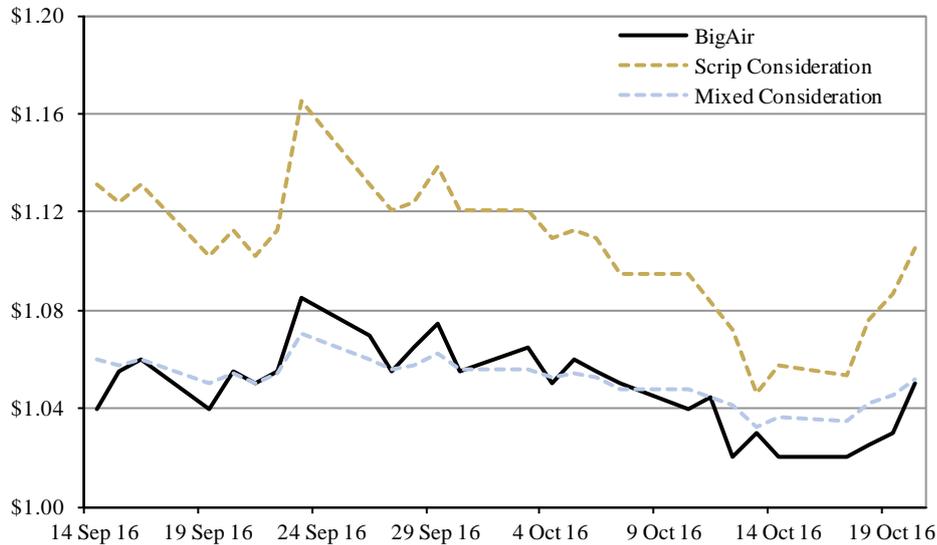
233 Having regard to the above, in our opinion, the Scheme Consideration provides BigAir shareholders with a significant premium, and reflects an implied premium which generally exceeds observed premiums paid in successful takeovers generally.

³⁹ After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

Recent share prices subsequent to the announcement of the Scheme

234 Shareholders should note that BigAir shares have consistently traded on the ASX at prices which are lower than the Scheme Consideration, as shown below:

Recent trading in BigAir shares compared to the Scheme Consideration 14 September 2016 to 20 October 2016



Source: Bloomberg and LEA analysis.

235 In our opinion, this suggests that the market consensus view is that a superior offer or proposal is unlikely to emerge.

Likely price of BigAir shares if the Scheme is not implemented

236 If the Scheme is not implemented we expect that, at least in the short-term, BigAir shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of BigAir shares on a portfolio basis and their value on a 100% takeover basis.

237 In this regard, we note that the one month VWAP of BigAir shares up to 13 September 2016 (being the last trading day prior to the announcement of the Scheme) was \$0.79 per share. This VWAP is some 29% below the mid-point of our assessed value of the Scrip Consideration.

Likelihood of a superior proposal

238 We have been advised by the Directors of BigAir that no alternative offers have been received subsequent to the announcement of the Scheme on 13 September 2016.

239 Further, we note that Superloop have acquired call options exercisable over a 10% interest in BigAir. Assuming Superloop exercises these call options, then Superloop would need to agree to sell its shareholding in order for an alternative offeror to acquire 100% control of BigAir⁴⁰.

⁴⁰ We note that in a Scheme, only 75% of shareholders would need to vote in favour of any proposal.

Assessment of the Scheme

240 We summarise below the likely advantages and disadvantages of the Scheme for BigAir shareholders.

Advantages

241 The Scheme has the following benefits for BigAir shareholders:

- (a) the value of the Scrip Consideration and the Mixed Consideration is above or toward the high end of our assessed value range of BigAir shares on a 100% controlling interest basis
- (b) the Scheme Consideration represents a significant premium to the recent market prices of BigAir shares prior to the announcement of the Scheme on 13 September 2016, and reflects an implied premium which generally exceeds observed premiums paid in successful takeovers generally.

Disadvantages

242 BigAir shareholders should note that the business operations of Superloop are, prima facie, a higher risk investment (from an operational perspective) than BigAir as Superloop has not yet reached profitability. The lack of current profitability also increases the risk of a substantial share price decline if the future performance of the business does not meet investor expectations. Those BigAir shareholders who decide to hold their Superloop shares beyond the short-term should therefore be aware of these risks.

Conclusion

243 Given the above analysis, we consider that the acquisition of BigAir shares by Superloop under the Scheme is fair and reasonable and in the best interests of BigAir shareholders in the absence of a superior proposal.

Appendix A

Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to BigAir shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$100,000 plus GST.
- 9 Neither LEA nor its directors and officers receive any commissions or other benefits, except for the fees for services referred to above.

Appendix A

- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Services Limited (FOS), an external complaints resolution service. You will not be charged for using the FOS service.

Contact details

- 14 LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

Appendix B

Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Ms Julie Planinic, who are each authorised representatives of LEA. Mr Edwards and Ms Planinic each have over 20 years experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of BigAir to accompany the Scheme Booklet to be sent to BigAir shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of BigAir shareholders.

Interests

- 4 At the date of this report, neither LEA, Mr Edwards nor Ms Planinic have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 LEA has had no prior business or professional relationship with BigAir or Superloop prior to the preparation of this report.

Indemnification

- 6 As a condition of LEA's agreement to prepare this report, BigAir agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of BigAir which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

Appendix C

Listed telecommunications companies

- 1 A summary of the EBITDA multiples and a brief company description of the Australian and New Zealand listed companies operating in the telecommunications sector are set out below:

Listed company trading multiples ⁽¹⁾				
	Enterprise value ⁽²⁾ \$m	EBITDA multiples ⁽³⁾		
		Historical	Forecast	Forecast
		FY16 x	FY17 x	FY18 x
BigAir ⁽⁴⁾	183	8.2	7.3	6.5
Superloop	471	nm	nm	nm
Integrated carriers				
Telstra Corporations	75,419	7.2	6.9	6.6
Singapore Telecommunications ⁽⁵⁾	66,997	9.9	9.7	9.5
Internet focused				
TPG Telecom	8,490	11.0	10.1	9.4
Vocus Communications	4,602	21.4 ⁽⁶⁾	9.8	8.3
SpeedCast International	514	12.3	9.5	8.6
Spirit Telecom	16	15.9	na	na
Other telecommunications				
Spark New Zealand	7,015	7.4	7.3	7.2
Chorus	3,918	6.9	6.5	6.6
Amaysim Australia	385	10.9	8.7	8.0
MNF Group	279	15.9	12.7	11.1
Macquarie Telecom Group	220	6.9	na	na

Note:

- 1 Enterprise value and earnings multiples calculated as at 30 September 2016, unless otherwise stated.
 - 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), preference shares, convertible notes, net derivative liabilities, net pension liabilities, market capitalisation adjusted for material option dilution and buybacks and excludes surplus assets.
 - 3 Forecast earnings are based on Bloomberg broker average forecast (excluding outliers and outdated forecasts).
 - 4 BigAir enterprise value and forecast EBITDA multiples are calculated as at 13 September 2016 (i.e. pre-announcement of the Scheme).
 - 5 EBITDA includes the EBIT from Singapore Telecommunications' associates as a proxy for EBITDA for these companies as information on the level of depreciation and amortisation is not available.
 - 6 On 22 February 2016 M2 Group merged with Vocus Communications. Vocus Communications' historical FY16 EBITDA does not reflect a full year earnings from M2 Group.
 - 7 We have also considered Hutchison Telecommunications (Australia), however, given recent losses for the company and a lack of analyst forecasts, meaningful EBITDA multiples cannot be derived.
- na – not available. nm – not meaningful.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

Appendix C

Integrated carriers

Telstra Corporations Limited

- 2 Telstra is Australia's largest telecommunication company and incumbent telecommunications infrastructure owner. The company provides basic access services to most homes and businesses as well as local and long-distance call, mobile and internet services. Its customer base includes over 17.2 million mobile telephony subscribers, 7.0 million fixed voice services and 3.4 million retail fixed broadband subscribers. Telstra also owns 50% of Foxtel in a joint venture with News Corporation. In December 2014, Telstra and the Federal Government amended a 2011 agreement (which originally involved the disconnection of the Telstra copper and HFC networks) to progressively transfer control of its copper and HFC cable network assets to NBN Co.

Singapore Telecommunications Limited

- 3 Singapore Telecommunications owns a diverse range of communication companies in the Asia Pacific region, including Singapore, Australia, South East Asia and Africa. Its services include fixed line, mobile, data, internet, info-communications technology, satellite and pay-TV. The company's operations include Optus (the second largest Australian telecommunications company offering fixed line, mobile and internet services) and investments in five regional mobile operators, namely Telkomsel (Indonesia), Globe Telecom (the Philippines), Advanced Info Service (Thailand), PBTL (Bangladesh) and Bharti Airtel (India), which has a significant presence in Bangladesh, Sri Lanka and Africa.

Internet focused

TPG Telecom Limited

- 4 TPG Telecom is an Australian-based full service telecommunications company providing consumer, wholesale, government and corporate telecommunications services. The company offers ADSL2+, NBN, Fibre Optic and Ethernet broadband access, telephony services, Internet Protocol Television, SIM Only Mobile plans and various business network solutions. TPG also owns and operates its own carrier-grade voice, data and internet network infrastructure. TPG acquired iiNet Limited in 2015, which combined the third and fourth largest Australian internet service providers.

Vocus Communications Limited

- 5 Vocus Communications is a provider of integrated telecommunications services, including fibre solutions, international IP transit, data centre facilities, unified communications and cloud services to corporate and government entities. In February 2016, Vocus merged with M2 Group Limited to create the fourth and third largest telecommunication company in Australia and New Zealand respectively. In addition to its fibre network, the company owns submarine cable capacity connecting Australia to Singapore, Hong Kong, New Zealand and the United States.

SpeedCast International Limited

- 6 SpeedCast International is a global network and satellite communications provider with a worldwide presence, including a global maritime network. The company's network services over 90 countries (on land, sea or in the air), with over 5,000 links servicing 3,000 customers.

Appendix C

The company is headquartered in Hong Kong and has 33 international sales and support offices and 31 teleport operations.

Spirit Telecom Limited

- 7 Spirit is a telecommunications provider (which utilises the infrastructure of key carriers and cloud service providers) to market ultra-fast⁴¹ internet access and telephony services to multi-dwelling user locations including residential, business, student accommodation, community housing and business parks. Spirit currently supplies internet services into more than 200 buildings in Victoria, New South Wales and Queensland. In FY16, underlying EBITDA was approximately \$1.0 million. Whilst there are no analyst earnings forecasts for Spirit, on 31 August 2016 Spirit management stated that they expected the company “to generate more than a 30% increase in revenue” in FY17 and “a significant uplift in earnings from the FY2016 underlying EBITDA”.

Other telecommunications

Spark New Zealand Limited

- 8 Spark New Zealand provides digital communications, entertainment and information technology services to New Zealand consumers and businesses. The company was the larger proportion of the Telecom Corporation of New Zealand business, prior to the split of its retail operations (Spark New Zealand) and infrastructure assets (Chorus, see below) in December 2011. Spark New Zealand is made up of a number of core businesses, including Spark Home, Mobile & Business (including Spark Ventures), Spark Digital and Spark Connect.

Chorus Limited

- 9 Chorus is a wholesale and retail telecommunications company. It is New Zealand’s largest telecommunications infrastructure provider and was previously a part of Telecom Corporation of New Zealand. The company maintains a network of local telephone exchanges, cabinets and copper and fibre cables and is also constructing a high speed broadband network across New Zealand. Chorus’ fibre network has approximately 1.8 million fixed line connections and 1.2 million broadband connections.

Amaysim Australia Limited

- 10 Amaysim Australia is an Australian online-led mobile service provider that offers a range of SIM-only mobile and data plans with no lock-in contracts. The company listed on the ASX in July 2015 and has grown from 230,000 subscribers in FY12 to approximately 985,000 subscribers as at 18 August 2016. Amaysim Australia’s data plans are delivered over both the Optus Mobile Network and the Optus 4G Plus Network.

MNF Group Limited

- 11 MNF Group is an integrated telecommunications software and network provider specialising in IP voice communications (VoIP, Virtual PBX, cloud communications etc). The company operates a global Internet Protocol voice network carrying over 6 billion voice minutes per annum. The company operates the largest fully interconnected Internet Protocol voice

⁴¹ Internet speeds in selected buildings that Spirit services reach up to 200/200 Mbps.

Appendix C

network in Australia and has POPs in Los Angeles, New York, Hong Kong, Singapore, London, Frankfurt, Sydney and Auckland.

Macquarie Telecom Group Limited

- 12 Macquarie Telecom Group is an Australian company engaged in the provision of telecommunication and hosting services to corporate and government customers within Australia. It provides local and long distance services, calling cards and inbound calling services along with the management of telecommunications facilities. Macquarie Telecom Group also provides data services along with telecommunications advisory services.

Appendix D

Transaction evidence

- 1 There have been a number of transactions involving businesses operating in the Australasian telecommunications industry. The implied multiples from these transactions (excluding those with a value of less than \$50 million), and a brief description of the company's activities at the date of the acquisition, are set out below.

Australasian telecommunications transactions					
Date ⁽¹⁾	Target	Acquirer	Enterprise value ⁽²⁾ \$m	EBITDA multiples	
				Historical x	Forecast x
Jun 16	Nextgen Networks ⁽³⁾	Vocus Com.	700.0	na	10.7 ⁽³⁾
Sep 15	M2 Group	Vocus Com.	2,285.4	11.0	9.7
May15	iiNet	TPG Telecom	1,951.8	10.0	9.9
Apr 15	Call Plus Group	M2 Group	245.4	6.9 ⁽⁴⁾	5.6 ⁽⁴⁾
Dec 14	Amcom Telecom.	Vocus Com.	607.6	13.0 ⁽⁵⁾	12.3 ⁽⁵⁾
Jul 14	FX Networks	Vocus Com.	107.7	8.5	7.4
Dec 13	AAPT	TPG Telecom	450.0	8.2	6.4
Aug 13	Adam Internet	iiNet	59.1	na	5.1
Mar 13	Telecommunications assets of Leighton	Ontario Teachers' Pension Plan	824.0 ⁽⁶⁾	na	6.4
Mar 13	Dodo Australia Holdings	M2 Group	203.9	7.0 ⁽⁶⁾	5.0 ⁽⁶⁾
Jul 12	TelstraClear	Vodafone NZ	654.0	6.6	na
Apr 12	Primus Telecom	M2 Group	187.8	4.7	na
Dec 11	Internode	iiNet	131.4	na	5.3
Nov 09	PIPE Networks	TPG Telecom	425.4	22.9	9.9

Note:

- 1 Date of announcement.
 - 2 100% basis. New Zealand dollar amounts have been translated at the exchange rate on the relevant transaction dates.
 - 3 Transaction yet to complete. Implied EBITDA forecast based on normalised EBITDA before synergies. Forecast implied EBITDA multiple would be 7.3x including management's assessment of attainable cost based synergies.
 - 4 Historical multiples based on FY15 forecast and forecast multiples based on FY16 forecast (as at 13 April 2015).
 - 5 Assets were sold into a joint venture whereby Ontario Teachers' Pension Plan would own 70.1% of the telecommunication assets and Leighton owning the remaining 29.9%.
 - 6 Historical multiples based on FY13 forecast and forecast multiples based on FY14 combined forecast for Eftel and Dodo (as at 18 March 2013).
- na – not available.

Source: LEA analysis using data from ASX announcements, broker reports and company annual reports.

Nextgen Networks

- 2 Nextgen Networks is a telecommunications company that provides transmission links, switched data services and high speed internet to corporate, wholesale, business and government customers. Nextgen Networks owns a fibre backhaul network covering some 17,000 km, connecting capital cities to regional and remote areas.

Appendix D

M2 Group

- 3 M2 Group is a provider of a range of communication utility and insurance services to Australian and New Zealand households and small businesses. In Australia, M2 Group operates under the leading brands of Commander, Engin, Dodo and iPrimus to provide Australian households and businesses with low-cost telecommunications services. In New Zealand, M2 Group operates under the leading brands of CallPlus, Slingshot, Orcon, 2Talk and Flip. M2 Group also offers energy and insurance services.

iiNet Ltd

- 4 iiNet is Australia's second largest direct service line internet services provider. iiNet maintains its own broadband network and provides over 1.9 million broadband, telephony, mobile and internet protocol television services to approximately 975,000 customers Australia-wide. iiNet employs more than 2,000 staff across three countries, 80% of whom are employed to directly service the customer base.

Call Plus Group

- 5 Call Plus Group is New Zealand's third largest provider of broadband and fixed voice services, offering more than 400,000 services across the consumer, business and wholesale market segments. Its consumer brands include Slingshot, Orcon and Flip, while the Call Plus Business and 2Talk brands service the small to medium business market. In June 2014, Call Plus Group acquired rival Orcon which at the time gave Call Plus a 15% market share and a customer base of more than 220,000.

Amcom Telecommunications Limited

- 6 Amcom Telecommunications is an Australia-based IT and telecommunications company. The company's product set includes national data network access, unified communications, cloud solutions and managed services, all of which is supported by its extensive fibre-optic network and a range of IT services including advisory, integration and security solutions.

FX Networks Limited

- 7 FX Networks owns and operates an inter city optical fibre network throughout New Zealand with some 4,200 km covering both the North and South Islands. FX Networks provides data backhaul and dark fibre services for telecommunication carriers and networking and internet for enterprise and governments. Its network is connected to 17 major data centres and 26 candidate areas for the Ultra Fast Broadband in New Zealand.

AAPT also known as Telecom Corporation New Zealand Limited

- 8 AAPT is a telecommunications company that offers voice, internet, data and cloud services for business and wholesale customers in Australia. The company owns telecommunications infrastructure including 11,000 km of optic fibre (across six states and territories), 15 data centres and fibre access to 1,500 premises with coverage to over 950,000 businesses in metropolitan areas.

Adam Internet Pty Limited

- 9 Adam Internet is based in Adelaide and at the time of acquisition had approximately 70,000 broadband subscribers located primarily in South Australia and the Northern Territory,

Appendix D

plus a range of key South Australian business and government clients consuming data-centre, hosting and cloud services. The company also holds DSLAM and fibre network infrastructure.

Telecommunications assets of Leighton Holdings Limited

- 10 On 28 March 2013 Leighton announced the sale of 70.1% of its non-core telecommunications assets including Nextgen Networks, Metronode, and Infoplex. Nextgen Networks own and operate a 17,000 km optical fibre network across Australia, Metronode is a developer and owner of data centres and Infoplex in a provider of cloud services.

Dodo Australia Holdings Pty Limited

- 11 Dodo Australia Holdings provides telecommunication services to residential consumers and corporate markets in Australia. The company offers broadband, wireless and dial-up internet services as well as home phone, wireless telephony and VoIP services. The company also provides alarm monitoring services, car, home building and contents insurance, and sells electricity in Victoria to residential consumers. At the date of acquisition Dodo Australia Holdings had over 400,000 customers and 660,000 active services.

TelstraClear Limited

- 12 TelstraClear owns New Zealand's second largest fixed telecommunications infrastructure, which includes 6,600 km of fibre (connecting 19 of the country's largest cities) and an extensive local access network (with 2,000 km of fibre and 4,500 km of copper) as well as a cable TV and broadband access network passing 150,000 homes in Wellington and Christchurch. Its customer base includes government and large corporations, small and medium enterprises as well as consumers.

Primus Telecommunications Holdings Pty Ltd

- 13 Primus Telecommunications provides voice, data, internet and web hosting services for business and residential customers in Australia. It offers a range of local call and long-distance call services, internet access and business direct-connect services. The company also owns fibre cable networks in the major Australian metropolitan areas (i.e. Sydney, Melbourne, Brisbane, Perth and Adelaide).

Internode Pty Limited

- 14 Internode provides broadband internet and phone services to households and businesses in Australia. Its business services include internet and phone solutions, VoIP services, hosting and content services such as data centre co-location, as well as web hosting and converged communications. Its household services include broadband and phone services, VoIP and entertainment and content services.

PIPE Networks Limited

- 15 PIPE Networks is an Australian telecommunications network infrastructure owner and operator. PIPE Networks derives revenues from internet exchange, dark fibre leasing and co-location services. The company owns and operates Australia's largest internet exchange, with network locations in Brisbane, Sydney, Melbourne, Adelaide and Hobart.

Appendix E

Glossary

Term	Meaning
ANZ	Australia and New Zealand Banking Group
APEXN	APEXN Pty Ltd
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
BigAir / Company	BigAir Group Limited
Mixed Consideration	0.118 Superloop shares plus \$0.70 cash per BigAir share
CINENET	CINENET Systems Pty Ltd
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	<i>Corporations Regulations 2001</i>
DCF	Discounted cash flow
Deed	Scheme Implementation Deed pursuant to which Superloop will acquire all of the shares in BigAir by way of a scheme of arrangement
DRP	Dividend reinvestment plan
DSL	Direct service line
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation
EBITDA	Earnings before interest, tax, depreciation and amortisation
FOS	Financial Ombudsman Services Limited
FSG	Financial Services Guide
FTTN	Fibre to the node
FTTP	Fibre to the premises
FY	Financial year
GB	Gigabyte
HFC	Hybrid fibre-coaxial
ICT	Information communications technology
IER	Independent expert's report
IRU	Indefeasible right of use
LEA	LonerGAN Edwards & Associates Limited
Mbps	Megabits per second
NBN	National Broadband Network
NPV	Net present value
PABX	Private Automatic Branch Exchange
POP	Point of presence
PSTN	Public switched telephone network
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
Scheme	The proposed acquisition of BigAir shares to be implemented via a scheme of arrangement between BigAir and its shareholders
Scheme Consideration	The Scrip Consideration or the Mixed Consideration
Scrip Consideration	0.371 Superloop shares per BigAir share
Spirit	Spirit Telecom Limited
Superloop	Superloop Limited
VoIP	Voice over internet protocol
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding
Westpac	Westpac Banking Corporation

Annexure B – Investigating Accountant's Report



The Directors
Superloop Limited
Level 17, 333 Ann Street,
Brisbane
QLD 4000

The Directors
BigAir Group Limited
PO Box 564
St Leonards
NSW 1590

26 October 2016

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Superloop Limited ("Superloop") and the Directors of BigAir Group Limited ("BigAir") for inclusion in the Scheme Booklet to be issued by BigAir (the "Public Document") in connection with Superloop's proposed acquisition of BigAir (the "Scheme of Arrangement").

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services License (AFSL) under the *Corporations Act 2001* (Cth) (the "Corporations Act").

References to the Merged Group and other terminology used in this report have the same meaning as defined in the Glossary of the Scheme Booklet.

Scope

Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of Superloop to review:

- the Consolidated Statement of Comprehensive Income for Superloop for the period/year ended 30 June 2015 and 30 June 2016 respectively; and
- the Consolidated Statement of Financial Position for Superloop as at 30 June 2015 and 30 June 2016;

as set out in Section 7.9 of the Scheme Booklet (together the "Historical Financial Information").

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Superloop's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Superloop for the year ended 30 June 2016, which was audited by *Deloitte Touche Tohmatsu* in accordance with the Australian Auditing Standards. *Deloitte Touche Tohmatsu* issued a *unmodified* audit opinion on the financial report.

The Historical Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Deloitte Corporate Finance Pty Limited
ACN 003 833 127
AFSL 241457

Riverside Centre
Level 25
123 Eagle Street
Brisbane QLD 4000
GPO Box 1463
Brisbane QLD 4001 Australia

Tel: +61 7 3308 7000
Fax: +61 7 3308 7004
www.deloitte.com.au

Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of Superloop and the Directors of BigAir to review:

- the Pro Forma Statement of Comprehensive Income for the Merged Group for the year ended 30 June 2016; and
- the Pro Forma Statement of Financial Position for the Merged Group as at 30 June 2016;

as set out in Section 8.8 of the Scheme Booklet (together the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of pro forma adjustments described in section 8.8 of the Scheme Booklet, representing the effect of events and transactions related to the Scheme of Arrangement on BigAir.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 8.8 of the Public Document, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Merged Group's actual or prospective financial position and/or financial performance

Directors' Responsibility

The Directors of Superloop and the directors of BigAir are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information, and the information contained within the Scheme Booklet.

This responsibility includes the responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Historical Financial Information or the Pro Forma Historical Financial Information.

The procedures we performed were based on our professional judgement and considered reasonable in the circumstances:

Historical Financial Information

- a review of the extraction of the Historical Financial Information from the audited financial statements of Superloop for the year ended 30 June 2016;
- a consistency check of the application of the stated basis of preparation, as described in the Scheme Booklet, to the Historical Financial Information;

- a review of **Superloop's** work papers, accounting records and other documents; and
- enquiry of Superloop Directors, management and others in relation to the Historical Financial Information;

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Historical Financial Information of Superloop and BigAir from their respective audited financial statements for the year ended 30 June 2016;
- consideration of the appropriateness of Pro Forma Adjustments described in Section **8.8** of the Scheme Booklet;
- enquiry of Superloop and BigAir Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of work papers, accounting records and other documents of Superloop and BigAir; and
- a review of the accounting policies adopted and used over the period for consistency of application.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section **7.9** of the Scheme Booklet, and comprising:

- the Consolidated Statement of Comprehensive Income of Superloop for the period/year ended 30 June 2015 and 30 June 2016; and
- the Consolidated Statement of Financial Position for Superloop as at 30 June 2016 and 30 June 2015;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section **7.9** of the Scheme Booklet.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section **8.8** of Scheme Booklet and comprising:

- the Pro Forma Statement of Comprehensive Income for the Merged Group for the year ended 30 June 2016; and
- the Pro Forma Consolidated Statement of Financial Position for the Merged Group as at 30 June 2016;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as set out in Section **8.8** of the Scheme Booklet.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 7.9 and **8.8** of the Scheme Booklet, which describes the purpose of the Financial Information, being for inclusion in the Scheme Booklet. As a result, **the Investigating Accountant's Report may not be suitable for use for another purpose.**

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Scheme Booklet in the form and context in which it is included.

Subsequent Events

Subsequent to 30 June 2016 and up to the date of this report, nothing has come to our attention that would cause us to believe material transactions or events outside the ordinary course of business of the Merged Group have occurred, other than the matters dealt with in this report or the Scheme Booklet, which would require comment on, or adjustment to, the information contained in this report, or which would cause such information to be misleading.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Scheme of Arrangement other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Financial Services Guide

[Click here to access the Financial Services Guide.](#)

Yours faithfully



R G Saayman

Authorised Representative of Deloitte Corporate Finance Pty Limited (AFSL Number 241457)

Authorised Representative Number: 468676

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us. The person who provides the advice is an Authorised Representative (AR) of Deloitte Corporate Finance Pty Limited (DCF), which authorises the AR to distribute this FSG. Their AR number is included in the report which accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu. We and other entities related to Deloitte Touche Tohmatsu:

- do not have any formal associations or relationships with any entities that are issuers of financial products
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer	Financial Ombudsman Service
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	info@fos.org.au
complaints@deloitte.com.au	www.fos.org.au
Fax: +61 2 9255 8434	Tel: 1800 367 287
	Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Annexure C – Scheme of Arrangement

Scheme of Arrangement

Parties

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

- 1 **BigAir Group Limited** (ACN 098 572 626) of Level 1, 203 Pacific Highway St Leonards NSW 2065 (**BigAir**)
- 2 Each person who holds one or more Scheme Shares (**Scheme Shareholders**)

Background

- A BigAir is a public company limited by shares and is admitted to the official list of ASX.
- B Superloop Limited (ACN 169 263 094) (**Superloop**) is a public company limited by shares and is admitted to the official list of ASX.
- C On 13 September 2016, Superloop and BigAir entered into the Implementation Deed pursuant to which, amongst other things, BigAir has agreed to propose this Scheme to the Scheme Shareholders, and each of BigAir and Superloop have agreed to take certain steps to give effect to this Scheme.
- D If this Scheme becomes Effective, then all the Scheme Shares will be transferred to Superloop and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Scheme.
- E Superloop has entered into the Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform all actions attributed to it under this Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this document.

2 Conditions

2.1 Conditions to the Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following:

- (a) as at 8.00am on the Second Court Date, each of the conditions set out in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(e) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed;
- (b) as at 8.00am on the Second Court Date, neither the Implementation Deed nor the Deed Poll have been terminated in accordance with their terms;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act either unconditionally or on conditions consented to by Superloop in accordance with clause 8.12;
- (d) subject to clause 8.12, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme have been satisfied or waived; and
- (e) the coming into effect of the Scheme Order, on or before the End Date.

2.2 Certificate

BigAir will provide to the Court on the Second Court Date certificates signed by Superloop and BigAir (or such other evidence as the Court requests) stating whether or not the conditions referred to in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(e) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed as at 8.00am on the Second Court Date.

2.3 Termination

Without limiting any rights under the Implementation Deed, if the Implementation Deed is terminated in accordance with its terms before the Scheme becomes Effective, BigAir is released from any further obligation to take steps to implement the Scheme and any liability with respect to the Scheme.

3 The Scheme

- (a) Subject to clause 2.1, this Scheme takes effect for all purposes on the Effective Date.
- (b) This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4 Implementation of the Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions in clauses 2.1(a) to 2.1(d) are satisfied, BigAir must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order approving this Scheme as soon as possible after, and in any event by 5.00pm on the first Business Day after, the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, the following actions will occur (in the order set out below):

- (a) Superloop will provide the Scheme Consideration in the manner contemplated by clause 5; and
- (b) on the Implementation Date:
 - (i) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Superloop, without the need for any further act by any Scheme Shareholder (other than acts performed by BigAir as attorney and agent for Scheme Shareholders under clause 8.5), by BigAir effecting a valid transfer or transfers of the Scheme Shares to Superloop under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (A) BigAir delivering to Superloop a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by BigAir; and
 - (B) Superloop duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to BigAir for registration; and
 - (ii) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(b)(i)(B) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), BigAir must enter, or procure the entry of, the name of Superloop in the Register in respect of all the Scheme Shares transferred to Superloop in accordance with this Scheme.

5 Scheme Consideration

5.1 Election

- (a) A Scheme Shareholder may Elect to receive:
 - (i) Scrip Consideration; or
 - (ii) Mixed Consideration,

by completing the election form which accompanies the Scheme Booklet (or is otherwise provided to the Scheme Shareholder by BigAir, including electronically) in accordance with the instructions specified on the form or set out in the Scheme Booklet (or as provided by BigAir in connection with an election that is made electronically), and returning (including by way of electronic submission) the

completed election form in accordance with those instructions so that it is received by no later than 5.00pm on the Election Date.

- (b) Any election by a BigAir Shareholder applies to all of the BigAir Shares that BigAir Shareholder holds as at the Record Date.
- (c) If an Election is not made by a BigAir Shareholder prior to the Election Date in respect of all of the BigAir Shares held by that BigAir Shareholder as at the Record Date, then that BigAir Shareholder will receive the Scrip Consideration in respect of all of their BigAir Shares.
- (d) If an Election is made by a BigAir Shareholder and that BigAir Shareholder transfers any BigAir Shares that were the subject of that Election after the Election Date and before the Record Date, then that Election will be deemed, for the purpose of this Scheme, to be valid only in respect of the BigAir Shares that the BigAir Shareholder held continuously from the Election Date until the Record Date.
- (e) A BigAir Shareholder that holds one or more parcels of BigAir Shares as trustee or nominee for, or otherwise on account of, another person, may, in the manner described in the Scheme Booklet or in a manner which is otherwise acceptable to BigAir, make separate Elections in relation to each of those parcels of BigAir Shares (and, for the purpose of calculating the Scheme Consideration to which the BigAir Shareholder is entitled each such parcel of BigAir Shares will be treated as though it were held by a separate BigAir Shareholder).
- (f) If a Scheme Shareholder has made an Election to receive the Scrip Consideration, or is deemed to have made an Election to receive the Scrip Consideration, then that Scheme Shareholder will receive the Scrip Consideration.
- (g) If a Scheme Shareholder has made an Election to receive the Mixed Consideration, then that Scheme Shareholder will receive the Mixed Consideration determined in accordance with clause 5.2.

5.2 Mixed Consideration payable for Scheme Shares

- (a) If a Scheme Shareholder has made a valid Election to receive the Mixed Consideration, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Record Date:
 - (i) if the cash component of the Mixed Consideration is not required by clause 5.2(b) to be pro-rated among Scheme Shareholders who validly Elect to receive the Mixed Consideration:
 - (A) \$0.70 cash;
 - plus
 - (B) 0.118 New Superloop Shares; or
 - (ii) if the cash component of the Mixed Consideration is required by clause 5.2(b) to be pro-rated among Scheme Shareholders who validly Elect to receive the Mixed Consideration:
 - (A) an amount of cash per Scheme Share (**A**) calculated as follows:

$$A = \frac{B}{C} \times \$0.70$$

where:

- A is the amount of cash to be paid to the Scheme Shareholder for each Scheme Share (in dollars rounded to 3 decimal places)
- B is the Cash Cap, being \$95,000,000
- C is \$0.70 multiplied by the number of Scheme Shares held by all Scheme Shareholders who validly Elect to receive the Mixed Consideration;

plus

- (B) that number of New Superloop Shares per Scheme Share (X) calculated as follows:

$$X = ((\$0.70 - A) \times Y) + 0.118$$

where:

- X is the number of New Superloop Shares to be issued to the Scheme Shareholder (rounded to 4 decimal places)
- A is the amount determined under clause 5.2(a)(ii)(A)
- Y is 0.337.

- (b) For the purposes of clause 5.2(a), the cash component of the Mixed Consideration is required to be pro-rated amongst the Scheme Shareholders who validly Elect to receive the Mixed Consideration if the amount determined by multiplying \$0.70 by the number of Scheme Shares held by all Scheme Shareholders who validly Elect to receive the Mixed Consideration exceeds the Cash Cap.

5.3 Ineligible Foreign Shareholders

- (a) Superloop will be under no obligation under the Scheme to issue, and will not issue, any New Superloop Shares to any Ineligible Foreign Shareholder, and instead, unless Superloop and BigAir otherwise agree, Superloop will issue on the Implementation Date the New Superloop Shares to which that Ineligible Foreign Shareholder would otherwise have been entitled (if they were a Scheme Shareholder who was not an Ineligible Foreign Shareholder) to a nominee appointed by Superloop.
- (b) Where New Superloop Shares are issued to a nominee pursuant to clause 5.3(a), Superloop will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the ASX or another prescribed financial market all of the New Superloop Shares issued to the nominee in accordance with clause 5.3(a) in such manner, at such price and on such other terms as the nominee determines in good faith, and at the risk of the Ineligible Foreign Shareholders; and
 - (ii) remits to Superloop the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).

- (c) Where New Superloop Shares are issued to a nominee pursuant to clause 5.3(a), promptly after the last remittance in accordance with clause 5.3(b), Superloop will pay to each Ineligible Foreign Shareholder the proportion of the net proceeds of sale received by Superloop pursuant to clause 5.3(b)(ii) to which that Ineligible Foreign Shareholder is entitled.

5.4 Fractional entitlements

- (a) Any fractional entitlement of a Scheme Shareholder to a part of a New Superloop Share will be rounded up or down to the nearest whole number of New Superloop Shares.
- (b) If clause 5.2(a)(ii) results in a Scheme Shareholder being entitled to a part of a cent in relation to the Aggregate Cash Consideration payable for all of the Scheme Shares held by that Scheme Shareholder, the amount of cash payable to that Scheme Shareholder will be rounded up or down to the nearest whole cent.

5.5 Share splitting

If Superloop or BigAir are of the opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clauses 5.2 or 5.4) have, before the Record Date, been party to Share Splitting or division in an attempt to obtain unfair advantage by reference to such rounding, then Superloop and BigAir must consult in good faith to determine whether such matters have arisen and if agreement is reached between Superloop and BigAir following such consultation BigAir must give notice to those Scheme Shareholders:

- (a) setting out their names and registered addresses as shown in the BigAir Register;
- (b) stating that opinion; and
- (c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares. Superloop, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.6 Provision of Scheme Consideration – Cash component of Mixed Consideration

- (a) Superloop must, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the Aggregate Cash Consideration in an Australian dollar denominated trust account operated by BigAir as trustee of the Scheme Shareholders who validly Elect to receive the Mixed Consideration, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Superloop's account.
- (b) Subject to Superloop having complied with clause 5.6(a), BigAir must, on the Implementation Date and from the trust account referred to in clause 5.6(a), pay or procure the payment to each Scheme Shareholder who has Elected to receive the Mixed Consideration, the cash component of the Mixed Consideration attributable

to that Scheme Shareholder, based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date.

- (c) BigAir's obligation under clause 5.6(b) will be satisfied by BigAir:
 - (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the BigAir Share Registry to receive dividend payments from BigAir by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Shareholder by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.8), for the relevant amount.

5.7 Provision of Scheme Consideration – Allotment and issue of New Superloop Shares

Subject to clauses 5.3 and 5.4, Superloop will:

- (a) on the Implementation Date, allot and issue to the Scheme Shareholders the New Superloop Shares that comprise the Scheme Consideration on terms such that each New Superloop Share will rank equally in all respects with each existing fully paid ordinary share in the capital of Superloop;
- (b) no later than 7 Business Days after trading starts in New Superloop Shares on a deferred settlement basis, send or procure the dispatch to each Scheme Shareholder (other than Ineligible Foreign Shareholders), to their address recorded in the Register on the Record Date, a holding statement for the New Superloop Shares issued to that Scheme Shareholder;
- (c) apply to ASX for the commencement of trading of the New Superloop Shares that comprise the Scheme Consideration on the ASX on a deferred settlement basis as from the Business Day after the Effective Date (or such later date as the ASX requires) and on an ordinary settlement basis as from the Business Day after the Implementation Date (or such later date as the ASX requires); and
- (d) ensure that, on issue, each New Superloop Share that comprises the Scheme Consideration will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

5.8 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Register on the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Register as at the Record Date.

5.9 Surplus funds

- (a) Subject to clause 5.9(a), to the extent that, following satisfaction of BigAir's obligations under clauses 5.6(b) and 5.6(c), there is a surplus in the amount held by BigAir as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by BigAir to Superloop.
- (b) If:
 - (i) in the case of a payment under clause 5.6(c)(i), the transfer is rejected or refunded or a bank account which has been nominated is no longer valid; or
 - (ii) in the case of a dispatch of a cheque under clause 5.6(c)(ii) is:
 - (A) returned to BigAir (or its agents) as undelivered;
 - (B) not presented by a Scheme Shareholder within six months after the Implementation Date; or
 - (C) BigAir reasonably believes that a Scheme Shareholder is not known at a Scheme Shareholder's registered address,

then BigAir may cancel the relevant cheque and credit the amount payable to the relevant Scheme Shareholder to a separate bank account of BigAir to be held until the Scheme Shareholder claims the amount, or the amount is dealt with in accordance with any applicable unclaimed moneys legislation. An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. BigAir must maintain records (for the minimum period required by applicable law) of the amounts paid, the people who are entitled to the amounts, and any transfers of the amounts.

6 Dealings in BigAir Shares

6.1 Determination of Scheme Shareholders

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

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

and BigAir must not accept for registration, nor recognise for any purpose (except a transfer to Superloop pursuant to this Scheme and any subsequent transfer by Superloop 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) BigAir must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) on or before the Record Date.

- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and BigAir shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, BigAir must maintain the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for BigAir Shares (other than statements of holding in favour of Superloop) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from the Record Date, each entry on the Register (other than entries on the Register in respect of Superloop) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the BigAir Shares relating to that entry.
- (e) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, BigAir will ensure that details of the names, registered addresses and holdings of BigAir Shares for each Scheme Shareholder as shown in the Register as at the Record Date are available to Superloop in the form Superloop reasonably requires.

7 Quotation of BigAir Shares

- (a) BigAir will apply to ASX to suspend trading of BigAir Shares on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Superloop, BigAir will apply:
 - (i) for termination of the official quotation of BigAir Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Appointment of agent and attorney

- (a) On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints BigAir as its agent and attorney for the purposes of:
 - (i) in the case of Scheme Shares in a CHESS holding:
 - (A) causing a message to be transmitted to ASPL in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of BigAir to the issuer sponsored subregister operated by BigAir or the BigAir Share Registry at any time after Superloop has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
 - (B) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;

- (ii) in the case of Scheme Shares registered in the issuer sponsored subregister operated by BigAir or the BigAir Share Registry, completing and signing on behalf of Scheme Shareholders any required form of transfer;
- (iii) in all cases, executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Share Transfer and the giving of the Scheme Shareholder's consent under clause 8.3; and
- (iv) enforcing the Deed Poll against Superloop,

and BigAir accepts such appointment.

- (b) BigAir, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.2 Enforcement of Deed Poll

BigAir undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Superloop (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

8.3 Scheme Shareholders' consent

Each Scheme Shareholder irrevocably consents to BigAir and Superloop doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme.

8.4 Scheme Shareholders' agreements

Under this Scheme:

- (a) each Scheme Shareholder agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Superloop in accordance with the terms of this Scheme;
- (b) each Scheme Shareholder agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) each Scheme Shareholder acknowledges that this Scheme binds BigAir and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of BigAir; and
- (d) each Scheme Shareholder agrees to become a holder of New Superloop Shares and to have its name entered in the Superloop share register, and accepts the New Superloop Shares issued to it under the Scheme on the terms and conditions of the Superloop constitution, without the need for any further act by the Scheme Shareholder.

8.5 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Superloop that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Superloop, be fully paid

and free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and

- (b) they have full power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares, to Superloop.

8.6 Title to Scheme Shares

- (a) Immediately upon provision of the Scheme Consideration in accordance with clauses 5.6 and 5.7, Superloop will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by BigAir of Superloop in the Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Superloop will, at the time of transfer of them to Superloop, vest in Superloop free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

8.7 Appointment of sole proxy

Immediately upon provision of the Scheme Consideration in accordance with clauses 5.6 and 5.7, and until BigAir registers Superloop as the holder of all Scheme Shares in the Register, each Scheme Shareholder:

- (a) is deemed to have appointed Superloop as attorney and agent (and directed Superloop in each such capacity) to appoint any director, officer, secretary or agent nominated by Superloop as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) acknowledges that no Scheme Shareholder may itself attend or vote at any of those meeting or sign 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 Superloop reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred in clause 8.7(a), Superloop and any director, officer, secretary or agent nominated by Superloop under that clause may act in the best interests of Superloop as the intended registered holder of the Scheme Shares.

8.8 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to BigAir, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at BigAir's registered office or at the BigAir Share Registry as the case may be.

8.9 Inconsistencies

This Scheme binds BigAir and all BigAir Shareholders, and to the extent of any inconsistency, overrides the BigAir constitution.

8.10 No liability when acting in good faith

None of Superloop, BigAir nor any director, officer, secretary or employee of BigAir will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

8.11 Further assurance

BigAir will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

8.12 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, BigAir may, by its counsel on behalf of all persons concerned consent to only such of those conditions or alterations to this Scheme to which Superloop has consented, such consent not to be unreasonably withheld or delayed.

8.13 Stamp Duty

Superloop will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Superloop.

8.14 Governing Law

- (a) This Scheme is governed by and will be construed according to the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

Schedule 1 Glossary

1.1 Defined terms

In this Scheme, except where the context otherwise requires:

Aggregate Cash Consideration means the aggregate amount of the cash component of the Mixed Consideration payable to Scheme Shareholders, which must not exceed the Cash Cap.

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

ASX Settlement Rules means the ASX Settlement Operating Rules.

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

BigAir Share means a fully paid ordinary share in the capital of BigAir.

BigAir Shareholder means each person who is registered in the BigAir Register as a holder of BigAir Shares.

BigAir Share Registry means Boardroom Pty Limited.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales.

Cash Cap means \$95,000,000.

CHES means the Clearing House Electronic Subregister System operated by ASPL and ASX Clear Pty Limited.

Conditions means the conditions set out in clause 3.1 of the Implementation Deed and **Condition** means any one of them.

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

Court means the Supreme Court of New South Wales or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll executed by Superloop under which Superloop covenants in favour of the Scheme Shareholders to perform all actions attributed to it under this Scheme.

Effective means, when used in relation to the Scheme, 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 that Scheme.

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

Election means an election made by a Scheme Shareholder to receive the Mixed Consideration. **Elect** has a corresponding meaning.

Election Date means the last date for receipt of an election form in order to make an Election in accordance with the terms of the Scheme, being that date that is five Business

Days before the date of the Scheme Meeting or such other date as BigAir and Superloop agree in writing.

End Date means the later of:

- (a) 15 March 2017; and
- (b) such other date and time agreed in writing between Superloop and BigAir.

Excluded Shareholder means any BigAir Shareholder who is Superloop or a subsidiary of Superloop.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Implementation Deed means the scheme implementation deed dated 13 September 2016 between Superloop and BigAir, as amended or varied from time to time.

Implementation Date means the fifth Business Day, or such other Business Day as the parties agree, following the Record Date.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the BigAir Register (as at the Record Date) is in a place which Superloop reasonably determines is a place that it is unlawful or unduly onerous to issue that Scheme Shareholder with New Superloop Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the BigAir Register is within Australia and its external territories and New Zealand will not be an Ineligible Foreign Shareholder).

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

Mixed Consideration means the consideration per Scheme Share determined in accordance with clause 5.2.

New Superloop Shares means fully paid ordinary shares in the capital of Superloop to be issued under the Scheme.

Record Date means, in respect of the Scheme, 5.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Scrip Consideration means 0.371 New Superloop Shares for each Scheme Share held by a Scheme Shareholder who does not validly Elect to receive the Mixed Consideration.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between BigAir and the BigAir Shareholders as set out in this document together with, subject to clause 8.12, any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Booklet means the disclosure document which accompanies and includes the notice of Scheme Meeting.

Scheme Consideration means the consideration payable to Scheme Shareholders under the Scheme, being comprised of the Scrip Consideration and the Mixed Consideration.

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

Scheme Order means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable and subject to clause 8.12, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Share means an BigAir Share on issue as at the Record Date other than any BigAir Share then held by an Excluded Shareholder (but including any such BigAir Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

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

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all 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 the 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.

Share Splitting means the splitting by a holder of BigAir Shares into two or more parcels of BigAir Shares whether or not it results in any change in beneficial ownership of the BigAir Shares.

Superloop means Superloop Limited (ACN 169 263 094) of Level 17, 333 Ann Street, Brisbane, QLD, 4000.

takes effect or taking effect means on and from the first time when an office copy of the Scheme

Order approving the Scheme pursuant to section 411(4)(b) of the Corporations Act is lodged with ASIC pursuant to section 411(10) of the Corporations Act.

1.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;

- (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
 - (ix) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (x) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
 - (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
 - (i) a reference to time is to Sydney, Australia time;

no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it;

Annexure D – Deed Poll

Deed Poll

Parties

This deed poll is made by:

Name	Superloop Limited
ACN	169 263 094
Short name	Superloop
Address	Level 17, 333 Ann Street, Brisbane, QLD, 4000

in favour of:

Each Scheme Shareholder.

Background

- A On 13 September 2016, Superloop and BigAir Limited (**BigAir**) entered into a scheme implementation deed with respect to the Scheme and associated matters (**Implementation Deed**).
- B The effect of the Scheme will be to transfer all Scheme Shares to Superloop in exchange for the Scheme Consideration.
- C Superloop is entering into this deed poll to covenant in favour of the Scheme Shareholders that it will perform all actions attributed to it under the Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

In this deed poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between BigAir and Scheme Shareholders in respect of all Scheme Shares (**Scheme**).

1.2 Interpretation

In this deed poll, headings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and

a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

1.3 Nature of deed poll

Superloop acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and
- (b) each Scheme Shareholder irrevocably appoints BigAir and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against Superloop on behalf of that Scheme Shareholder.

2 Condition precedent and termination

2.1 Condition precedent to obligations of the Scheme

The obligations of Superloop under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Superloop under this deed poll will automatically terminate, and the terms of this deed poll will be of no force or effect, if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

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

- (a) Superloop is released from its obligations to further perform this deed poll, except those obligations under clause 6.7; and
- (b) each Scheme Shareholder retains the rights it has against Superloop in respect of any breach of this deed poll which occurs before it is terminated.

3 Scheme obligations

Subject to clause 2, Superloop covenants in favour of each Scheme Shareholder to perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme.

4 Warranties

Superloop represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;

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

5 Continuing obligations

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

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

6 General

6.1 Notices

Any notice or other communication to Superloop in respect of this deed poll (**Notice**):

- (a) is only effective if:
 - (i) it is in writing, signed by or on behalf of the party giving it;
 - (ii) it is directed to the recipient's address for notices as follows:

Address: Level 17, 333 Ann Street, Brisbane, QLD 4000
 Facsimile: +61 7 3088 7398
 E-mail: paul.jobbins@superloop.com and bevan.slattery@superloop.com
 Attn: Paul Jobbins and Bevan Slattery

with a copy to Gilbert+Tobin:

Address: Level 35, Tower 2, International Towers Sydney,
 200 Barangaroo Avenue, Barangaroo, NSW 2000
 Facsimile: +61 2 9263 4111
 E-mail: ccondoleon@gtlaw.com.au
 Attn: Costas Condoleon

- (b) must be signed by the person making the communication or by a person duly authorised by that person;
- (c) takes effect when received (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;

- (ii) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia);
- (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission, the recipient informs the sender that it has not received the entire Notice; or
- (iv) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 6.1(c)(i) or 6.1(c)(ii) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

6.2 Governing law

- (a) This deed poll is governed by and will be construed according to the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

6.3 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

6.4 Variation

This deed poll may not be varied unless:

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

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

6.5 Cumulative rights

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

6.6 Assignment

The rights created by this deed poll are personal to Superloop and each Scheme Shareholder and may only be assigned with the prior written consent of Superloop.

6.7 Stamp duty

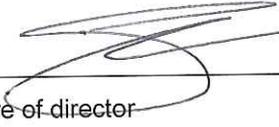
Superloop must pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll.

6.8 Further assurances

Superloop must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

Executed as a deed poll.

Executed by **Superloop Limited** in accordance
with the provisions of section 127(1) of the
Corporations Act



Signature of director

BEVAN SLATTERY

Name of director (print)



Signature of director/secretary

PAUL JOBBINS

Name of director/secretary (print)

Annexure E – Notice of Scheme Meeting

BigAir Group Limited (ABN 57 098 572 626) (Company)

Notice is given that, by an order of the Federal Court of Australia (**Court**) pursuant to section 411(1) of the Corporations Act 2001 (Cth), a meeting of holders of ordinary shares in the Company (other than Excluded Shareholders) will be held at Level 17, 383 Kent Street, Sydney, NSW on Wednesday, 7 December 2016 starting at 11.00am (Sydney time).

Business of meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification) between the Company and the holders of ordinary shares in the Company (other than Excluded Shareholders).

Resolution

The meeting will be asked to consider and, if thought fit, to pass the following resolution:

"That pursuant to and in accordance with section 411 of the Corporations Act 2001, the Scheme proposed to be entered into between the Company and holders of its ordinary shares other than Excluded Shareholders (the details of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without any modification that may be approved by the Court)."

By order of the Board of BigAir Group Limited



Charles Chapman
Company Secretary

Notes

Material accompanying this Notice of Scheme Meeting

This Notice of Scheme Meeting, including the Resolution and the Notes should be read in conjunction with the Scheme Booklet of which this notice forms part. Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in section 12 of the Scheme Booklet.

A copy of the Scheme is contained in Annexure C to this Scheme Booklet.

A proxy form also accompanies this Notice of Scheme Meeting.

Voting

The BigAir Directors unanimously recommend that you vote in favour of the Resolution. Each BigAir Director intends to vote all their ordinary shares held by or on behalf of them at the time of the Scheme Meeting in favour of the Resolution, in the absence of a superior proposal.

Majorities required

In accordance with section 411(4)(a) of the Corporations Act, for the Scheme to be approved, the Resolution must be passed by:

- a majority in number of holders of ordinary shares present and voting (either in person or by proxy, attorney or by corporate representative); and
- at least 75 per cent of the votes cast on the Resolution contained in this Notice of Scheme Meeting.

The vote will be conducted by poll.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without modification) must be approved by the order of the Court. If the Resolution set out in this Notice of Scheme Meeting is agreed to by the required majorities set out above and the conditions set out in the Scheme are satisfied or waived, the Company intends to apply to the Court for the necessary orders to give effect to the Scheme.

Determination of entitlement to attend and vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that a person's entitlement to vote at the Scheme Meeting will be determined in accordance with their holding of ordinary shares (as recorded on the BigAir Register) at 7:00pm on Monday, 5 December 2016. Accordingly, those persons (other than Excluded Shareholders) will be entitled to vote at the Scheme Meeting and share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Scheme Meeting.

How to vote

Voting will be by poll. If you are a shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- attending the Scheme Meeting in person;
- by appointing an attorney to vote on your behalf;
- by appointing a proxy to attend on your behalf using the proxy form accompanying the Scheme Booklet; or
- in the case of a corporation, by appointing an authorised corporate representative to attend on its behalf.

Voting at the Scheme Meeting

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that their shareholding may be checked against the BigAir Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held securities

If the ordinary shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held ordinary shares, only the vote of the shareholder whose name appears first on the BigAir Register will be counted.

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at Level 17, 383 Kent Street, Sydney, NSW on Wednesday, 7 December 2016. The meeting will commence at 11.00am.

A shareholder who is entitled to vote and wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosing their name and address at the entrance to the Scheme Meeting.

Voting by corporate representative

To vote at the Scheme Meeting (other than by proxy or by attorney), a corporation that is a shareholder and entitled to vote must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act, meaning that the Company will require a Certificate of Appointment of Corporate Representative (**Certificate**) executed in accordance with the Corporations Act. A copy of the Certificate may be obtained from the BigAir Share Registry. The Certificate must be received by the BigAir Share Registry either at its registered office or at the Scheme Meeting before the Scheme Meeting commences. The Company will retain the Certificate of Appointment.

If a Certificate is completed by an individual or a corporation under a power of attorney, the power of attorney under which the Certificate is signed, or a certified copy of that power of attorney, must accompany the completed Certificate, unless the power of attorney has already been noted by the Company.

An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card on providing at the entrance to the Scheme Meeting, written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.

Voting by attorney

Unless the BigAir Share Registry already has this, original or certified copies of powers of attorney must be received by the BigAir Share Registry either at its registered office or at the Scheme Meeting before the Scheme Meeting commences.

The power of attorney appointing the attorney in respect of the Scheme Meeting must be duly executed and specify the name of the applicable shareholder, the Company and the attorney. The instruction may be a standing one.

An attorney will be admitted to the Scheme Meeting and given a voting card on providing at the entrance to the Scheme Meeting, their name and address and the identity of their appointer.

The appointment of an attorney will not preclude a shareholder from attending in person and voting at the Scheme Meeting if the shareholder is entitled to attend and vote. In such circumstances only the shareholder, and not the attorney, will be entitled to vote.

Voting by proxy

A shareholder entitled to attend and vote at the meeting is also entitled to vote by proxy. You may appoint not more than two proxies to attend and act for you at the Scheme Meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half of your votes. A proxy need not be a shareholder.

The proxy form is enclosed with this Scheme Booklet. Please refer to the proxy form for instructions on completion and lodgement.

For the appointment of your proxy to be effective, correctly completed proxy forms (and any authority under which the proxy form is signed, or a certified copy of the completed proxy forms must be

received by the BigAir Share Registry by no later than 11.00am (Sydney time) on Monday, 5 December 2016.

You should consider how you wish the proxy to vote. That is, whether you wish for the proxy to vote 'For' or 'Against', or abstain from voting on, the Resolution, or whether to leave the decision to the appointed proxy after discussion at the Scheme Meeting.

If you do not instruct your proxy on how to vote, your proxy may vote, or abstain from voting, as he or she sees fit at the Scheme Meeting. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on a shareholder's behalf on a show of hands or on a poll, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

The BigAir Directors intend to vote all valid undirected proxies which they receive in favour of the Resolution.

Shareholders entitled to attend and vote at the meeting who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the chairman of the Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions on the proxy form. Proxy appointments in favour of the chairman of the Scheme Meeting, the Company secretary of, or any BigAir Director which do not contain a direction will be used to support the Resolution to approve the Scheme.

A proxy will be admitted to the Scheme Meeting and given a voting card on providing at the entrance to the Scheme Meeting, written evidence of their name and address.

The sending of a proxy form will not preclude a shareholder from attending in person, revoking a proxy and voting at the Scheme Meeting if the shareholder is entitled to attend and vote. In such circumstances only the shareholder, and not the proxy, will be entitled to vote.

The instrument appointing a proxy is required to be in writing under the hand of the appointor or of that person's attorney and, if the appointor is a corporation, in accordance with the Corporations Act or under the hand of an authorised officer or attorney. Where two or more persons are registered as a shareholder, each person must sign the proxy form. If a proxy form is completed by an individual or a corporation under power of attorney:

- the power of attorney under which the form is signed, or a certified copy of that power of attorney, must accompany the completed proxy form; and
- the proxy form may only be lodged in person or by post,

unless the power of attorney has previously been noted by the BigAir Share Registry, in which case the proxy form can also be lodged by fax.

Lodgement of proxies, powers of attorney and authorities

Proxy forms, powers of attorney and authorities should be sent to the BigAir Share Registry using the enclosed reply paid envelope, or as indicated on the proxy form.

Lodge a proxy online

If you are entitled to vote, you may lodge a proxy online by going to www.votingonline.com.au/bglscheme and following the instructions on the secure website. The access information that you will need to vote is set out in the Proxy Form for the Scheme Meeting.

Corporate Directory

BigAir Group Limited

Level 1, 203 Pacific Highway
St Leonards NSW 2065
Tel: +61 2 9993 1300
Fax: +61 2 8080 8162

BigAir Information Line

(Australia) 1300 737 760
(Overseas) +61 2 9290 9600

BigAir corporate website

www.bigair.com.au

BigAir Share Registry

Boardroom Pty Ltd

Level 12, 225 George Street
Sydney NSW 2000
Tel: +61 2 9290 9600
Fax: +61 2 9279 0664

Corporate adviser

TMT Partners

Level 8, 1 Alfred Street
Sydney NSW 2000
Tel: +61 2 8999 2006

Legal adviser

Baker & McKenzie

Level 27, 50 Bridge Street
Sydney NSW 2000
Tel: +61 2 9225 0200
Fax: +61 2 9225 1595