

ASX ANNOUNCEMENT

SIMONDS GROUP ENTERS INTO SCHEME IMPLEMENTATION AGREEMENT WITH SR RESIDENTIAL

Melbourne, 30 August 2016

Summary

- Simonds Group Ltd (ASX: SIO) (“Company”) received an unsolicited proposal from SR Residential Pty Ltd, which is jointly owned by entities associated with Roche Holdings Pty Ltd (“Roche”) and Simonds Family Office Pty Ltd (“SFO”) (together, the “Consortium”), to acquire all of the shares in the Company not already held by SFO or its associates by way of a Scheme of Arrangement (“Scheme”).
- Cash offer of \$0.40 per share represents a 41% premium to the 5-day volume weighted average price (“VWAP”).
- Scheme was evaluated by an Independent Board Committee (“IBC”) who determined it was in the interests of shareholders to submit the Scheme for consideration.
- The Independent Directors recommend that shareholders approve the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of shareholders.

Announcement

The Company announces that it has entered into a Scheme Implementation Agreement (“SIA”) under which it is proposed that SR Residential Pty Ltd will acquire all of the shares in the Company not already held by SFO or its associates by way of the Scheme. Following the Implementation Date, the Company would be delisted and owned by SFO and Roche as to 51% and 49% respectively.

Under the Scheme, shareholders will receive total consideration of \$0.40 in cash per Company share (“Scheme Consideration”).

The price of \$0.40 per Company share represents:

- a 38% premium to the last trading price prior to the request for trading halt of \$0.29;
- a 42% premium to the VWAP of \$0.282 for the 30 days prior to the announcement of the Scheme;
- a 44% premium to the VWAP of \$0.278 for the 60 days prior to the announcement of the Scheme; and
- an 84% premium to the VWAP of \$0.218 for the 90 days prior to the announcement of the Scheme.

Independent Board Committee and recommendation from Independent Directors

SFO, an entity owned by the Simonds family and the Company's largest shareholder, is a Consortium member and will be retaining its shareholding under the Scheme. Accordingly, Mr Gary Simonds, Chairman, and Mr Rhett Simonds, a non-executive director of the Company, have an interest in the Scheme which is different from other shareholders. In addition, Mr Leon Gorr, another non-executive director, has a long term relationship with the Simonds family and, accordingly, he regards it as inappropriate for him to be involved in the Scheme on behalf of other shareholders.

In these circumstances, the Company's board of directors established the IBC comprising Ms Susan Oliver (Chair of the IBC and Deputy Chair of the Company) and Mr Matthew Chun (Managing Director and CEO), both of whom are regarded by the board as independent directors ("Independent Directors") to evaluate the proposed transaction.

To further strengthen the IBC, Mr Dimitri Kiriacoulacos, an experienced corporate lawyer, joined the IBC. Mr Kiriacoulacos is not a present or former director or executive of the Company, has no relationship with the Simonds or Roche families and has no interest, financial or otherwise, which is dependent on the outcome of the Scheme.

The IBC is unanimously in favour of the Scheme being put to shareholders for consideration, having regard to the interests of shareholders who are independent of the Consortium. This is subject to no superior proposal emerging and an Independent Expert concluding that the Scheme is in the best interests of shareholders.

The Independent Directors recommend the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of independent shareholders.

Subject to those same qualifications, the Independent Directors intend to vote all Simonds shares they hold in favour of the Scheme.

The reasons for the Directors' recommendation include:

- **Premium** – \$0.40 per Company share is a premium to recent trading prices of the Company's shares;
- **Certainty of value today** - \$0.40 per Company share provides a certain return for shareholders, and is compelling given the inherent price uncertainty associated with the Vocational Education and Training sector in particular, which has unfolded over the past 18 months;
- **Asset impairments** – the impact of asset impairments and other one-off adjustments, due primarily to losses associated with the Madisson business as well as the cash and non-cash items relating to senior management changes, project and IT cost write-offs and the accelerated sale of display homes and land holdings, has put pressure on the balance sheet and subsequently created operational challenges for the Company; and
- **Liquidity** – provides all shareholders with the ability to exit at a premium to recent trading prices.

Ms Susan Oliver, Chair of the IBC, and Deputy Chair of the Company, said:

"Simonds Group has made a number of recent announcements regarding the financial position of the Group. While we have every confidence that the fundamentals of the business remain strong, and that in time value will be restored, we also recognise that this

may take some years to achieve. Accordingly, the Independent Directors felt compelled to bring this proposal to shareholders for their consideration.”

Key Conditions

The Scheme is subject to a number of standard conditions, including:

- no material adverse change or prescribed occurrence occurring;
- approval of participating shareholders; and
- Court approval.

In addition, the Scheme is conditional on the Company’s financier (“Bank”) confirming that it will continue to make the existing banking facility available to the Company after implementation of the Scheme. If the Bank does not provide the confirmation by 5pm on the fifth business day after the date of the SIA and the Consortium, acting in good faith and on reasonable grounds, forms the view that the Bank will not give the confirmation, the Consortium may terminate the SIA by giving notice within the following 48 hour period. Both parties have agreed to use all reasonable endeavours to obtain the confirmation from the Bank.

Under the SIA, the Consortium has the right to terminate the agreement if the Scheme is not implemented by 17 November 2016, unless the failure for the Scheme to become effective arises out of a material breach by the Consortium. This termination right was a key requirement of the Consortium’s proposal. On the timetable proposed, this condition is achievable.

The SIA also contains customary exclusivity provisions including no shop and no talk restrictions, a notification obligation and a matching right, subject to the Independent Directors’ fiduciary obligations. A break fee of approximately \$0.6 million will be payable to the Consortium by the Company in certain circumstances. Similarly, a reverse break fee of approximately \$0.6 million will be payable to the Company by the Consortium in certain circumstances.

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

Indicative Timetable and Next Steps

Company shareholders do not need to take any action at the present time.

It is anticipated that the Scheme Booklet containing information relating to the Scheme and the Independent Expert’s report will be sent to shareholders in October 2016. Company shareholders are expected to meet to vote on the Scheme in early November 2016.

Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in mid November 2016.

Macquarie Capital (Australia) Limited and Herbert Smith Freehills are advising the Company and the Independent Board Committee.

A media release provided by the Consortium to the Company is attached to this announcement.

ENDS

For further information, please contact:

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About Simonds Group (ASX code SIO)

Simonds Group Limited is an ASX listed integrated homebuilder (Simonds Homes Australia) and Registered Training Organisation (Builders Academy Australia).

Simonds Homes Australia is the number one residential homebuilder in Victoria and one of Australia's largest volume builders with operations in Victoria, New South Wales, Queensland and South Australia.

Builders Academy Australia is a Registered Training Organisation with a focus on offering nationally accredited qualifications in building and construction. Established more than ten years ago, Builders Academy Australia offers training programs across Victoria, New South Wales, Australian Capital Territory and Queensland.

Embedded within one of Australia's leading home builders, Builders Academy Australia truly is 'builders training builders', offering a clear career upskilling and employment pathway for course participants.

30 August 2016

Family partnership to privatise Simonds Group

SR Residential Pty Ltd today announced an offer to privatise ASX-listed Simonds Group Limited (ASX:SIO) via a Scheme of Arrangement ("Scheme").

SR Residential is jointly owned by Simonds Family Office Pty Ltd ("SFO") and Roche Holdings Pty Limited ("Roche"). On completion of the Scheme, SIO will be delisted and will be owned by SFO and Roche as to 51% and 49% respectively.

SR Residential is offering \$0.40 per SIO share, enabling all other SIO shareholders (apart from SFO and its related entities) to sell their shares for cash consideration at a price which represents a significant premium to recent share prices.

The cash offer price of \$0.40 per share represents a:

- 38% premium to SIO's last trading price prior to SIO's trading halt on 30 August 2016;
- 41% premium to SIO's 5-day volume weighted average price ("VWAP");
- 42% premium to SIO's 30-day VWAP;
- 44% premium to SIO's 60-day VWAP; and
- 84% premium to SIO's 90-day VWAP.

If approved by shareholders, the Scheme will result in a privatised Simonds Group governed by a joint board of directors, comprising representatives of both the Simonds and Roche families.

For further information in relation to the Scheme, SIO shareholders should refer to announcements on the ASX website under the company code SIO and the company's website.

SIO shareholders will receive documentation including a scheme booklet containing information relating to the Scheme. Subject to shareholder approval and other conditions of the Scheme being satisfied, the Scheme is expected to be implemented on or before mid November 2016.

Bell Potter Securities Limited is acting as Corporate Advisor, Clayton Utz and GrilloHiggins as Legal Advisors, and Pitcher Partners as Accounting and Tax advisor to SFO and Roche.

-ENDS-

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Scheme Implementation Agreement

Simonds Group Limited
Target

SR Residential Pty Ltd
Bidder

Simonds Family Office Pty Ltd
Bidder Guarantor

Roche Holdings Pty Ltd
Bidder Guarantor

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Our reference 16246/18828/80173727

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Scheme Implementation Agreement

Date 30 August 2016

Parties

Simonds Group Limited ACN 143 841 801 of Level 1, 570 St Kilda Road, Melbourne VIC 3004 (**Target**)

SR Residential Pty Ltd ACN 614 474 949 of Level 3, 51 Stephenson Street, Cremorne VIC 3121 (**Bidder**)

Simonds Family Office Pty Ltd ACN 602 022 140 of Level 5, 570 St Kilda Road, Melbourne VIC 3004 (**Bidder Guarantor**)

Roche Holdings Pty Ltd ACN 007 046 040 of Level 3, 51 Stephenson Street, Cremorne VIC 3121 (**Bidder Guarantor**)

Background

- A. The Bidder proposes to acquire all of the Target Shares (other than the Target Shares held by the Excluded Shareholders) for a cash consideration of \$0.40 per Target Share pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders.
- B. The parties have agreed to implement the Scheme on the terms and conditions of this agreement.
- C. The Bidder Guarantors have agreed to guarantee the obligations of the Bidder under this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement:

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.

Bidder Guarantor Warranties means the warranties given by each Bidder Guarantor set out in Schedule 2.

Bidder Information means all information regarding the Bidder and its Related Entities that is required by the Corporations Act, Corporations Regulations and published ASIC guidance to be included in the Scheme Booklet, including all the information that would be required under sections 636(1)(c), (f), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in a bidder's statement if the Bidder were offering the Scheme Consideration as consideration under a takeover bid.

Bidder Payment means the amount of \$575,367.

Bidder Warranties means the warranties given by the Bidder set out in Schedule 1.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Victoria, Australia.

Competing Proposal means a proposed transaction or arrangement pursuant to which a person other than the Bidder or any of its shareholders or Related Entities would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a substantial part of the business of the Target Group;
- (b) acquire a Relevant Interest in 25% or more of Target Shares or acquire control of the Target or the Target Group within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with the Target whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or any other transaction or arrangement.

Condition means each condition specified in clause 3.1.

Confidentiality Deed means the confidentiality deed between the Target and the Bidder dated 22 July 2016.

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

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

Counter Proposal has the meaning given in clause 7.4.

Court means the Supreme Court of Victoria or such other court of competent jurisdiction as the Target and the Bidder agree in writing.

Data Room means the electronic data room established by the Target to allow the Bidder and its Representatives to undertake due diligence in respect of the Target Group, the index of which has been delivered by the Target to the Bidder and initialled by a Representative of each party on the day of this agreement.

Deed Poll means the deed poll to be executed by each Bidder Guarantor and the Bidder in favour of the Scheme Shareholders, substantially in the form set out in Attachment 2 or in such other form as the Target and the Bidder agree in writing.

Due Diligence Materials means the:

- (a) written information and documents provided to the Bidder by the Target and its Representatives prior to 11.59pm on 29 August 2016 in the Data Room; and
- (b) written questions and answers raised by the Buyer in the due diligence process and the written responses to those questions provided by the Target and its Representatives prior to 11.59pm on 29 August 2016 in the Data Room.

EBITDA means the earnings of the Target Group before interest, tax, depreciation and amortisation calculated in accordance with the accounting policies and practices applied by the Target as at the date of this agreement, excluding:

- (a) all fees, costs and expenses associated with the Transaction; and
- (b) profit made on any sale of assets of the Target Group other than as fully and fairly disclosed to the Bidder in the Due Diligence Materials.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to 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.

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

End Date means 17 November 2016 or such other date agreed in writing between the Target and the Bidder.

Excluded Shareholders means each of Simonds Custodians Pty Ltd ATF Gary Simonds No.1 Family Trust, Simonds Custodians Pty Ltd ATF Gary Simonds No.2 Family Trust, Simonds Custodians Pty Ltd ATF Gary Simonds No.3 Family Trust, Madisson Constructions Pty Ltd ATF Madisson Homes Trust, Simonds Construction Pty Ltd ATF Simonds Homes Discretionary Trust, Gary Simonds and Rhett Simonds.

Exclusivity Period means the period from and including the date and time of this agreement until the earlier of:

- (a) the termination of this agreement in accordance with its terms; and
- (b) the End Date.

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

FY16 Accounts means the audited consolidated financial statements of the Target Group for the financial year ending 30 June 2016.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Target Shareholders present and voting, either in person or by proxy.

Implementation Date means the date which is 3 Business Days after the Record Date or such other earlier date the Target Registry advises the Target can be achieved.

Indemnified Loss means, in relation to any fact, matter or circumstance, each loss, cost, damage, expense and other liability arising out of or in connection with that fact, matter or circumstance including each legal and other professional expense on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

Independent Expert means the independent expert engaged by the Target in respect of the Scheme.

Independent Expert's Report means the report from the Independent Expert in respect of the Scheme, including any update or supplementary report, stating an opinion as to whether or not the Scheme is in the best interests of the Target Shareholders and setting out its reasons for that opinion.

Insolvency Event means in relation to an entity:

- (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of the entity being appointed;
- (c) an administrator of the entity being appointed;
- (d) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property of the entity;
- (e) the entity ceasing, or threatening to cease to, carry on the business that it conducts as at the date of this agreement;
- (f) the entity being or becoming unable to pay its debts when they fall due; or
- (g) the entity executing a deed of company arrangement.

Interested Target Directors means Gary Simonds and Rhett Simonds.

Joint Bid Agreement means the agreement entered into between the Bidder and its respective shareholders on or around the date of this agreement.

Listing Rules means the official listing rules published by ASX.

Non Independent Director means Leon Gorr.

Recommendation has the meaning given in clause 6.1(a)(i).

Record Date means 7.00 pm on the date which is 3 Business Days after the Effective Date or such other earlier date the Target Registry advises the Target can be achieved.

Regulatory Authority means:

- (a) any government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Entity of a corporation means:

- (a) a related body corporate of that corporation within the meaning of section 50 of the Corporations Act; and
- (b) a trustee of any unit trust in relation to which that corporation, or a corporation referred to in paragraph (a), directly or indirectly:
 - (i) controls the right to appoint the trustee;
 - (ii) is in a position to control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or
 - (iii) holds or is in a position to control the disposal of more than one half of the issued units of the trust.

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

Representatives means, in relation to a party, all officers, employees, professional advisers, consultants and agents of that party or of its Related Entities.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders substantially in the form set out in Attachment 1 or in such other form as the Target and the Bidder agree in writing.

Scheme Booklet means the information prepared by the Target in accordance with this agreement in respect of the Scheme, which is approved by the Court and despatched to the Target Shareholders, and which must include the Scheme, an explanatory memorandum, the Independent Expert's Report, notice of meeting and proxy form.

Scheme Consideration means the amount in cash to be provided by the Bidder in consideration for the transfer of each Scheme Share held by a Scheme Shareholder to the Bidder, being, in respect of each Scheme Share, \$0.40.

Scheme Meeting means the meeting to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

Scheme Share means a Target Share on issue on the Record Date.

Scheme Shareholder means each person who holds Scheme Shares, other than the Excluded Shareholders.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Subsidiary means a subsidiary of the Target within the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a Competing Proposal which, in the determination of the Target Directors, acting in good faith and having had regard to written advice from their external financial and legal advisers:

- (a) is reasonably capable of being completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and
- (b) would, if completed substantially in accordance with its terms, result in a transaction more favourable to the Target Shareholders (as a whole, other than Excluded Shareholders) than the Transaction, taking into account all terms and conditions, including:
 - (i) the value of the consideration payable to the Target Shareholders under the Competing Proposal;
 - (ii) the conditions of the Competing Proposal and the likelihood of those conditions being satisfied;
 - (iii) the likely timing to implement the Competing Proposal; and
 - (iv) the certainty of funding required for the Competing Proposal to be implemented.

Target Announcement has the meaning given in clause 6.2(a).

Target Convertible Security means an option, performance right or other right issued by the Target to acquire a share in the Target, whether pursuant to the Target Share Plan or otherwise.

Target Director means each person who is a director of the Target, but excludes the Interested Target Directors and the Non Independent Director.

Target Facility Agreement means the Second Amendment and Restatement Deed of the debt facility agreement and related documents entered into between the Target and Commonwealth Bank of Australia Limited dated 20 June 2016, copies of which were fully and fairly disclosed by the Target to the Bidder in the Due Diligence Materials.

Target Group means the Target and each Subsidiary.

Target Material Adverse Change means any event, occurrence or matter which individually or when aggregated with all such related events, occurrences or matters:

- (a) diminishes, or could reasonably be expected to diminish (whether in the FY16 Accounts, now or in the future) the consolidated net assets of the Target Group by an amount of at least \$3,000,000 as against what the consolidated net assets would reasonably have been expected to have been but for that event, occurrence or matter;
- (b) diminishes, or could reasonably be expected to diminish (whether in the FY16 Accounts, now or in the future) the EBITDA of the Target Group by an amount of at least \$2,000,000 as against what the EBITDA would reasonably have been expected to have been but for that event, occurrence or matter; or
- (c) has the result, or could be reasonably expected to have the result, that the Target Group is unable to carry on its business in substantially the same manner as carried on as at the date of this agreement (including as a result of a loss of a material licence necessary for the Target to carry on any material part of its business).

other than an event, occurrence or matter:

- (d) required or expressly permitted to be done by the Target Group pursuant to this agreement or the Scheme;
- (e) fully and fairly disclosed in the Due Diligence Materials or in any announcement on ASX made by Target prior to the parties entering into this agreement (or which ought reasonably have been expected to arise from an event, occurrence or matter which was so disclosed);
- (f) resulting from an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide or adverse weather conditions occurring on or after the date of this agreement;
- (g) resulting from changes in general economic or political conditions, the securities market in general or law;
- (h) done or not done at the written request or with the written acknowledgement and approval of the Bidder, including any consequences arising as a result of such matters;
- (i) resulting from the actual or anticipated change of control of the Target contemplated by the Transaction; or
- (j) resulting from changes in generally accepted accounting principles or the interpretation of them.

Target Payment means the amount of \$575,367.

Target Prescribed Occurrence means, other than:

- (a) as required or expressly permitted to be done by the Target Group pursuant to this agreement or the Scheme;
- (b) as fully and fairly disclosed in the Due Diligence Materials or in any announcement on ASX made by the Target prior to the parties entering into this agreement (or which ought reasonably have been expected to arise from an event, occurrence or matter which was so disclosed); or
- (c) with the written consent of the Bidder,

the occurrence of any of the following events between the date of this agreement and 8.00am on the Second Court Date:

- (d) the Target converting all or any of its securities into a larger or smaller number of securities;
- (e) the Target or a Subsidiary resolving to reduce its capital in any way or resolving to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (f) the Target or a Subsidiary:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act.
- (g) the Target or a Subsidiary issuing shares, or granting an option over its shares or agreeing to make such an issue or grant such an option except where a Target Share is issued on the exercise of a Target Convertible Security issued under the Target Share Plan, where that Target Convertible Security was issued under the Target Share Plan before the date of this agreement;
- (h) the Target or a Subsidiary issuing, or agreeing to issue, convertible notes or any other security convertible into shares;
- (i) the Target agreeing to pay, declaring or paying a dividend or any other form of distribution of profits or return of capital to its members;
- (j) the Target or a Subsidiary disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (k) the Target or a Subsidiary creating or agreeing to create any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property otherwise than in the ordinary course of business;
- (l) an application being made to a court or a resolution being passed or an order being made for the winding up or dissolution of the Target or a Subsidiary;
- (m) the Target or a Subsidiary proposing or taking any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;
- (n) a receiver, receiver and manager, liquidator, provisional liquidator, administrator, trustee or similar officer being appointed in respect of the Target or a Subsidiary or any of its assets; or
- (o) the Target or a Subsidiary making or proposing to make any change to its constitution.

Target Shareholder means each person who is a registered holder of a Target Share from time to time.

Target Share Plan means the Simonds Homes Employee Share Plan.

Target Shares means fully paid ordinary shares in the capital of the Target.

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

Target Share Registry means Boardroom Pty Ltd of Level 12, 255 George Street, Sydney NSW 2000.

Target Warranties means the warranties given by the Target set out in clauses 5.5 and Schedule 3.

Timetable means the indicative timetable for the implementation of the Transaction agreed by the parties and initialled by the parties' lawyers for the purposes of identification on or about the date of this agreement.

Transaction means the transfer to or at the direction of the Bidder of the Scheme Shares for the Scheme Consideration pursuant to the Scheme and the terms and conditions of this agreement.

Voting Intention has the meaning given in clause 6.1(a)(ii).

1.2 Business Day

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this agreement expressly specifies otherwise.

1.3 Interpretation

In this agreement headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments, and annexures to it;

- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to **\$** or **dollar** is to Australian currency;
- (k) a reference to a date or time is to that date or time in Melbourne, Australia;
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of those rules, and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (m) this agreement must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (n) a reference to 'fully and fairly disclosed' means disclosed to the extent that, and in sufficient detail so as to enable, a reasonable bidder (or one of its Representatives) experienced in transaction processes similar to that applicable to the Transaction and experienced in a business similar to any business conducted by the Target Group, to reasonably identify the nature and scope of the relevant matter, event or circumstance.

1.4 Awareness

Where a representation or warranty is given 'so far as the Target is aware' or with a similar qualification as to the Target's awareness or knowledge, the Target's awareness or knowledge is limited to and deemed only to include those facts, matters or circumstances of which Matthew Chun, Mick Myers, Paul Shepherd-Smith or Elizabeth Hourigan is actually aware as at the date of this agreement.

2. Obligations in relation to Scheme

2.1 The Target to propose Scheme

The Target agrees to propose the Scheme on and subject to the terms and conditions of this agreement. The Bidder agrees to assist the Target to propose the Scheme on and subject to the terms and conditions of this agreement.

2.2 The Target and the Bidder to Implement Scheme

The Target and the Bidder agree to implement the Scheme on and subject to the terms and conditions of this agreement.

2.3 Scheme Consideration

The Bidder covenants in favour of the Target (in its own right and separately as trustee or nominee for each of the Scheme Shareholders) that, in consideration for the transfer to the Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, the Bidder will:

- (a) accept that transfer; and
- (b) provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

3. Conditions precedent

3.1 Conditions

The obligations of the Target under clause 4.3(l) and the obligations of the Bidder under clauses 2.3 and 4.4(h) do not become binding on the parties and have no force or effect, and the Scheme must not become Effective, until each of the Conditions listed in the first column of the following table has been either satisfied or waived in accordance with clause 3.5:

Condition	Right to waive
(a) (No restraint) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction in Australia, no preliminary or final decision, determination, or order issued by any Regulatory Authority and no other legal restraint preventing any of the transactions contemplated by this agreement is in effect as at 8.00am on the Second Court Date.	Bidder and Target
(b) (Target Material Adverse Change) no Target Material Adverse Change has occurred or becomes known to the Bidder after the date of this agreement and before 8.00am on the Second Court Date.	Bidder
(c) (Target Prescribed Occurrence) no Target Prescribed Occurrence has occurred or becomes known to the Bidder after the date of this agreement and before 8.00am on the Second Court Date.	Bidder
(d) (Target Shareholder approval) the Target Shareholders approve the Scheme at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.	None
(e) (Target Warranties) the Target Warranties are true and correct in all material respects on the date of this agreement and as at 8.00am on the Second Court Date.	Bidder
(f) (Bidder Warranties and Bidder Guarantor Warranties) the Bidder Warranties and Bidder Guarantor Warranties are true and correct in all material respects on the date of this agreement and as at 8.00am on the Second Court Date.	Target
(g) (Court approval) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.	None

3.2 General obligations in relation to Conditions

Without prejudice to any other obligations of the parties under this agreement:

- (a) the Target must use all reasonable endeavours to ensure that the Conditions set out in clauses 3.1(c) (Target Prescribed Occurrence) and 3.1(e) (Target Warranties) are satisfied and continue to be satisfied at all times until the last time that the relevant clause requires each Condition to be satisfied;

- (b) the Target must ensure that there is no occurrence within its control or the control of any of its Subsidiaries that would constitute a Target Material Adverse Change;
- (c) the Bidder and Bidder Guarantors must use all reasonable endeavours to ensure that the Condition set out in clause 3.1(f) (Bidder Warranties and Bidder Guarantor Warranties) is satisfied at the times set out in that clause; and
- (d) the parties shall not take any action that will or is likely to hinder or prevent the satisfaction of any Condition except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this agreement or is required by law.

3.3 Obligations in relation to Target Shareholder approval

If the Scheme is not approved by Target Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, then the Target must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as counsel engaged by the Target to represent it in Court proceedings related to the Scheme, in consultation with the Bidder, considers is reasonably required to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

3.4 Notice in relation to satisfaction of Conditions

Each party must promptly after becoming aware of the satisfaction of any Condition notify the other party of the satisfaction of that Condition and provide reasonable evidence the Condition has been satisfied.

3.5 Waiver of Conditions

- (a) A Condition may only be waived:
 - (i) if a party is specified in the second column of the table in clause 3.1 opposite that Condition, by that party by notice to the other party; or
 - (ii) if more than one party is specified in the second column of the table in clause 3.1 opposite that Condition, by written agreement between all of those parties.
- (b) For the avoidance of doubt, the Conditions in clauses 3.1(d) (Shareholder Approval) and 3.1(g) (Court Approval) cannot be waived.
- (c) A party entitled to waive or to agree to waive a Condition under this clause 3.5 may do so in its absolute discretion.

3.6 Failure of Conditions

- (a) Subject to paragraph (c) below, if any event occurs which would, or in fact does, prevent a Condition being satisfied, and that Condition is not waived by the Target or Bidder or both (as applicable) in accordance with clause 3.5, the parties must consult in good faith to:

- (i) determine whether the Transaction may proceed by way of alternative means or methods;
 - (ii) change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the Target and Bidder; or
 - (iii) extend the relevant date.
- (b) If the parties are unable to reach agreement under clause 3.6(a) within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that Condition is waived by the Target or Bidder or both as provided in clause 3.5, the Target or Bidder may terminate this agreement without any liability (except under clause 8, if applicable) to the other party because of that termination, unless the relevant occurrence or the failure of the Condition to be satisfied, or of the Scheme to become Effective, arises out of a material breach by the terminating party.
- (c) Notwithstanding anything else in this clause 3, if the Implementation Date has not occurred by the End Date, then Bidder may terminate this agreement without any liability to the Target because of that termination, unless the failure of a Condition to be satisfied, or of the Scheme to become Effective, as applicable, arises out of a material breach by the Bidder.
- (d) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination, on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement, except for those rights and obligations which accrued prior to termination.

4. Implementation of Scheme

4.1 Conditions precedent certificate

On the Second Court Date, the Target and the Bidder must each provide to the Court a certificate in writing confirming whether or not the Conditions (other than the Condition in clause 3.1(g) (Court Approval)) have been satisfied or waived in accordance with this agreement. Each party shall provide the other party with a draft of such certificate by 5.00pm on the Business Day prior to the Second Court Date.

4.2 Timetable

- (a) Subject to clause 4.2(b), each party must use their best endeavours to:
- (i) comply with its respective obligations in this clause 4; and
 - (ii) take all necessary steps to implement the Transaction in accordance with the Timetable.
- (b) Failure by a party to meet any date in the Timetable will not constitute a breach of clause 4.2(a) to the extent that such failure is due to circumstances and matters outside the party's control.
- (c) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.

- (d) The parties will consult in good faith to agree any necessary extension of the Timetable where any of the dates in the Timetable become unachievable due to circumstances and matters outside of a party's control.

4.3 Target's obligations

The Target must take all steps reasonably necessary to promptly implement the Scheme as soon as is reasonably practicable after the date of this agreement, and in particular the Target must:

- (a) **(Target Directors' recommendation)** in the Scheme Booklet and the Target Announcement include the Recommendation and Voting Intention of each of the Target Directors in accordance with clause 6.1;
- (b) **(Target Directors' votes)** use its reasonable endeavours to procure that each Target Director:
 - (i) confirms an intention to vote any Scheme Shares which he or she holds in favour of the Scheme and any other resolution submitted to Target Shareholders for their approval in connection with the Scheme, provided that the relevant Target Director has not changed or in any way qualified their Recommendation or Voting Intention in accordance with clause 6.1(b);
 - (ii) votes any Scheme Shares which he or she holds in favour of the Scheme and any other resolution submitted to Target Shareholders for their approval in connection with the Scheme, provided that the relevant Target Director has not changed or in any way qualified his or her Recommendation or Voting Intention in accordance with clause 6.1(b); and
 - (iii) does not change that Voting Intention, unless
 - A. a Superior Proposal is made; or
 - B. the Independent Expert concludes in the Independent Expert's Report (either in its initial report or in any subsequent update of its report) that the Scheme is not in the best interests of the Target Shareholders.
- (c) **(Scheme Booklet)** prepare the Scheme Booklet in accordance with the requirements of the Corporations Act, the Corporations Regulations, the Listing Rules and published ASIC guidance, provide a draft of the Scheme Booklet to the Bidder and provide the Bidder with a reasonable opportunity to provide suggested amendments to that draft prior to the provision of a draft of the Scheme Booklet to ASIC under clause 4.3(e)(i). If such suggested amendments relate to the Bidder Information, the Target must adopt such suggested amendments, and in respect of any other suggested amendments, the Target must consider such suggested amendments in good faith;
- (d) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet;

- (e) **(ASIC review)** as soon as reasonably practicable but no later than 14 days before the First Court Date provide an advanced draft of the Scheme Booklet to:
 - (i) ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) the Bidder;
- (f) **(Section 411(17)(b) statement)** apply to ASIC for the production of:
 - (i) a letter stating that it does not intend to appear at the First Court Date; and
 - (ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **(Court documents)** consult with the Bidder in relation to the content of the documents required for the purposes of the Court hearings held pursuant to sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating processes, affidavits, submissions and draft minute of Court orders) and consider in good faith comments on, and suggested amendments to, those documents from the Bidder prior to filing those documents with the Court;
- (h) **(Court direction)** provided the confirmation referred to in clause 4.4(d)(i) has been received, lodge all documents with the Court and take all other reasonable steps to ensure that, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;
- (i) **(Registration of Scheme Booklet)** request to ASIC that the explanatory statement included in the Scheme Booklet in relation to the Scheme be registered in accordance with section 412(6) of the Corporations Act;
- (j) **(Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, dispatching the Scheme Booklet to the Target Shareholders and convening and holding the Scheme Meeting;
- (k) **(Court approval)** subject to all Conditions, other than clause 3.1(g) (Court approval), being satisfied or waived in accordance with this agreement, apply to the Court for orders approving the Scheme;
- (l) if the Scheme is approved by the Court:
 - (i) **(Lodge Court order)** promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) **(Target Share Register)** close the Target Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iii) **(Register transfers)** subject to the Scheme Consideration having been paid to the Target, promptly register all transfers of Scheme Shares to the Bidder in accordance with the Scheme; and

- (iv) **(All other steps)** promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (m) **(Delisting)** if directed by the Bidder, the Target must take all steps necessary for the Target to be removed from the official list of ASX on the Business Day immediately following the Implementation Date, including lodging a request for removal with ASX prior to the Implementation Date and satisfying any conditions reasonably requested by ASX for it to act on that request; and
- (n) **(Consultation with the Bidder)** from the First Court Date until the Implementation Date, promptly inform the Bidder if it becomes aware that the Scheme Booklet contains a statement which is misleading or deceptive in a material respect or contains a material omission.

4.4 Bidder's obligations

The Bidder must take all steps reasonably necessary to assist the Target to promptly implement the Scheme as soon as is reasonably practicable, and in particular the Bidder must:

- (a) **(Bidder Information)** provide to the Target the Bidder Information in a form appropriate for inclusion in the Scheme Booklet and consent to the inclusion of that information in the Scheme Booklet;
- (b) **(Independent Expert's Report)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare its report for inclusion in the Scheme Booklet;
- (c) **(Update Bidder Information)** as soon as reasonably practicable after receipt from the Target of a draft of the Scheme Booklet in accordance with clause 4.3(a) provide any suggested changes to the Bidder Information in that draft;
- (d) **(Review of Scheme Booklet)** as soon as reasonably practicable after receipt from the Target of the draft of the Scheme Booklet provided in accordance with clause 4.3(e), either:
 - (i) confirm in writing to the Target that the Bidder Information in the form and context in which it appears in the draft of the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to the Target the changes required to ensure that the Bidder Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission;
- (e) **(Accuracy of the Bidder Information)** provide to the Target all such further or new information of which the Bidder becomes aware after the Scheme Booklet has been dispatched until the date of the Scheme Meeting that is required to ensure that the Bidder Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission;
- (f) **(Deed Poll)** no later than 1 Business Day prior to the First Court Date, enter into the Deed Poll and deliver the executed Deed Poll to the Target (which the Bidder Guarantors must also execute);

- (g) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act, at which, through its counsel, the Bidder will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (h) **(Scheme Consideration)** if the Scheme becomes Effective, provide the Scheme Consideration on the Implementation Date in accordance with the Scheme; and
- (i) **(Share transfer)** if the Scheme becomes Effective, accept the transfer of the Scheme Shares as contemplated by clause 2.3(a).

4.5 Responsibility for Scheme Booklet

- (a) The Target agrees to include in the Scheme Booklet statements to the effect that:
 - (i) the Target is solely responsible for the content of the Scheme Booklet except that, to the maximum extent permitted by law, the Target is not responsible for the Bidder Information, the Independent Expert's Report or any other report or letter issued to the Target by a third party; and
 - (ii) the Bidder is solely responsible for the Bidder Information and is not responsible for any other information in the Scheme Booklet.
- (b) Subject to clause 4.5(c), if the parties cannot agree on the form or content of the Scheme Booklet, the final form and content of the Scheme Booklet shall be determined by the Target, acting reasonably, provided that the Target includes a statement in the Scheme Booklet to the effect that the Bidder does not agree with the final form and content of the Scheme Booklet.
- (c) If the Bidder objects to the inclusion of any of the Bidder Information in the Scheme Booklet, the Target must not include that Bidder Information in the Scheme Booklet to the extent that the Bidder disagrees with the final form and content of that Bidder Information.

4.6 Reconstitution of Target board

On the Implementation Date, the Target must (as designated by the Bidder in writing):

- (a) take all actions necessary to procure that each director of a Subsidiary and each director of the Target in office on the Implementation Date resigns their office, other than the Interested Target Directors; and
- (b) cause the appointment to the Target board and to the boards of each Subsidiary of the Target of such persons as nominated by the Bidder in writing, subject to those persons having provided a consent to act as directors of the relevant companies.

4.7 Target Convertible Securities

- (a) The Target must procure that, by no later than 5 Business Days prior to the Second Court Date, all Target Convertible Securities vest or lapse, whether by:

- (i) exercising its power under the terms of the Target Share Plan (and where this results in Target Convertible Securities vesting, no more than 102,995 Target Shares will be issued as a consequence of such vesting); or
 - (ii) in the event that subparagraph (i) does not apply, by entering into a binding agreement on terms approved by the Bidder (acting reasonably) and conditional on the Scheme becoming Effective, whereby each holder of Target Convertible Securities agrees to the cancellation of such Target Convertible Securities.
- (b) The Target agrees that the Bidder will be reasonably consulted on, and be permitted to attend, any discussion or negotiations with holders of Target Convertible Securities with a view to facilitating the entry into such binding agreements.

5. Conduct of business and requests for access

5.1 Conduct of business

Subject to clause 5.3, from the date of this agreement up to and including the Implementation Date, the Target must, and must procure that each entity of the Target Group will:

- (a) conduct its businesses and operations in the ordinary and usual course consistent with its past business practices and not make any significant change to the nature or scale of any activity comprised in its businesses and operations;
- (b) conduct its businesses and operations in accordance with all applicable laws and regulations;
- (c) use its best endeavours to preserve its relationships with customers, suppliers, landlords, licensors, licensees, joint venturers and others having business dealings with it;
- (d) use its best endeavours to retain the services of its current officers and executives;
- (e) use its best endeavours to protect and maintain each of its physical assets and must maintain appropriate and adequate insurance in respect of each of those assets which are insurable;
- (f) keep and maintain proper records of all its dealings and transactions relating to its business and operations, including all records required by law to be kept;
- (g) pay all amounts owing to trade or other creditors of the entity in accordance with applicable payment terms or consistent with its past business practices; and
- (h) consult with the Bidder in relation to the preparation and approval of any budget or business plan relating to the entity's businesses or operations.

5.2 Restricted conduct

Without limiting clause 5.1 but subject to clause 5.3, from the date of this agreement up to and including the Implementation Date, the Target must not, and must procure that each entity of the Target Group does not:

- (a) acquire any single asset with a value of \$100,000 or more, except in the ordinary course of business, or acquire or dispose of any business, operation, asset, entity or undertaking, the value of which exceeds \$1,000,000, individually or when aggregated with all such businesses, operations, assets, entities or undertakings;

- (b) enter into, vary or terminate any contract, joint venture, partnership or commitment involving total expenditure greater than \$500,000, individually or when aggregated with all such contracts, joint ventures, partnerships or commitments;
- (c) incur any additional financial indebtedness by way of borrowings and other financial facilities involving total financial indebtedness greater than \$1,000,000, including operating and financial leases but excluding any draw downs on existing banking facilities up to the total facility amount as at the date of this agreement, or guarantee or indemnify the obligations of any person other than a member of the Target Group;
- (d) settle any legal proceedings, claim, investigation, arbitration or other like proceedings where the amount claimed exceeds \$250,000;
- (e) enter into a new employment contract with a potential employee of the Target Group or amend an employment contract with an existing employee of the Target Group, in each case in which the total employment costs payable to that potential or existing employee exceed \$250,000 per annum;
- (f) pay or agree to pay a director or executive a termination payment, other than as provided for in an existing employment contract which was fully and fairly disclosed to the Bidder in the Due Diligence Materials;
- (g) enter into any enterprise bargaining agreement other than in the ordinary course of business;
- (h) do or omit to do anything which might result in the variation, termination, suspension, revocation or non-renewal of any licence or authorisation held by the Target Group which is material to the operation of its business;
- (i) change any accounting policies or practices;
- (j) make any material tax election or settle or compromise any material liability relating to tax unless the Target has received an opinion from a Queen's Counsel that the settlement or compromise is in the best interests of the Target Group; or
- (k) authorise, commit or agree to do any of the matters set out above.

5.3 Permitted activities

Nothing in clauses 5.1 and 5.2 restricts the Target or any entity of the Target Group from undertaking anything that:

- (a) is required, permitted or contemplated to be undertaken pursuant to this agreement;
- (b) has been fully and fairly disclosed to the Bidder at least one day prior to the date of this agreement in the Due Diligence Materials;
- (c) has been approved in writing by the Bidder (such approval not to be unreasonably withheld or delayed); or
- (d) is otherwise required by law.

5.4 Requests for access and further due diligence

- (a) From the date of this agreement until the Implementation Date, the Target will in good faith, on request from the Bidder, provide the Bidder with reasonable access at reasonable times, to:
 - (i) executives of the Target Group, and such other personnel as are reasonably requested by the Bidder; and

- (ii) information, records and premises of the Target Group, unless the provision of any such access is prohibited by law,

provided in each case that:

- (iii) the Bidder will only use such access for the purpose of further review of matters disclosed in the Due Diligence Materials and to facilitate the development and implementation of the Bidder's plans for the Target following the implementation of the Scheme; and
 - (iv) providing access or information to the Bidder pursuant to this clause does not result in unreasonable disruptions to the Target Group's business, require the Target to make adverse disclosure to any other entity or Regulatory Authority or require the Target to make any disclosure to the Bidder that would compromise its legal privilege.
- (b) The obligations of the parties under clause 5.4(a) cease to operate upon a majority of Target Directors changing or withdrawing their recommendation that Target Shareholders vote in favour of the Scheme, or recommending a Competing Proposal.

5.5 Financing arrangements

- (a) The Target represents and warrants to the Bidder that, so far as the Target is aware, it has fully and fairly disclosed in the Due Diligence Materials all change of control, unilateral termination rights or rights of review under the Target Facility Agreement and any other material financing agreements (for the avoidance of doubt, not including hedging, swap or similar arrangements) to which the Target or a member of the Target Group is a party and which may be triggered by or exercised in response to the implementation of the Transaction (**Financing Agreements**).
- (b) In respect of the Financing Agreements, as soon as practicable after the date of this agreement:
- (i) the Target must facilitate liaison between the Bidder and counterparties to any Target transactional banking, derivative instrument or other financing agreement (including the Target Facility Agreement); and
 - (ii) the Target must provide to the Bidder all reasonable assistance and all financial information which the Bidder or its Representatives reasonably require.
- (c) Subject to the condition in clause 5.6, provided that the Target complies with its obligations under clause 5.5(b), a failure by the Target or any other member of the Target Group to obtain any third party consent or confirmation, or the exercise of a termination right, in respect of the Financing Agreements, will not constitute a breach of this agreement by the Target and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this agreement.

5.6 CBA condition

- (a) The Target will facilitate discussions between the Bidder, the Commonwealth Bank of Australia (**CBA**) and the Target for a period of 5 Business Days from the date of this agreement with a view to obtaining confirmation from CBA that it will continue to make the existing CBA facility available to the Target on the same terms and conditions (including facility limit, security and covenants) as exist at present (as disclosed to the Bidder) after implementation of the Scheme.

- (b) Both parties must use all reasonable endeavours to obtain the confirmation.
- (c) If the CBA does not provide the confirmation sought by 5pm on the fifth Business Day after the date of this agreement and the Bidder, acting in good faith and on reasonable grounds, forms the view that the CBA will not give the confirmation sought, the Bidder may, by notice in writing to the Target given within the following 48 hour period, terminate this agreement.
- (d) The costs of obtaining the confirmation will be disregarded for all purposes under this agreement

6. Target Directors' recommendation and intentions

6.1 Target Directors' recommendation

- (a) The Target must ensure that the Target Announcement and the Scheme Booklet state that each Target Director:
 - (i) recommends that Target Shareholders vote in favour of the resolution to approve the Scheme (**Recommendation**); and
 - (ii) intends to cause any Target Shares which he or she holds to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),

which statements must not be qualified in any way other than by words to the effect of "in the absence of a Superior Proposal" and (in the case of the Target Announcement) "subject to the Independent Expert concluding that the Scheme is in the best interests of Target Shareholders" and (in the case of the Scheme Booklet) "subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Target Shareholders".
- (b) The Bidder acknowledges that, subject to clauses 7.3, 7.4 and 8.1(b) and the other terms of this agreement, each Target Director may publicly (or otherwise) withdraw, change or in any way qualify his or her Recommendation or Voting Intention if:
 - (i) a Superior Proposal is made; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either in its initial report or any subsequent update of its report) that the Scheme is not in the best interests of the Target Shareholders.

6.2 Announcements

- (a) Immediately after the execution of this agreement, the Target must issue a public announcement in a form agreed between the parties prior to the date of this agreement (**Target Announcement**).
- (b) Each party may make further public announcements in connection with the Transaction as it determines (in its absolute discretion).

7. Exclusivity arrangements

7.1 No shop

During the Exclusivity Period, the Target must not, and must ensure that its Representatives (excluding the Interested Target Directors) and its Subsidiaries do not, except with the prior written consent of the Bidder, solicit or invite any Competing Proposal or initiate or invite discussions with any third party which may reasonably be expected to lead to a Competing Proposal.

7.2 No talk and no due diligence

During the Exclusivity Period, the Target must not, and must ensure that its Representatives (excluding the Interested Target Directors) and its Subsidiaries do not, except with the prior written consent of the Bidder:

- (a) directly or indirectly participate in, continue with or respond to any discussions or negotiations with a third party in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
- (b) provide or make available any information to a third party for the purposes of enabling that party to make a Competing Proposal (including by way of access to information to perform due diligence); or
- (c) enter into any agreement, arrangement or understanding with a third party in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal,

unless:

- (d) the Target Directors, acting in good faith, and having had regard to written advice from their external financial and legal advisers, determine that not undertaking that act would be likely to constitute a breach of the fiduciary or statutory duties owed by any Target Director; or
- (e) it would otherwise be unlawful.

7.3 Notification of approaches

- (a) During the Exclusivity Period, the Target must promptly, and in any event within 2 Business Days, notify the Bidder in writing if it, or any of its Subsidiaries or Representatives (excluding the Interested Target Directors), becomes aware of any:
 - (i) proposal, whether written or otherwise, made to the Target or any of its Subsidiaries or Representatives (excluding the Interested Target Directors), in connection with, or in respect of any exploration or consummation of, a Competing Proposal or a proposed or potential Competing Proposal, whether unsolicited or otherwise, including details of the party making the proposal, the terms of the proposal and any material updates to the proposal; or
 - (ii) provision by the Target or any of its Subsidiaries or Representatives (excluding the Interested Target Directors) of any information relating to the Target or any of its Subsidiaries or any of their businesses or operations to any person in connection with, or for the purpose of, a current or future Competing Proposal.
- (b) The obligations in this clause 7.3 do not apply to the extent that, in connection with a Competing Proposal, the Target Directors:
 - (i) acting in good faith;
 - (ii) having had regard to written advice from their external financial and legal advisers; and
 - (iii) in order to satisfy what the Target Directors reasonably consider to be their fiduciary or statutory duties,

reasonably determines that the consequences of providing the relevant information would constitute a breach of the fiduciary or statutory duties owed by any Target

Director, unless the relevant Competing Proposal was brought about as a result of any breach of this clause 7.

7.4 Matching right

- (a) If the Target receives a Competing Proposal which is a Superior Proposal, it must use reasonable endeavours to procure that none of the Target Directors publicly recommends the Competing Proposal unless:
 - (i) the Target has informed the Bidder of the full terms of the Competing Proposal and the identity of the person(s) making the Competing Proposal;
 - (ii) the Target has given the Bidder at least 3 Business Days to match the Competing Proposal; and
 - (iii) the Bidder has not provided a proposal (**Counter Proposal**) to the Target in accordance with paragraph (b) which the Target considers in good faith to be no less favourable than the relevant Competing Proposal.
- (b) If the Target receives a Counter Proposal from the Bidder, the Target Directors must promptly consider the Counter Proposal in good faith and, if the Target Directors reasonably determine (having had regard to written advice from their external financial and legal advisers) that the terms and conditions of the Counter Proposal are no less favourable than those of the relevant Competing Proposal:
 - (i) the Target and the Bidder must each use all reasonable endeavours to enter into such documentation as is necessary to give effect to the Counter Proposal; and
 - (ii) each of the Target Directors must continue to recommend the Scheme (as modified by the Counter Proposal) to Target Shareholders.

7.5 Presentations

Nothing in this clause 7 prevents the Target from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary course of business.

8. Reimbursement of Costs

8.1 Target Payment

The Target agrees to pay the Bidder the Target Payment without set-off or withholding if the Scheme does not become Effective by the End Date because:

- (a) (**Competing Proposal**) an actual, proposed or potential Competing Proposal of any kind is announced prior to the earlier of the holding of the Scheme Meeting and the date this agreement is terminated, and, within 6 months of such announcement, the party proposing the Competing Proposal or any associate of that party acquires control of more than 25% of the issued shares in the Target;
- (b) (**Change of recommendation**) a Target Director fails to recommend the Scheme or publicly changes, withdraws or in any way qualifies his or her Recommendation or Voting Intention or publicly recommends a Competing Proposal, other than:
 - (i) following the receipt of an Independent Expert's Report which states (either in its initial report or any subsequent update of its report) that, in the opinion of the Independent Expert, the Scheme is not in the best

interests of Target Shareholders for reasons unrelated to any Competing Proposal;

- (ii) as a result of any matter or thing giving the Target the right to terminate under clause 11.2(b)(i) or (ii); or
- (iii) after any event occurs (excluding any event that occurs as a result of a breach by the Target of clause 3.2) which would, or in fact does, prevent a Condition (except the Conditions in clause 3.1(c) (Target Prescribed Occurrence) or 3.1(e) (Target Warranties)) being satisfied and that Condition is not waived; or
- (c) **(Termination)** the Bidder becomes entitled to terminate this agreement in accordance with clause 11.1(b)(i) or as a result of a failure of the Condition in clause 3.1(c) (Target Prescribed Occurrence) to be satisfied.

8.2 Bidder Payment

Without prejudice to any other rights which may arise, the Bidder agrees to pay the Target the Bidder Payment without set-off or withholding if, at any time after the date of this agreement, the Target terminates this agreement in accordance with clause 11.2(b)(i).

8.3 Timing of payment

- (a) A demand by a party for payment of the Target Payment under clause 8.1 or Bidder Payment under clause 8.2 must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account in which the relevant payment must be deposited; and
- (b) the Target must pay the Target Payment into the account nominated by the Bidder and the Bidder must pay the Bidder Payment into the account nominated by the Target (as applicable), without set-off or withholding, within 5 Business Days after receiving a demand for payment where the Bidder is entitled under clause 8.1 to the Target Payment or the Target is entitled under clause 8.2 to the Target Payment.

8.4 Rationale

Each party acknowledges and agrees for the purposes of this clause 8 as follows:

- (a) each party has required the inclusion of this clause 8 in the absence of which it would not have entered into this agreement or otherwise agreed to implement the Scheme, subject to the terms and conditions in this agreement;
- (b) the Target and the Target Directors believe (in respect of the Target Payment) and the Bidder and the Bidder Board believe (in respect of the Bidder Payment) that the Scheme will provide significant benefits to it and its shareholders, and that it is reasonable and appropriate that the Target (in respect of the Target Payment) and the Bidder (in respect of the Bidder Payment) agrees to the inclusion of this clause 8 in order to secure the other party's execution of this agreement and its agreement to implement the Scheme, subject to the terms and conditions in this agreement; and

- (c) the amount payable by the Target (in respect of the Target Payment) pursuant to clause 8.1 and by the Bidder (in respect of the Bidder Payment) pursuant to clause 8.2 is to be purely and strictly compensatory in nature and represents a genuine and reasonable estimate of the amount required to compensate the Bidder (in respect of the Target Payment) and the Target (in respect of the Bidder Payment) for the following:
- (i) reasonable advisory costs relating to the Scheme;
 - (ii) costs of management and directors' time;
 - (iii) reasonable out-of-pocket expenses relating to the Scheme;
 - (iv) reasonable opportunity costs incurred by the Bidder or the Target (as applicable) in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which the Bidder or the Target (as applicable) could have developed to further its business and objectives; and
 - (v) commitment fees and other financing costs relating to the financing of the Scheme.

Each party has received independent legal advice on this agreement and the operation of this clause 8.

8.5 Compliance with law

- (a) This clause 8 does not impose an obligation on the Target to pay the Target Payment or the Bidder to pay the Bidder Payment (as applicable) to the extent (and only to the extent) that the obligation to pay the Target Payment or Bidder Payment (as applicable):
- (i) is declared by the Takeovers Panel to constitute "unacceptable circumstances" within the meaning of the Corporations Act; or
 - (ii) is determined to be unenforceable or unlawful by a Court; and
 - (iii) after all proper avenues of appeal and review, judicial and otherwise, have been exhausted.
- (b) The parties must not make or cause to be made, any application to the Takeovers Panel or a Court for or in relation to a declaration referred to in this clause 8.5.

8.6 No Payment if Scheme Effective

Despite anything to the contrary in this agreement, neither the Target Payment nor Bidder Payment will be payable if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 8.1.

8.7 No action statement

A statement that shareholders should 'take no action pending further advice' (or words to that effect) is not regarded as a change, withdrawal or qualification of a recommendation for the purposes of clause 8.1(b).

8.8 Other claims

The maximum aggregate amount which the Target is required to pay in relation to this agreement is the Target Payment, and in no event will the aggregate liability of the Target under or in connection with this agreement exceed the Target Payment.

8.9 Exclusive remedy

Notwithstanding any other provision under this agreement, where the Target Payment is paid to the Bidder under this agreement (or would be payable if a demand was made), the Bidder cannot make any claim against the Target in relation to any event or occurrence referred to in clause 8.1.

8.10 Survival

Any accrued obligations under this clause 8 survive termination of this agreement.

9. Liability of Target Directors and employees

9.1 Liability of Target directors and employees

- (a) To the maximum extent permitted by law, the Bidder and each Bidder Guarantor releases all rights against, and agrees with the Target that it will not make any claim against, each director and employee of the Target Group (as at the date of this agreement) in relation to:
 - (i) information provided to the Bidder in relation to the Transaction; or
 - (ii) any breach of any representations, covenants and warranties of the Target in this agreement,

except where such director or employee has acted in bad faith or has engaged in wilful misconduct or fraud.
- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly. The Target receives and holds the benefit of this clause as trustee for each director and employee of the Target Group.

9.2 Liability of Bidder directors and employees

- (a) To the maximum extent permitted by law, the Target releases all rights against, and agrees with the Bidder that it will not make any claim against, each director and employee of the Bidder (as at the date of this agreement) in relation to:
 - (i) information provided to the Target in relation to the Transaction; or
 - (ii) any breach of any representations, covenants and warranties of the Bidder in this agreement,

except where such director or employee has acted in bad faith or has engaged in wilful misconduct or fraud.
- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly. The Bidder receives and holds the benefit of this clause as trustee for each director and employee of the Bidder.

9.3 Directors' and officers' insurance

Subject to the Scheme becoming Effective, the Bidder acknowledges that the Target will, by no later than the Implementation Date, arrange for directors' and officers' insurance cover in force as at the date of this agreement to be amended so as to provide run off cover for a 7 year period from the retirement date of each director and officer of the Target, and will also by the Implementation Date pay all premiums required so as to ensure that the insurance cover is provided on those terms until that date.

9.4 Obligations in relation to directors' and officers' insurance

From the Implementation Date, the Target must not:

- (a) vary or cancel the directors' and officers' insurance policy as extended pursuant to clause 9.3; or
- (b) unless required under the relevant policy, commit any act or omission that may prejudice any claim by a director or officer of the Target under the directors' and officers' insurance policy as extended pursuant to clause 9.3.

Nothing in clause 9.3 shall require the Bidder or the Target to incur any additional premium after the Implementation Date or require the Target to not fulfil its contractual obligations under the relevant insurance policy.

10. Warranties and indemnities

10.1 Warranties by the Bidder

The Bidder warrants to the Target that each of the Bidder Warranties is true and correct and not misleading or deceptive:

- (a) as at the date of this agreement; and
- (b) as at 8.00am on the Second Court Date.

10.2 Bidder indemnity

The Bidder indemnifies the Target against any Indemnified Loss suffered or incurred by the Target by reason of any breach of any of the Bidder Warranties.

10.3 Warranties by Bidder Guarantors

Each Bidder Guarantor warrants to the Target that each of the Bidder Guarantor Warranties is true and correct and not misleading or deceptive:

- (a) as at the date of this agreement; and
- (b) as at 8.00am on the Second Court Date.

10.4 Bidder Guarantor indemnity

The Bidder Guarantors jointly and severally indemnify the Target against any Indemnified Loss suffered or incurred by the Target by reason of any breach of any of the Bidder Guarantor Warranties.

10.5 Warranties by the Target

The Target warrants to the Bidder that each of the Target Warranties is true and correct and not misleading or deceptive:

- (a) as at the date of this agreement; and
- (b) as at 8.00am on the Second Court Date.

10.6 Target indemnity

The Target indemnifies the Bidder against any Indemnified Loss suffered or incurred by the Bidder by reason of any breach of any of the Target Warranties.

10.7 Qualifications on the Target Warranties

Each of the Target Warranties in clause 10.5 and the indemnity in clause 10.6 is subject to matters that have been fully and fairly disclosed to ASX, in a document lodged with ASIC or to the Bidder in the Due Diligence Materials, in each case prior to the date of this agreement.

10.8 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 10.

10.9 Status of representations and warranties

Each representation and warranty in this clause 10:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

10.10 Status and enforcement of indemnities

Each indemnity in this agreement:

- (a) is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement; and
- (b) is given to the party to which it is expressed to be given, and as trustee for each Representative of that party, and a reference to a loss in an indemnity given to a party includes a loss suffered or incurred by a Representative of that party,

and it is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

11. Termination

11.1 Termination by Bidder

The Bidder may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to the Target if:
 - (i) the Target is in material breach of this agreement (including any breach of a Target Warranty) before that time, provided that the Bidder is only entitled to terminate for that material breach if it has given notice to the Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist and have not been remedied to the Bidder's satisfaction within 5 Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date) from the time such notice is given to the Target; or

- (ii) a Target Director adversely changes or withdraws his or her recommendation to Target Shareholders in relation to the Scheme or recommends a Competing Proposal (whether or not permitted to do so under this agreement).

11.2 Termination by Target

The Target may terminate this agreement at any time before 8.00 am on the Second Court Date by notice in writing to the Bidder:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to the Bidder if:
 - (i) the Bidder is in material breach of this agreement (including any breach of a Bidder Warranty) before that time, provided that the Target is only entitled to terminate for that material breach if it has given notice to the Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist and have not been remedied to the Target's satisfaction within 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is given to the Bidder; or
 - (ii) a Bidder Guarantor is in material breach of this agreement (including any breach of a Bidder Guarantor Warranty) before that time, provided that the Target is only entitled to terminate for that material breach if it has given notice to the Bidder Guarantor setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist and have not been remedied to the Target's satisfaction within 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is given to the Bidder Guarantor; or
 - (iii) a majority of Target Directors adversely change or withdraw their recommendation to Target Shareholders in relation to the Scheme or recommend a Competing Proposal in accordance with this agreement.

11.3 Effect of termination

If this agreement is terminated then:

- (a) the provisions of this agreement shall cease to have effect except for the provisions of clauses 1 (Definitions and interpretation), 8 (Reimbursement of costs), 10 (Warranties and indemnities), 11 (Termination), 12 (Guarantee), 13 (Notices), 15 (General) and 16 (Governing law and jurisdiction) which will survive termination; and
- (b) each party retains the rights it has against each other party in respect of any breach of this agreement occurring before termination.

12. Guarantee

- (a) The Bidder Guarantors jointly and severally:
 - (i) unconditionally and irrevocably guarantee to the Target on demand, the due and punctual performance of the Bidder's obligations under this agreement and under the Deed Poll; and
 - (ii) as a separate and additional liability, indemnify the Target against all loss, actions, proceedings and judgments of any nature, incurred by, brought, made or recovered against the Target arising from any default

or delay in the due and punctual performance of the Bidder's obligations under this agreement.

- (b) Without limiting clause 12(a), the Bidder Guarantors must procure that the Bidder satisfies its obligations under the Deed Poll.
- (c) The liability of the Bidder Guarantors under this clause 12 is not affected by anything which, but for this clause 12, might operate to release or exonerate the Bidder Guarantors in whole or in part from their obligations, including any of the following, whether with or without the consent of the Bidder Guarantors:
 - (i) the grant to the Bidder, the Bidder Guarantors or any other person of any time, waiver or other indulgence, or the discharge or release of the Bidder, the Bidder Guarantors or any other person from any liability or obligation;
 - (ii) any transaction or arrangement that may take place between any of the parties to this agreement or any other person;
 - (iii) the failure or omission or any delay by any party to give notice to the Bidder Guarantors of any default by the Bidder under this agreement; and
 - (iv) any legal limitation, disability, incapacity or other circumstances related to the Bidder, the Bidder Guarantors or any other person.
- (c) This clause 12 is a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation and extends to cover this agreement as amended, varied, supplemented, renewed or replaced.
- (d) This clause 12 is a continuing obligation of the Bidder Guarantors, and remains in full force and effect for so long as the Bidder has any liability or obligation to any other party under this agreement and until all of those liabilities or obligations have been fully discharged.
- (e) The Bidder Guarantors must make all payments which become due under this clause 12 free and clear and without deduction of all present and future withholdings (including taxes, duties, levies, imposts, deductions and charges of Australia or any other jurisdiction).
- (f) The Bidder Guarantors have no right to set off, deduct or withhold any moneys which they may be or become liable to pay under this clause 12, against any moneys that any other party may be, or become, liable to pay to the Bidder Guarantors or any Related Entity of the Bidder Guarantors whether under this agreement or otherwise.
- (g) The Bidder Guarantors' liability under this clause 12 in respect of any claim against the Bidder will not exceed the Bidder's liability in respect of that claim.

13. Notices

13.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
 - (i) if to the Target:

Address: Level 1, 570 St Kilda Road, Melbourne VIC 3004

Email address: matthew.chun@simonds.com.au

For the attention of: Matthew Chun

(ii) if to the Bidder:

Address: Level 3, 51 Stephenson Street, Cremorne VIC 3121

Email address: c/- smorrissy@claytonutz.com

For the attention of: James Roche

with a copy to:

Address: Level 5, 570 St Kilda Road, Melbourne VIC 3004

Email address: pobrien@simondsfamily.com.au

For the attention of: Piers O'Brien

(iii) if to SFO:

Address: Level 5, 570 St Kilda Road, Melbourne VIC 3004

Email address: pobrien@simondsfamily.com.au

For the attention of: Piers O'Brien

(iv) if to Roche:

Address: Level 3, 51 Stephenson Street, Cremorne VIC 3121

Email address: c/- smorrissy@claytonutz.com

For the attention of: James Roche

- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must be in pdf or other format that is a scanned image of the original of the communication, including a handwritten signature, and be attached to an email that states that the attachment is a communication under this agreement; and
- (f) must be delivered by hand or posted by prepaid post to the address, or sent by email to the email address, of the addressee, in accordance with the details set out in clause 13.1.

13.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the fifth day after the date of posting;

- (b) (in the case of prepaid post sent to an address in another country) on the tenth day after the date of posting by airmail;
- (c) (in the case of delivery by hand) on delivery; and
- (d) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 13.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a Business Day or after 5.00 pm, it is taken to be received at 9.00 am on the next Business Day.

14. Entire agreement

This agreement, its schedules and attachments and the Confidentiality Deed constitute the entire agreement between the parties in relation to their subject matter, including the transfer of the Target Shares, and supersede all previous agreements and understandings between the parties in relation to their subject matter.

15. General

15.1 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

15.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this agreement without the prior consent of each other party, except where the Bidder is required to give security to a lender or financier in respect of its rights under this agreement, in which case the Bidder may assign or transfer its rights under this agreement without the Target's consent.

15.3 Consents

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

15.4 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing each Transaction Document.

15.5 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement. Counterparts may be delivered via fax, email or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

15.6 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

15.7 No merger

A party's rights and obligations do not merge on completion of any transaction under this agreement.

15.8 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

15.9 Stamp duties

The Bidder:

- (a) must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement;
- (b) must pay to the Target on demand the amount of any Indemnified Loss suffered or incurred by the Target arising out of or in connection with any failure to comply with clause 15.9(a); and
- (c) is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause.

15.10 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

16. Governing law and jurisdiction

16.1 Governing law

This agreement is governed by the law applying in Victoria, Australia.

16.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, the Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings

have been brought in an inconvenient forum, if that venue falls within the jurisdictions in clause 16.2(a).

Schedule 1 Bidder Warranties

The Bidder represents and warrants to the Target that:

- (a) **(Validly existing)** the Bidder is a company properly incorporated and validly existing under the laws of Australia;
- (b) **(Authority)** the Bidder has full corporate power and authority, and has taken all corporate actions necessary to enable it, to execute, deliver and perform its obligations under this agreement;
- (c) **(Binding and enforceable)** this agreement constitutes valid legal and binding obligations of the Bidder and is enforceable against the Bidder in accordance with its terms;
- (d) **(No default)** this agreement does not conflict with or result in a breach of or a default under:
 - (i) the constitution or equivalent constituent documents of the Bidder; or
 - (ii) any writ, order or injunction, judgement, law, rule or regulation to which the Bidder is party, or by which the Bidder is bound;
- (e) **(Insolvency Event)** no Insolvency Event has occurred in relation to the Bidder or a Related Entity of the Bidder, nor has any regulatory action of any nature of which it is aware that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (f) **(Information to Independent Expert)** all information provided by the Bidder to the Independent Expert will be provided in good faith and on the understanding that, to the extent accepted by the Independent Expert, the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (g) **(Bidder Information)** as at the date on which the Scheme Booklet has been dispatched to Target Shareholders, all Bidder Information provided by the Bidder to the Target for inclusion in the Scheme Booklet:
 - (i) has been prepared and included in the Scheme Booklet in good faith;
 - (ii) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, Listing Rules and relevant published ASIC guidance; and
 - (iii) is not misleading or deceptive in any material respect and does not contain any material omission; and
- (h) **(Updating Bidder Information)** between the date on which the Scheme Booklet has been dispatched to Target Shareholders and the date of the Scheme Meeting, the Bidder will provide the Target with all material new information which may arise which is necessary to ensure that the Bidder Information included in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (i) **(No regulatory approvals)** no approval from any Regulatory Authority is required to be obtained by the Bidder in order to execute and perform this agreement;
- (j) **(No dealings with Target Shareholders)**: neither it nor any of its associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an associate of that Target Shareholder) would be entitled to receive consideration for the transfer of their Target Shares under the Scheme different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal;

- (k) **(No dealing with Target directors or employees)** neither it nor any of its associates has any agreement, arrangement or understanding with any director or employee of the Target (other than an Interested Target Director) relating in any way to the Transaction or operations of the Target after the Effective Date;
- (l) **(Reasonable basis)** as at the date of this agreement, the Bidder has a reasonable basis to expect that it will, by the Implementation Date, have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements, including equity and debt financing or a combination of both) to satisfy the Bidder's obligations to pay the Scheme Consideration in accordance with its obligations under this agreement and the Deed Poll; and
- (m) **(Unconditional cash reserves)** by 8.00am on the Second Court Date, the Bidder will have available to it on an unconditional basis (other than Conditions relating to the approval of the Court and other Conditions within the control of the Bidder) sufficient cash reserves (whether from internal cash reserves or external funding arrangements, including equity and debt financing or a combination of both) to satisfy the Bidder's obligations to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll.

Schedule 2 Bidder Guarantor Warranties

Each Bidder Guarantor represents and warrants to the Target that:

- (a) **(Validly existing)** the Bidder Guarantor is a company properly incorporated and validly existing under the laws of Australia;
- (b) **(Authority)** the Bidder Guarantor has full corporate power and authority, and has taken all corporate actions necessary to enable it, to execute, deliver and perform its obligations under this agreement;
- (c) **(Binding and enforceable)** this agreement constitutes valid legal and binding obligations of the Bidder Guarantor and is enforceable against the Bidder Guarantor in accordance with its terms;
- (d) **(No default)** this agreement does not conflict with or result in a breach of or a default under:
 - (i) the constitution or equivalent constituent documents of the Bidder Guarantor; or
 - (ii) any writ, order or injunction, judgement, law, rule or regulation to which the Bidder Guarantor is party, or by which the Bidder Guarantor is bound;
- (e) **(Insolvency Event)** no Insolvency Event has occurred in relation to the Bidder Guarantor or a Related Entity of the Bidder Guarantor, nor has any regulatory action of any nature of which it is aware that would prevent or restrict its ability to fulfil its obligations under this agreement; and
- (f) **(No regulatory approvals)** no approval from any Regulatory Authority is required to be obtained by the Bidder Guarantor in order to execute and perform this agreement.

Schedule 3 Target Warranties


The Target represents and warrants to the Bidder that:

- (a) **(Validly existing)** the Target is a company properly incorporated and validly existing under the laws of Australia;
- (b) **(Authority)** the Target has full corporate power and authority, and has taken all corporate actions necessary to enable it, to execute, deliver and perform its obligations under this agreement;
- (c) **(Binding and enforceable)** this agreement constitutes valid legal and binding obligations of the Bidder and is enforceable against the Target in accordance with its terms;
- (d) **(No default)** this agreement does not conflict with or result in a breach of or a default under:
 - (i) the constitution or equivalent constituent documents of the Target; or
 - (ii) any writ, order or injunction, judgement, law, rule or regulation to which the Target is party, or by which the Target is bound;
- (e) **(Insolvency Event)** no Insolvency Event has occurred in relation to the Target or a Related Entity of the Target, nor has any regulatory action of any nature of which it is aware that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (f) **(Information to Independent Expert)** all information provided by the Target to the Independent Expert will be provided in good faith and on the understanding that, to the extent accepted by the Independent Expert, the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (g) **(Scheme Booklet)** as at the date on which the Scheme Booklet has been dispatched to Target Shareholders, all information (other than the Bidder Information and the Independent Expert's Report) in the Scheme Booklet:
 - (i) has been prepared and included in the Scheme Booklet in good faith;
 - (ii) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, Listing Rules and relevant published ASIC guidance; and
 - (iii) is not misleading or deceptive in any material respect and does not contain any material omission;
- (h) **(Updating Scheme Booklet)** between the date on which the Scheme Booklet has been dispatched to Target Shareholders and the date of the Scheme Meeting, the Bidder will update the Scheme Booklet (but in respect of the Bidder Information, subject to the Bidder complying with its obligations to update the Bidder Information) to include all material new information which may arise which is necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission;
- (i) **(Capital structure)** as at the date of this agreement there are 143,841,655 ordinary shares and no more than 535,855 Target Convertible Securities on issue by the Target, and, except as fully and fairly disclosed in the Due Diligence Materials, neither the Target nor its Related Entities have issued or agreed to issue any other securities, options, performance rights, preference shares or instruments which are still outstanding (or become outstanding) and may convert into Target Shares;

- (j) **(Indebtedness)** except as fully and fairly disclosed in the Due Diligence Materials, so far as the Target is aware as at the date of this agreement:
 - (i) neither the Target nor any of its Related Entities has incurred or will incur any material indebtedness under any bank facility or other arrangement providing financial accommodation of any description (excluding usual terms of trade with customers and suppliers and excluding hedges, swaps and similar arrangements); and
 - (ii) other than the Transaction, no event has occurred which would entitle any person to require the repayment of any borrowings of the Target Group which are repayable on demand or require any borrowings of the Target Group to be repaid before their due date for any reason;
- (k) **(Due Diligence Materials)** as at the date of this agreement, the Due Diligence Materials were compiled and made available to the Bidder and its Representatives in good faith and, so far as the Target is aware, the Due Diligence Materials are materially true and accurate and not misleading or deceptive in any material respect, including by omission; and
- (l) **(Disclosure)** as at the date of this agreement, the Target has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, except as fully and fairly disclosed in the Due Diligence Materials, the Target is not withholding from disclosure to ASX any material information in reliance on Listing Rule 3.1A.

Signed as an agreement.

Executed by Simonds Group Limited in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

SUSAN MARY OLIVER

Full name of director



Signature of company secretary/director

ELIZABETH MARY HOURIGAN

Full name of company secretary/director

Executed by SR Residential Pty Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by Simonds Family Office Pty Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by Roche Holdings Pty Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Signed as an agreement.

Executed by Simonds Group Limited in
accordance with section 127 of the Corporations
Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by SR Residential Pty Ltd in
accordance with section 127 of the Corporations
Act 2001 (Cth):



Signature of director

JAMES F ROCHE

Full name of director

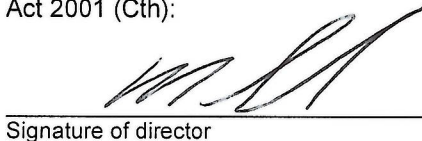


Signature of company secretary/director

PAUL GEORGE SANTORO

Full name of company secretary/director


Executed by Simonds Family Office Pty Ltd in
accordance with section 127 of the Corporations
Act 2001 (Cth):



Signature of director

MARK GREY SIMONDS

Full name of director



Signature of company secretary/director

PIERS O'BRIEN

Full name of company secretary/director

Executed by Roche Holdings Pty Ltd in
accordance with section 127 of the Corporations
Act 2001 (Cth):



Signature of director

JAMES F ROCHE

Full name of director



Signature of company secretary/director

NICHOLAS ROCHE

Full name of company secretary/director

Attachment 1 Scheme of Arrangement



HERBERT
SMITH
FREEHILLS

Scheme of arrangement

Simonds Group Limited

Scheme Shareholders

Scheme of arrangement

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

Between the parties

Target	Simonds Group Limited ACN 143 841 801 of Level 1, 570 St Kilda Road, Melbourne VIC 3004 (Target)
Scheme Shareholders	Each person who is registered as the holder of Target Shares recorded in the Target Share Register as at the Scheme Record Date (Scheme Shareholders)

1 Definitions and interpretation

1.1 Definitions

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

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
Bidder	SR Residential Pty Ltd ACN 614 474 949.
Business Day	a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Victoria, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.



Term	Meaning
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of Victoria, or such other court of competent jurisdiction as agreed to in writing by the Target and the Bidder.
Deed Poll	the deed poll executed by the Bidder and each Guarantor on [insert date] under which the Bidder and each Guarantors covenant in favour of the Scheme Shareholders to perform the obligations attributed to the Bidder and the Guarantors under this Scheme.
Direction	a written direction given by the Bidder to the Target no later than 14 days prior to the Implementation Date specifying the number of Scheme Shares to be transferred by the Target to each Nominee on the Implementation Date.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	17 November 2016 or such other date agreed in writing between the Target and the Bidder.
Excluded Shareholders	each of Simonds Custodians Pty Ltd ATF Gary Simonds No.1 Family Trust, Simonds Custodians Pty Ltd ATF Gary Simonds No.2 Family Trust, Simonds Custodians Pty Ltd ATF Gary Simonds No.3 Family Trust, Madisson Constructions Pty Ltd ATF Madisson Homes Trust, Simonds Construction Pty Ltd ATF Simonds Homes Discretionary Trust, Gary Simonds and Rhett Simonds.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.



Term	Meaning
Guarantors	each of SFO and Roche.
Implementation Agreement	the scheme implementation agreement dated 30 August 2016 between the Target, the Bidder, SFO and Roche relating to the implementation of this Scheme.
Implementation Date	the date which is 3 Business Days after the Record Date or such earlier date the Target Registry advises the Target can be achieved.
Nominee	each related entity of the Bidder nominated by the Bidder to the Target in writing to receive Scheme Shares in accordance with a Direction.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Target Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Roche	Roche Holdings Pty Ltd ACN 007 046 040.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by the Target and the Bidder.
Scheme Booklet	the scheme booklet published by the Target and dated [insert] .
Scheme Consideration	the amount in cash to be provided by the Bidder in consideration for the transfer of each Scheme Share held by a Scheme Shareholder to the Bidder or its Nominees, being, in respect of each Scheme Share, \$0.40.
Scheme Meeting	the meeting to be convened by the Court in relation to the Scheme pursuant to subsection 411(1) of the Corporations Act.
Scheme Record Date	7.00pm on the date which is 3 Business Days after the Effective Date or such earlier date the Target Registry advises the Target can be achieved.



Term	Meaning
Scheme Shareholder	each person who holds Scheme Shares, other than the Excluded Shareholders.
Scheme Share	a Target Share on issue on the Record Date.
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder or its Nominees as transferee or transferees, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day of the hearing of an application made to the Court for an order pursuant to paragraph 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, the first day of the adjourned hearing.
SFO	Simonds Family Office Pty Ltd ACN 602 022 140.
Share Register	the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.
Target	Simonds Group Limited ACN 143 841 801.
Target Registry	Boardroom Pty Limited ACN 003 209 836.
Target Share	a fully paid ordinary share in the capital of the Target.
Target Shareholder	each person who is registered as the holder of a Target Share in the Share Register.

1.2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;



- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) the word 'includes' in any form is not a word of limitation;
- (j) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (k) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Australia;
- (l) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (m) a reference to a party to a document includes that party's successors and permitted assignees;
- (n) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision; and
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

1.3 Business Day

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

2 Preliminary matters

- (a) The Target is a public company limited by shares, incorporated in Australia, and has been admitted to the official list of the ASX.
- (b) As at the date of the Implementation Agreement, there were on issue:
 - (1) 143,841,655 Target Shares, which are quoted for trading on the ASX; and
 - (2) no more than 507,768 performance rights and no more than 28,087 service rights, in each case which are not quoted for trading on any stock exchange.
- (c) SFO is a company limited by shares registered in Victoria.



- (d) Roche is a company limited by shares registered in Victoria.
- (e) The Bidder, a company that is jointly-owned by associates of SFO and Roche, is a company limited by shares registered in Victoria.
- (f) If this Scheme becomes Effective:
 - (1) the Bidder must provide, and the Guarantors must procure that the Bidder provides, the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to the Bidder or, if applicable, its Nominees. and the Target will enter the name of the Bidder or, if applicable, its Nominees in the Share Register in respect of the Scheme Shares on the Implementation Date.
- (g) The Target and the Bidder have agreed, subject to the terms and conditions of the Implementation Agreement, to implement this Scheme.
- (h) This Scheme attributes actions to the Guarantors and the Bidder but does not itself impose an obligation on them to perform those actions. Each Guarantor and the Bidder have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

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

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



3.2 Certificate

- (a) The Target and the Bidder will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

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

4.2 Transfer of Scheme Shares

On the Implementation Date:

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

5 Scheme Consideration

5.1 Provision of Scheme Consideration

- (a) The Bidder must, and the Guarantors must procure that the Bidder does, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration



payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by the Target as trustee for the Scheme Shareholders and notified to the Bidder at least 3 Business Days prior to the Implementation Date, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Bidder's account).

- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), the Target must pay or procure the payment from the trust account referred to in clause 5.1(a) of the Scheme Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Share Register on the Scheme Record Date.
- (c) The obligations of the Target under clause 5.1(b) will be satisfied by the Target (in its absolute discretion):
 - (1) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Target Registry to receive dividend payments from the Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.1(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme 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 5.2).
- (d) To the extent that, following satisfaction of the Target's obligations under clause 5.1(b), there is a surplus in the amount held by the Target as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus shall be paid by the Target to the Bidder.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of the Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of the Target, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Unclaimed monies

- (a) The Target may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to the Target; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.



- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to the Target (or the Target Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), the Target must reissue a cheque that was previously cancelled under this clause 5.3.
- (c) The *Unclaimed Money Act* 2008 (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act* 2008 (Vic)).

5.4 Orders of a court or Government Agency

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

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by the Target in accordance with this clause 5, then the Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the Target from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by an applicable law, the Target shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

6 Dealings in Target Shares

6.1 Determination of Scheme Shareholders

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

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

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



6.2 Register

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

7 Quotation of Target Shares

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

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

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



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

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (1) agrees to the transfer of their Target Shares together with all rights and entitlements attaching to those Target Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Target Shares; and
 - (4) acknowledges and agrees that this Scheme binds the Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to the Target and the Bidder on the Implementation Date, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder on the Implementation Date, that all their Target Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Target Shares to the Bidder together with any rights and entitlements attaching to those shares. The Target undertakes that it will provide such warranty to the Bidder as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

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



8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until the Target registers the Bidder or, if applicable, its Nominees, as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

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

8.5 Authority given to Target

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

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

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

8.6 Binding effect of Scheme

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

9 General

9.1 Stamp duty

The Bidder will, and the Guarantors must procure that the Bidder does:

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

9.2 Consent

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

9.3 Notices

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

9.4 Governing law

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

9.5 Further action

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

9.6 No liability when acting in good faith

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

Attachment 2 Deed Poll



HERBERT
SMITH
FREEHILLS

Deed

Deed poll

SR Residential Pty Ltd

Simonds Family Office Pty Ltd

Roche Holdings Pty Ltd



Deed poll

Date ►

This deed poll is made

By

SR Residential Pty Ltd

ACN 614 474 949 of Level 3, 51 Stephenson Street, Cremorne VIC 3121

(Bidder)

Simonds Family Office Pty Ltd

ACN 602 022 140 of Level 5, 570 St Kilda Road, Melbourne VIC 3004

(SFO)

Roche Holdings Pty Ltd

ACN 007 046 040 of Level 3, 51 Stephenson Street, Cremorne VIC 3121

(Roche)

in favour of

each person registered as a holder of fully paid ordinary shares in Simonds Group Limited ACN 143 841 801 (**Target**) in the Target Share Register as at the Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 The Target, the Bidder, SFO and Roche entered into the Implementation Agreement.
- 2 In the Implementation Agreement, each Guarantor and the Bidder agreed to make this deed poll.
- 3 The Guarantors and the Bidder are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Agreement and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

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

Term	Meaning
First Court Date	the first day of the hearing of an application made to the Court for an order pursuant to subsection 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, the first day of the adjourned hearing.
Implementation Agreement	the scheme implementation agreement entered into between the Target, the Bidder, SFO and Roche dated 30 August 2016.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, the form of which is set out in Attachment 1 to the Implementation Agreement, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by the Bidder and the Target.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 1.2 and 1.3 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Each Guarantor and the Bidder acknowledge that:

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

2 Conditions to obligations

2.1 Conditions

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

2.2 Termination

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

- (a) the Implementation Agreement is terminated in accordance with its terms; or
 - (b) the Scheme is not Effective on or before the End Date,
- unless the Guarantors, the Bidder and the Target otherwise agree in writing.

2.3 Consequences of termination

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

- (a) each Guarantor and the Bidder are released from their obligations to further perform this deed poll, except those obligations under clause 7.1; and
- (b) each Scheme Shareholder retains the rights they have against the Guarantors and the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme Consideration

Subject to clause 2, the Bidder undertakes, and the Guarantors undertake to procure the Bidder, in favour of each Scheme Shareholder to:

- (a) deposit, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account operated by the Target as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Bidder's account; and
 - (b) undertake all other actions attributed to it under the Scheme,
- subject to and in accordance with the terms of the Scheme.

4 Warranties

Each of the Guarantors and the Bidder represent and warrant in favour of each Scheme Shareholder, in respect of itself, that:

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

5 Continuing obligations

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

- (a) each Guarantor and the Bidder have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

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

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

Attention

Mr James Roche

Copy to: Mr Piers O'Brien

Address

Level 3, 51 Stephenson Street, Cremorne VIC 3121

Copy to: Level 5, 570 St Kilda Road, Melbourne VIC 3004

Email address

c/- smorrissy@claytonutz.com

Copy to: pobrien@simondsfamily.com.au



6.2 How Notice must be given and when Notice is received

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

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

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

6.3 Notice must not be given by electronic communication

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

7 General

7.1 Stamp duty

The Guarantors and the Bidder:

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

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Victoria, Australia.
- (b) Each Guarantor and the Bidder irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Each Guarantor and the Bidder irrevocably waive any objection to the



venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

- (a) Each Guarantor and the Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) The meanings of the terms used in this clause 7.3 are set out below.

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

7.4 Variation

A provision of this deed poll may not be varied unless the variation is agreed by each Guarantor and the Bidder and:

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

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

7.5 Cumulative rights

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

7.6 Assignment

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

7.7 Joint and several obligations

The obligations of each Guarantor under this deed poll are joint and several.



7.8 Further action

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



Signing page

Executed as a deed poll

Bidder

Signed sealed and delivered by
SR Residential Pty Ltd
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____

Guarantor

Signed sealed and delivered by
Simonds Family Office Pty Ltd
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____

Guarantor

Signed sealed and delivered by
Roche Holdings Pty Ltd
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____