



ASX ANNOUNCEMENT

PROPOSED SCHEME OF ARRANGEMENT

1 July 2016

The independent directors of PAYCE Consolidated Limited (ASX:PAY) (**PCL**) (being Chris Gabriel and Roger Short) (**Independent Directors**) are pleased to announce that PCL has entered into a Scheme Implementation Deed with Bellawest Pty Limited (an entity associated with Brian Boyd) (**Bellawest**) and Lanox Pty Limited (**Lanox**). Pursuant to that deed, Bellawest proposes to acquire all of the ordinary shares in PCL other than those held by Lanox and Bellawest (**Non-Participating Shareholders**). This transaction (**Proposed Transaction**) is to be effected by way of a Court approved scheme of arrangement (**Scheme**).

If the Scheme is implemented, ordinary shareholders other than Non-Participating Shareholders (**Scheme Shareholders**) will be entitled to receive, for each ordinary share in PCL (**PCL Share**) held on the record date:

- \$12.60 (**Cash Consideration**); or
- one unsecured note issued by Bellawest with a face value of \$12.60 per note, 2 year maturity and attaching coupon of 6.5% per annum (**Note**).

Scheme Shareholders can elect to receive any combination of cash and Notes by completing the election form that will accompany the Scheme Booklet to be issued to Scheme Shareholders. Scheme Shareholders who do not make a valid election of their preferred consideration and Ineligible Foreign Shareholders (as defined in the Scheme Implementation Deed) will by default receive Cash Consideration.

The Scheme consideration implies a market capitalisation of PCL of approximately \$250 million. The Cash Consideration of \$12.60 per PCL Share represents:

- a premium of 80% to the 1 month volume weighted average price (**VWAP**) of PCL shares to 30 June 2016;
- a premium of 80% to the 3 month VWAP of PCL shares to 30 June 2016; and
- a premium of 80% to the 6 month VWAP of PCL shares to 30 June 2016.

The independent directors of PCL unanimously recommend that Scheme Shareholders vote in favour of the Scheme:

- in the absence of a superior proposal; and
- subject to the independent expert concluding that the Scheme is fair and reasonable and in the best interests of Scheme Shareholders.

The Bidder will not be offering to acquire any of the preference shares on issue pursuant to the Scheme. The Independent Directors made a formal request to Bellawest to put a proposal to preference shareholders alongside or as part of the Scheme. Bellawest confirmed that it does not presently intend to put a proposal to preference shareholders alongside or as part of the Scheme and that post successful implementation of the Scheme, Bellawest will consider calling a meeting of preference shareholders to discuss options with those holders.

Scheme Implementation Deed

The form of the Scheme Implementation Deed which contains full details of the Proposed Transaction, including the conditions precedent for the Scheme to become effective and the applicable exclusivity provisions, is attached to this announcement. By way of summary, the Scheme is subject to certain conditions precedent including, amongst other things:

- Scheme Shareholders (other than bidder associates) approving the Scheme at a general meeting of shareholders by the requisite majorities;
- receipt of all required regulatory and court approvals;
- the Independent Expert concluding that the Scheme is both fair and reasonable, and is in the best interests of Scheme Shareholders;
- no prescribed occurrences; and
- the financial assistance resolution (described in further detail below) being approved.

Payce Finance Pty Limited (a wholly owned subsidiary of PCL) and Bellawest propose to enter into a loan agreement pursuant to which Payce Finance Pty Limited will, subject to shareholder approval, provide financial assistance to Bellawest, to finance Bellawest's acquisition of PCL Shares pursuant to the Scheme.

The Scheme Implementation Deed contains a customary exclusivity regime including no-shop and no-talk provisions.

In considering the Scheme, shareholders should be aware that there are a number of risk factors, both general and specific, associated with the Scheme. These risks will be set out in full detail in the Scheme Booklet, expected to be provided to shareholders in September 2016. Shareholders should read the Scheme Booklet carefully and seek appropriate advice before making a decision in respect of the Proposed Transaction.

The independent directors have commissioned Grant Thornton as the Independent Expert to provide a report as to whether the Scheme is fair and reasonable and in the best interests of Scheme Shareholders. The report will be included in the Scheme Booklet.

Indicative Timetable

An indicative timetable for the Scheme is set out below:

Event	Target date
First Court Hearing	31 August 2016
Mailing of Scheme Booklet	5 September 2016
Scheme Meeting	4 October 2016
Second Court Hearing	7 October 2016
Implementation Date	28 October 2016

Further Information

For all Media Enquiries, please contact Mark Sutton on 0407 918 836

Scheme Implementation Deed

Payce Consolidated Limited

Bellawest Pty Limited

Lanox Pty Limited



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DETAILS

Date:

Parties

(1) Payce Consolidated Limited (Target)

ACN 001 566 310
Address Level 37, The Chifley Tower
2 Chifley Square
Sydney NSW 2000

(2) Bellawest Pty Limited (Bidder)

ACN 612 757 829
Address 84 Cawarra Road
Caringbah NSW 2229

(3) Lanox Pty Limited (Guarantor)

ACN 077 164 884
Address 84 Cawarra Road
Caringbah NSW 2229

Recitals

- A. Target has agreed to propose a scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which Bidder will acquire all of the ordinary shares in the Target other than those held by the Guarantor and the Bidder. Bidder will not be acquiring any Preference Shares pursuant to the Scheme.
- B. Bidder will be issuing Notes (as defined below) pursuant to the Scheme.
- C. The parties have agreed to implement the scheme of arrangement on the terms of this deed.
- D. The Guarantor has agreed to guarantee the obligations of the Bidder under this deed.

Operative Parts

1. Defined terms and interpretation

1.1 Defined terms

The following definitions apply unless the context requires otherwise.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

Bidder Associate means the Guarantor, Ruz Pty Ltd (ACN 109 273 305) (**Ruz**) and any other Target Shareholder which is a member of the Bidder Group or which holds a Target Share on behalf of or for the benefit of the Bidder or a member of the Bidder Group, the Guarantor or Ruz.

Bidder Group means the Bidder and each of its Related Bodies Corporate but excluding any member of the Target Group.

Bidder Indemnified Parties means each member of the Bidder Group and each of their directors, officers and employees.

Bidder Information means information regarding the Bidder Group provided by the Bidder to the Target in writing for inclusion in the Scheme Booklet, including information regarding the arrangements the Bidder has in place to fund the Scheme Consideration and the Bidder's intentions with respect to the assets, business and employees of the Target if the Scheme is implemented.

Bidder Representations and Warranties means the representations and warranties of the Bidder set out in Schedule 1.

Business Day means a business day as defined in the Listing Rules.

Competing Proposal has the meaning set out in clause 8.1(a).

Condition Precedent means each of the conditions set out in clause 3.1.

Controller has the meaning it has in the Corporations Act.

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

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

Court means the Federal Court of Australia such other court of competent jurisdiction under the Corporations Act agreed to in writing by the Target and the Bidder.

Deed Poll means a deed poll substantially in the form of Attachment 3 under which the Bidder covenants in favour of the Scheme Shareholders to perform certain obligations attributed to it under the Scheme,.

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

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

End Date means 31 December 2016, or such other date as agreed in writing between the Bidder and the Target.

Excluded Shareholder means the Bidder and any Bidder Associate.

Exclusivity Period means the period from and including the date of this deed to the earlier of:

- (a) the termination of this deed under clause 3.4 or 11; and
- (b) the End Date.

Election Form has the meaning set out in clause 4.3(c).

Election Time means means 5pm on the date which is 9 Business Days after the Effective Date or such other time as agreed between the Bidder and Target in writing.

Financial Assistance means the Financing Subsidiary providing financial assistance to the Bidder to acquire the Scheme Shares pursuant to the Loan Agreement.

Financial Assistance Resolution means a resolution of the Target to approve of the Financial Assistance.

Financing Subsidiary means Payce Finance Pty Ltd (ACN 000 378 861) a wholly owned subsidiary of Target.

Financing Subsidiary Assistance Resolution means approval of the Financial Assistance by the Financing Subsidiary in accordance with section 260B(1) of the Corporations Act.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

Government Agency includes:

- (a) ASX, ASIC, the Australian Competition and Consumer Commission;
- (b) any regulatory organisation established under statute; and
- (c) 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.

Implementation Date means the ninth Business Day after the Scheme Record Date or such other day as the parties agree.

Independent Directors means the Target Board other than Brian Boyd.

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

Independent Expert's Report means the report to be issued by the Independent Expert in connection with the Scheme.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Share Register is a place outside Australia and its external territories or New Zealand unless the Bidder determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with Notes when the Scheme becomes Effective.

Insolvent means a person is insolvent if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; or

- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this deed); or
- (d) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (e) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act; or
- (f) it is otherwise unable to pay its debts when they fall due; or
- (g) something having a substantially similar effect to (a) to (f) happens in connection with that person under the law of any jurisdiction.

Listing Rules means the official listing rules of the ASX.

Loan Agreement means the loan agreement in respect of an unsecured loan from Financing Subsidiary to the Bidder in an amount nominated by the Bidder to Financing Subsidiary in writing two Business Days before the Implementation Date being an amount calculated by reference to the cash required to pay Scheme Shareholders who have elected cash consideration under the Scheme up to a maximum amount of \$120,000,000, repayable by the Bidder no later than three years from the date of drawdown, with interest payable quarterly in arrears at an interest rate of 6%, such loan agreement to be entered into within four weeks after the date of this Deed.

Note means an unsecured note with a face value of \$12.60 to be issued by the Bidder pursuant to the Trust Deed between the Bidder and a trustee for holders of Notes substantially on the terms summarised in Attachment 4 to be entered within four weeks after the date of this Deed and in accordance with the Election Forms, the Scheme and the Deed Poll.

Preference Shares means the preference shares in the Target issued pursuant to the offer document dated 4 May 2015.

Prescribed Occurrence means the occurrence of any of the following:

- (a) the Target converting all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Target Group (other than a direct or indirect wholly owned subsidiary of the Target) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) any member of the Target Group (other than a direct or indirect wholly owned subsidiary of the Target):
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) a member of the Target Group (other than a direct or indirect wholly owned subsidiary of the Target) declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to

its members (other than a dividend required to be paid pursuant to the terms of the Preference Shares);

- (e) a member of the Target Group issuing securities, including without limitation shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than to the Target or to a direct or indirect wholly owned subsidiary of the Target;
- (f) a member of the Target Group issuing or agreeing to issue securities convertible into shares, other equity or any debt securities;
- (g) a member of the Target Group making any change to its constitution;
- (h) a member of the Target Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (i) a member of the Target Group granting or agreeing to grant, a security interest in the whole, or a substantial part, of its business or property;
- (j) a member of the Target Group resolving to be wound up;
- (k) a liquidator or provisional liquidator being appointed to a member of the Target Group;
- (l) a court making an order for the winding up of a member of the Target Group;
- (m) an administrator of a member of the Target Group, being appointed under the Corporations Act;
- (n) a member of the Target Group executing a deed of company arrangement;
- (o) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the Target Group,

other than:

- (p) where the occurrence was required to be done in order to implement the Scheme;
- (q) where the occurrence was approved by the Target Board, and Brian Boyd voted in favour of the matter in his capacity as a director of the Target Board;
- (r) where the occurrence was in the ordinary course of implementing a transaction that was approved by the Target Board and Brian Boyd voted in favour of implementing that transaction in his capacity as a director of the Target Board; or
- (s) with the prior written consent of the Bidder.

Public Authority means any Government Agency or any self-regulating organisation established under statute or any stock exchange.

Recipient has the meaning set out in clause 12.3(c).

Recommendation has the meaning set out in clause 5.4(a)(i).

Regulator's Draft means the draft of the Scheme Booklet in a form acceptable to the Target which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

Regulatory Review Period means the period from the date on which the Regulators Draft is submitted to ASIC to the date on which ASIC confirms that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.

Related Bodies Corporate has the meaning set out in the Corporations Act.

Relevant Interest has the meaning set out in the Corporations Act.

Representative means in respect of a party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate.

RG 60 means Regulatory Guide 60 issued by ASIC in September 2011 relating to schemes of arrangement, the application of section 411(17) of the Corporations Act and ASIC review of schemes of arrangement.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, substantially in the form attached as Attachment 2, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by the Bidder and the Target.

Scheme Booklet means the information described in clause 5.1(a) to be approved by the Court and despatched to the Target Shareholders and which must include the Scheme, an explanatory statement (complying with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules), an independent expert's report, notices of meeting and proxy form.

Scheme Consideration means the consideration to be provided by the Bidder to Scheme Shareholders and/or to the Target on behalf of Scheme Shareholders for the transfer to the Bidder of each Scheme Share.

Scheme Meeting means the meeting of Target Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act at which Target Shareholders will vote on the Scheme.

Scheme Record Date means 5.00pm on the fifth Business Day after the Effective Date or such other date as agreed in writing by the Target and the Bidder.

Scheme Share means a Target Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholders means Target Shareholders (other than the Guarantor and the Bidder) as at the Scheme Record Date.

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

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

Subsidiary has the meaning set out in the Corporations Act.

Superior Proposal means a bona fide proposal under which a Third Party may acquire control of the Target which is received by the Target, and the Independent Directors, acting in good faith and having regard to the conditions and circumstances of the proposal, including whether it is supported by the Excluded Shareholders, determine that proposal is more favourable to Target Shareholders than the Scheme.

Target Board means the board of directors of the Target.

Target Group means the Target and each of its Subsidiaries.

Target Indemnified Parties means each member of the Target Group and their respective directors, officers and employees.

Target Information means the contents of the Scheme Booklet other than the Bidder Information and the Independent Expert's Report.

Target Registry means Boardroom Pty Limited of Grosvenor Place, Level 12, 225 George Street Sydney.

Target Representations and Warranties means the representations and warranties of the Target set out in Schedule 2.

Target Share means a fully paid ordinary share of the Target.

Target Shareholder means each person who is registered in the Share Register as the holder of Target Shares.

Target Transaction Costs means \$350,000 (exclusive of any GST).

Third Party a person other than the Bidder and its Associates.

Timetable means the indicative timetable for the implementation of the Transaction set out in Attachment 1.

Transaction means the acquisition of the Target by Bidder through implementation of the Scheme in accordance with the terms of this deed.

Ultimate Approval means the approval by the ultimate holding company of Target immediately after the acquisition by Bidder funded by the Financial Assistance.

Voting Intention has the meaning set out in clause 5.4(a)(ii).

1.2 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending,

consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

- (g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word "includes" in any form is not a word of limitation;
- (i) a reference to "\$", "A" or "dollar" is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to the time in Sydney, New South Wales;
- (k) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (m) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed; and
- (n) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

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.

1.4 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2. Agreement to propose the Scheme

- (a) The Target agrees to propose the Scheme on and subject to the terms of this deed.
- (b) The Bidder agrees with the Target to assist the Target to propose the Scheme on and subject to the terms of this deed.
- (c) The parties agree to implement the Transaction on the terms and conditions of this deed.

3. Conditions precedent and pre-implementation steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of the Bidder under clause 4.3 will not become binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in clause 3.3:

- (a) **Regulatory Approvals:** before 5:00pm on the Business Day before the Second Court Date:
 - (i) **ASIC and ASX:** ASIC and ASX have issued or provided such consents or approvals or have done such other acts which the parties agree in writing are reasonably necessary or desirable to implement the Transaction.
 - (ii) **Government Agency:** all other approvals of a Government Agency which the Bidder and the Target agree in writing are necessary or desirable to implement the transaction are obtained.
- (b) **Shareholder approval:** Target Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.
- (c) **Financial assistance:** the Financial Assistance is approved in accordance with section 260B of the Corporations Act.
- (d) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (e) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other legal restraint or prohibition preventing the Transaction is in effect, and no steps have been taken by any Court or Government Agency to effect any of the above, in each case as at 8.00am on the Second Court Date.
- (f) **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is both fair and reasonable, and is in the best interests of Target Shareholders (other than the Guarantor and the Bidder) before the date on which the Scheme Booklet is lodged with ASIC (and the Independent Expert does not withdraw or adversely change that conclusion prior to 8.00am on the Second Court Date).
- (g) **No Prescribed Occurrence:** no Prescribed Occurrence occurs between the date of this deed and 8:00am Sydney time on the Second Court Hearing Date.

3.2 Reasonable endeavours

Each party must use its reasonable endeavours to procure that:

- (a) each of the conditions precedent in clause 3.1 is satisfied as soon as possible after the date of this deed, and continue to be satisfied at all times until the last time they are to be satisfied (as the case may be); and
- (b) there is no occurrence within the control of the Target or the Bidder (as the context requires) that would prevent any of the conditions precedent in clause 3.1, which such party must use reasonable endeavours to satisfy, being satisfied.

3.3 Waiver of conditions precedent

The conditions precedent in:

- (a) clauses 3.1(a), 3.1(e) and 3.1(f) are for the benefit of all parties and can only be waived by all parties;
- (b) clause 3.1(g) is for the benefit of the Bidder and can only be waived by the Bidder;

- (c) clauses 3.1(b), 3.1(c) and 3.1(d) cannot be waived.

3.4 Termination on failure of condition precedent

- (a) If any event occurs which would prevent any of the conditions precedent in clause 3.1 being satisfied, or there is an occurrence that will prevent any of the conditions precedent being satisfied by the time and date specified in this deed for its satisfaction or if the Scheme has not become Effective by the End Date the parties must consult in good faith to:
- (i) consider and if agreed determine whether the Transaction may proceed by way of alternative means or methods;
 - (ii) consider and if agreed 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 to in writing by the Bidder and the Target (being a date no later than 5 Business Days before the End Date); or
 - (iii) consider and if agreed extend the relevant date or End Date.
- (b) Subject to clause 3.4(d), if the parties are unable to reach agreement under clause 3.4(a) within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that condition precedent has been waived as provided in clause 3.3, then either party may terminate this deed by notice in writing to the other party without any liability to the other party because of that termination, unless the relevant occurrence or the failure of the condition precedent to be satisfied, or the failure of the Scheme to become Effective, arises as a direct result of a breach of clauses 3.2 or 3.5 in which case the party in breach will not be entitled to so terminate (for the avoidance of doubt, in such circumstances, the party which is not the party in breach of clauses 3.2 or 3.5 is entitled to terminate this deed).
- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clause 11), on termination of this deed, no party shall have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued prior to termination.
- (d) If the condition precedent set out in clause 3.1(b) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable, in which case the other party may not terminate this deed until such time as the Court has made a determination not to grant such approval.

3.5 Certain notices

- (a) If, before the time specified for satisfaction of a condition precedent, an event that will prevent that condition precedent being satisfied occurs, the party with knowledge of that event must promptly give the other party written notice of that event.
- (b) The Target and the Bidder (as the case may be) must promptly advise each other orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:

- (i) a breach or non-fulfilment of any of the conditions precedent; or
 - (ii) a material breach of this deed by a relevant party.
 - (c) The Target and the Bidder (as the case may be) must promptly notify the other of satisfaction of a condition precedent.
-

4. Transaction steps

4.1 Scheme

Subject to clause 3.1, on the Implementation Date all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration in accordance with the terms of the Scheme.

4.2 No amendment to the Scheme without consent

The Target must not consent to any modification of, or amendment to, or the making or imposition by a court of any condition in respect of, the Scheme without the prior written consent of the Bidder.

4.3 Scheme Consideration

- (a) Each Scheme Shareholder is entitled to receive the Scheme Consideration of \$12.60 per Scheme Share held by that Scheme Shareholder, in accordance with the terms of this deed, the Scheme and the Deed Poll.
- (b) Scheme Shareholders (other than Ineligible Foreign Shareholders) will be entitled to elect to receive the Scheme Consideration in cash, Notes or a combination of cash and Notes in accordance with the election process outlined in the Scheme.
- (c) The Target must ensure that the Scheme Booklet is accompanied by a form of election (**Election Form**) in a form agreed between the parties under which each Scheme Shareholder (other than Ineligible Foreign Shareholders) is requested to elect to receive cash, Notes or a combination of cash and Notes in respect of all of their Target Shares, including that if no election is made the Scheme Shareholder will be taken to have elected to receive cash only.
- (d) In order to facilitate the provision of the Scheme Consideration, the Target must provide to the Bidder:
 - (i) written updates of the elections that have been received in the period up to the Election Time; and
 - (ii) written details of the final elections made by each Scheme Shareholder, within one Business Day after the Election Time.

4.4 Deed Poll

The Bidder and the Guarantor covenant in favour of the Target (in its own right and separately as trustee for each Target Shareholder) to:

- (a) execute and deliver the Deed Poll prior to the First Court Date; and
- (b) to perform their obligations under the Deed Poll subject to its terms.

4.5 Ineligible Foreign Shareholders

Ineligible Foreign Shareholders will only be entitled to elect to receive their Scheme Consideration in cash.

5. Implementation

5.1 Target's obligations

The Target must take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step, including doing any acts it is authorised and able to do, on behalf of the Target Shareholders, and must do each of the following:

- (a) **preparation of Scheme Booklet:** subject to clause 5.1(r), prepare and despatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act (including section 260B), the Corporations Regulations, RG 60 and the Listing Rules;
- (b) **Independent Director's recommendation:** include in the Scheme Booklet and the public announcement contemplated by clause 7.1, a statement by the Independent Directors unanimously recommending that Target Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and the Financial Assistance Resolution on the terms set out in clause 5.4;
- (c) **section 411(17)(b) statement:** apply to ASIC for the production of:
 - (i) an indication of intent letter stating that ASIC does not intend to appear before the Court on the First Court Date; and
 - (ii) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (d) **Court direction:** apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;
- (e) **Registration of explanatory statement:** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (f) **ASIC lodgement:** lodge the Scheme Booklet with ASIC pursuant to section 260B(5) of the Corporations Act;
- (g) **Send Scheme Booklet:** send the Scheme Booklet to Target Shareholders as soon as practicable after the Court orders the Target to convene the Scheme Meeting;
- (h) **Scheme Meeting:** convene the Scheme Meeting to agree to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act and approve the Financial Assistance Resolution;
- (i) **Financing Subsidiary Assistance Resolution:** ensure that the Financing Subsidiary Assistance Resolution is passed no later than the date of the Scheme Meeting;

- (j) **Notify ASIC:** subject to the Ultimate Approval, notify ASIC pursuant to section 260B(6) that the Financial Assistance has been approved in accordance with the requirements of section 260B of the Corporations Act;
- (k) **Court documents:** consult with the Bidder in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from the Bidder and its Representatives on those documents;
- (l) **Court approval:** (subject to all conditions precedent in clause 3.1, other than the condition in clause 3.1(d) being satisfied or waived in accordance with this deed) apply to the Court for orders approving the Scheme as agreed to by the Target Shareholders (other than Excluded Shareholders) at the Scheme Meeting;
- (m) **Certificate:** at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the conditions precedent in clause 3.1, other than the condition in clause 3.1(d), have been satisfied or waived in accordance with this deed. A draft of that certificate must be provided by the Target to the Bidder by 4.00pm on the Business Day prior to the Second Court Date;
- (n) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme no later than 10.00am on the next Business Day after the order is made (or such later time as agreed in writing by the Bidder);
- (o) **Scheme Consideration:** close the Share Register as at the Scheme Record Date and determine entitlements to the Scheme Consideration in accordance with the Election Forms, the Scheme and the Deed Poll;
- (p) **Loan:** procure that the Financing Subsidiary provides the loan to the Bidder in accordance with the Loan Agreement;
- (q) **registration:** subject to the Bidder having issued the Scheme Consideration in accordance with the Election Forms, Scheme and Deed Poll, register all transfers of Target Shares held by Scheme Shareholders to the Bidder on the Implementation Date;
- (r) **consultation with the Bidder:** consult with the Bidder as to the content and presentation of the Scheme Booklet including:
 - (i) providing to the Bidder drafts of the Scheme Booklet for the purpose of enabling the Bidder to review and comment on those draft documents;
 - (ii) taking all comments made by the Bidder into account in good faith when producing a revised draft of the Scheme Booklet;
 - (iii) providing to the Bidder a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised;
 - (iv) implement such changes to those parts of the Scheme Booklet relating to the Bidder which are provided in accordance with clauses 5.1(r)(i) to 5.1(r)(iii) as reasonably requested by the Bidder and prior to finalising the Regulator's Draft; and

- (v) obtaining written approval from the Bidder for the form and content in which the Bidder Information appears in the Scheme Booklet, and the Target will not lodge the Scheme Booklet with ASIC until such approval is obtained from the Bidder;
- (s) **information:** provide all information, or procure that the Target Registry provides all information, in each case in a form reasonably requested by the Bidder, about the Scheme, the Scheme Shareholders, the Target Shareholders and the Share Register (including any sub register) to the Bidder and its Representatives which the Bidder reasonably requests in order to solicit votes at the Scheme Meeting and facilitate the provision of the Scheme Consideration;
- (t) **ASIC and ASX review:** during the Regulatory Review Period, promptly provide to the Bidder, and include in the Scheme Booklet, any new information not included in the Regulator's Draft which is required by the Corporations Act, Corporations Regulations, RG 60 or the Listing Rules to be included;
- (u) **Independent Expert:** promptly appoint the Independent Expert to be appointed in connection with the preparation of the Independent Expert's report, 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 (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates thereto);
- (v) **Provide a copy of the report:** subject to obtaining the consent of the Independent Expert, promptly provide the Bidder with a copy of any draft and final report received from the Independent Expert;
- (w) **compliance with laws:** do everything reasonably within its power to ensure that the tasks or obligations required to be performed by the Target in relation to the Transaction are effected in accordance with all laws and regulations applicable in relation to the Transaction; and
- (x) **Prescribed Occurrence:** ensure that no Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.

5.2 Bidder's obligations

The Bidder must take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure (including to commit necessary resources) that each step in the Timetable is met by the date set out beside that step (and consult with the Target on a regular basis about its progress in that regard), including doing each of the following:

- (a) **Bidder Information:** prepare and provide to the Target a draft of the Bidder Information for inclusion in the Scheme Booklet as required by all applicable Australian laws, and in particular by the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules;
- (b) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by the Target and provide comments (if any) as soon as practicable;
- (c) **Independent Expert's report:** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's report to be included in the Scheme Booklet;

- (d) **representation:** procure that the Guarantor and Bidder are represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which through their counsel, the Bidder and the Guarantor will undertake (if requested by the Court) to do all such things and take all such steps within their power as are necessary in order to ensure the fulfilment of their respective obligations under this deed and the Scheme (as applicable);
- (e) **Deed Poll:** by not later than the Business Day prior to the First Court Date, enter into the Deed Poll;
- (f) **accuracy of the Bidder Information:** ensure the Bidder Information in the Scheme Booklet is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (g) **further Bidder Information:** disclose to the Target such further or new Bidder Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the Bidder Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission);
- (h) **Ultimate Approval:** to procure the Ultimate Approval no later than the date of the Scheme Meeting;
- (i) **Share transfer:** if the Scheme becomes Effective accept a transfer of the Target Shares;
- (j) **compliance with laws:** do everything reasonably within its power to ensure that the tasks or obligations required to be performed by it in relation to the Transaction are effected in accordance with all laws and regulations applicable in relation to the Transaction; and
- (k) **Bidder Scheme Consideration:** if the Scheme becomes Effective and subject to the Target complying with clause 5.1(p), procure the provision of the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme.

5.3 Conduct of business

From the date of this deed up to and including the Implementation Date, the Target must conduct its business, and must cause each member of the Target Group to conduct their respective businesses, in the ordinary and proper course and make all reasonable efforts to:

- (a) keep available the services of their directors, officers and employees; and
- (b) maintain and preserve their relationships with customers, suppliers, Government Agencies, licensors, licensees and others having business dealings with any member of the Target Group.

5.4 Board recommendation

- (a) The Target represents and warrants to the Bidder that each Independent Director has confirmed (by way of a unanimous resolution of the Independent Directors) that:
 - (i) his recommendation in respect of the Scheme is that Target Shareholders (other than Excluded Shareholders) vote in favour of the

Scheme and all of the resolutions in the Scheme Booklet (**Recommendation**); and

- (ii) he intends to vote, or cause to be voted all Target Shares in which he has a Relevant Interest in favour of the Scheme and all of the resolutions in the Scheme Booklet (**Voting Intention**),

in each case in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (or any update or variation to that report) that the Scheme is fair and reasonable and in the best interests of Target Shareholders (other than the Guarantor and the Bidder).

- (b) The Target must use reasonable endeavours to procure that no Independent Director withdraws, changes or modifies his Recommendation, or his Voting Intention, unless:

- (i) a Superior Proposal is made; or
- (ii) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is either not fair, not reasonable, or not in the best interests of Target Shareholders (other than the Guarantor and the Bidder).

5.5 Responsibility statement

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) the Bidder is responsible for the Bidder Information contained in the Scheme Booklet; and
- (b) the Target is responsible for the Target Information contained in the Scheme Booklet.

6. Representations and warranties

6.1 Bidder's representations

The Bidder represents and warrants to the Target (in its own right and separately as trustee or nominee for each of the other Target Indemnified Parties) that each of the Bidder Representations and Warranties is true and correct.

6.2 Bidder's indemnity

The Bidder agrees with the Target (in its own right and separately as trustee or nominee for each of the other Target Indemnified Parties) to indemnify the Target Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Target or any of the other Target Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Bidder Representations and Warranties.

6.3 Target's representations

The Target represents and warrants to the Bidder (in its own right and separately as trustee or nominee for each of the other Bidder Indemnified Parties) that each of the Target Representations and Warranties is true and correct.

6.4 Target's indemnity

The Target agrees with the Bidder (in its own right and separately as trustee or nominee for each Bidder Indemnified Party) to indemnify the Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Target Representations and Warranties.

6.5 Survival of representations

Each representation and warranty referred to in clauses 6.1 and 6.3:

- (a) is severable; and
- (b) survives the termination of this deed.

6.6 Survival of indemnities

Each indemnity in this deed (including those in clauses 6.2 and 6.4):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

6.7 Timing of warranties

Each representation and warranty made or given under clauses 6.1 and 6.3 is given:

- (a) at the date of this deed and again at 8.00am on the Second Court Date; or
- (b) where expressed to be given at a particular time, at that time.

7. Public announcements and Confidentiality

7.1 Announcement of transaction

Immediately after the execution of this deed, the parties must issue public announcements in a form previously agreed to in writing between them.

7.2 No announcement or other disclosure of transaction

Except as permitted by clause 7.1 or 7.3, the parties must keep confidential, and must procure that each of their respective Representatives keeps confidential, all negotiations between the parties in relation to the subject matter of this deed and all other information given to it under, or in connection with, this deed or the Scheme.

7.3 Permitted disclosure

Clause 7.2 does not prevent a person from disclosing matters referred to therein:

- (a) if disclosure is required to be made by applicable law, by a Public Authority or by the Listing Rules and the party whose obligation it is to keep matters confidential or procure that those matters are kept confidential:

- (i) has not through any voluntary act or omission (other than the execution of this deed and the performance by the parties of their obligations under it) caused the disclosure obligation to arise; and
- (ii) has before disclosure is made notified each other party of the requirement to disclose and, where the relevant law or rules permit and where practicable to do so, given each other party a reasonable opportunity to comment on the requirement for and proposed content of the proposed disclosure;
- (b) if disclosure is made by way of a written announcement the terms of which have been agreed in writing by the parties prior to the making of the announcement of the Scheme;
- (c) if disclosure is reasonably required to enable a party to perform its obligations or enforce its rights under this deed;
- (d) under corresponding obligations of confidence as imposed by this clause, to a Related Body Corporate of the party, and the officers and employees of such persons to the extent the person considers that the disclosure is necessary or desirable for the purposes of the Scheme and disclosure is only made to that extent;
- (e) to any professional adviser of a party who has been retained to advise in relation to the Scheme or to the auditor of a party;
- (f) with the prior written approval of each party other than the party whose obligation it is to keep those matters confidential or procure that those matters are kept confidential; or
- (g) where the matter has come into the public domain or the lawful possession of the party otherwise than as a result of a breach by the party of this deed.

7.4 **Survival of obligations**

The rights and obligations of the parties under this clause 7 survive termination of this deed.

8. **Exclusivity**

8.1 **No-shop**

During the Exclusivity Period, Target must not, and must ensure that its Representatives do not:

- (a) directly or indirectly solicit, initiate or invite enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a proposal under which a Third Party may acquire control of the Target (**Competing Proposal**); or
- (b) communicate to any person any intention to do any of the things referred to in clause 8.1(a).

8.2 **No-talk**

- (a) Subject always to clause 8.2(b), during the Exclusivity Period, Target must not, and must ensure that its Representatives do not:

- (i) directly or indirectly participate in any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Competing Proposal;
 - (ii) disclose any non-public information about the business or affairs of the Target to a Third Party with a view to obtaining or which may reasonably be expected to lead to receipt of a Competing Proposal, other than in the ordinary course of business or as required by law; or
 - (iii) communicate to any person any intention to do any of the things referred to in clauses 8.2(a)(i) or 8.2(a)(ii).
- (b) In respect of a bona fide Competing Proposal that is or may be received by, or become known to, the Target without any breach by the Target of its obligations under clause 8.2(a), the Target may undertake any action (prohibited action) that would otherwise be prohibited by clause 8.2(a) if (and only to the extent that) the Target Board determines, acting in good faith and after obtaining legal advice, that not undertaking the prohibited action, or undertaking the required action, would be likely to result in a breach by any Target Director of his fiduciary or statutory duties.

9. Reimbursement of costs

9.1 Background

This clause 9 has been agreed to in circumstances where:

- (a) the parties believe the implementation of the Scheme will provide significant benefits to the Bidder, the Target and their respective shareholders, and the parties acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, the Target will incur significant costs;
- (b) each party requested provision be made for the payments outlined in this clause 9, without which the Target would not have entered into this deed;
- (c) each of the parties believe that it is reasonable and appropriate for both parties to agree to the payments referred to in this clause 9 to secure the Target's entry into this deed and the benefits to Target Shareholders from participation in the Transaction; and
- (d) each of the parties have received legal advice in relation to this deed and the operation of this clause 9.

9.2 Payment of Target Transaction Costs by the Bidder

- (a) Subject to clause 9.4 and subject to the Target complying with its obligations under this deed, the Bidder must pay the Target Transaction Costs to the Target, without set-off or withholding, if for any reason the Scheme does not become Effective on or before the End Date.
- (b) If the Target Transaction Costs are payable by the Bidder to the Target, then the Bidder must pay the Target Transaction Costs to the Target within 10 Business Days after the date of receiving a written demand from the Target.

9.3 Nature of payments

The amount payable by the Bidder to the Target under clause 9.2 is an amount to compensate the Bidder for advisory costs (including costs of advisers other than success fees) and out-of-pocket expenses.

9.4 **Compliance with law**

- (a) This clause 9 does not impose an obligation on the Bidder to pay the Target Transaction Costs to the extent that the obligation to pay the Target Transaction Costs (as the case may be):
 - (i) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (ii) is held by a court to be unlawful; or
 - (iii) involves a breach of directors duties.
- (b) The parties must not make, cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 9.4(a).

10. **Guarantee**

10.1 **Consideration and solvency**

The Guarantor represents and warrants to the Target that:

- (a) it has received valuable consideration for entering into this deed;
- (b) it considers that it will benefit commercially by entering into this deed; and
- (c) there are no reasonable grounds to suspect that, after entering into this deed, it will be unable to pay its debts as and when they fall due.

10.2 **Obligations guaranteed**

The Guarantor unconditionally and irrevocably guarantees to the Target, on demand, the due and punctual performance of each of the Bidder's obligations under this deed, including without limitation the obligation of the Bidder to pay the Target Transaction Costs pursuant to clause 9.2 ("Payment of Target Transaction Costs by the Bidder")

10.3 **Preservation of Guarantor's obligations**

The Guarantor's obligations in this deed are absolute, unconditional and irrevocable. The liability of the Guarantor under this deed extends to and is not affected by any circumstance, act or omission which, but for this subclause, might otherwise affect it at law or in equity and the Guarantor irrevocably waives any right it may have to claim that its liability has been so affected.

10.4 **Continuity**

This guarantee is a continuing security, and remains in full force until the all obligations of the Bidder under this deed have been irrevocably performed in full despite any transaction or other thing, including a settlement of account or intervening payment.

11. Termination

11.1 Termination

- (a) Without prejudice to any other rights of termination under this deed, either the Bidder or the Target party may terminate this deed by written notice to the other party:
- (i) at any time before 8.00am on the Second Court Date if the other party has materially breached any provision of this deed, the party wishing to terminate has given written notice to the other party in a timely manner setting out the relevant circumstances and stating an intention to terminate this deed, and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) after the date on which the notice is given;
 - (ii) in the circumstances set out in, and in accordance with, clause 3.4;
 - (iii) at any time before 8.00am on the Second Court Date if the other party or any of their Related Bodies Corporate is or becomes Insolvent; or
 - (iv) the Independent Directors or a majority of the Independent Directors have withdrawn or adversely changed or modified their recommendation of the Transaction;
- (b) The Bidder may terminate this deed by written notice to the Target if at any time before 8.00am on the Second Court Date a Prescribed Occurrence occurs, is announced or otherwise becomes apparent to the Bidder.

11.2 Effect of termination

If this deed is terminated by either party under clauses 3.4(b) or 11.1, except to the extent that the termination results from a breach by either party of its obligations under this deed, this deed will become void and have no further force or effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this clause 11 and of clauses 6.5 to 6.7, 7, 9, 12, 13.2, 13.4 and 13.5, which will remain in force after termination.

11.3 Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised only if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating the deed.

11.4 Terminable in writing

This deed is terminable if agreed to in writing by the Target and the Bidder.

12. Duty, costs, expenses and GST

12.1 Stamp duty

The Bidder must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme.

12.2 **Costs and expenses**

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

12.3 **GST**

- (a) Any term starting with a capital letter in this clause 12.3 that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).
- (b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.
- (c) To the extent that any supply made by a party to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay, in addition to the consideration to be provided under this deed for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration multiplied by the rate at which GST is imposed in respect of the supply.
- (d) The amount of GST payable in accordance with this clause 12.3 will be payable at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

13. **General**

13.1 **No representation or reliance**

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this deed, except for representations, warranties or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges that it has performed its own searches, enquiries, investigations and evaluations prior to entering into this deed and has formed its own views on the Transaction, with no targets, projections, forecasts or other forward looking statements having been relied on by that party.
- (c) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation, warranty or other inducement by or on behalf of any other party, except for any representation, warranty or inducement expressly set out in this deed.

13.2 **No merger**

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

13.3 **Consents**

Any consent referred to in, or required under, this deed from any party may be given in that party's absolute discretion (even if unreasonably withheld), unless this deed expressly provides for that consent to not be unreasonably withheld.

13.4 Notices

A notice or other communication including, but not limited to, a request, demand, consent or approval, to or by a party to this deed:

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

Party	Address	Addressee
Target	Level 37, Chifley Plaza, 2 Chifley Square, Sydney 2000	Brian Bailison
Bidder or Guarantor	c/- Danny Simmons of Pistilli Simmons by email (ds@pistillisimmons.com)	Brian Boyd

or as specified to the sender by the other party by notice;

- (c) must be signed by the party making the communication or by a person duly authorised by that party; and
- (d) is regarded as received by the addressee if delivered by hand, on delivery at the address of the addressee as provided in clause 13.4(b), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

13.5 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales, Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

13.6 Waivers

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

13.7 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

13.8 Assignment

A party may not assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the other party.

13.9 Acknowledgement

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of any provision of this deed and that:

- (a) the Bidder is entitled to seek and obtain without limitation injunctive relief if the Target breaches any provision of this deed; and
- (b) the Target is entitled to seek and obtain without limitation injunctive relief if the Bidder breaches any provision of this deed.

13.10 No third party beneficiary

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed, express or implied, is intended to or shall confer on any other person, other than the Bidder Indemnified Parties and the Target Indemnified Parties, to the extent set forth in clause 6, any third party beneficiary rights.

13.11 Further action

Each party will do all things and execute all further documents required by law or reasonably requested by the other party to give full effect to this deed.

13.12 Entire agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire agreement between the parties.

13.13 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

Schedule 1 – Bidder Representations and Warranties

The Bidder represents and warrants to the Target (in its own right and separately as trustee or nominee for each of the other Target Indemnified Parties) that:

- (a) **Bidder Information:** the Bidder Information contained in the Scheme Booklet:
 - (i) will be prepared and included in the Scheme Booklet in good faith; and
 - (ii) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, listing rules and relevant ASIC regulatory guides;
- (b) **Information provided to the Independent Expert:** all information provided by it to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purposes of preparing its report for inclusion in the Scheme Booklet;
- (c) **Scheme Booklet:** the Bidder Information provided for inclusion in the Scheme Booklet (other than any information regarding the Target Group contained in, or used in the preparation of, the Bidder Information), as at the date of the Scheme Booklet, will not contain any statement which is materially misleading or deceptive including by way of omission from that statement;
- (d) **Validly existing:** each of the Bidder and the Guarantor are a validly existing corporation registered under the laws of its place of incorporation;
- (e) **Authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of the Bidder and the Guarantor;
- (f) **Power:** each of the Bidder and the Guarantor has full corporate power and lawful authority to execute, deliver and perform this deed;
- (g) **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this deed constitutes legal, valid and binding obligations on the Bidder and the Guarantor;
- (h) **No default:** this deed does not conflict with or result in the breach of or a default under any provision of the Bidder's constitution, the Guarantor's constitution, or any writ, order or injunction, judgement, law rule or regulation to which the Bidder or the Guarantor is party or subject to or by which it is bound; and
- (i) **Scheme Consideration:** on the Implementation Date it will have available to it sufficient cash amounts (from the Loan and its internal cash resources) to satisfy its obligation to pay the Scheme Consideration in accordance with the Scheme and the Deed Poll.

Schedule 2 – Target Representations and Warranties

The Target represents and warrants to the Bidder (in its own right and separately as trustee or nominee for each of the other Bidder Indemnified Parties) that:

- (a) **Scheme Booklet:** the Scheme Booklet (other than the Bidder Information and the Independent Expert's Report):
 - (i) will be prepared in good faith; and
 - (ii) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, Listing Rules and relevant ASIC regulatory guides;
- (b) **Information provided to the Independent Expert:** all information provided by the Target to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing its report for inclusion in the Scheme Booklet;
- (c) **Scheme Booklet:** no information (other than the Bidder Information) contained in the Scheme Booklet as at the date of the Scheme Booklet, will contain any statement which is materially misleading or deceptive including by way of omission from that statement;
- (d) **Validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **Authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of the Target;
- (f) **Power:** the Target has full corporate power and lawful authority to execute and deliver this deed;
- (g) **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this deed constitutes legal, valid and binding obligations on it;
- (h) **Capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 3 and it has not issued or agreed to issue any other securities, options or instruments which are still outstanding or which may convert into Target Shares other than as set out in Schedule 3.

Schedule 3 – Target Capital Structure

- Ordinary shares on issue: 19,839,827
- Preference shares on issue: 9,905,398

Executed as a deed and delivered on the date shown on the first page.

Executed by Payce Consolidated Limited)
)
)

Signature of director

Signature of director / company secretary
(delete as applicable)

Name of director (print)

Name of director / company secretary (print)

Executed by Bellawest Pty Limited)
)
)

Signature of sole director and secretary

Name (print)

Executed by Lanox Pty Limited)
)
)

Signature of sole director and secretary

Name (print)

Attachment 1 – Indicative Timetable – elections etc, financial assistance

Event	Target date
Announcement	1 July 2016
Scheme Booklet complete and provided to ASIC	15 August 2016
First Court hearing	31 August 2016
Mailing of Scheme Booklet complete	5 September 2016
Scheme Meeting	4 October 2016
Lodge Financial Assistance notification with ASIC	5 October 2016
Second Court hearing	7 October 2016
Effective Date	10 October 2016
Record Date	17 October 2016
Election Date	21 October 2016
Implementation Date	28 October 2016

Attachment 2 – Scheme

Scheme of Arrangement

Payce Consolidated Limited

Scheme Shareholders



ADDISONS

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THIS SCHEME OF ARRANGEMENT is made under section 411 of the *Corporations Act 2001* (Cth)

Parties

(1) Payce Consolidated Limited (PCL)

ACN	001 566 310
Address	Level 37, Chifley Tower 2 Chifley Square Sydney NSW 2000

(2) Each person registered as a holder of fully paid ordinary shares in PCL as at the Record Date other than the Non Participating Shareholders (Scheme Shareholders)

Operative Parts

1. Defined terms and interpretation

1.1 Defined terms

The following definitions apply unless the context requires otherwise.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

Bidder means BellaWest Pty Limited ACN 612 757 829.

Bidder Group means the Bidder, the Bidder Guarantor and their Related Bodies Corporate and a reference to a “the Bidder Group Member” or a member of the “the Bidder Group” is to the Bidder, the Bidder Guarantor or any of its Related Bodies Corporate.

Bidder Guarantor means Lanox Pty Limited ACN 077 164 884.

Business Day means a business day as defined in the official listing rules of the ASX.

Cash Consideration means \$12.60 for each Scheme Share.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

Conditions Precedent means the conditions precedent contained in clause 3.1 of the Implementation Deed.

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

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the Bidder and PCL.

Deed Poll means the deed poll substantially in the form of Attachment 1 under which the Bidder covenants in favour of the Scheme Shareholders to perform certain obligations attributed to them under this Scheme.

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

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

Election means the election by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) to receive some or all of the Scheme Consideration to which they are entitled in the form of Notes in accordance with clause 5.2(a).

Election Form means an election form for the purposes of a Scheme Shareholder (other than an Ineligible Foreign Shareholder) making an Election.

Election Time means 5pm on the date which is 9 Business Days after the Effective Date or such other time as agreed between the Bidder and PCL in writing.

End Date means:

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

Government Agency means 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.

Implementation Deed means the scheme implementation deed dated 1 July 2016 between PCL, the Bidder and the Bidder Guarantor relating to the implementation of this Scheme.

Implementation Date means the ninth Business Day after the Record Date, or such other day as PCL and the Bidder agree in writing.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Share Register is a place outside Australia and its external territories or New Zealand unless the Bidder determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with Notes when the Scheme becomes Effective.

Non Participating Shareholder means the Bidder and the Bidder Guarantor.

Note means an unsecured note with a face value of \$12.60 the terms of which are set out in Annexure A, to be issued by the Bidder pursuant to the trust deed between the Bidder and a trustee for the holders of Notes.

Noteholder Register means a register of the holders of Notes maintained by the Bidder.

Note Consideration means one Note for each Scheme Share.

PCL Share means a fully paid ordinary share in PCL.

PCL Shareholder means a person who is registered as the holder of a PCL Share.

PCL Registry means Boardroom Pty Limited of Grosvenor Place Level 12, 225 George Street, Sydney.

Record Date means 5.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between PCL and the Bidder.

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

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between PCL and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by the Bidder and PCL.

Scheme Booklet means the scheme booklet published by PCL on [insert].

Scheme Consideration has the meaning given in clause 5.1(a).

Scheme Shares means all PCL Shares held by the Scheme Shareholders as at the Record Date.

Scheme Shareholder means a holder of PCL Shares recorded in the Share Register as at the Record Date (other than the Non Participating Shareholders).

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder as transferee, which may be a master transfer of all of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard.

subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

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

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, part, schedule, attachment or exhibit is a reference to a clause or part 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 re enactments of any of them;
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) 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;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) 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 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or for example' or similar expressions does not limit what else is included.

1.4 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

2.1 PCL

- (a) PCL is a public company limited by shares, registered in New South Wales, Australia;

- (b) PCL is admitted to the official list of the ASX.
- (c) As at the date of the Implementation Deed, PCL's capital structure was as follows:
 - (i) 19,839,827 PCL Shares were on issue; and
 - (ii) 9,905,398 preference shares were on issue.

2.2 The Bidder and Bidder Guarantor

- (a) The Bidder is a private company incorporated in Australia and registered in New South Wales and is a company limited by shares.
- (b) The Bidder Guarantor is a private company incorporated in Australia and registered in New South Wales and is a company limited by shares.

2.3 Consequences of the Scheme becoming Effective

- (a) If this Scheme becomes Effective:
 - (i) the Bidder must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder and PCL will enter the name of the Bidder in the Share Register in respect of the Scheme Shares on the Implementation Date.
- (b) PCL, the Bidder Guarantor and the Bidder have agreed, by executing the Implementation Deed, to implement this Scheme.
- (c) This Scheme attributes actions to the Bidder but does not itself impose an obligation on the Bidder to perform those actions. The Bidder has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the Bidder providing the Scheme Consideration to the Scheme Shareholders, subject to the terms of the Deed Poll.

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 Precedent (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed 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 section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable and agreed to by the Bidder and PCL;

- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to the Bidder and PCL having been satisfied or waived; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date PCL and the Bidder agree in writing).

3.2 Certificate

- (a) PCL 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.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms, unless PCL and the Bidder otherwise agree in writing.

4. Implementation of the Scheme

4.1 Lodgement of Court orders with ASIC

PCL will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court orders approving this Scheme as soon as practicable and in any event by no later than 5.00pm on the first Business Day after the day on which the Court approves the 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, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by PCL as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) PCL delivering to the Bidder a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by PCL, for registration; and
 - (ii) the Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to PCL for registration; and
- (b) as soon as possible following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), PCL must enter, or procure the entry of, the name of the Bidder 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 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to (the **Scheme Consideration**):

- (a) for a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a valid Election:
 - (i) Note Consideration for the number of Scheme Shares specified by the Scheme Shareholder on the Election Form that are held by that Scheme Shareholder on the Record Date; and
 - (ii) Cash Consideration for the number of Scheme Shares held by that Scheme Shareholder on the Record Date for which the Scheme Shareholder will not receive Note Consideration in accordance with paragraph 5.1(a)(i) above; and
- (b) for Scheme Shareholders who have not made a valid Election, Scheme Shareholders who have not made any Election and Ineligible Foreign Shareholders, Cash Consideration for each Scheme Share held on the Record Date.

5.2 Election

- (a) A Scheme Shareholder, other than an Ineligible Foreign Shareholder, may make an election to receive some or all of the Scheme Consideration to which they are entitled, in the form of Notes by completing the Election Form. An Ineligible Foreign Shareholder is not entitled to make an Election and will receive Cash Consideration.
- (b) Subject to clause 5.2(f), for an Election to receive Note Consideration to be valid:
 - (i) the Scheme Shareholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and
 - (ii) the Election Form must be received by the PCL Registry before the Election Time at the address specified in the Scheme Booklet and on the Election Form, unless the Bidder and PCL agree otherwise, in their absolute discretion.
- (c) An Election whether valid or not, will be irrevocable unless the Bidder and PCL agree, in their absolute discretion, to the revocation of the Election.
- (d) If:
 - (i) a valid Election is not made by a Scheme Shareholder;
 - (ii) no Election is made by a Scheme Shareholder; or
 - (iii) the Scheme Shareholder is an Ineligible Foreign Shareholder,

that Scheme Shareholder will receive Cash Consideration in respect of all of their Scheme Shares.

- (e) Subject to clause 5.2(f) an Election will be deemed to apply in respect of the Scheme Shareholder's registered holding of Scheme Shares on the Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares on the Record Date is greater or less than the Scheme Shareholder's holding at the time it made its Election, unless the Bidder and PCL agree otherwise, in their absolute discretion. Where the Scheme Shareholder's holding of Scheme Shares on the Record Date is less than the Scheme Shareholder's holding at the time it made its Election and an Election is made to receive Note Consideration in respect of more Scheme Shares that are held on the Record Date, the Election will be deemed to apply to all Scheme Shares held by that Scheme Shareholder on the Record Date.
- (f) In the manner considered appropriate by PCL and the Bidder (acting reasonably including after consultation with the PCL Registry), a Scheme Shareholder who is noted on the PCL Share Register as holding one or more parcels of PCL Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections under this clause 5.2 to receive Note Consideration for all of their Scheme Shares in relation to any of those parcels of Scheme Shares (subject to it providing to the Bidder and PCL any substantiating information they reasonably require), and an Election for Note Consideration made in respect of any such parcel, or an omission to make an Election for Note Consideration in respect of any such parcel, will not be taken to extend to the other parcels.
- (g) Subject to clauses 5.2(h) and 5.2(i), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 5.2(b), unless the Bidder and PCL agree otherwise, in their absolute discretion.
- (h) PCL will determine, in its sole discretion having consulted with the Bidder in good faith, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. PCL is not required to communicate with any Scheme Shareholder prior to making this determination. The determination of PCL will be final and binding on the Scheme Shareholder.
- (i) Notwithstanding clause 5.2(b), PCL may, in its sole discretion having consulted with the Bidder in good faith, at any time and without further communication to Scheme Shareholder, deem any Election Form it receives from a Scheme Shareholder to be a valid Election for Note Consideration in respect of the relevant Scheme Shares, even if a requirement for a valid Election for Note Consideration has not been complied with.

5.3 Provision of Scheme Consideration

- (a) The Bidder must, and PCL must use its best endeavours to 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 Cash Consideration payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by PCL as trustee for the Scheme Shareholders, (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 5.3(a), PCL must pay or procure the payment, from the trust account referred to in clause 5.3(a), to each Scheme Shareholder the Cash Consideration as that Scheme Shareholder is entitled under this clause 5.

- (c) The obligations of PCL under clause 5.3(b) will be satisfied by PCL (in its absolute discretion):
- (i) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the PCL Registry to receive dividend payments from PCL 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
 - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.3(c)(i), 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 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 5.5).
- (d) To the extent that, following satisfaction of PCL's obligations under clause 5.3(b), there is surplus in the amount held by PCL as trustee for the Scheme Shareholders in the trust account referred to in clause 5.3(b), that surplus amount shall be paid by PCL to the Bidder.

5.4 Provision of Note Consideration

Bidder must, subject to clauses 5.5 and 5.6:

- (a) on the Implementation Date, issue the Notes to each Scheme Shareholder who makes (or is deemed to have made) a valid Election to receive some or part of the Scheme Consideration in the form of Notes, and procure that the name and address of each such Scheme Shareholder is entered in the Noteholder Register in respect of those Notes; and
- (b) procure that on or before the date that is two Business Days after the Implementation Date, a holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder to whom Notes are issued in accordance with clause 5.4(a) representing the number of Notes to that Scheme Shareholder pursuant to this Scheme.

5.5 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Cash 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 the holder whose name appears first in the Share Register as at the Record Date;
- (b) any Notes to be issued under the Scheme must be issued to an registered in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5.6 Ineligible Foreign Shareholders

The Bidder will be under no obligation to issue, and must not issue, any Notes under this Scheme to any Ineligible Foreign Shareholder, and instead, must pay the Cash

Consideration to each Ineligible Foreign Shareholder who is a Scheme Shareholder in accordance with this clause 5.

5.7 Unclaimed monies

- (a) PCL may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to PCL; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder (which request may not be made until the date which is 20 Business Days after the Implementation Date), PCL must reissue a cheque that was previously cancelled under this clause 5.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

5.8 Orders of a court or Government Agency

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

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by PCL in accordance with this clause 5, then PCL shall be entitled to make that payment (or procure that payment is made) in accordance with that order; or
- (b) prevents PCL from making a payment by PCL to any particular Scheme Shareholder in accordance with clause 5.3(c), or such payment is otherwise prohibited by applicable law, PCL shall be entitled to:
 - (i) retain an amount, in Australian dollars, equal to the cash component of the Scheme Consideration to which the Scheme Shareholder would otherwise be entitled under this clause 5; and
 - (ii) direct the Bidder not to issue, or to issue to a trustee or nominee, such number of Notes as that Scheme Shareholder would otherwise be entitled to under this clause 5,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or otherwise by law.

5.9 Status of Notes

Subject to this Scheme becoming Effective, the Bidder must:

- (a) issue the Notes required to be issued by it under this Scheme; and
- (b) ensure that each such Note is duly and validly issued in accordance with all applicable laws and free from any mortgage, charge, lien, encumbrance or other security interest.

6. Dealings in PCL Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in PCL 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 PCL Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Share Register is kept,

and PCL must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder 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) PCL must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires PCL to register a transfer that would result in a PCL Shareholder holding a parcel of PCL Shares that is less than a 'marketable parcel' (as defined in the Operating Rules of the ASX).
- (b) If the 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 after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and PCL shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, PCL 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 PCL Shares (other than statements of holding in favour of the Bidder or any Non Participating Shareholder) will cease to have effect after the 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 the Bidder or any Non Participating Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the PCL Shares relating to that entry.
- (e) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, PCL will ensure that details of the names, Registered Addresses and holdings of PCL 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 PCL Shares

- (a) PCL must apply to ASX to suspend trading on the ASX in PCL 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, PCL must apply:
 - (i) for termination of the official quotation of PCL Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

8. General Scheme provisions

8.1 Consent to amendments to the Scheme

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

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

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder irrevocably:
 - (i) agrees to the transfer of their PCL Shares together with all rights and entitlements attaching to those PCL Shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification (if any) of the rights attached to their PCL Shares constituted by or resulting from this Scheme; and
 - (iii) acknowledges that this Scheme binds PCL and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to PCL and the Bidder on the Implementation Date, and appointed and authorised PCL as its attorney and agent to warrant to the Bidder on the Implementation Date, that:
 - (i) all their PCL Shares (including any rights and entitlements attaching to those shares) which are transferred under the 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
 - (ii) they have full power and capacity to transfer their PCL Shares to the Bidder together with any rights attaching to those shares.
- (c) PCL 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 will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and 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 will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by PCL of the Bidder 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 PCL registers the Bidder 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 PCL

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

- (a) on the Effective Date, irrevocably appoints PCL 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 the Bidder, and PCL undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for Scheme Shareholders; and
- (b) on the Implementation Date, irrevocably appoints PCL 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 PCL accepts each such appointment. PCL 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 or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

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

9. General

9.1 Stamp duty

The Bidder will:

- (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 PCL doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, PCL 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 PCL, 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 PCL's registered office or at the office of the PCL Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a PCL 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) The Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, 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

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

Annexure A – Terms of Note

[To be inserted]

Attachment 3 – Deed Poll

Deed Poll

Bellawest Pty Limited
ACN 612 757 829

in favour of

Each Scheme Shareholder



Level 12
60 Carrington Street
SYDNEY NSW 2000
DX 262 SYDNEY NSW
Tel: +61 2 8915 1000
Fax: +61 2 8916 2000
www.addisonslawyers.com.au
Ref: KRL:RDN:PAY006/4018

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DETAILS

Date:

Parties

Bellawest Pty Limited (Bidder)

ACN: 612 757 829

Address: 84 Cawarra Road, Caringbah NSW 2229

In favour of

Each registered holder of fully paid ordinary shares in the capital of Payce Consolidated Limited (ACN 001 566 310) (**PCL**) recorded in the Share Register as at the Scheme Record Date (other than the Guarantor and the Bidder) (**Scheme Shareholders**)

Recitals

- A. The Bidder, PCL and the Guarantor have entered into the Implementation Deed.
- B. In the Implementation Deed, the Bidder agreed to execute this deed poll.
- C. The Bidder is entering into this deed poll for the purposes of covenanting in favour of the Scheme Shareholders that it will observe and perform its obligations under the Implementation Deed and the Scheme.

Operative Parts

1. Defined terms and interpretation

1.1 Defined terms

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

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

Implementation Deed means the scheme implementation deed entered into between PCL, the Bidder and the Guarantor dated 1 July 2016 relating to the implementation of the Scheme.

Notice has the meaning give to that term in clause 6.1.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between PCL and the Scheme Shareholders, the form of which is attached to this deed poll, subject to any alterations or conditions as agreed between the Bidder and PCL or made

or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by the Bidder and PCL.

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

1.2 Interpretation

Clauses 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

The Bidder acknowledges that:

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

2. Conditions

2.1 Conditions Precedent

The obligations of the Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of 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 Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective on or before the End Date.

2.3 Consequences of termination

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

- (a) the Bidder is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights it has against the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

3. Consideration

3.1 Undertaking to satisfy Scheme Consideration

- (a) Subject to clause 2, the Bidder undertakes in favour of each Scheme Shareholder to:

- (i) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (ii) undertake all other actions attributed to it under the Scheme and otherwise comply with the Scheme as if it were a party to the Scheme.

4. Warranties

The Bidder represents and warrants in favour of each Scheme Shareholder that each of the following statements are true and correct:

- (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 upon 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, and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this deed poll.

5. Continuing obligations

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

- (a) the Bidder having fully performed its obligations under this deed poll; and
- (b) the termination of this deed poll under clause 2.2.

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 (communications sent by email are taken to be signed by the named sender); and
- (b) addressed to the Bidder in accordance with the details set out below (or any alternative details nominated by the Bidder by Notice).

Attention: Brian Boyd
Address: c/- Danny Simmons
Pistilli Simmons
Level 19, 1 O'Connell St

Sydney NSW 2000

Email: ds@pistillisimmons.com

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 next 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	<p>The earliest to occur of:</p> <ul style="list-style-type: none">(i) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;(ii) the time that the email is first opened or read by the intended recipient; and(iii) 2 hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that 2 hour period, an automated message that the email has not been delivered.

6.3 Notice must not be given by other electronic communication

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

7. General

7.1 Stamp duty

The Bidder will:

- (a) pay stamp duties (and any related fines, penalties and interest) 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 (including, without limitation, the acquisition or transfer of Scheme Shares pursuant to the Scheme); and

- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Legal costs

The Bidder must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing their obligations under this deed poll.

7.3 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) The Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal that have jurisdiction to hear appeals from those courts in respect of any proceedings arising out of or in connection with this deed poll. The Bidder irrevocably waives 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.

7.4 Rights cumulative

Except as expressly stated otherwise in this deed poll, the rights, powers and remedies of the Bidder and each Scheme Shareholder under this deed poll are cumulative and are in addition to any other rights of that person.

7.5 Waiver

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.

7.6 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

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

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

7.7 Assignment

- (a) The rights and obligations created by this deed poll are personal to the Bidder and each Scheme Shareholder and cannot be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of the Bidder or PCL (as applicable).
- (b) Any purported dealing in contravention of clause 7.7(a) is invalid.

7.8 **Further action**

The Bidder must, at its own expense, do all things and execute all documents (on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this deed poll and the transactions contemplated by it.

Executed as a deed poll

Executed by Bellawest Pty Limited in)
accordance with section 127 of the)
Corporations Act 2001 (Cth))

Signature of director

Signature of director / company secretary
(delete as applicable)

Name of director
(print)

Name of director / company secretary
(print)

Attachment 1 - Scheme

Attachment 4 – Summary of Note Terms

1. Face Value

The Notes will each have a face value representing a principal amount of \$12.60.

2. Interest

- (a) Interest shall be payable on the principal amount of the Note at the rate of 6.5% per annum paid quarterly in arrears.
- (b) The Issuer may elect to capitalise Interest payable on any interest payment date.

3. Unsecured

All Notes are issued as unsecured notes and rank pari passu with all other unsecured creditors of the Issuer.

4. Redemption

- (a) Notes not previously redeemed must be redeemed by the Issuer by the end of the quarter on or following the second anniversary of the issue of the Notes (**Maturity Date**).
- (b) Each Note is redeemable by:
 - (i) the Noteholder giving the Issuer written notice; or
 - (ii) the Issuer giving to the Noteholder written notice,(each a **Redemption Notice**).
- (c) A Redemption Notice may only be given by a Noteholder following an event of default by the Issuer and with the prior approval of the Noteholders by ordinary resolution;
- (d) Other than a Redemption Notice in respect of redemption on the Maturity Date, a Redemption Notice may only be given by the Issuer during the period between 28 and 7 days prior to an interest payment date.
- (e) Unless the Issuer is redeeming all Notes, the Issuer must redeem the Notes pro-rata as between Noteholders in accordance with the number of Notes held by each Noteholder.

5. Participation in issue of securities and capital reorganisations

The Notes carry no right:

- (a) to participate in any issue or offer of securities to the holders of shares or other securities of the Issuer; or
- (b) to be reconstructed or re-organised by reference to any reconstruction or re-organisation of the capital of the Issuer.