



ASX Release

IOOF Holdings and Australian Wealth Management will merge to create

- **a leading financial services company**
- **over \$88 billion under management, administration, advice and supervision**
- **operations spanning the entire wealth management value chain**

Merger highlights

- IOOF Holdings Ltd ("IOOF") will issue Australian Wealth Management ("AWM") shareholders with 1 IOOF share for every 3.73 AWM shares
- Enhanced distribution network with over 580 aligned financial advisers nationwide
- Merged group will have over \$88 billion of funds under management, administration, advice and supervision
- Merged group will have substantial net cash and a market capitalisation, based on current prices, of approximately \$700 million
- Expected to generate post tax cost synergies of \$20 million per annum in the first 12 months post merger
- Substantial EPS accretion in the first 12 months post merger
- Unanimously recommended by the Boards of IOOF and AWM
- Merged group to be owned approximately 30% by IOOF shareholders and 70% by AWM shareholders
- IOOF Chairman, Ian Blair will be Chairman of the merged group. AWM Managing Director, Chris Kelaher will be Managing Director and Chief Executive Officer of the merged group
- The holding company of the merged group will be IOOF Holdings Limited with head office located in Melbourne

Overview

IOOF Holdings Ltd ("IOOF") and Australian Wealth Management Limited ("AWM") today announced they have signed an Implementation Deed to effect the merger of their two companies. Under the terms of the Implementation Deed, IOOF will issue AWM shareholders 1 IOOF share for every 3.73 AWM shares.

The merger will be implemented by way of a Scheme of Arrangement between AWM and its shareholders which will be voted upon by AWM shareholders at a meeting expected to be held in March 2009.

IOOF Chairman, Ian Blair said: "We are delighted to announce this merger. The rationale for combining our two organisations is compelling. The merger will deliver substantial EPS accretion for both IOOF and AWM shareholders. Importantly too, the experience of IOOF and AWM customers will be enhanced."



AWM Chairman, John Warburton said: "This proposed merger represents a unique opportunity to combine two highly complementary businesses. In a difficult operating environment for wealth managers, we expect that the transaction will realise immediate value for both sets of shareholders and put the merged group in a very strong market position."

Merger rationale

The transaction provides:

- improved industry position and scale benefits in key areas where scale matters:
 - distribution
 - superannuation funds and platforms (\$20.3 billion of assets)
- combined portfolio of highly complementary and successful brands in financial advice, distribution, administration and investment management;
- enhanced financial size and capacity to pursue a wider range of growth opportunities;
- revenue growth opportunities from an enhanced distribution network and broader product offering, including potential fund flow to Perennial Investment Partners;
- expected post tax cost synergies of \$20 million per annum in the first year post merger from rationalisation of corporate head offices, increased scale and cost savings in duplicated support infrastructure; and
- substantial EPS accretion for all shareholders commencing in the first year post merger

Board and Management

The Board of the merged group will be Chaired by IOOF Chairman, Ian Blair, and will include three additional Directors from the Board of IOOF and three Directors from the Board of AWM including Chris Kelaher, Managing Director of AWM, who will succeed the current IOOF Managing Director, Tony Robinson as Managing Director and Chief Executive Officer of the combined group.

Other senior management and staff positions will be drawn from the two organisations, based on merit.

Tony Robinson said: "The merger brings together two teams that have both demonstrated strong capabilities. Together, the group will have the capacity to provide greater benefits for all key stakeholders, including advisers, clients and customers and shareholders.

Chris Kelaher said: "Going forward, the merged group will benefit significantly from a broader distribution network and product offering. We are very confident that the combination of these two successful businesses will deliver material benefits."



Strategy of the merged group

The merged group will be a leading manufacturer and distributor of products across the wealth management value chain. The merged group will:

- seek to build on its vertically integrated business model;
- leverage benefits of government legislated superannuation growth;
- focus on improving operating cost efficiencies through the rationalisation of duplicated services across the business;
- not change existing customer relationships;
- look to continue to grow the distribution network; and
- seek value creating acquisitions in a rapidly consolidating sector.

Transaction details

A copy of the Merger Implementation Deed is attached to this release.

The merger is subject to a number of conditions including a 14 business day period of mutual confirmatory due diligence, regulatory approvals, Court approvals and AWM shareholder approval as set out in the Implementation Deed.

As the expected implementation date of the merger is in late March or early April 2009, both companies have resolved to pay their first half year dividend for the 2009 financial year before the implementation date.

A Scheme Booklet, setting out the terms for the merger, and including an Independent Expert's Report and the reasons for AWM Directors' recommendation is expected to be sent to all AWM shareholders in February 2009. A meeting of AWM shareholders to approve the Scheme is expected to be held in March 2009. It is anticipated that scrip-for-scrip capital gains tax rollover relief will be available to AWM shareholders.

The Implementation Deed includes a commitment by each party not to solicit alternative transactions to the merger. Each party has agreed to pay a break fee to the other party of \$3 million under certain circumstances.

AWM has appointed Deutsche Bank as its financial adviser and Blake Dawson as legal adviser.

IOOF has appointed Gresham Partners as its financial adviser and Mallesons Stephen Jaques as legal adviser.

For further information please contact:

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Australian Wealth Management Limited
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Managing Director
IOOF Holdings Ltd
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Disclaimer

Issued by IOOF Holdings Ltd ABN 49 100 103 722 and Australian Wealth Management Limited ABN 53 111 116 511. The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented does not take into account your individual financial circumstances and it is not designed to be a substitute for specific financial or investment advice or recommendations and should not be relied upon as such. You should consider talking to your financial adviser before making an investment decision. So far as the law allows, IOOF and AWM exclude all liability for any loss or damage whether direct, indirect or consequential.

This presentation includes forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of IOOF and AWM, and which may cause actual results to differ materially from those expressed in this presentation.

Implementation Deed

Australian Wealth Management Limited

ABN 53 111 116 511

IOOF Holdings Ltd

ABN 49 100 103 722

Blake Dawson

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Melbourne VIC 3000
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Reference
PJAS CLOH 03-2001-8240

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Implementation Deed

DATE 24 November 2008

PARTIES

Australian Wealth Management Limited (Target)

ABN 53 111 116 511

IOOF Holdings Ltd (Bidder)

ABN 49 100 103 722

RECITAL

- A. Bidder and Target have agreed that a scheme of arrangement will be proposed under Part 5.1 of the Corporations Act 2001 (Cth) between Target and the holders of its ordinary shares, in accordance with this document.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document:

AIFRS means the International Financial Reporting Standards as adopted in Australia.

Announcement means a press release, announcement or other public statement other than an explanatory statement or supplementary explanatory statement required by the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

ASIC Review Draft means the draft of the Scheme Booklet, which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

ASIC Review Period means the period from the date on which the ASIC Review Draft is submitted to ASIC to the date on which ASIC registers the Scheme Booklet in accordance with section 412(6) of the Corporations Act.

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

ASX Listing Rules means the listing rules of ASX.

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

Bidder Board means the board of directors of the Bidder as at the Implementation Date.

Bidder Disclosure Material means:

- (a) the Bidder Due Diligence Information; and

(b) information available on the Public Registers prior to the date of this document.

Bidder Dividend means a dividend on Bidder Shares which, in aggregate, does not exceed \$0.15 per Bidder Share.

Bidder Due Diligence Information means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Bidder and its subsidiaries provided by Bidder to Target on or before the Due Diligence Cut-off Date and, for the avoidance of doubt, includes all such information provided by Bidder to Target prior to the date of this document.

Bidder Excluded Transaction means any action undertaken to sell the business of, or the issued share capital of IOOF Life Limited.

Bidder Group means the Bidder and its related bodies corporate.

Bidder Material means the information provided by Bidder to Target in accordance with clause 6(f) for inclusion in the Scheme Booklet.

Bidder Material Adverse Effect means one or more occurrences or matters which individually, or when aggregated with all such occurrences or matters, has had or is reasonably likely to have one of the following effects:

- (a) to diminish the total consolidated net tangible assets of the Bidder Group (calculated on the basis of AIFRS) by \$10 million or more;
- (b) to diminish the annualised consolidated UNPAT of the Bidder Group by \$2.5 million or more below the UNPAT specified in the document entitled "UNPAT" in the Bidder Due Diligence Information provided by Bidder to Target before the date of this document;
- (c) to materially adversely affect any forecast material provided by Bidder. In this context, "materially" means the amounts referred to in paragraphs (a) and (b), depending on the nature of the forecast;
- (d) to materially adversely affect the status or terms of any Regulatory Approval that is applicable to the Bidder Group; or
- (e) prevent or be likely to prevent Bidder from discharging its obligations under this document,

provided that a Bidder Material Adverse Effect will not include any occurrence or matter:

- (f) fairly disclosed in the Bidder Disclosure Material except for any successful enforcement by any third party of any right under any contract disclosed in the Bidder Disclosure Material where such right is triggered by the parties entering into this document, or by the acts or omissions which were required to be done or procured by Bidder under this document or the Scheme;
- (g) to the extent the occurrence or matter is due to one or more acts or omissions which were required to be done or procured by Bidder under this document or the Scheme;
- (h) to the extent the occurrence or matter is due to one or more acts or omissions which Target expressly consented to in writing;
- (i) that is a Bidder Excluded Transaction; or
- (j) to the extent the occurrence or matter is attributable to a decline in the level of the ASX 200 index as at the close of trading on the date of this document.

Bidder Material Transaction means:

- (a) an acquisition, offer to acquire or agreement to acquire any asset or interest in an asset (excluding any acquisition for which there exists a binding agreement as at the date of this document and a copy of that binding agreement is included in the Bidder Due Diligence Information);
- (b) a disposal, offer to dispose or agreement to dispose of any asset or interest in an asset (excluding any disposal for which there exists a binding agreement as at the date of this document and a copy of that binding agreement is included in the Bidder Due Diligence Information);
- (c) a joint venture or partnership in respect of any asset or undertaking;
- (d) a new, renewed, or varied commitment (including any undertaking to a Government Agency);
- (e) an exercise of a contractual right or other option to renew or extend an existing agreement (including under any lease);
- (f) a variation of the employment arrangements of any of its directors or employees with the effect of increasing the remuneration of, or terminating the employment of, the director or employee;
- (g) the acceleration of the rights of any of its directors or employees to compensation or benefits of any kind (including under any executive or employee share plans);
- (h) the payment of any bonus, termination or retention payment to any of its directors or employees other than in accordance with a contract in place at the date of this document; or
- (i) a new contract of employment under which the annual remuneration of the director or employee is \$200,000 or more,

that:

- (j) is not in the ordinary course of business; or
- (k) has a value or involves a liability (whether actual, contingent or prospective) or expenditure, as the case may be, of \$200,000 or more or, when aggregated with related transactions, of \$500,000 or more,

but does not include a transaction or matter:

- (l) fairly disclosed in the Bidder Disclosure Material, or consistent with a policy relating to employment which was fairly disclosed in the Bidder Disclosure Material;
- (m) required to be done or procured by Bidder under this document or the Scheme;
- (n) in relation to which Target has expressly consented in writing or has unreasonably withheld or delayed its consent; or
- (o) that is a Bidder Excluded Transaction.

Bidder Option means an option to subscribe for a Bidder Share.

Bidder Prescribed Event means:

- (a) **(conversion)** Bidder converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of capital)** Bidder resolves to reduce its share capital in any way;
- (c) **(buy-back)** Bidder:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(issue shares or options)** Bidder issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, excluding:
 - (i) any issue or grant contemplated by the Scheme; and
 - (ii) any Bidder Shares issued by Bidder as a result of the exercise of existing Bidder Options listed in Schedule 1 or to meet an existing obligation or commitment to officers or employees under existing officer or employee share plans or share option plans;
- (e) **(issue convertible securities)** Bidder issues, or agrees to issue, securities or other instruments convertible into shares;
- (f) **(create mortgage)** Bidder creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole or a substantial part of the business or property of the Bidder Group except in the ordinary course of business;
- (g) **(Insolvency Event)** an Insolvency Event occurs in relation to Bidder or a subsidiary of Bidder;
- (h) **(change to constitution)** Bidder makes any material change or amendment to its constitution;
- (i) **(declare dividend)** Bidder declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets, other than the Bidder Dividend;
- (j) **(litigation)** proceedings are brought against Bidder or a subsidiary of Bidder which are likely to result in damages or compensation payable by Bidder or its subsidiaries greater than \$2 million, in aggregate and which are not recoverable under any insurance arrangements;
- (k) **(waive debt)** Bidder or a subsidiary of Bidder waives, forgoes or otherwise fails to seek the enforcement of any debt or other liability owed to it by any other entity within the Bidder Group;
- (l) **(change to accounting practice or policies)** Bidder or a subsidiary of Bidder makes any change to their accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or elects to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);

but excluding any matter:

- (m) fairly disclosed in the Bidder Disclosure Material;

- (n) required to be done or procured by Bidder under this document or the Scheme; or
- (o) in relation to which Target has expressly consented in writing.

Bidder Share means a fully paid ordinary share in Bidder.

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

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

Competing Proposal means any proposal (including a scheme of arrangement) or offer that would, if completed substantially in accordance with its terms, result in:

- (a) in the case of Target, any person or persons other than Bidder or a member of the Bidder Group acquiring (directly or indirectly):
 - (i) an interest in all or a substantial part of the assets of Target or the Target Group; or
 - (ii) a relevant interest in more than 20% of the voting shares of Target; or
 - (iii) control of Target within the meaning of section 50AA of the Corporations Act; or
 - (iv) otherwise acquiring or merging with Target (including by way of reverse takeover, reverse scheme of arrangement or dual listed company structure) except for any acquisition by Target of any entity whose consolidated gross assets as shown in its most recently published financial statements are less than 20% of the consolidated gross assets of the Target Group as shown in its most recently published financial statements;
- (b) in the case of Bidder, any person or persons other than Target or a member of the Target Group acquiring (directly or indirectly):
 - (i) an interest in all or a substantial part of the assets of Bidder or the Bidder Group; or
 - (ii) a relevant interest in more than 20% of the voting shares of Bidder; or
 - (iii) control of Bidder within the meaning of section 50AA of the Corporations Act; or
 - (iv) otherwise acquiring or merging with Bidder (including by way of reverse takeover, reverse scheme of arrangement or dual listed company structure) except for any acquisition by Bidder of any entity whose consolidated gross assets as shown in its most recently published financial statements are less than 20% of the consolidated gross assets of the Bidder Group as shown in its most recently published financial statements.

Condition means a condition precedent in clause 3.2.

Confidentiality Deed means the confidentiality deed between the parties dated 10 October 2008.

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

Court means the Supreme Court of Victoria.

Deed Poll means a document in the form of Schedule 3.

Disclosure Cut-Off Date means 5.00pm on the date that is 10 Business Days after the date of this document.

Due Diligence Cut-Off Date means 7.00pm on the date that is 14 Business Days after the date of this document or such later date as Target and Bidder agree.

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

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

End Date means 31 July 2009, subject to any extension under clause 3.8.

Exclusivity Period means the period commencing on the date of this document and ending on the earlier of:

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

Expert means Ernst & Young or such other person agreed between the parties.

First Court Date means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meeting.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including ASIC, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

GST means the same as in the GST Act.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation means the implementation of the Scheme, on it becoming effective under section 411(10) of the Corporations Act.

Implementation Date means the third Business Day following the Record Date.

Independent Expert's Report means an independent expert's report by an expert who is not an associate of Target, stating whether or not in his or her opinion, the Scheme is in the best interests of the Target Shareholders, and setting out his or her reasons for that opinion.

Ineligible Overseas Shareholder means a Target Shareholder:

- (a) who is (or is acting on behalf of) a resident of a jurisdiction other than Australia or New Zealand and their respective external territories; or
- (b) whose address shown in the Register is a place outside of Australia or New Zealand and their respective external territories.

Insolvency Event means, for a person, being in liquidation or provisional liquidation or under administration, having a controller or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act to have failed to

comply with a statutory demand, being unable to pay its debts or otherwise insolvent, dying, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason, becoming an insolvent under administration (as defined in section 9 of the Corporations Act), entering into a compromise or arrangement with, or assignment for the benefit of, any of its members (other than the Scheme) or creditors or any analogous event.

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

Meeting Date means the date on which Target Shareholders vote on a resolution to approve the Scheme under section 411(4)(a)(ii) of the Corporations Act.

New Bidder Share means Bidder Shares to be issued under the Scheme as Scheme Consideration.

Optionholder means a holder of Target Options.

Optionholder Deed the deed to be executed by Target and each Optionholder pursuant to which the Optionholder will agree to the cancellation of their Target Options in exchange for Bidder Options on the terms of the deed.

Options Offer the offer to be made to Optionholders on the terms to be set out in the Optionholder Deed.

Option Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Target Options will be cancelled in exchange for Bidder Options on the terms of the scheme and in accordance with clause 5.2.

PIPL means Perennial Investment Partners Ltd.

Public Registers means the records made available for public inspection by ASIC and ASX and any other relevant public registers.

Record Date means 7.00pm on the day which is 5 Business Days after the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.

Register means the register of members of Target.

Regulatory Approvals means the consents, approvals, clearances, decisions, determinations or other acts by a Government Agency, which the Target and Bidder agree are necessary to effect Implementation or the Options Offer, including:

- (a) all consents, approvals and waivers by ASIC and ASX which Target and Bidder agree are necessary for Implementation or the Options Offer;
- (b) all approvals, consents and licences by APRA which Target and Bidder agree are necessary for Implementation or the Options Offer; and
- (c) all other approvals of a Government Agency which Target and Bidder agree are necessary for Implementation or the Options Offer.

Relevant Date means, in relation to a Condition, the date or time specified in this document for its fulfilment or, if no date or time is specified, 8.00am on the Second Court Date, subject, in either case, to extension under clause 3.8.

Representatives means, in relation to an entity:

- (a) each of the entity's subsidiaries; and
- (b) each of the directors, officers, employees and legal, financial and other expert advisers of the entity or any of its subsidiaries.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Target Shareholders substantially in the form of Schedule 2 or in such other form as is agreed between Target and Bidder and as described in clause 2.2.

Scheme Booklet means the information memorandum in respect of the Scheme to be approved by the Court and dispatched to Target Shareholders, and includes the Scheme, an explanatory statement under section 412 of the Corporations Act, the Independent Expert's Report and relevant notices of meeting and proxy forms.

Scheme Consideration means 1 Bidder Share for every 3.73 Target Shares held by a Scheme Participant as at the Record Date.

Scheme Meeting means the meeting of Target Shareholders, to be convened by the Court, to consider the Scheme.

Scheme Participants means each Target Shareholder as at 5.00pm on the Record Date (taking into account registration of all registrable transfers and transmission applications received at Target's share registry by the Record Date).

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

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

Target Board means the board of directors of the Target as at the Implementation Date.

Target Disclosure Material means:

- (a) the Target Due Diligence Information; and
- (b) information available on the Public Registers prior to the date of this document.

Target Dividend means a dividend on Target Shares which, in aggregate, does not exceed \$0.05 per Target Share.

Target Due Diligence Information means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Target and its subsidiaries provided by Target to Bidder on or before the Due Diligence Cut-off Date and, for the avoidance of doubt, includes all such information provided by Target to Bidder prior to the date of this document.

Target Group means the Target and its related bodies corporate.

Target Material Adverse Effect means one or more occurrences or matters which individually, or when aggregated with all such occurrences or matters, has had or is reasonably likely to have one of the following effects:

- (a) to diminish the total consolidated net tangible assets of the Target Group (calculated on the basis of AIFRS) by \$15 million or more;
- (b) to diminish the annualised consolidated net profit after tax of the Target Group (calculated on the basis of AIFRS) by \$7.5 million or more below the net profit after

tax of the Target Group (calculated on the basis of AIFRS) specified in the document entitled "NPAT of Target Group" (or similar) in the Target Due Diligence Information provided by Target to Bidder before the date of this document; to materially adversely affect any forecast material provided by Target. In this context, "materially" means the amounts referred to in paragraphs (a) and (b), depending on the nature of the forecast;

- (c) to materially adversely affect the status or terms of any Regulatory Approval that is applicable to the Target Group; or
- (d) prevent or be likely to prevent Target from discharging its obligations under this document,

provided that a Target Material Adverse Effect will not include any occurrence or matter:

- (e) fairly disclosed in the Target Disclosure Material except for any successful enforcement by any third party of any right under any contract disclosed in the Target Disclosure Material where such right is triggered by the parties entering into this document, or by the acts or omissions which were required to be done or procured by Target under this document or the Scheme;
- (f) to the extent the occurrence or matter is due to one or more acts or omissions which were required to be done or procured by Target under this document or the Scheme;
- (g) to the extent the occurrence or matter is due to one or more acts or omissions which Bidder expressly consented to in writing;
- (h) that is a Target Excluded Transaction; or
- (i) to the extent the occurrence or matter is attributable to a decline in the level of the ASX 200 index as at the close of trading on the date of this document.

Target Material Transaction means:

- (a) an acquisition, offer to acquire or agreement to acquire any asset or interest in an asset (excluding any acquisition for which there exists a binding agreement as at the date of this document and a copy of that binding agreement is included in the Target Due Diligence Information);
- (b) a disposal, offer to dispose or agreement to dispose of any asset or interest in an asset (excluding any disposal for which there exists a binding agreement as at the date of this document and a copy of that binding agreement is included in the Target Due Diligence Information);
- (c) a joint venture or partnership in respect of any asset or undertaking;
- (d) a new, renewed, or varied commitment (including any undertaking to a Government Agency);
- (e) an exercise of a contractual right or other option to renew or extend an existing agreement (including under any lease);
- (f) a variation of the employment arrangements of any of its directors or employees with the effect of increasing the remuneration of, or terminating the employment of, the director or employee;
- (g) the acceleration of the rights of any of its directors or employees to compensation or benefits of any kind (including under any executive or employee share plans);

- (h) the payment of any bonus, termination or retention payment to any of its directors or employees other than in accordance with a contract in place at the date of this document; or
- (i) a new contract of employment under which the annual remuneration of the director or employee is \$200,000 or more,

that:

- (j) is not in the ordinary course of business; or
- (k) has a value or involves a liability (whether actual, contingent or prospective) or expenditure, as the case may be, of \$200,000 or more or, when aggregated with related transactions, of \$500,000 or more,

but does not include a transaction or matter:

- (l) fairly disclosed in the Target Disclosure Material, or consistent with a policy relating to employment which was fairly disclosed in the Target Disclosure Material;
- (m) required to be done or procured by Target under this document or the Scheme;
- (n) in relation to which Bidder has expressly consented in writing or has unreasonably withheld or delayed its consent; or
- (o) that is a Target Excluded Transaction.

Target Option means an option to subscribe for a Target Share.

Target Prescribed Event means:

- (a) (**conversion**) Target converts all or any of the Target Shares into a larger or smaller number of shares;
- (b) (**reduction of capital**) Target resolves to reduce its share capital in any way;
- (c) (**buy-back**) Target:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) (**issue shares or options**) Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, excluding:
 - (i) any issue or grant contemplated by the Scheme; and
 - (ii) any Target Shares issued by Target as a result of the exercise of existing Target Options listed in Schedule 1 or to meet an existing obligation or commitment to officers or employees under existing officer or employee share plans or share option plans;
- (e) (**issue convertible securities**) Target issues, or agrees to issue, securities or other instruments convertible into shares;
- (f) (**create mortgage**) Target creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole or a substantial part of the business or property of the Target Group except in the ordinary course of business;

- (g) **(Insolvency Event)** an Insolvency Event occurs in relation to Target or a subsidiary of Target;
- (h) **(change to constitution)** Target makes any material change or amendment to its constitution;
- (i) **(declare dividend)** Target declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets other than the Target Dividend;
- (j) **(litigation)** proceedings are brought against Target or a subsidiary of Target which are likely to result in damages or compensation payable by Target or its subsidiaries greater than \$2 million, in aggregate and which are not recoverable under any insurance arrangements;
- (k) **(waive debt)** Target or a subsidiary of Target waives, forgoes or otherwise fails to seek the enforcement of any debt or other liability owed to it by any other entity within the Target Group;
- (l) **(change to accounting practice or policies)** Target or a subsidiary of Target makes any change to their accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or elects to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);

but excluding any matter:

- (m) fairly disclosed in the Target Disclosure Material;
- (n) required to be done or procured by Target under this document or the Scheme; or
- (o) in relation to which Bidder has expressly consented in writing.

Target Share means each fully paid ordinary share in Target.

Target Shareholder means each person entered in the Register as a holder of Target Shares.

Target Shareholder Approval means a resolution in favour of the Scheme passed by the required majority of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act.

Timetable means the indicative timetable set out in Schedule 1, subject to any modifications as the parties may agree in writing.

Trigger Dispute means any dispute between the parties as to whether an event in clause 15.2 or 15.3 has occurred.

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

Unlawful Amount means all or any part of the payment required to be made under clause 15.2 or 15.3 that is found by the Takeovers Panel or a court to:

- (a) be unlawful;
- (b) involve a breach of director's duties; or
- (c) constitute Unacceptable Circumstances.

UNPAT means the underlying profit after tax of Bidder excluding the after tax impact of investment value write-downs, the PIPL acquisition, re-evaluations of liabilities arising from the PIPL group shareholder agreements and PIPL restructuring costs.

1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The words **associate, controller, entity, officer, relevant interest** and **subsidiary** have the same meaning as in the Corporations Act.
- (g) A reference to **information** is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets.
- (h) A reference to **\$** or **dollar** is to Australian currency.
- (i) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (j) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (k) A reference to a matter being **to the knowledge** of a person means that the matter is to the best of the actual knowledge of the chief executive officer, chief financial officer or general counsel of that person provided in good faith after making reasonable enquiries in the circumstances.

- (l) Words defined in the GST Law have the same meaning in clauses concerning GST.
- (m) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- (n) References to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.
- (o) Any reference to a contravention of or to a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true or correct.
- (p) Each representation and warranty is a separate warranty and representation and its meaning is not affected by any other representation or warranty.
- (q) A reference to time in this document is a reference to time in Melbourne.

1.3 Non-Business Days

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.4 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

2. TARGET SCHEME

2.1 Agreement to propose and implement the Scheme

- (a) Target agrees to propose and implement the Scheme in accordance with Part 5.1 of the Corporations Act and on and subject to the terms of this document, and to use all reasonable endeavours to do so in accordance with the Timetable.
- (b) Bidder agrees to assist Target to propose and implement the Scheme in accordance with Part 5.1 of the Corporations Act and on and subject to the terms of this document, and to use all reasonable endeavours to do so in accordance with the Timetable.

- (c) The parties acknowledge and agree that their intention and expectation is that, in the 12 month period immediately following Implementation, the merged businesses of the Target Group and the Bidder Group will be able to achieve \$20 million in synergy benefits (on an after tax basis).

2.2 Outline of the Scheme

Subject to the terms and conditions of this document, on the Implementation Date, all of the Target Shares held by Scheme Participants will be transferred to Bidder and the Scheme Participants will be entitled to receive the Scheme Consideration.

2.3 No amendments to the Scheme without consent

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

2.4 Scheme Consideration

- (a) Bidder covenants in favour of Target (in its own right and as trustee on behalf of the Scheme Participants) that in consideration of the transfer to Bidder of each Target Share held by a Scheme Participant under the terms of the Scheme, Bidder will, subject to the terms of the Scheme, issue 1 Bidder Share to each such Scheme Participant for every 3.73 Target Shares held by that Scheme Participant at the Record Date.
- (b) Any fractional entitlement of a Scheme Participant to part of a Bidder Share will be rounded up or down to the nearest whole number of Bidder Shares in accordance with the Scheme.
- (c) Unless Bidder is satisfied that the laws of an Ineligible Overseas Shareholder's country of residence permit the issue of New Bidder Shares to the Ineligible Overseas Shareholder either unconditionally or after compliance with terms which Bidder reasonably regards as acceptable and practical, Bidder has no obligation to allot or issue New Bidder Shares to any Ineligible Overseas Shareholder.
- (d) If Bidder elects not to allot or issue New Bidder Shares to an Ineligible Overseas Shareholder in accordance with clause 2.4(c), it must allot and issue the New Bidder Shares to which the Ineligible Overseas Shareholder would otherwise become entitled to a nominee appointed by Bidder on terms that the nominee must sell those New Bidder Shares at such time or times, in such manner and on such terms and conditions as the nominee thinks fit in its absolute discretion (and at the risk of the Ineligible Overseas Shareholder) and that the nominee must then pay to that Ineligible Overseas Shareholder the proceeds received.

3. CONDITIONS

3.1 Obligations not binding until Conditions satisfied

Subject to this clause 3, the obligations of the parties to implement the Scheme (including the obligations of the Bidder under clause 2.4) do not become binding until each Condition is satisfied or waived under clause 3.5.

3.2 Conditions

The Conditions are:

- (a) **(Independent Expert's Report)** the Independent Expert's Report concludes that the Scheme is in the best interests of Scheme Participants;
- (b) **(orders convening Meeting)** prior to the Second Court Date, the Court makes orders under section 411(1) of the Corporations Act convening the Scheme Meeting;
- (c) **(Shareholder Approval)** Target Shareholder Approval is obtained;
- (d) **(Court approval of Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- (e) **(order lodged with ASIC)** an office copy of the Court order approving the Scheme is lodged with ASIC under section 411(4)(b) of the Corporations Act;
- (f) **(Regulatory Approvals)** the Regulatory Approvals are obtained and not withdrawn by 5.00pm on the Business Day immediately prior to the Second Court Date;
- (g) **(no restraint adversely affecting Implementation)** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of Implementation is in effect at 8.00am on the Second Court Date;
- (h) **(ASX quotation)** Prior to the Second Court Date, the New Bidder Shares to be issued to Scheme Participants in accordance with the Scheme are approved for official quotation on ASX, which approval may be conditional on the issue of those shares and other conditions customarily imposed by ASX;
- (i) **(no Target Material Adverse Effect)** from the date of this document until 8.00am on the Second Court Date, no Target Material Adverse Effect occurs;
- (j) **(no Target Prescribed Event)** from the date of this document until 8.00am on the Second Court Date, no Target Prescribed Event occurs;
- (k) **(no Target Material Transactions)** from the date of this document until 8.00am on the Second Court Date, there are no Target Material Transactions by Target or any of its subsidiaries without the prior consent of Bidder, such consent not to be unreasonably withheld or delayed;
- (l) **(Target representations and warranties)** the representations and warranties of Target set out in clauses 12.1 and 12.2 being true and correct as at the date of this document and as at 8.00am on the Second Court Date and, in respect of the representations and warranties set out in clause 12.2(a), as at the Disclosure Cut-Off Date and the Due Diligence Cut-Off Date;
- (m) **(Target Due Diligence Information)** Target grants Bidder and its Representatives reasonable access to all Target Due Diligence Information, and as a result of its due diligence investigation (including any due diligence investigation commenced prior to the date of this document), Bidder does not inform Target in writing by the Due Diligence Cut-Off Date that it has discovered information that causes it to decide not to proceed with the Scheme;
- (n) **(no Bidder Material Adverse Effect)** from the date of this document until 8.00am on the Second Court Date, no Bidder Material Adverse Effect occurs;
- (o) **(no Bidder Prescribed Event)** from the date of this document until 8.00am on the Second Court Date, no Bidder Prescribed Event occurs;

- (p) **(no Bidder Material Transactions)** from the date of this document until 8.00am on the Second Court Date, there are no Bidder Material Transactions by Bidder or any of its subsidiaries without the prior consent of Target, such consent not to be unreasonably withheld or delayed;
- (q) **(Bidder representations and warranties)** the representations and warranties of Bidder set out in clauses 12.1 and 12.3 being true and correct as of the date of this document and as at 8.00am on the Second Court Date and, in respect of the representations and warranties in clause 12.3(a), as at the Disclosure Cut-Off Date and the Due Diligence Cut-Off Date; and
- (r) **(Bidder Due Diligence Information)** Bidder grants Target and its Representatives reasonable access to all Bidder Due Diligence Information, and as a result of its due diligence investigation (including any due diligence investigation commenced prior to the date of this document), Target does not inform Bidder in writing by the Due Diligence Cut-Off Date that it has discovered information that causes it to decide not to proceed with the Scheme.

3.3 Regulatory Approvals

For the purposes of clause 3.2(f), where a Regulatory Approval is conditional, it will be regarded as:

- (a) having been obtained if the relevant conditions cannot reasonably be considered to have a material adverse effect on the value that Bidder considered it would derive from Implementation; and
- (b) not having been obtained if the relevant conditions do not satisfy the test in clause 3.3(a).

3.4 Benefit of a Condition

The following Conditions are included for the benefit of the following parties:

- (a) the Conditions in clauses 3.2(a) to 3.2(h) are for the benefit of each party;
- (b) the Conditions in clause 3.2(i) to 3.2(m) are for the benefit of Bidder; and
- (c) the Conditions in clause 3.2(n) to 3.2(r) are for the benefit of Target.

3.5 Waiver of a Condition

- (a) If a Condition has been included for the benefit of one party only, only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of the Condition (except that a party must not waive a Condition if it would result in a breach of law).
- (b) If a Condition has been included for the benefit of both parties, the breach or non-fulfilment of the Condition may be waived only by the consent of both parties.
- (c) The breach or non-fulfilment of a Condition may only be waived in writing.
- (d) If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this document that resulted in the breach or non-fulfilment of the Condition.

3.6 Fulfilment of each Condition

Each party must:

- (a) use its reasonable endeavours (other than waiver) to ensure and procure that, to the extent reasonably within its power and ability to influence, each Condition is satisfied as soon as practicable after the date of this document;
- (b) not take any action or refrain from taking any action (except as required by law) designed to prevent the Conditions being satisfied, without the prior consent of the other party;
- (c) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (d) promptly inform the other party of any circumstances which may result in any of the Conditions not being satisfied in accordance with its terms; and
- (e) promptly advise the other party of the satisfaction of a Condition.

3.7 When a Condition is fulfilled

Each Condition in clauses 3.2(a) to 3.2(c) inclusive and clauses 3.2(f) to 3.2(r) inclusive is deemed to be fulfilled on the Relevant Date unless the party for whose benefit the Condition has been included (or, in the case of a Condition included for the benefit of more than one party, each of those parties) gives notice to the other party on or before the Relevant Date of the non-fulfilment of the Condition.

3.8 If a Condition is not fulfilled or waived

If:

- (a) a Condition set out in clause 3.2(a) to 3.2(c) inclusive or clause 3.2(f) to 3.2(r) inclusive has not been fulfilled or waived by the Relevant Date;
- (b) a Condition set out in clause 3.2(d) or 3.2(e) has not been fulfilled or waived by the End Date; or
- (c) the Effective Date does not occur on or prior to the End Date; or
- (d) there is an act, failure to act, event or occurrence which will prevent a Condition being fulfilled by:
 - (i) in the case of a Condition in clause 3.2(a) to 3.2(c) inclusive or clause 3.2(f) to 3.2(r) inclusive, the Relevant Date; or
 - (ii) in the case of a Condition in clause 3.2(d) or 3.2(e), the End Date,
 (and the breach or non-fulfilment of the Condition which would otherwise occur has not been waived),

then the parties:

- (e) will consult in good faith to determine whether the Scheme may proceed by way of alternative means or methods; and
- (f) may agree to extend the Relevant Date or the End Date, or both.

4. OBLIGATIONS OF THE PARTIES

Each party must use reasonable endeavours to give effect to the Scheme subject to compliance with their respective obligations, powers and duties under this document, their

constituent documents and all applicable law and the proper performance by the directors of Target and Bidder of their fiduciary duties.

5. TARGET OBLIGATIONS

5.1 Target must take all necessary steps to propose and implement the Scheme and the Options Offer as expeditiously as practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **(make Announcement stating approval of Scheme by directors)** as expeditiously as practicable, make an Announcement, in a form agreed between Target and Bidder which includes a statement (on the basis of written statements made to it by each of its directors) that each director of Target:
- (i) considers the Scheme to be in the best interests of Target Shareholders and recommends to Target Shareholders that the Scheme be approved; and
 - (ii) who holds Target Shares intends to vote his or her Target Shares in favour of the Scheme,

subject to no superior proposal emerging and the Independent Expert's Report concluding that the Scheme is in the best interests of Target Shareholders;

- (b) **(Target Due Diligence Information)** as expeditiously as practicable and no later than the Disclosure Cut-Off Date, provide the Bidder with reasonable access to all information required to be disclosed by the Target in order for the representations and warranties in clause 12.2(a) to be complete, true and accurate as at the Disclosure Cut-Off Date;
- (c) **(continued approval of Scheme by directors)** use reasonable endeavours to procure that, subject to the proper performance by its directors of their fiduciary duties, no superior proposal emerging and the Independent Expert's Report concluding that the Scheme is in the best interests of Target Shareholders, Target's directors maintain the recommendation referred to in clause 5.1(a) until the Implementation Date;
- (d) **(apply for Regulatory Approvals)** consult with Bidder on all aspects of communications with Government Agencies in relation to the Scheme and, as expeditiously as practicable:
- (i) apply for all relevant Regulatory Approvals and provide Bidder with a copy of all applications;
 - (ii) take all steps it is responsible for in the approval process;
 - (iii) respond to requests for information from the relevant Government Agencies at the earliest practicable time;
 - (iv) provide Bidder with all information reasonably requested in connection with the applications for relevant Regulatory Approvals; and
 - (v) so far as it is able, at Bidder's request allow Bidder's Representatives the opportunity to be present at any meetings with any Government Agency with respect to the Regulatory Approvals;
- (e) **(commission Independent Expert's Report)** as expeditiously as practicable, commission the preparation of the Independent Expert's Report and provide all

- assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (f) **(prepare Scheme Booklet)** as expeditiously as practicable, prepare a Scheme Booklet in accordance with all applicable law and the ASX Listing Rules;
 - (g) **(prepare Court documents)** as expeditiously as practicable, prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable law;
 - (h) **(consult with the Bidder)** in a timely manner consult with Bidder as to the form and content of, and provide drafts to the Bidder of, all documents required for the purposes of the Scheme, including:
 - (i) the Scheme Booklet, including taking into account the Bidder's reasonable comments and incorporating the Bidder Material; and
 - (ii) the Optionholder Deed; and
 - (iii) the Court proceedings relating to the Scheme, including taking into account the Bidder's reasonable comments in relation to the Court documents;
 - (i) **(Approval of ASIC Review Draft)** as soon as practicable after preparation of the ASIC Review Draft, procure that a meeting of the board of directors of Target is convened to approve the ASIC Review Draft as being in a form appropriate for despatch to the Target Shareholders, subject to completion of dates, numbers and minor corrections;
 - (j) **(Lodgment of ASIC Review Draft)** as soon as practicable after the board meeting referred to in clause 5.1(i), provide a copy of the ASIC Review Draft to ASIC, as required under section 411(2) of the Corporations Act;
 - (k) **(ASIC Review Period)** during the ASIC Review Period, keep Bidder informed of any matters raised by ASIC in relation to the Scheme Booklet, and use best endeavours, in cooperation with Target, to resolve any such matters;
 - (l) **(Approval of Scheme Booklet)** as soon as practicable after the end of the ASIC Review Period, procure that a meeting of the board of directors of Target is convened to approve the Scheme Booklet for despatch to Target Shareholders;
 - (m) **(seek Court order to convene Meeting)** as expeditiously as practicable, apply to the Court under section 411(1) of the Corporations Act for an order directing Target to convene the Scheme Meeting;
 - (n) **(convene Meeting)** convene the Scheme Meeting, in accordance with any order made by the Court under section 411(1) of the Corporations Act;
 - (o) **(register explanatory statement)** take all reasonable measures necessary to cause ASIC to register the explanatory statement relating to the Scheme;
 - (p) **(Scheme Booklet)** as expeditiously as practicable following any order made by the Court under section 411(1) of the Corporations Act, dispatch a copy of the Scheme Booklet to each Target Shareholder and to all other persons entitled to receive notice of the Scheme Meeting;
 - (q) **(inform shareholders of relevant post-Booklet information)** if it becomes aware of information after the date of dispatch of the Scheme Booklet, which is material for disclosure to Target Shareholders in deciding whether to approve the

Scheme, inform shareholders of such information in an appropriate and timely manner;

- (r) **(section 411(17)(b) statement)** if Target Shareholder Approval is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Scheme;
- (s) **(apply for Court approval)** subject to satisfaction or waiver of all Conditions other than the Conditions in clause 3.2(d) and (e), apply to the Court for orders approving the Scheme under section 411(4) of the Corporations Act;
- (t) **(lodge copy of order)** if the Court approves the Scheme under section 411(4) of the Corporations Act, lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act;
- (u) **(give Bidder information on Scheme Participants)** give to the share registry of Bidder, details of the names, registered addresses and holdings of Target Shares of every Target Shareholder as shown in the Register on the Record Date, in such form as Bidder may reasonably require;
- (v) **(determine Scheme Participants and entitlements)** determine who are the Scheme Participants and their entitlements to the Scheme Consideration on the Record Date;
- (w) **(register transfers)** register all transfers of Target Shares to Bidder on the Implementation Date;
- (x) **(new information)** provide to Bidder and Scheme Participants such further or new 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 Material 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);
- (y) **(recommend acceptance of the Options Offer)** procure that, subject to their fiduciary duties, each director of the Target recommends to holders of Options that they accept the Options Offer; and
- (z) **(half year dividend)** pay the Target Dividend prior to the Implementation Date.

5.2 Optionholders

- (a) Without limitation to clause 5.1, Target must take the following steps in relation to Optionholders:
 - (i) use all reasonable endeavours to procure that, prior to the First Court Date, each Optionholder executes the Optionholder Deed in respect of their Target Options and the Target Options are cancelled;
 - (ii) as expeditiously as practicable, prepare a scheme booklet in relation to the Options Scheme in accordance with all applicable law and the ASX Listing Rules;
 - (iii) as expeditiously as practicable, prepare all documents necessary for Court proceedings relating to the Options Scheme in accordance with all applicable law;

- (iv) in a timely manner consult with Bidder as to the form and content of, and provide drafts to the Bidder of, all documents required for the purposes of the Option Scheme and the Optionholder Deed;
- (v) in the event that the Target reasonably expects that any Optionholder will not have executed the Optionholder Deed in respect of their Target Options prior to the First Court Date, in consultation with the Bidder:
 - (A) the Target must convene a meeting of the Optionholders on the same day as the Scheme Meeting for the Scheme;
 - (B) must take all necessary steps to propose and implement the Option Scheme as expeditiously as possible and in a manner consistent with the Timetable; and
 - (C) all terms of this document will apply to the Option Scheme as if every reference to "Scheme" were a reference also to the Option Scheme and every reference to "Target Shareholders" were also a reference to "Optionholders", unless the context requires otherwise and except in the Condition set out in clause 3.2(h). For the avoidance of doubt, this clause 5.2(a)(v)(C) applies in respect of the Conditions.
- (b) In respect of the Option Scheme, the parties agree that:
 - (i) the Option Scheme will provide for the cancellation of Target Options in exchange for Bidder Options on the terms of the Optionholder Deed; and
 - (ii) the Option Scheme will be conditional on the Scheme becoming Effective but, for the avoidance of doubt, the Scheme will not be conditional on the Option Scheme becoming Effective.

6. BIDDER OBLIGATIONS

Bidder must take all necessary steps to propose and implement the Scheme and the Options Offer as expeditiously as practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **(make Announcement stating support for Scheme by directors)** as expeditiously as practicable, make an Announcement, in a form agreed between Target and Bidder which includes a statement (on the basis of written statements made to it by each of its directors) that each director of Bidder considers the Scheme to be in the best interests of Bidder Shareholders and will support the Scheme, subject to no superior proposal emerging and the Independent Expert's Report concluding that the Scheme is in the best interests of Target Shareholders;
- (b) **(Bidder Due Diligence Information)** as expeditiously as practicable and no later than the Disclosure Cut-Off Date, provide the Target with reasonable access to all information required to be disclosed by the Bidder in order for the representations and warranties in clause 12.3(a) to be complete, true and accurate as at the Disclosure Cut-Off Date;
- (c) **(continued support for Scheme by directors)** use reasonable endeavours to procure that, subject to the proper performance by its directors of their fiduciary duties, no superior proposal emerging and the Independent Expert's Report concluding that the Scheme is in the best interests of Target Shareholders,

Bidder's directors maintain their support for the Scheme until the Implementation Date;

- (d) **(apply for Regulatory Approvals)** consult with Bidder on all aspects of communications with Government Agencies in relation to the Scheme and, as expeditiously as practicable:
 - (i) apply for all relevant Regulatory Approvals and provide Target with a copy of all applications;
 - (ii) take all steps it is responsible for in the approval process;
 - (iii) respond to requests for information from the relevant Government Agencies at the earliest practicable time;
 - (iv) provide Target with all information reasonably requested in connection with the applications for Regulatory Approvals; and
 - (v) so far as it is able, at the Target's request allow Target's Representatives the opportunity to be present at any meetings with any Government Agency with respect to the Regulatory Approvals;
- (e) **(assist preparation of Independent Expert's Report)** as expeditiously as practicable, provide all assistance and information reasonably requested by the independent expert in connection with the preparation of the Independent Expert's Report;
- (f) **(supply information for Scheme Booklet)** as expeditiously as practicable, supply to Target for inclusion in the Scheme Booklet such information regarding Bidder as is required under all applicable law including all relevant ASIC policy statements and Takeovers Panel policy and guidance notes to be included in the Scheme Booklet, in reasonable time to allow Target to prepare the Scheme Booklet in accordance with this document;
- (g) **(new information)** provide to Target such further or new 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 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) **(Deed Poll)** before the First Court Date, enter into the Deed Poll;
- (i) **(quotation of New Bidder Shares)** subject to the Scheme becoming Effective, apply for the New Bidder Shares to be approved for official quotation on ASX and use reasonable endeavours to obtain ASX's approval for official quotation by 8.00am on the Second Court Date;
- (j) **(provide Scheme Consideration)** if Implementation occurs, provide the Scheme Consideration in accordance with the Deed Poll on the Implementation Date;
- (k) **(give effect to the Scheme)** do all things necessary to lawfully give effect to the Scheme and the Option Scheme and the orders of the Court approving the Scheme;
- (l) **(reconstitute the Bidder Board)** as soon as practical after the Second Court Date and after the Scheme Consideration has been provided to Scheme Participants, reconstitute the board of directors of Bidder so that it consists of:

- (i) 4 directors from the Bidder Board (as nominated by Bidder) including Mr Ian Blair as the Chairman of the Bidder Board; and
- (ii) 3 directors from the Target Board (as nominated by Target) including Mr Chris Kelaher as the Managing Director and Chief Executive Officer;
- (m) **(Buy-back)** to terminate Bidder's existing on-market buy-back in accordance with applicable law; and
- (n) **(half year dividend)** pay the Bidder Dividend prior to the Implementation Date.

7. PRE-IMPLEMENTATION OBLIGATIONS

7.1 Conduct of the business before Implementation

From the date of this document up to and including the Implementation Date, each party must (and must procure that each of its subsidiaries) uses reasonable endeavours to conduct its business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, uses reasonable efforts to:

- (a) preserve intact its current business organisation;
- (b) keep available the services of its current officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
- (d) maintain its business and assets, including maintaining at least its current level of insurance.

7.2 Access to information

- (a) From the date of this document and up to and including the Implementation Date, each party must, and must procure each of its subsidiaries to give the other party reasonable access to its records (subject to any existing confidentiality obligations owed to third parties), premises and personnel and reasonable co-operation for the purpose of:
 - (i) understanding the financial position of it and its subsidiaries including its/their cashflow and working capital position;
 - (ii) Implementation;
 - (iii) understanding the operations of the business of it and its subsidiaries; and
 - (iv) any other purpose which is agreed in writing between the parties.
- (b) Nothing in clause 7.2(a) requires a party a party or any of its subsidiaries to provide information to the other party concerning consideration of the Scheme by directors and management of it or any of its subsidiaries.

7.3 Information on representations and warranties

From the date of this document and up to and including the Implementation Date:

- (a) Target must, and must procure that each of its subsidiaries, promptly give to Bidder details of any matter or occurrence which might reasonably make any

representations and warranties given by Target under this document inaccurate in a material respect; and

- (b) Bidder must, and must procure that each of its subsidiaries, promptly give to Target details of any matter or occurrence which might reasonably make any representations and warranties given by Bidder, under this document inaccurate in a material respect.

7.4 Information provided subject to confidentiality obligation

All information provided under or in connection with this document is subject to the terms of the Confidentiality Deed.

8. ANNOUNCEMENT

8.1 No Announcement

Neither party may make an Announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the Announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law or the ASX Listing Rules.

8.2 Notice of Announcement

If a party is required to make an Announcement under clause 8.1(c), it must, to the extent practicable without that party breaking any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft Announcement.

9. STANDSTILL

9.1 Restrictions on Bidder

Subject to clause 9.2, during the Exclusivity Period, Bidder must not and must make sure that members of the Bidder Group and the directors of Bidder do not:

- (a) acquire or offer to acquire, any securities or property or any right or option to acquire any securities or property of Target unless it has received the prior written consent of Target; or
- (b) enter into any arrangements involving the conferring of rights the economic effect of which is equivalent, or substantially equivalent, to acquiring, holding or disposing of securities in Target; or
- (c) solicit proxies from shareholders of Target or otherwise seek to influence or control the management or policies of Target.

9.2 Exceptions

- (a) Clause 9.1 does not apply to:
 - (i) any action required to be taken by Bidder, members of Bidder Group or directors of Bidder under the Scheme; or
 - (ii) any acquisition of Target Shares, provided that the number of Target Shares held by Bidder, members of Bidder Group and directors of Bidder at any time does not exceed 3% of all Target Shares on issue or the acquisition is in the ordinary course of any business of the Bidder Group.
- (b) Clause 9.1 will cease to apply if a Competing Proposal is announced by a person other than Bidder or a member of the Bidder Group.

9.3 Restrictions on Target

Subject to clause 9.4, during the Exclusivity Period, Target must not and must make sure that members of the Target Group and the directors of Target do not:

- (a) acquire or offer to acquire, any securities or property or any right or option to acquire any securities or property of Bidder unless it has received the prior written consent of Bidder; or
- (b) enter into any arrangements involving the conferring of rights the economic effect of which is equivalent, or substantially equivalent, to acquiring, holding or disposing of securities in Bidder; or
- (c) solicit proxies from shareholders of Bidder or otherwise seek to influence or control the management or policies of Bidder.

9.4 Exceptions

- (a) Clause 9.3 does not apply to:
 - (i) any action required to be taken by Target, members of the Target Group or directors of Target under the Scheme; or
 - (ii) any acquisition of Bidder Shares, provided that the number of Bidder Shares held by Target, members of Target Group and directors of Target at any time does not exceed 3% of all Bidder Shares on issue or the acquisition is in the ordinary course of any business of the Target Group.
- (b) Clause 9.3 will cease to apply if a Competing Proposal is announced by a person other than Target or a member of the Target Group.

10. NO SOLICITATION

10.1 No solicitation

Subject to clause 10.2, during the Exclusivity Period, each party must not and must ensure that its directors, chief executive officer, chief financial officer and general counsel (to the extent that it is reasonably able to influence them) do not and each party must not require any adviser or agent to:

- (a) directly or indirectly solicit, initiate or encourage any inquiries, proposals or discussions regarding any Competing Proposal or any other transaction that may

reduce the likelihood of success of the Scheme (whether from a person with whom that party has previously been in discussions or not);

- (b) directly or indirectly participate in any discussions or negotiations regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme;
- (c) accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme;
- (d) approve, recommend or implement a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme or announce an intention to do so; or
- (e) disclose any information about the businesses or affairs of that party to a third party (other than a Representative, Government Agency or auditors) other than in the ordinary course of business or as required under that party's existing contractual obligations to the extent those obligations have been disclosed to the other party and cannot be terminated,

except as otherwise agreed in writing by the other party.

10.2 Response to unsolicited approach

- (a) If clause 10.1(a) is complied with, nothing in clauses 10.1(b), (c), (d) or (e) prevents any action by or on behalf of a party or its directors to respond to any approach by a third party if failure to do so would, in the reasonable opinion of that party's board of directors, be likely to involve a breach of the duties of the directors of that party. The reasonable opinion of a party's board of directors must be based on specific legal and any other appropriate advice.
- (b) If a party (**First Party**) responds to any approach by a third party (as contemplated by clause 10.2(a)), then:
 - (i) the First Party must immediately notify the other party (**Second Party**); and
 - (ii) the Second Party may provide a written notice to the First Party terminating each party's obligations under this clause 10.2 in respect of that approach with effect from the date of the notice.

10.3 Notify of approaches

During the Exclusivity Period, each party must immediately notify the other party of any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal.

10.4 No ongoing discussions

Each party represents and warrants to the other that, as at the date of this document, it is not in discussions or negotiations with any third party regarding any Competing Proposal.

11. TERMINATION

11.1 When a party may terminate

- (a) If Bidder and Target are unable to reach agreement under clause 3.8 within 5 Business Days after both parties become aware that a Condition will not be fulfilled or waived, either party may terminate this document by notice in writing to the other (provided that the relevant Condition is for the benefit of that party (whether solely or jointly with the other party)).
 - (b) Without limiting clause 11.1(a), a party may terminate this document:
 - (i) after the End Date, if the Effective Date has not occurred on or before that date;
 - (ii) before 8.00am on the Second Court Date:
 - (A) by Bidder – if Target is in breach of this document (including a breach of a representation or warranty under clause 12) and that breach is material and is not remedied by Target within 5 Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from Bidder of the details of the breach and its intention to terminate; and
 - (B) by Target – if Bidder is in breach of this document (including a representation or warranty under clause 12) and that breach is material and is not remedied by Bidder within 5 Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from Target of the details of the breach and its intention to terminate,
- by giving notice in writing to the other party.

11.2 Bidder may terminate if change in Target directors' recommendations

Bidder may terminate this agreement by giving notice in writing to the other party if, before the Second Court Date:

- (a) any of Target's directors adversely changes (including by attaching any qualifications to) or withdraws his or her recommendation that the Scheme is in the best interests of Target Shareholders; or
- (b) Target or any of its directors acts in a manner which is inconsistent with obtaining approval for the Scheme.

11.3 Obligations on termination

- (a) If a party terminates this document, all obligations of the parties under this document, other than this clause, clauses 8 (Announcement), 12 (Representations and warranties), 13 (Indemnities), 14 (Release), 15 (Payment of Liquidated Amount), 16 (GST), 17 (Notices), 18 (Amendment and Assignment) and 19 (General), immediately cease to be of further force or effect.
- (b) The termination of this document does not affect any Claim arising before this agreement is terminated that a party may have against another party.

12. REPRESENTATIONS AND WARRANTIES

12.1 Mutual representations and warranties

Each party represents and warrants to the other party that (subject to obtaining any relevant Regulatory Approvals):

- (a) **(status)** it is a company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this document and carry out the transactions that this document contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions that this document contemplates;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:
 - (i) enable it to properly execute this document and to carry out the transactions that this document contemplates;
 - (ii) ensure that this document is legal, valid, binding and admissible in evidence; and
 - (iii) enable it to properly carry on its business,and it is complying with any conditions to which any such Authorisation is subject;
- (e) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates, does or will contravene:
 - (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) any Authorisation held by it;
 - (iii) any undertaking or instrument binding on it or any of its property; or
 - (iv) its constitution;
- (g) **(no Insolvency Event)** neither it nor any of its subsidiaries is affected by an Insolvency Event;
- (h) **(no trust)** it is not entering into this document as trustee of any trust or settlement; and
- (i) **(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 purpose of preparing the Independent Expert's Report for inclusion in the Scheme Booklet.

12.2 Target representations and warranties

Target represents and warrants to Bidder that:

- (a) **(Target Due Diligence Information not false or misleading)** to Target's knowledge, Target has not knowingly or recklessly:
 - (i) omitted to disclose information to Bidder, the disclosure of which might reasonably be expected to have resulted in Bidder not entering into this document, or entering into it on materially different terms or, as contemplated by the Condition set out in clause 3.2(m) ("Target Due Diligence Information"), informing Target that it has decided not to proceed with the Scheme;
 - (ii) omitted anything from the Target Due Diligence Information such as to make any part of that information materially false or misleading;
 - (iii) included anything materially false or misleading in the Target Due Diligence Information; or
 - (iv) denied access to requested information with the intention of misleading Bidder;
- (b) **(Scheme Booklet not false or misleading)** to Target's knowledge, as at the date of dispatch of the Scheme Booklet, the Scheme Booklet (other than the Bidder Material) will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(continuing obligation of disclosure)** it will, as a continuing obligation, ensure that the Scheme Booklet (but in respect of the Bidder Material, subject to Bidder complying with its obligations under clause 12.3(c)) will be updated by all such further or new information which may arise after the Scheme Booklet has been despatched until the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect (including because of any material omission);
- (d) **(complied with applicable law)** other than as fairly disclosed in the Target Disclosure Material, Target and its wholly owned subsidiaries have complied with all applicable law to the extent that any instance of non-compliance:
 - (i) individually or in aggregate, could not reasonably be expected to have a Target Material Adverse Effect; or
 - (ii) does not involve a breach of Target's continuous disclosure obligations under the Listing Rules;
- (e) **(material correspondence to be promptly disclosed)** without limiting clause 12.2(a), all material correspondence between Target or any of its wholly owned subsidiaries and any Government Agency which is received following execution of this document until the Effective Date will be promptly disclosed in writing to Bidder;
- (f) **(no default)** other than as fairly disclosed in the Target Disclosure Material:
 - (i) neither Target nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and

- (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement,

which individually or in aggregate could reasonably be expected to have a Target Material Adverse Effect;

- (g) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could result in a Target Material Adverse Effect;
- (h) **(schedule accurately details Target capital)** Schedule 1 accurately records the total number and details of Target Shares, securities convertible into Target Shares, Target Options, notes or other securities issued by Target at the date of this document and, other than as disclosed in writing to Bidder on or before the Due Diligence Cut-off Date, Target is not under any actual or contingent obligation to issue, convert or cancel any securities; and
- (i) **(no other approvals necessary)** to Target's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation or the Options Offer other than those identified in paragraphs (a) to (c) of the definition of Regulatory Approvals in clause 1.1.

12.3 Bidder representations and warranties

Bidder represents and warrants to Target that:

- (a) **(Bidder Due Diligence Information not false or misleading)** to Bidder's knowledge, Bidder has not knowingly or recklessly:
 - (i) omitted to disclose information to Target, the disclosure of which might reasonably be expected to have resulted in Target not entering into this document, or entering into it on materially different terms or, as contemplated by the Condition set out in clause 3.2(r) ("Bidder Due Diligence Information"), informing Bidder that it has decided not to proceed with the Scheme;
 - (ii) omitted anything from the Bidder Due Diligence Information such as to make any part of that information materially false or misleading;
 - (iii) included anything materially false or misleading in the Bidder Due Diligence Information; or
 - (iv) denied access to requested information with the intention of misleading Target;
- (b) **(no false or misleading statement)** to Bidder's knowledge, as at the date of dispatch of the Scheme Booklet the Bidder Material will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(continuing obligation of disclosure)** it will, as a continuing obligation, provide to Target all such further or new information which may arise after the Scheme Booklet has been despatched until the Scheme Meeting which is necessary to ensure that the Bidder Material is not misleading or deceptive in any material respect (including because of any material omission);

- (d) **(complied with applicable law)** other than as fairly disclosed in the Bidder Disclosure Material, Bidder and its wholly owned subsidiaries have complied with all applicable law to the extent that any instance of non-compliance:
- (i) individually or in aggregate, could not reasonably be expected to have a Bidder Material Adverse Effect; or
 - (ii) does not involve a breach of Bidder's continuous disclosure obligations under the Listing Rules;
- (e) **(material correspondence to be promptly disclosed)** without limiting clause 12.3(a), all material correspondence between Bidder or any of its wholly owned subsidiaries and any Government Agency which is received following execution of this document until the Effective Date will be promptly disclosed in writing to Target;
- (f) **(no default)** other than as fairly disclosed in the Bidder Disclosure Material:
- (i) neither Bidder nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and
 - (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement,
- which individually or in aggregate could reasonably be expected to have a Bidder Material Adverse Effect;
- (g) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could result in a Bidder Material Adverse Effect;
- (h) **(schedule accurately details Bidder capital)** Schedule 1 accurately records the total number and details of Bidder Shares, securities convertible into Bidder Shares, Bidder Options, notes or other securities issued by Bidder at the date of this document and, other than as disclosed in writing to Target on or before the Due Diligence Cut-off Date, Bidder is not under any actual or contingent obligation to issue, convert or cancel any securities;
- (i) **(New Bidder Shares)** the New Bidder Shares will, upon issue:
- (i) be duly issued and fully paid;
 - (ii) be free from any mortgage, charge, lien, encumbrance or other security interest, other than as provided for in the constitution of Bidder; and
 - (iii) rank equally in all respects, including for future dividends, with all existing Bidder Shares; and
- (j) **(no other approvals necessary)** to Bidder's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation or the Options Offer other than those identified in paragraphs (a) to (c) of the definition of Regulatory Approvals in clause 1.1.

12.4 No representations made on economic or future matters

Neither party makes any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by it; or

- (b) future matters, including future or forecast costs, prices, revenues or profits.

12.5 Reliance on representations and warranties

Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clauses 12.1, 12.2 and 12.3.

12.6 When warranties are given

Each representation and warranty given or made under clauses 12.1, 12.2 and 12.3 is given:

- (a) as at the date of this document; and
- (b) as at 8.00am on the Second Court Date;
- (c) in the case of the representations and warranties in clauses 12.2(a) and 12.3(a), on the Disclosure Cut-Off Date and the Due Diligence Cut-Off Date; and
- (d) at any other date at which the representation or warranty is expressed to be given.

13. INDEMNITIES

13.1 Indemnities by Target

Target indemnifies Bidder and members of the Bidder Group and their respective directors, officers and employees against and must pay on demand any Loss, Claim or damage (including any right to common law damage) arising from or in connection with a breach of the representation and warranty in clause 12.2(b) to the fullest extent permitted by law.

13.2 Indemnities by Bidder

Bidder indemnifies Target and members of the Target Group and their respective directors, officers and employees against and must pay on demand any Loss, Claim or damage (including any right to common law damage) arising from or in connection with a breach of the representation and warranty in clause 12.3(b) to the fullest extent permitted by law.

14. RELEASE

- (a) Subject to section 199A of the Corporations Act and clause 14(b), no officer or employee of a party is liable for anything done or purported to be done in connection with Implementation.
- (b) Clause 14(a) does not exclude an officer or employee from any liability which may arise from wilful misconduct or a grossly negligent act or omission on the part of the person.
- (c) Each party receives and holds the benefit of this release, to the extent that it relates, to its officers and employees, as agent for them.

15. PAYMENT OF LIQUIDATED AMOUNT

15.1 Background

- (a) Target and Bidder believe that the Scheme will provide significant benefits to Target, Bidder and their respective shareholders and acknowledge that they will incur significant costs in connection with performing their obligations under this agreement and the Scheme.
- (b) Each party:
 - (i) has requested that provision be made in this agreement for the payments set out in clauses 15.2 and 15.3, in the absence of which neither of them would have entered into this agreement;
 - (ii) believes that it is appropriate to agree to the payment which it agrees to make under this clause 15 in order to secure the other party's participation in the Scheme; and
 - (iii) acknowledges that the amount it has agreed to pay the other party under this clause 15 is an amount which is appropriate to compensate the other party for its reasonable external and internal costs and opportunity costs in connection with the Scheme.

15.2 Payment by Target to Bidder

Target undertakes to pay to Bidder \$3 million (exclusive of GST) if:

- (a) prior to the End Date, Target accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme;
- (b) prior to the End Date, any Target director does not recommend the Scheme or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme or announces an intention to do any of these acts, other than:
 - (i) in circumstances where Target is entitled to terminate this document under clause 11.1(a) as a result of any Condition set out in 3.2(n) to 3.2(r) (inclusive) not being fulfilled; or
 - (ii) because the Independent Expert's Report concludes that the Scheme is not in the best interests of Target Shareholders; or
- (c) a Competing Proposal is announced, made or becomes open for acceptance before the End Date and, whether before or after termination of this Agreement or the End Date but within 12 months after the End Date, pursuant to that Competing Proposal the relevant bidder:
 - (i) acquires a relevant interest in more than 50% of all Target Shares and that Competing Proposal is (or becomes) free from any defeating conditions;
 - (ii) acquires all or a substantial part of the assets of Target or the Target Group;
 - (iii) acquires control of Target, within the meaning of section 50AA of the Corporations Act; or

- (iv) otherwise acquires or merges with Target (including by way of reverse takeover bid, reverse scheme of arrangement or dual listed companies structure).

15.3 Payment by Bidder to Target

Bidder undertakes to pay to Target \$3 million (exclusive of GST) if:

- (a) prior to the End Date, Bidder accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme;
- (b) prior to the End Date, any Bidder director does not recommend the Scheme or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Competing Proposal or any other transaction that may reduce the likelihood of success of the Scheme or announces an intention to do any of these acts, other than:
 - (i) in circumstances where Bidder is entitled to terminate this document under clause 11.1(a) as a result of any Condition set out in 3.2(i) to 3.2(m) (inclusive) not being fulfilled; or
 - (ii) because the Independent Expert's Report concludes that the Scheme is not in the best interests of Target Shareholders; or
- (c) a Competing Proposal is announced, made or becomes open for acceptance before the End Date and, whether before or after termination of this Agreement or the End Date but in any event within 12 months after the End Date, pursuant to that Competing Proposal the relevant bidder:
 - (i) acquires a relevant interest in more than 50% of all Bidder Shares and that Competing Proposal is (or becomes) free from any defeating conditions;
 - (ii) acquires all or a substantial part of the assets of Bidder or the Bidder Group;
 - (iii) acquires control of Bidder, within the meaning of section 50AA of the Corporations Act; or
 - (iv) otherwise acquires or merges with Bidder (including by way of reverse takeover bid, reverse scheme of arrangement or dual listed companies structure).

15.4 Demand for payment

- (a) Any demand by Bidder for payment under clause 15.2 must be in writing and Target must pay the amount referred to in clause 15.2 to Bidder within 10 Business Days of receipt of the demand provided that the demand is made after the occurrence of any event referred to in clause 15.2.
- (b) Any demand by Target for payment under clause 15.3 must be in writing and Bidder must pay the amount referred to in clause 15.3 to Target within 10 Business Days of receipt of the demand provided that the demand is made after the occurrence of any event referred to in clause 15.3.
- (c) For the avoidance of doubt, the obligation of a party to make a payment to the other under clause 15.2 or clause 15.3 (as relevant) cannot be triggered more than once.

- (d) Each party acknowledges and agrees that if an amount is paid to it under clause 15.2 or clause 15.3 (as relevant), that payment constitutes its sole and exclusive remedy in respect of the matter giving rise to the payment.

15.5 Trigger Disputes

- (a) If there is a Trigger Dispute between the parties which is not resolved within 2 Business Days of one party notifying the other, the Trigger Dispute must be referred to the Expert.
- (b) The parties will instruct the Expert to determine the Trigger Dispute within 10 Business Days.
- (c) In determining the dispute, the Expert will act as an expert and not an arbitrator.
- (d) The determination of the Expert will, in the absence of manifest error, be final and binding on the parties.
- (e) The Expert's fees will be borne equally by the parties.

15.6 Compliance with law

If the Takeovers Panel or a court determines that an amount paid or payable under clause 15.2 or 15.3 is an Unlawful Amount and:

- (a) the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged; or
- (b) an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review Panel or court also determines that the amount is an Unlawful Amount,

then:

- (c) the undertaking under clause 15.2 or 15.3 (as applicable) does not apply to the extent of the Unlawful Amount; and
- (d) if a party has been paid an Unlawful Amount under this document, it must refund it to the other party.

16. GST

16.1 GST payable in addition to consideration for taxable supplies

A recipient of a taxable supply made under or in connection with this document must:

- (a) pay to the supplier, in addition to the consideration for the taxable supply, an amount equal to any GST paid or payable by the supplier in respect of the taxable supply, without deduction or set-off of any other amount; and
- (b) make the payment either when the consideration for the taxable supply is payable, or upon demand.

16.2 Tax Invoice

The supplier must issue a tax invoice to the recipient for any supply for which the supplier may recover GST from the recipient under or in connection with this document.

16.3 Consideration exclusive of GST

Any consideration or payment obligation in this document is exclusive of GST unless stated otherwise.

17. NOTICES**17.1 How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

17.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day; and
- (b) if it is sent by mail:
 - (iii) within Australia – 3 Business Days after posting; or
 - (iv) to or from a place outside Australia – 7 Business Days after posting.

17.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

Target

Address: Level 22, 207 Kent Street, Sydney, New South Wales, 2000

Fax number: (02) 9028 5938

Attention: Company Secretary

Bidder

Address: Level 29, 303 Collins Street, Melbourne, Victoria, 3000

Fax number: (03) 8614 4888

Attention: Adrianna Bisogni

18. AMENDMENT AND ASSIGNMENT

18.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

18.2 Assignment

A party may only assign, declare a trust over or otherwise deal with its rights under this document with the prior consent of each other party.

19. GENERAL

19.1 Governing law

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

19.2 Liability for expenses

- (a) Bidder must pay for all stamp duty payable on this document or any instrument or transaction contemplated in or necessary to give effect to this document.
- (b) Subject to clause 19.2(a), each party must pay its own expenses incurred in negotiating, preparing, executing and registering this document.

19.3 Giving effect to this document

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

19.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

19.5 No partnership or agency

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no Party may act as agent of or in any way bind another Party to any obligation.

19.6 Operation of this document

- (a) This document and the Confidentiality Deed contain the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and the Confidentiality Deed and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

19.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

19.8 Clauses benefiting third parties

If a provision of this document is expressed to be for the benefit of a person such as a Scheme Participant that is not a party to this document (**third party**), the party to this document that receives that promise and any permitted assignee of that party (**promisee**):

- (a) does so not only in its own capacity but also as trustee for the third party;
- (b) must permit the third party to enforce the provision in the promisee's name on giving full indemnity and any reasonable security the promisee requires;
- (c) assumes no other duty or liability whatever to the third party such as to inform the third party of anything, to supervise, to monitor or to claim anything; and
- (d) may revoke the trust or vary or cancel the provision as it sees fit without the consent of and without having regard to the interests of or being responsible for any detriment to any third party.

19.9 Consents

Where this document contemplates that a party may agree or consent to something (however it is described), the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions,

unless this document expressly contemplates otherwise.

19.10 No merger

No provisions of this document merge on Implementation.

19.11 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

19.12 Counterparts

This document may be executed in counterparts.

Schedule 1

TIMETABLE

Step	Date	Action
1	24 November 2008	Sign Implementation Agreement and announce transaction
2	29 January 2009	Provide ASIC and Court with draft Scheme Booklet
4	6 February 2009	First Court Date
5	10 February	Printing/despatch and mailing of Scheme Booklets completed
9	10 March 2009	Hold Scheme Meeting and announce results to ASX
10	10 March 2009 (afternoon)	Hearing before Supreme Court Master
11	11 March 2009	Second Court Date and announce to ASX
12	12 March 2009	Effective Date File Court order with ASIC and announce to ASX Target Shares cease trading at close of trading on ASX
13	19 March 2009	Record Date for entitlements to Scheme Consideration
14	25 March 2009	Implementation Date Bidder issues Scheme Consideration
15	27 March 2009	Despatch holding statements for New Bidder Shares
16	30 March 2009	Normal settlement trading of New Bidder Shares

Schedule 2

SCHEME

Scheme Of Arrangement

**Australian Wealth Management Limited
(Target)**

ABN 53 111 116 511

**The holders of ordinary fully paid shares
issued in Australian Wealth Management
Limited**

ABN 53 111 116 511

Blake Dawson

Level 39
101 Collins Street
Melbourne VIC 3000
Australia
T 61 3 9679 3000
F 61 3 9679 3111

Reference
03-2001-8240

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Scheme of Arrangement

Under section 411 of the Corporations Act

DATE

PARTIES

Australian Wealth Management Limited ABN 53 111 116 511 (Target)

Each holder of fully paid ordinary shares in the Target.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document:

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of ASX.

Bidder means IOOF Holdings Ltd ABN 49 100 103 722.

Bidder Register means the register of members of Bidder.

Bidder Share means a fully paid ordinary share in Bidder.

Bidder Share Registry means the persons operating the Bidder Register.

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

CHESS means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement and Transfer Corporation Limited ABN 49 008 504 532.

Condition means a condition precedent in clause 3.2 of the Implementation Deed.

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

Court means the Supreme Court of Victoria.

Deed Poll means a document in the form of Schedule 3 to the Implementation Deed.

Effective Date means the date on which an office copy of the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.

Eligible Scheme Shareholder means a Scheme Participant other than an Ineligible Overseas Shareholder.

End Date means 31 July 2009, subject to any extension under clause 3.8 of the Implementation Deed.

First Court Date means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme Meeting.

GST has the meaning given to it in the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation means the implementation of the Scheme, on it becoming effective under section 411(10) of the Corporations Act.

Implementation Deed means the deed between Target and Bidder dated [*insert date*] 2008 relating to the implementation of the Scheme.

Implementation Date means the third Business Day following the Record Date.

Ineligible Overseas Shareholder means a Target Shareholder:

- (a) who is (or is acting on behalf of) a resident of a jurisdiction other than Australia or New Zealand and their respective external territories; or
- (b) whose address shown in the Target Register is a place outside of Australia or New Zealand and their respective external territories.

Meeting Date means the date on which the Scheme Meeting is to be held.

Proceeds means the proceeds of sale after deduction of any applicable brokerage and other selling costs, taxes and charges.

Record Date means 7.00pm on the day which is 5 Business Days after the Effective Date or any other date agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.

Registered Address means, in relation to a Target Shareholder, the address of the shareholder shown in the Target Register.

Sale Agent means the person nominated by Bidder and approved by Target to sell the Bidder Shares that are attributable to Ineligible Overseas Shareholders under the terms of the Scheme.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Participants, set out in this document, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Booklet means the document approved by the Court and distributed to the Target Shareholders containing, among other things, the explanatory statement (as required by Part 5.1 of the Corporations Act relating to the Scheme), this document and notices of meeting relating to the Scheme and other related information (including supplemental information).

Scheme Consideration means 1 Bidder Share for every 3.73 Target Shares held by a Scheme Participant as at the Record Date.

Scheme Meeting means the meeting of Target Shareholders, to be convened by the Court to consider the Scheme.

Scheme Participant means each Target Shareholder as at 5.00pm at the Record Date (taking into account registration of all registrable transfers and transmission applications in accordance with clause 7.1).

Scheme Share means each Target Share on issue as at the Record Date.

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

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

Target Register means the register of members of Target.

Target Share means each fully paid ordinary share in the capital of the Target.

Target Share Registry means the persons operating the Target Register.

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

Target Shareholder Approval means a resolution in favour of the Scheme passed by the required majority of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act.

1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.

- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The words **associate, entity, officer, relevant interest** and **subsidiary** have the same meaning as in the Corporations Act.
- (g) The words **related body corporate** have the same meaning as in section 50 of the Corporations Act.
- (h) A reference to **\$** or **dollar** is to Australian currency.
- (i) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (j) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (k) Words defined in the GST Act have the same meaning in clauses concerning GST.
- (l) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- (m) References to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Act, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.
- (n) A reference to time in this document is a reference to time in Melbourne.

1.3 Non-Business Days

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.4 Multiple Parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

2. BACKGROUND TO SCHEME

2.1 Target

- (a) Target is a public company incorporated in Australia. It is registered in Victoria and is a company limited by shares. It has its registered office at Level 22, 207 Kent Street, Sydney, New South Wales 2000.
- (b) Target is admitted to the official list of ASX and Target Shares are quoted on the stock market conducted by ASX.
- (c) As at *[insert date]*, *[insert number]* of Target Shares were on issue.

2.2 Bidder

- (a) Bidder is a public company incorporated in Australia. It is registered in Victoria and is a company limited by shares. It has its registered office at Level 29, 303 Collins Street, Melbourne, Victoria 3000.
- (b) Bidder is admitted to the official list of ASX and its fully paid ordinary shares are quoted on the stock market conducted by ASX.
- (c) As at *[insert date]*, *[insert number]* of Bidder Shares were on issue.

2.3 What happens if Scheme becomes Effective

If the Scheme becomes Effective then:

- (a) in consideration of the transfer of each Scheme Share held by Scheme Participants, Bidder will pay the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme;
- (b) all the Scheme Shares will be transferred to Bidder and Target will become a wholly owned subsidiary of Bidder; and
- (c) Target will enter Bidder's name in the Target Register as the holder of all Scheme Shares.

2.4 Implementation Deed

Target and Bidder have entered into the Implementation Deed, to facilitate the implementation of the Scheme. In particular, Target and Bidder have agreed that each of them will perform their respective obligations under the Scheme which relate to each of them respectively and to do everything within their power that is necessary to give full effect to the Scheme.

2.5 Deed Poll

Bidder has executed a Deed Poll under which it covenants to carry out its obligations under the Scheme including to pay the Scheme Consideration in accordance with the terms of this Scheme.

3. CONDITIONS PRECEDENT

3.1 Conditions precedent to the Scheme

The Scheme is conditional on the following:

- (a) all the Conditions (other than the conditions set out in clause 3.2(d) and (e) of the Implementation Deed) having been satisfied or waived in accordance with the terms of the Implementation Deed;
- (b) as at 8.00am on the Second Court Date and immediately before Implementation, the Implementation Deed having not been terminated;
- (c) the Court making orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- (d) an office copy of the Court orders approving the Scheme being lodged with ASIC under section 411(10) of the Corporations Act; and
- (e) 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 Target and Bidder having been satisfied.

3.2 Satisfaction of Conditions

The satisfaction or waiver of each condition in clause 3.1 is a condition precedent to the provisions of clause 4.

3.3 Parties to provide certificate to Court

Target must provide to the Court on the Second Court Date, a certificate or such other evidence as the Court requests, confirming whether or not all the Conditions have been satisfied or waived in accordance with the terms of the Implementation Deed.

3.4 Termination of Implementation Deed

Without limiting any rights under the Implementation Deed, in the event that the Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, Target and Bidder are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme.

3.5 End Date

The Scheme will lapse and be of no further effect if the Effective Date has not occurred on or before the End Date.

4. THE SCHEME

4.1 Target to lodge orders with ASIC

Target will lodge with ASIC office copies of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act as soon as practicable and by no later than 10.00am on the first Business Day after the date on which the Court makes that order.

4.2 Scheme effective on Effective Date

The Court order referred to in clause 4.1 is taken to have effect, and the Scheme comes into effect, on the Effective Date.

4.3 Implementation steps

On or before 12.00pm (Melbourne time) on the Implementation Date:

- (a) Bidder will provide evidence to target that the Scheme Consideration is or will be available for distribution to Scheme Participants in accordance with the Scheme;
- (b) all the Scheme Shares, together with all rights and entitlements attaching to those shares as at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Participant (other than acts performed by Target or its directors and officers as attorney and agent for the Scheme Participants under clause 8.2); and
- (c) Target will deliver to Bidder a duly completed, executed and if applicable, stamped share transfer form or forms to transfer all of the Scheme Shares to Bidder for registration.

4.4 Bidder to execute transfer forms

Bidder will immediately execute the share transfer forms referred to in clause 4.3(c) as transferred and deliver the share transfer forms to Target for registration.

4.5 Target to enter Bidder's details in Target Register

Target will, immediately following receipt of the transfer form in respect of the Scheme Shares and on the Implementation Date, subject to Bidder complying with its obligations under clause 3, enter the name and address of Bidder in the Target Register in respect of the Scheme Shares.

4.6 Bidder to provide Scheme Consideration

In consideration for the transfer of the Scheme Shares to it, Bidder will provide the Scheme Consideration in accordance with clause 5.1 to each Scheme Participant in respect of each Target Share registered in the name of the Scheme Participant in the Target Register at the Record Date.

5. SCHEME CONSIDERATION

5.1 How Scheme Consideration is to be provided

Subject to clauses 5.3 and 5.4, Bidder will provide the Scheme Consideration to each Eligible Scheme Shareholder by:

- (a) issuing one Bidder Share to that Eligible Scheme Shareholder for every 3.73 Scheme Shares registered in the name of that Eligible Scheme Shareholder in the Target Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of that Eligible Scheme Shareholder to be entered into the Bidder Register as the holder of the Bidder Shares issued to that Eligible Scheme Shareholder; and
- (b) within 10 Business Days after the Implementation Date, procuring the dispatch to that Eligible Scheme Shareholder, if their Target Shares are held on the issuer sponsored subregister of Target, by pre-paid post to their Registered Address (at the Record Date), of an uncertified holding statement in the name of that Eligible Scheme Shareholder relating to the number of Bidder Shares issued to that Eligible Scheme Shareholder.

5.2 Ineligible Overseas Shareholders

- (a) Bidder will be under no obligation under the Scheme to issue, and will not issue, any Bidder Shares to an Ineligible Overseas Shareholder, and instead:

- (i) all the Bidder Shares which would be required to be issued to any Ineligible Overseas Shareholder under the Scheme if they were an Eligible Scheme Shareholder will be issued to the Sale Agent;
 - (ii) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on the financial market conducted by ASX all of the Bidder Shares issued to the Sale Agent pursuant to clause 5.2(a)(i) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Overseas Shareholder), and remits to Bidder the Proceeds; and
 - (iii) Bidder will pay, or will procure the payment, to each Ineligible Overseas Shareholder such fraction of the Proceeds as is equal to the number of Bidder Shares which would have been issued to that Ineligible Overseas Shareholder if they were an Eligible Scheme Shareholder divided by the total number of Bidder Shares issued to the Sale Agent under clause 5.2(a)(i), promptly after the last sale of Bidder Shares by the Sale Agent, in full satisfaction of Bidder's obligations to that Ineligible Overseas Shareholder under the Scheme in respect of the Scheme Consideration.
- (b) Bidder will pay, or will procure the payment of, the relevant fraction of the Proceeds to each Ineligible Overseas Shareholder by either:
- (i) dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholder by prepaid post to that Ineligible Overseas Shareholder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Overseas Shareholder; or
 - (ii) making a deposit in an account in Australia notified by the Ineligible Overseas Shareholder to Target and recorded in or for the purposes of the Target Register at the Record Date,
- for the relevant amount, with that amount being denominated in Australian dollars.
- (c) Each Ineligible Overseas Shareholder appoints Target as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Overseas Shareholders under the Corporations Act.

5.3 Fractional entitlements

If a fractional entitlement to a Bidder Share arises from the calculation of the total Scheme Consideration in respect of a Scheme Participant, then any such fractional entitlement:

- (a) of less than 0.5 will be rounded down to the nearest whole number of Bidder Shares; and
- (b) of 0.5 or more will be rounded up to the nearest whole number of Bidder Shares.

5.4 Shareholding splitting or division

If Bidder is of the opinion that two or more Scheme Participants, each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.3, have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Bidder may give notice to those Scheme Participants:

- (a) setting out the names and Registered Addresses of all of them;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so given, the Scheme Participants specifically identified in the notice will, for the purposes of the other provisions of this clause 5, be taken to hold all those Scheme Shares and each of the other Scheme Participants whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this clause 5, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of this clause 5 relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Participants named in the notice under the terms of the Scheme.

5.5 Agreement of Scheme Participants

Each Scheme Participant to whom Bidder Shares are to be issued under the Scheme agrees:

- (a) to become a member of Bidder for the purposes of clause 5.1 and section 231 of the Corporations Act;
- (b) to have their name and address entered in the Bidder Register; and
- (c) to be bound by the constitution of Bidder as in force from time to time in respect of the Bidder Shares.

5.6 Binding instruction or notifications

Except for a Scheme Participant's tax file number, any binding instruction or notification between a Scheme Participant and Target relating to Scheme Shares at the Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will, from the Record Date, be deemed to be a similarly binding instruction or notification to, and accepted by Bidder, in respect of the Bidder Shares issued to the Scheme Participant until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of the issue of Bidder Shares as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of the Scheme.

5.7 Status of Bidder Shares

The Bidder Shares which are issued to Scheme Participants in accordance with the Scheme will be:

- (a) duly and validly issued;
- (b) fully paid; and
- (c) rank equally in all respects with all other Bidder Shares then on issue.

5.8 Appointment of Bidder as attorney and agent

Each Scheme Participant, without need for any further act, irrevocably appoints Bidder and each of its directors and officers, jointly and severally, as that Scheme Participant's

attorney and agent for the purpose of executing any form of application required for Bidder Shares to be issued to that Scheme Participant under the Scheme.

5.9 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Participants will be payable to the joint holders; and
- (b) any uncertified holding statements for Bidder Shares to be issued to Scheme Participants will be issued in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Target Register on the Record Date.

6. DEFERRED SETTLEMENT TRADING OF BIDDER SHARES

Bidder will use its best endeavours to ensure that the Bidder Shares issued under the Scheme will be quoted on the financial market conducted by ASX as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on a normal T+3 settlement basis.

7. DEALINGS IN TARGET SHARES

7.1 What Target Share dealings are recognised?

To establish the persons who are Scheme Participants, dealings in Target Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Target Register as the holder of the Target Shares at or before the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the Target Share Registry at or before the Record Date.

7.2 Target to register transfer and transmission applications

Target will register registrable transfers or transmission applications of the kind referred to in clause 7.1(b) by, or as soon as practicable after, the Record Date.

7.3 Transfers received after Record Date not recognised

Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Scheme Shares received after the Record Date.

7.4 Target to maintain Target Register to determine entitlements

In order to determine entitlements to the Scheme Consideration, Target will maintain, or procure the maintenance of, the Target Register until the Scheme Consideration has been provided to Scheme Participants and the Target Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Holding statements no effect from Record Date

From the Record Date, all holding statements for Scheme Shares will cease to have effect as documents of title, and each entry on the Target Register at the Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Participants to the Scheme Consideration.

7.6 Target to provide contact information for Scheme Participants

As soon as practicable after Record Date and in any event at least 3 Business Days before the Implementation Date, Target will give to Bidder or procure that Bidder be given details of the name, Registered Address and the number of Target Shares held by each Scheme Participant, as shown in the Target Register at the Record Date, in whatever form Bidder reasonably requires.

7.7 Suspension of trading

It is expected that the suspension of trading in Target Shares on the stock market conducted by ASX will occur from close of business on the Effective Date. Target must apply to ASX for suspension of trading in Target Shares with effect from close of business on the Effective Date.

7.8 Target to apply for termination of quotation of Target Shares

On a date after the Implementation Date to be determined by Bidder, Target will apply for termination of the official quotation on the stock market conducted by ASX of Target Shares and must apply to have itself removed from the official list of ASX.

7.9 Target Shares transferred free from encumbrance

The Target Shares transferred to Bidder under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, but without prejudice to the rights (other than as they relate to or affect the Target Shares) of such third parties against the relevant Scheme Participants in respect of such mortgages, charges, liens, encumbrances and interests, including any such rights in respect of the Scheme Consideration.

7.10 Each Scheme Participant warrants Target Shares free from encumbrance

Each Scheme Participant is deemed to have warranted to Bidder and appointed and authorised Target as their agent to warrant to Bidder that all their Scheme Shares (including any rights and entitlements attaching to those Shares) will, as at the time of the transfer of them to Bidder, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Bidder under the Scheme. Target undertakes in favour of each Scheme Participant that it will provide such warranty to Bidder on behalf of the Scheme Participant.

7.11 Bidder beneficially entitled to Scheme Shares

Bidder will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by Target of the name and address of Bidder in the Target Register as the holder of the Scheme Shares.

8. GENERAL PROVISIONS

8.1 Target giving effect to the Scheme

Target must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that is necessary, expedient or incidental to give full effect to the Scheme and the transactions contemplated by it.

8.2 Scheme Participants

Each Scheme Participant:

- (a) agrees to the transfer of their Target Shares, together with all rights and entitlements attaching to those Shares, to Bidder, in accordance with the Scheme;
- (b) acknowledges that the Scheme binds Target and all Bidder Shareholders from time to time, including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme;
- (c) consents to Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, expedient or incidental to Implementation and to give full effect to the Scheme and the transactions contemplated by it and Target, as agent of each Scheme Participant, may sub-delegate its functions under this clause 8.2(c) to any of its directors and officers, jointly and severally;
- (d) without the need for any further act, irrevocably appoints Target and each of its directors and officers, jointly and severally, on and from the Effective Date, as the Scheme Participant's attorney and agent, to execute any document or do any other act necessary, expedient or incidental to give full effect to the Scheme and the transactions contemplated by it, including the provision of a proper instrument of transfer of that Scheme Participant's Target Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer of all or part of the Scheme Shares);
- (e) from the Effective Date until Bidder is registered as the holder of all Scheme Shares:
 - (i) irrevocably appoints Target and each of its directors and officers, jointly and severally, as its attorney and agent (and directs Target in such capacity) to:
 - (A) appoint the chairman of Bidder or failing him as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Target;
 - (B) exercise the votes attaching to the Target Shares registered in the name of the Scheme Participant;
 - (C) sign any Target Shareholders' resolution; and
 - (ii) must take all other action in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs.

From the Effective Date, no Scheme Participant may attend or vote at any of those meetings or sign any Target Shareholders resolution (whether in person, by proxy or by corporate representative) other than under this clause 8.2(e). Target undertakes in favour of each Scheme Participant that it will appoint the chairman of

Bidder as the Scheme Participant's proxy or, where applicable, corporate representative in accordance with this clause 8.2(e).

8.3 Alteration or conditions to the Scheme

If the Court proposes to approve the Scheme subject to any alteration or condition Target may, by its counsel or solicitors, but subject to the prior approval of Bidder (which may not be unreasonably withheld or delayed), consent on behalf of all persons concerned, including each Scheme Participant, to those alterations or conditions.

8.4 Scheme is binding

The Scheme binds Target and all Target Shareholders and, to the extent of any inconsistency, overrides the constitution of Target.

8.5 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Target, it will be deemed to be received on the date (if any) on which it is actually received at Target's Registered Office and on no other date.

8.6 Enforcement of Deed Poll

- (a) Each Scheme Participant appoints Target as its agent and attorney to enforce the Deed Poll against Bidder.
- (b) Target undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Participants.

8.7 Costs and stamp duty

- (a) Subject to clause 8.7(b), Target will pay all the costs of the Scheme.
- (b) Bidder will pay all stamp duty and any stamp duty related fines, penalties and other stamp duty costs in respect of the Scheme (including in connection with the transfer of the Scheme Shares to Bidder) in accordance with the terms of the Scheme.

8.8 Governing law

This document is governed by the law in force in Victoria.

Schedule 3

DEED POLL

Deed Poll

IOOF Holdings Ltd
ABN 49 100 103 722

Blake Dawson

Level 39
101 Collins Street
Melbourne VIC 3000
Australia
T 61 3 9679 3000
F 61 3 9679 3111

Reference
03-2001-8240
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Deed Poll

DATE

PARTIES

IOOF Holdings Ltd ABN 49 100 103 722 (**Bidder**) in favour of each holder of ordinary shares in Australian Wealth Management Limited ABN 53 111 116 511 (**Target**) as at the Record Date (**Target Shareholders**).

RECITALS

- A. The directors of Target have resolved that Target will propose the Scheme.
- B. Under the Scheme, all issued shares in Target will be transferred to Bidder.
- C. On [*insert date*] 2009, Target and Bidder entered into an Implementation Deed (**Implementation Deed**).
- D. In the Implementation Deed, subject to the satisfaction of certain Conditions, Bidder agreed to use reasonable endeavours to give effect to the Scheme and to provide the Scheme Consideration.
- E. Bidder is entering into this document to covenant in favour of the Scheme Participants to perform certain obligations under the Implementation Deed.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

In this document:

Bidder Register means the register of members of Bidder.

Eligible Scheme Shareholder means a Scheme Participant other than an Ineligible Overseas Shareholder.

Proceeds means the proceeds of sale after deduction of any applicable brokerage and other selling costs, taxes and charges.

Registered Address means, in relation to a Scheme Participant, the address of the shareholder shown in the Target Register.

Sale Agent means the person nominated by Bidder and approved by Target to sell the New Bidder Shares that are attributable to Ineligible Overseas Shareholders under the terms of the Scheme.

Scheme Share means each Target Share held by a Scheme Participant on issue as at the Record Date.

Target Register means the register of members of Target.

1.2 Other terms

Terms that are not defined in this document and that are defined in the Implementation Deed have the same meaning in this document as given to the term in the Implementation Deed, unless the context makes it clear that a definition is not intended to apply.

1.3 Rules for interpreting this document

The rules specified in clauses 1.2, 1.3 and 1.4 of the Implementation Deed apply in interpreting this document, except that references to "this document" are to be read as references to this Deed Poll, unless the context makes it clear that a rule is not intended to apply.

2. SCHEME PARTICIPANTS MAY RELY ON THIS DOCUMENT

Bidder acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Target as its agent and attorney for the purpose of, among other things, enforcing this document against Bidder.

3. CONDITIONS PRECEDENT AND TERMINATION

- (a) Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.
- (b) If the Implementation Deed is terminated or the Scheme does not become Effective on or before the End Date, Bidder's obligations under this document will automatically terminate when the Implementation Deed terminates and the terms of this Deed Poll will be of no further force or effect, unless Bidder and Target otherwise agree in writing in accordance with the Implementation Deed.
- (c) If this document is terminated under this clause 3 then, in addition and without prejudice to any other rights, powers or remedies available to it:
 - (i) Bidder is released from its obligations to further perform this document except those obligations contained in clause 7 and any other obligations which by their nature survive termination; and
 - (ii) each Scheme Participant retains any rights, powers or remedies it has against Bidder in respect of any breach of its obligations under this document which occurred before this document is terminated.

4. PROVISION OF SCHEME CONSIDERATION

4.1 Scheme Consideration

Subject to clause 3, in consideration of the transfer of each Target Share to Bidder, Bidder undertakes to provide to each Scheme Participant, the Scheme Consideration on the Implementation Date in accordance with the terms of the Scheme.

4.2 How Scheme Consideration is to be provided

Bidder will provide the Scheme Consideration to each Eligible Scheme Shareholder by:

- (a) issuing the number of New Bidder Shares to each Eligible Scheme Shareholder that the Eligible Scheme Shareholder is entitled to as Scheme Consideration for each Scheme Share held by them in accordance with the terms of the Scheme; and
- (b) within 10 Business Days after the Implementation Date, procuring the dispatch to each Eligible Scheme Shareholder, if their Target Shares are held on the issuer sponsored subregister of Bidder, by pre-paid post to their Registered Address (at the Record Date), of an uncertified holding statement in the name of each Eligible Scheme Shareholder relating to the number of New Bidder Shares issued to that Eligible Scheme Shareholder.

4.3 Ineligible Overseas Shareholders

- (a) Bidder will be under no obligation under the Scheme to issue, and will not issue, any New Bidder Shares to an Ineligible Overseas Shareholder, and instead:
 - (i) all the New Bidder Shares that would be required to be issued to any Ineligible Overseas Shareholder under the Scheme if they were an Eligible Scheme Shareholder will be issued to the Sale Agent;
 - (ii) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on the financial market conducted by ASX all of the New Bidder Shares issued to the Sale Agent pursuant to clause 4.3(a)(i) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Overseas Shareholder), and remits the Proceeds to Bidder; and
 - (iii) Bidder will pay to each Ineligible Overseas Shareholder such fraction of the Proceeds as is equal to the number of New Bidder Shares which would have been issued to that Ineligible Overseas Shareholder if they were an Eligible Scheme Shareholder, divided by the total number of New Bidder Shares issued to the Sale Agent under clause 4.3(a)(i), promptly after the last sale of New Bidder Shares by the Sale Agent,

in full satisfaction of Bidder's obligations to that Ineligible Overseas Shareholder under the Scheme in respect of the Scheme Consideration.

- (b) Bidder will pay the relevant fraction of the Proceeds to each Ineligible Overseas Shareholder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholder by prepaid post to that Ineligible Overseas Shareholder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Overseas Shareholder; or
 - (ii) making a deposit in an account in Australia notified by that Ineligible Overseas Shareholder to Target and recorded in or for the purposes of the Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars.

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Participants must be made payable to the joint holders and must be forwarded to the holder whose name first appears in the Register at the Record Date;
- (b) any entry in the register of members of Bidder required to be made must record the names and registered addresses of the joint holders; and
- (c) any uncertificated holding statement or notices for New Bidder Shares must be issued to Scheme Participants in the names of the joint holders and must be forwarded to the holder whose name first appears in the Register at the Record Date.

4.5 Binding Instructions

Except for a Scheme Participant's tax file number, any binding instruction or notification between a Scheme Participant and Target relating to Scheme Shares at the Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will, from the Record Date, be deemed to be a similarly binding instruction or notification to, and accepted by Bidder, in respect of the New Bidder Shares issued to the Scheme Participant until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of the issue of New Bidder Shares as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of the Scheme.

4.6 Status of Bidder New Shares

Bidder must ensure that the New Bidder Shares which are issued to Scheme Participants in accordance with the Scheme will be:

- (a) duly and validly issued;
- (b) fully paid; and
- (c) rank equally in all respects with all other Bidder Shares then on issue.

4.7 Deferred settlement trading of New Bidder Shares

Bidder will use its best endeavours to seek confirmation and ensure that the New Bidder Shares issued under the Scheme will be quoted on the financial market conducted by ASX as soon as practicable after the Effective Date (or such later date as ASX requires), initially on a deferred settlement basis and thereafter on a normal T+3 settlement basis.

4.8 Miscellaneous obligations

Bidder will comply with its obligations under clauses 5.4 and 5.5 of the Scheme.

5. REPRESENTATIONS AND WARRANTIES

Bidder represents and warrants that:

- (a) **(status)** it is a company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:

- (i) own its property and to carry on its business; and
- (ii) enter into this document and carry out the transactions that this document contemplates;
- (c) (**corporate authority**) it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions this document contemplates; and
- (d) (**documents effective**) this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

6. CONTINUING OBLIGATIONS

This document is irrevocable and, subject to clause 3, remains in full force and effect until Bidder has completely performed its obligations under this document or the earlier termination of this document under clause 3.

7. NOTICES

7.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address;
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

7.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day;
- (b) if it is sent by mail:
 - (i) within Australia – 3 Business Days after posting; or
 - (ii) to or from a place outside Australia – 7 Business Days after posting.

7.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

Target

Address: Level 22, 207 Kent Street, Sydney, New South Wales, 2000

Fax number: (02) 9028 5938

Attention: Company Secretary

Bidder

Address: Level 29, 303 Collins Street, Melbourne, Victoria, 3000

Fax number: (03) 8614 4888

Attention: Adrianna Bisogni

8. AMENDMENT AND ASSIGNMENT

8.1 Amendment

A provision of this document may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Target; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Target and is approved by the Court; and

Bidder enters into a further deed poll in favour of Scheme Participants giving effect to that amendment.

8.2 Assignment

The rights and obligations of Bidder and the rights of each Scheme Participant under this document are personal. They cannot be assigned, encumbered, charged or otherwise dealt with at law, or in equity, and no person shall attempt or purport to do so.

9. GENERAL

9.1 Governing law

- (a) This document is governed by the law in force in Victoria.
- (b) Bidder submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

9.2 Liability for expenses

- (a) Bidder must pay its own expenses incurred in negotiating, executing and registering this document.
- (b) Bidder is solely responsible for, and must indemnify each Scheme Participant on demand against, any stamp duty that is payable on or in relation to this document and the transactions that this document contemplates.

9.3 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

9.4 Operation of this document

- (a) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

EXECUTED as a deed.

SIGNED, SEALED and DELIVERED for
IOOF HOLDINGS LTD under power of
attorney in the presence of:

Signature of attorney

Signature of witness

Name

Name

Date of power of attorney

Schedule 4

CAPITAL

Target's Capital

1. Target Shares

Target has 599,525,017 fully paid ordinary shares on issue.

2. Target Options

Target has on issue the following options to subscribe for fully paid shares:

Option Class	Date Granted	Expiry Date	Exercise Price	Balance
Series 1- Issued 15 February 2005	15 February 2005	15 February 2014	\$0.80	600,000
Series 2 Issued 28 February 2005	28 February 2005	16 June 2014	\$1.00	100,000
Series 6 Issued 17 January 2006	17 January 2006	17 January 2011	\$1.48	800,000
Series 9 Issued 9 January 2007	9 January 2007	9 January 2011	\$2.46	1,850,000
Series 10 Issued 29 March 2007	29 March 2007	29 March 2011	\$2.60	460,000

Series 11 Issued 5 September 2007	5 September 2007	30 June 2013	\$2.51	1,050,000
Series 12 Issued 5 September 2007	5 September 2007	30 June 2013	\$2.51	1,190,000
Series 14 Issued 22 November 2007	22 November 2007	22 November 2012	\$2.68	750,000
Series 15 Issued 1 July 2008	1 July 2008	31 August 2012	\$1.34	1,248,000
Series 16 Issued 1 July 2008	1 July 2008	1 July 2011	\$1.70	5,400,000
			Total	13,448,000

Bidder's Capital

1. Bidder Shares

Bidder has 68,821,801 fully paid ordinary shares on issue.

EXECUTED as a deed.

EXECUTED by Australian Wealth Management Limited:



Signature of director

C.F. Kelaher

Name



Signature of director/secretary

MYLES STEWART-HESKETH

Name

EXECUTED by IOOF Holdings Ltd:



Signature of director

A. BRANNON

Name



Signature of director/secretary

Bill Linehan

Name