



This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, you should consult with your legal, financial or other professional adviser immediately.

TARGET'S STATEMENT

In response to the Offer for all of **Razor Risk Technologies Limited's Shares** by **TMX Australia Pty Ltd** for **\$0.0349 cash** for each ordinary share.

The Directors of Razor Risk Technologies Limited unanimously recommend that you

ACCEPT

the takeover offer by **TMX Australia Pty Ltd**, in the absence of a superior proposal.

Each of the Directors intend to **ACCEPT** the Offer in respect of Razor Shares held by them or in which they have a beneficial interest, in the absence of a superior proposal.

To **ACCEPT** the Offer, complete, sign and return the Acceptance Form enclosed with the Bidder's Statement in accordance with the instructions on the form.

The Offer closes at 7:00pm (Sydney time) on 31 January 2012 unless extended.

Legal Advisor

ThomsonsLawyers[®]

IMPORTANT INFORMATION

Target's Statement

This Target's Statement is dated 16 December 2011 and is issued by Razor Risk Technologies Limited (ABN 84 088 299 512) (**Razor** or the **Company**) under Part 6.5 of the Corporations Act in response to the Bidder's Statement lodged by TMX Australia Pty Ltd (ACN 154 513 907) (**TMX Australia**) on 14 December 2011

A copy of this Target's Statement was lodged with ASIC on 16 December 2011. Neither ASIC, nor any of its officers takes any responsibility for the contents of this Target's Statement. A copy of this Target's Statement was provided to ASX on 16 December 2011. Neither ASX, nor any of its officers takes any responsibility for the contents of this Target's Statement.

Forward Looking Statements

This Target's Statement contains forward looking statements, which have not been based solely on historical facts, but are rather based on Razor's current expectations about future events. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors many of which are beyond the control of Razor. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Razor, its officers or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any such statement.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account the investment objectives, financial situation or particular needs of individual Shareholders. Razor encourages you to seek independent financial and taxation advice before making a decision whether or not to accept the Offer.

Glossary

Certain words and expressions used in this Target's Statement are defined in the Glossary at page 37 of this Target's Statement.

Financial amounts

Financial amounts in this Target's Statement are expressed in Australian dollars unless otherwise stated.

Further information

TMX Australia has set up an information line for Razor Shareholders to address any questions you may have in relation to the Offer. If you require further information, please call 1300 727 591 (for callers within Australia) or +61 3 9946 4445 (for callers outside Australia). Please note that calls to these numbers may be recorded.

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NOTE: Capitalised terms used in this Target's Statement are defined in the Glossary (Section 12)

KEY DATES

Announcement Date	30 November 2011 (Sydney time)
Date of the Offer	16 December 2011
Date of this Target's Statement	16 December 2011
Close of the Offer Period (unless extended or withdrawn)	31 January 2012

LETTER FROM RAZOR'S CHAIRMAN AND CEO

16 December 2011

Dear Shareholder

Recommendation to accept Offer

On 30 November 2011 (Sydney time), Razor Risk Technologies Limited (**Razor**) announced that it had entered into a Takeover Bid Implementation Agreement (**Takeover Bid Implementation Agreement**) with TMX Group Inc. (**TMX Group**) under which TMX Group, or its affiliate, will make an off-market takeover bid for all of the issued Shares in Razor.

TMX Australia Pty Ltd (**TMX Australia**), a wholly owned subsidiary of TMX Group, is offering Shareholders \$0.0349 cash for each Razor Share that you own (**Offer**).

The Directors unanimously recommend that Shareholders ACCEPT the Offer in the absence of a superior proposal. Each Director intends to ACCEPT the Offer in respect of the Shares that they hold, or in which they have a beneficial interest, in the absence of a superior proposal.

Razor's largest Shareholder, GBST Holdings Limited, has entered into a customary shareholder lock-up agreement under which it has agreed to accept the Offer in respect of all of its Shares, which represents approximately 15% of issued Shares in Razor.

In determining their recommendation that Shareholders ACCEPT the Offer, the Directors had regard to factors including:

- The Offer Price being a significant 94% premium to the pre-announcement Share price;
- The Offer Price being a significant premium to the level at which Shares have traded for the substantial majority of the time in the last three years, as reflected in Section 5.1 of this Target's Statement;
- The Offer provides the certainty of cash, value and early realisation of both for Razor Shareholders;
- The risk of being a minority Shareholder in a company with very little liquidity in its Shares;
- The support for the acceptance of the Offer by Razor's largest Shareholder, GBST Holdings Limited, and the Directors, together holding approximately 40% of the issued Shares in Razor; and
- The fact that no superior proposal has emerged.

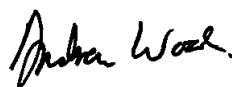
The Offer from TMX Australia is scheduled to close at 7:00pm (Sydney time) on 31 January 2012 unless extended or withdrawn. This Target's Statement contains the detailed responses of the Directors to the Offer and we encourage you to read its contents carefully.

All Directors continue to work in your best interests in continuing to maximise Share value. We will keep you informed of material developments in regard to the Offer.

Yours faithfully



Ellis Bugg
Chairman



Andrew Wood
Chief Executive Officer

1. WHY YOU SHOULD ACCEPT THE OFFER

- The Offer Price of \$0.0349 cash per Share represents a 94% premium to the Razor closing Share price on 29 November 2011 (the last trading day prior to the Announcement Date) of \$0.018.
- The Offer Price represents a significant premium to the level at which Razor Shares have traded for the substantial majority of the time in the last 3 years.
- The Offer provides the certainty of cash, value and timing for Razor Shareholders.
- No superior proposal has emerged.
- The risk of being a minority Shareholder in a company with very little liquidity in its Shares.
- The Offer is supported by Razor's largest Shareholder, GBST Holdings Limited, and the Directors, together holding approximately 40% of the issued Shares in Razor.
- Shareholders who accept the Offer will not incur any stamp duty and may not incur brokerage charges.

2. DIRECTORS' RECOMMENDATION

2.1 Directors of Razor

As at the date of this Target's Statement, the Directors of the Company are:

Name	Position
Mr Ellis Bugg	Chairman and Non-Executive Director
Mr Simon Yencken	Non-Executive Director
Mr Ralph Pickering	Non-Executive Director
Mrs Jane Yuile	Non-Executive Director
Mr Andrew Wood	Chief Executive Officer, Executive Director

2.2 Directors' recommendation

After considering the matters in this Target's Statement and in the Bidder's Statement, the Directors unanimously recommend that you ACCEPT the Offer, in the absence of a superior proposal.

In considering whether to ACCEPT the Offer, the Directors urge you to:

- read this Target's Statement and the Bidder's Statement in their entirety;
- ensure you are aware of the consequences of not accepting the Offer;
- consider your personal circumstances; and
- consult with your professional advisers regarding your personal circumstances and seek taxation advice on the effect of accepting the Offer.

2.3 Directors' intentions in relation to the Offer

Each of the Directors intends to ACCEPT the Offer, in the absence of a superior proposal, in respect of the Shares that they hold or in which they have a beneficial interest.

Details of the relevant interests of each Director in the Shares of Razor are set out in Section 6 of this Target's Statement.

Razor will promptly advise you if there are any material developments in relation to the Offer, or if alternative proposals are announced during the Offer Period.

3. YOUR CHOICES AS A RAZOR SHAREHOLDER

As a Razor Shareholder, you have three options currently available to you:

3.1 Accept the Offer

You can choose to accept TMX Australia's Offer in respect of all of your Shares.

The Directors unanimously recommend that you ACCEPT the Offer, and they intend to ACCEPT the Offer in respect of their own Shares, in the absence of a superior proposal.

If you accept TMX Australia's Offer, you will be giving up your right to sell your Shares on market and will also lose the ability to accept any other offer that may be made for your Shares.

Section 9.3 of the Bidder's Statement contains further details and instructions on how to accept the Offer.

3.2 Sell your Shares on market

You may sell your Shares on market provided you have not already accepted the Offer.

As at 29 November 2011, being the last trading day prior to the Announcement Date, Razor's closing Share price was \$0.018. The cash Offer by TMX Australia is \$0.0349 per Share.

If you sell your Shares on market, you:

- will lose the ability to accept TMX Australia's Offer (and any other takeover bid that may be made for Razor Shares); and
- may incur a brokerage charge.

Shareholders who wish to sell their Shares on market should contact their broker for further information on how to sell their Shares.

3.3 Do nothing in respect of the Offer

If you do not wish to accept the Offer or sell your Shares on market, you should do nothing.

Please note that if TMX Australia and its associates acquire a relevant interest in 90% or more of all Shares on issue, TMX Australia becomes entitled to compulsorily acquire your Shares in accordance with Part 6A.1 of the Corporations Act.

You may also become a minority Shareholder in Razor should TMX Australia obtain a controlling interest in the circumstances set out in Section 8.6 of this Target's Statement.

4. FREQUENTLY ASKED QUESTIONS

Question	Answer
What is the Bidder's Statement?	The Bidder's Statement is a document containing the detailed terms of the Offer. TMX Australia lodged its Bidder's Statement with the ASX, ASIC and Razor on 14 December 2011. A copy of the Bidder's Statement is available on the ASX website (www.asx.com.au).
What is this Target's Statement?	This Target's Statement has been prepared by Razor and provides Razor's response to the Offer, including the recommendations of the Directors.
What is TMX Australia's Offer?	<p>TMX Australia is offering to acquire all of your Razor Shares. The consideration offered is \$0.0349 cash per Share.</p> <p>In addition, TMX Australia may increase the consideration under the Offer to add an additional component equal to an amount to be calculated on the date that is the earlier of:</p> <ul style="list-style-type: none"> • the date the Offer is declared unconditional; and • the date of the close of the Offer Period (assuming all conditions are satisfied or waived). <p>The increase in the consideration will be calculated depending on the level of Working Capital in Razor at the earlier of the time the Offer is declared unconditional and the close of the Offer Period (assuming all conditions are satisfied or waived).</p> <p>Working Capital is defined as the current assets of Razor less current liabilities of Razor, and does not reflect the cash position of Razor, as Razor has been paid in advance for services. Those advance payments must be recorded as current liabilities until services associated with those payments occur. This has the effect of reducing the Working Capital amount. As at the date of this Target's Statement, Razor estimates its Working Capital will be between \$0 and \$500,000 between the date of this Target's Statement and 31 January 2012, (being the Offer Period, unless extended by TMX Australia in accordance with Section 9.2 of the Bidder's Statement).</p> <p>There can be no guarantee or assurance that:</p> <ul style="list-style-type: none"> • TMX Australia will declare the Offer unconditional; • all conditions will be satisfied or waived by the end of the Offer Period; or • TMX Australia will not extend the Offer Period so that the closing date of the Offer is significantly extended. <p>There can therefore be no guarantee or assurance that there will be any Working Capital in Razor at the relevant time such that TMX Australia will increase its Offer. If there is, given the number of Shares on issue in Razor, the increase in consideration by TMX Australia may only be a fraction of a cent per Razor Share. Therefore Shareholders should accept this Offer on the basis that they will be paid \$0.0349 cash per Share.</p>

What choices do I have as a Razor Shareholder?	<p>As a Shareholder you can:</p> <ul style="list-style-type: none"> • reject the Offer by doing nothing; • sell your Shares on market (unless you have previously accepted the Offer and have not validly withdrawn your acceptance); or • accept the Offer.
What is the recommendation of the Directors?	The Directors unanimously recommend that you ACCEPT the Offer, in the absence of a superior proposal.
What do the Directors intend to do with their Razor Shares?	Each Director intends to accept the Offer with respect to all of their Razor Shares, in the absence of a superior proposal.
What should I do to assess the Offer?	Before making any decision, you should read this Target's Statement and the Bidder's Statement in their entirety. The Directors encourage you to seek advice from your legal, financial or other professional adviser before deciding on whether to accept the Offer.
How do I accept the Offer?	To ACCEPT the Offer, you should follow the instructions set out in Section 9.3 of the Bidder's Statement.
Can I accept the Offer for some of my Shares?	No. You cannot accept the Offer for part of your holding. You can only accept the Offer for all of your Razor Shares.
If I accept the Offer, when will I be paid?	<p>If you accept the Offer, you may have to wait to receive your payment from TMX Australia on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after this Offer is accepted by you or one month after all of the conditions have been freed or fulfilled (whichever is the later); and • 21 days after the end of the Offer Period. <p>Full details of when payments will be made are set out in Section 9.6 of the Bidder's Statement.</p>
How do I reject the Offer?	If, despite the Directors' unanimous recommendation to ACCEPT the Offer in the absence of a superior proposal, you want to reject the Offer, you need not take any action. Simply ignore all documents sent to you by TMX Australia. If you are in any doubt as to what to do, you should seek professional advice in relation to the Offer.
What is the effect of accepting the Offer?	<p>If you accept the Offer and it becomes unconditional, you will receive \$0.0349 cash for each of your Shares.</p> <p>Except for certain statutory rights, once you accept the Offer you will:</p> <ul style="list-style-type: none"> • give up your right to deal in your Shares; • give up your right to sell your Shares to anyone else (including accepting a superior offer); and • be entitled to receive any increase that TMX Australia makes to the Offer after your acceptance. If the conditions of the Offer are not satisfied or waived and the Offer lapses, you will then be free to deal with your Shares even if you had accepted the Offer.

Can I sell my Shares on the market?	<p>You can sell your Shares on the market unless you have accepted the Offer in respect of those Shares. If you sell your Shares on the market:</p> <ul style="list-style-type: none"> • you will not benefit from any possible increase in the value of the Shares; and • you will not benefit from any possible increase in consideration that may be provided under the Offer or any other offer, should one be made.
Why is there a risk I could become a minority Shareholder?	Please refer to Section 8.6 of this Target's Statement.
How liquid are my Shares?	<p>In the past 12 months there has been approximately 200 on market Share trades reported, representing approximately 14.8 million Shares.</p> <p>The top 20 Shareholders hold 171.4 million Shares (approximately 60% of Shares in Razor on issue).</p>
Are there conditions to the Offer?	<p>The Offer is subject to the following conditions:</p> <ul style="list-style-type: none"> • 50.01% minimum acceptance to be satisfied by the date that is one month from the date of the Offer; • a minimum acceptance condition of 90%; • no material adverse change affecting Razor; • no material acquisitions, disposals, changes in the conduct of business of Razor or dividends; • absence of 'prescribed occurrences'; and • a number of other conditions set out in the Offer. <p>Full terms of the conditions are set out in Section 9.7 of the Bidder's Statement. TMX Australia may choose to waive any of these conditions in accordance with the Offer.</p>
What happens if the conditions are not satisfied or waived?	If the conditions of the Offer are not satisfied or waived before the end of the Offer Period, then the Offer will lapse and you will be free to deal with your Shares even if you have accepted the Offer.
What are the taxation implications of accepting the Offer?	<p>Please refer to Section 10 of this Target's Statement and Section 7 of the Bidder's Statement for a general outline of the taxation implications of accepting the Offer. This information is an outline only, and you should not rely on that outline as advice on your own affairs.</p> <p>You should seek your own personal, independent professional financial and taxation advice before making a decision as to whether or not to accept the Offer.</p>
Will I need to pay brokerage or stamp duty on acceptances?	If your Razor Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to TMX Australia, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

	<p>If your Razor Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Razor Shares are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p>
<p>Will I be forced to sell my Shares?</p>	<p>You will not be forced to sell your Shares unless TMX Australia and its associates acquire a relevant interest in at least 90% of Shares in Razor. TMX Australia are then able to compulsorily acquire all remaining Razor Shares in accordance with Part 6A.1 of the Corporations Act.</p>
<p>How many Razor Shares are on issue?</p>	<p>As at the date of this Target's Statement, there are 286,453,565 Shares in Razor on issue, held between approximately 1,300 Shareholders.</p>
<p>When does the Offer close?</p>	<p>The Offer is open until 7:00pm (Sydney time) on 31 January 2012 unless extended or withdrawn in accordance with the Corporations Act.</p>
<p>Is there a phone number that I can call if I have any further queries in relation to the Offer?</p>	<p>TMX Australia has set up an information line for Razor Shareholders to address any questions you may have in relation to the Offer. If you require further information, please call 1300 727 591 (for callers within Australia) or +61 3 9946 4445 (for callers outside Australia). Please note that calls to these numbers may be recorded.</p>
<p>How can I get updates on the Share price</p>	<p>If you have access to the Internet, you can receive updated information by visiting the ASX website at www.asx.com.au, or by contacting your broker, or referring to the financial sections of metropolitan Australian newspapers.</p>

5. WHY THE DIRECTORS RECOMMEND THE OFFER

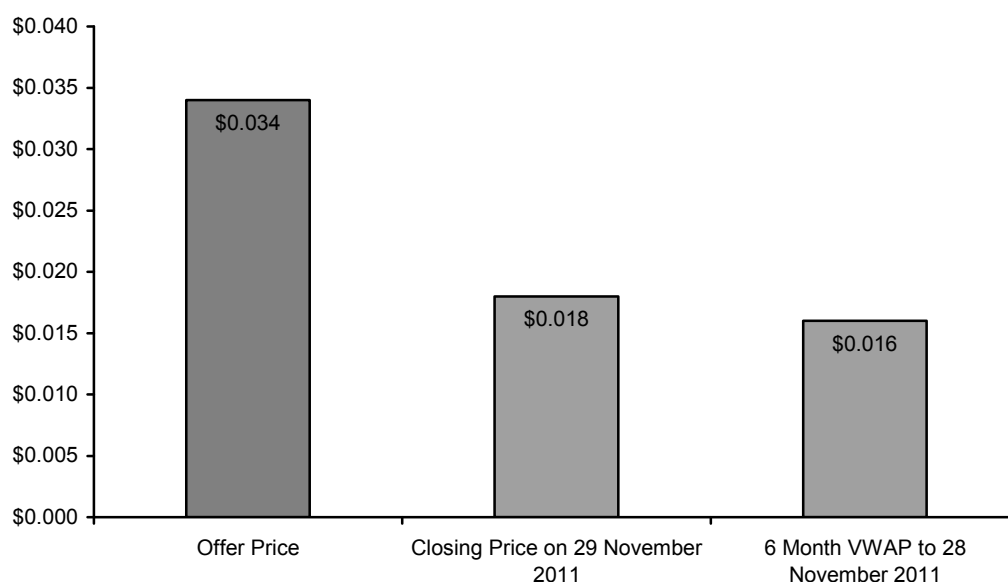
In reaching their unanimous recommendation to **ACCEPT** the Offer, the Directors have had regard to a number of considerations, including the information set out in the Bidder's Statement and the information set out in this Section 5.

5.1 The Offer Price represents a significant premium to the price of Razor Shares prior to the Announcement Date

The Offer Price of \$0.0349 per Share represents a significant premium to the pre-Announcement Date Razor share price.

The Offer Price represents a:

- 94% premium to the closing price of Shares on 29 November 2011, being the last trading day before the Announcement Date; and
- 116% premium to the six month volume weighted average Share price (**VWAP**) for the period ending on 28 November 2011.



Moreover, the Offer Price represents a significant premium to the level at which Shares have traded for the substantial majority of the time in the three years prior to the Announcement Date.



5.2 Certainty of cash, value and timing

TMX Australia's Offer of \$0.0349 cash per Share provides the certainty of cash value to Razor Shareholders (subject to the conditions of the Offer being satisfied or waived).

If you accept the Offer, you will cease to be exposed to the risks associated with an investment in Razor. Such risks include, but are not limited to:

- the risk of downturns in the economies in which Razor operates;
- the risk of changes in interest rates, inflation, and government policy which may impact sales and operating profits;
- uncertainty as to when and whether Razor might win new contracts for its services and products in circumstances where its cash reserves are depleting;
- the risk of adverse changes in the competitive environment; and
- foreign exchange risk.

You will be paid within one month after the latter of the receipt of your acceptance of the Offer and the date on which the Offer becomes unconditional and, in any event, within 21 days after the end of the Offer Period (subject to the conditions being satisfied or waived).

5.3 No superior proposal has emerged

Since the Announcement Date and up to the date of this Target's Statement, the Directors have not received any competing proposals, nor are they aware of any party with an intention to make such a proposal.

5.4 Risk of being a minority Shareholder

If you do not accept the Offer and TMX Australia declares the Offer unconditional and gains effective control of Razor, but does not obtain sufficient acceptances to proceed to compulsory acquisition, you will continue to be a minority Shareholder in Razor.

If Razor remains listed on the ASX, it is unlikely that the Razor Share price would sustain the current takeover premium and so would likely fall below the Offer Price. Moreover, there is a risk that the market for your Razor Shares would become less liquid, making it more difficult to sell your Shares in the future. As outlined in Section 6 of the Bidder's Statement, TMX Australia seeks, to the extent possible, to remove Razor from the official list of the ASX if it gains effective control of Razor but is not entitled to proceed to compulsory acquisition. In this circumstance, the liquidity of Razor Shares will be materially decreased, making it very difficult to sell your Shares in the future.

5.5 Razor's Share price may decline if the Offer lapses

The Directors also note that it is possible that the Razor Share price may fall below current levels if the Offer is not accepted and no superior proposal emerges.

5.6 The Offer is supported by Razor's largest Shareholder and the Directors

Razor's largest Shareholder, GBST Holdings Limited has agreed to accept the Offer for Shares representing 15.30% of the issued Shares, in the absence of a superior proposal. The support of GBST Holdings Limited demonstrates that the \$0.0349 cash per Share Offer provides Razor Shareholders with an opportunity to receive premium value for their Razor Shares.

The Directors also support and recommend that the Offer be accepted, in the absence of a superior proposal. The Directors and GBST Holdings Limited together hold approximately 40% of the issued Shares in Razor.

5.7 Shareholders who accept the Offer will not incur any stamp duty and may not incur brokerage charges.

You will not be obliged to pay stamp duty if you accept the Offer.

If your Razor Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to TMX Australia, you will not incur any brokerage charges. If your Razor Shares are registered in a CHESS Holding, you should ask your Controlling Participant (usually your broker) whether it will charge any transactional fees or service charges in connection to the Offer.

You may incur broker costs and GST on those costs if you choose to sell your Razor Shares on market.

6. INTERESTS OF THE DIRECTORS

6.1 Interests of the Directors in Razor

At the date of this Target's Statement, each Director had a relevant interest in Razor Shares as set out below:

Director	Razor Shares	Percentage
Ellis Bugg	1,365,140	0.5%
Simon Yencken	35,925,668	12.5%
Ralph Pickering	4,855,145	1.7%
Jane Yuile	14,188,601	4.9%
Andrew Wood	13,767,883	4.8%

6.2 Directors who did not approve this Target's Statement

No Director voted against the relevant resolution authorising the lodgement of this Target's Statement.

6.3 Interests of the Directors in TMX Group

At the date of this Target's Statement, no Director has a relevant interest in any securities of TMX Group.

6.4 Directors' dealings in Razor Shares

No Director has acquired or disposed of any Shares in the period of four months ending on the date immediately preceding the date of this Target's Statement.

6.5 Directors' dealings in TMX Group securities

No Director has acquired or disposed of any marketable securities in TMX Group in the period of four months ending on the date immediately preceding the date of this Target's Statement.

6.6 Conditional Agreements

There is no agreement made or arrangement between any Director and any other person, including TMX Group or its associates, in connection with or conditional upon the outcome of the Offer, other than in their capacity as holders of Shares.

6.7 Interests in contracts with TMX Group

No Director has an interest in any contract entered into by TMX Group.

6.8 Benefits to Directors of Razor

As a result of the Offer, no benefit (other than a benefit which can be given without member approval under the Corporations Act) has been or will be given to a person in connection with the retirement of that person, or someone else, from a board, managerial or executive office in Razor, or a related body corporate of Razor.

7. SUMMARY OF OFFER

This Section 7 is a summary of the key features of the Offer. Section 9 of the Bidder's Statement contains the full terms and conditions of the Offer.

7.1 The Offer

TMX Australia is offering to acquire all Razor Shares on issue, including Shares that are issued during the Offer Period due to the conversion of Options. You may only accept the Offer in respect of all your Razor Shares.

7.2 Offer Price

The Offer Price is \$0.0349 cash per Share for each of your Shares. The Offer Price will only become payable if the conditions of the Offer are satisfied or waived.

In addition, TMX Australia may increase the Offer Price to add an additional component equal to an amount to be calculated on the date that is the earlier of:

- (a) the date the Offer is declared unconditional; and
- (b) the date of the close of the Offer Period (assuming all conditions are satisfied or waived).

The increase in the Offer Price will be calculated depending on the level of Working Capital in Razor at the earlier of the time the Offer is declared unconditional and the close of the Offer Period (assuming all conditions are satisfied or waived). As at the date of this Target's Statement, Razor estimates its Working Capital will be between \$0 and \$500,000 between the date of this Target's Statement and 31 January 2012, (being the Offer Period, unless extended by TMX Australia in accordance with Section 9.2 of the Bidder's Statement).

There can be no guarantee or assurance that:

- (a) TMX Australia will declare the Offer unconditional; or
- (b) all conditions will be satisfied or waived by the end of the Offer Period.

There can also be no guarantee or assurance that there will be any Working Capital in Razor at the relevant time such that TMX Australia will increase its Offer.

If there is no Working Capital at the earlier of the time the Offer is declared unconditional and the end of the Offer Period (assuming all conditions are satisfied or waived), TMX Australia will not be obliged to increase the Offer Price. Therefore, Shareholders should not accept this Offer on the basis that they will be paid more than \$0.0349 cash per Share.

7.3 When will you receive your payment if you accept the Offer

If you accept the Offer, you may have to wait to receive your payment on or before the earlier of:

- one month after this Offer is accepted by you or one month after all of the conditions have been freed or fulfilled (whichever is the later); and
- 21 days after the end of the Offer Period.

Full details of when payments will be made are set out in Section 9.6 of the Bidder's Statement.

7.4 **Closing date**

The Offer is due to close at 7:00pm (Sydney time) on 31 January 2012 unless it is extended under the Corporations Act.

7.5 **Your decision regarding the offer**

The Directors encourage you to seek advice from your legal, financial or other professional advisers before deciding on whether or not to accept the Offer.

For more information, and before deciding whether to accept the Offer, you should read the Bidder's Statement and this Target's Statement in their entirety

7.6 **Conditions of the Offer**

In summary, the Offer is conditional on satisfaction or waiver by TMX Australia of a number of conditions, including the following conditions:

(a) **Regulatory approvals**

Before the end of the Offer Period, all waiting periods applicable under any relevant law shall have expired or terminated and all approvals or consents that are required by law, regulation or by any Public Authority, whether in Australia or elsewhere, as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by the Razor Shareholders;
- (ii) the Takeover Bid to be completed;
- (iii) the continued operation of Razor's businesses and required as a result of the Offer; or
- (iv) any member of the Razor Group to carry on its business,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(b) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (ii) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (iii) no application is made to any Public Authority (other than by TMX Australia or any Associate of TMX Australia),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of Takeover Bid or which requires the divestiture by TMX Australia of any Shares or any material assets of Razor or any Subsidiary of Razor.

(c) **50.01% acceptance**

TMX Australia has received acceptances of the Offer in respect of at least 50.01% of the Shares (on a fully diluted basis) by the date that is one month from the date of the Offer.

(d) **Minimum acceptance**

TMX Australia has a Relevant Interest in at least 90% of the Shares (on a fully diluted basis) at the end of the Offer Period.

(e) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by Razor concerning any event, change, condition, matter or thing; or
- (iii) information concerning any event, change, condition, matter or thing becomes known to TMX Australia (whether or not becoming public),

(each of (i), (ii) and (iii), a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind, has had or would be considered reasonably likely to have:

- (iv) a material adverse effect on the business, assets, liabilities (whether actual, contingent or otherwise), financial or trading position, profitability or prospects of the Razor Group taken as a whole; or
- (v) without limiting the generality of Section 7.6(e)(iv):
 - (A) the effect of a diminution in the value of the consolidated net assets of the Razor Group, taken as a whole, by at least \$500,000 against what it would reasonably have been expected to have been but for such Specified Event; or
 - (B) the effect of a diminution in the consolidated net profit after tax of the Razor Group, taken as a whole, by at least \$100,000 in any financial year for the Razor Group against what they would reasonably have been expected to have been but for such Specified Event.

For the purposes of 7.6(e)(iii), TMX Australia shall not be taken to know of information concerning any event, change, condition, matter or thing before the Announcement Date, unless TMX Australia knows or ought reasonably to

have known (having regard to the information actually known by TMX Australia and, the information disclosed by Razor in its public filings with the ASX, in each case before the Announcement Date), of the extent or magnitude of the event, change, condition, matter or thing.

(f) **Takeover Bid Implementation Agreement**

Between the Announcement Date and the end of the Offer Period:

- (i) the Takeover Bid Implementation Agreement has not been terminated by either party for material breach pursuant to clause 11.1(c) of that agreement; or
- (ii) no party has given notice to the other party that it intends to terminate the Takeover Bid Implementation Agreement in accordance with clause 11.1(c) of that agreement.

(g) **No prescribed occurrences**

Between the Announcement Date and the date three Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences happen:

- (i) Razor converts all or any of its Shares into a larger or smaller number of Shares;
- (ii) Razor or a Subsidiary of Razor (which is not a directly or indirectly wholly owned Subsidiary) resolves to reduce its share capital in any way;
- (iii) Razor or a Subsidiary of Razor (which is not a directly or indirectly wholly owned Subsidiary):
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Razor or a Subsidiary of Razor issues Shares or grants an option over its Shares, or agrees to make such an issue or grant such an option;
- (v) Razor or a Subsidiary of Razor issues, or agrees to issue, convertible notes;
- (vi) Razor or a Subsidiary of Razor disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Razor or a Subsidiary of Razor charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Razor or a Subsidiary of Razor resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Razor or a Subsidiary of Razor;
- (x) a court makes an order for the winding up of Razor or a Subsidiary of Razor;

- (xi) an administrator of Razor, or a Subsidiary of Razor, is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) Razor or a Subsidiary of Razor executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Razor or a Subsidiary of Razor.
- (h) **No material acquisitions, disposals, changes in the conduct of business or dividends**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Razor nor any of its Subsidiaries, other than with the prior written consent of TMX Australia:

- (i) acquires or disposes of, or enters into or agrees to enter into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any transaction, which would or would reasonably be likely to involve a material change in:
 - (A) the manner in which Razor and its Subsidiaries conduct their business;
 - (B) the nature (including balance sheet classification), extent or value of the assets of Razor and its Subsidiaries; or
 - (C) the nature (including balance sheet classification), extent or value of the liabilities of Razor and its Subsidiaries,
- (ii) without limiting section 7.6(h)(i), enters into or agrees to enter into or announces any agreement or transaction which would or (subject to one or more conditions) may involve Razor or any of its Subsidiaries:
 - (A) acquiring, or agreeing to acquire, one or more securities, companies, trusts, businesses or real property (or any interest in any of the foregoing) or any interest in any incorporated or unincorporated joint venture, in any such case having a value of at least \$100,000 in the aggregate;
 - (B) disposing, or agreeing to dispose of, one or more Subsidiaries, companies, trusts, businesses or real property (or any interest in any of the foregoing) or any interest in any incorporated or unincorporated joint venture, in any such case having a value of at least \$50,000;
 - (C) without limiting section 7.6(h)(ii)(A), entering into any contract, commitment or arrangement (including the acquisition of, or offering or agreeing to acquire, any asset or the entering into, or offering or agreeing to enter into, any joint venture or partnership) that:
 - (I) requires payments by Razor and/or any of its Subsidiaries of an amount in excess of \$100,000 on an individual basis or which, when aggregated with all other payments that are permitted by this section 7.6(h)(ii)(C), would exceed \$100,000;

- (II) cannot be terminated on less than 12 months' notice without penalty; or
- (III) is not in the ordinary course of business;
- (D) without limiting section 7.6(h)(ii)(B), disposing, or agreeing to dispose of any asset which has a value in excess of \$100,000 on an individual basis or which, when aggregated with all other disposals permitted by this section 7.6(h)(ii)(D), would exceed \$200,000;
- (E) entering, agreeing to enter into, terminating or agreeing to terminate a contract, commitment or arrangement for the provision of services or a licence to a Third Party that is a new or existing customer that results in Razor and/or any of its Subsidiaries incurring costs in excess of \$100,000 (on an individual basis) for the entire term of such contract, commitment or arrangement or which, when aggregated with all other payments that are permitted by this section 7.6(h)(ii)(E), would exceed \$200,000;
- (F) providing financial accommodation, other than to members of the Razor Group, or receiving financial accommodation in excess of \$100,000, other than from members of the Razor Group;
- (G) entering into any agreement or arrangement with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges made in the ordinary and usual course of business and in accordance with existing policy in place as at the date of the Takeover Bid Implementation Agreement; or
- (H) incurring, agreeing to incur or bringing forward the time for incurring, or granting to another person a right the exercise of which would involve Razor or a Subsidiary incurring or agreeing to incur an amount of capital expenditure in excess of \$100,000, other than capital expenditure that has been announced by Razor to ASX before the Announcement Date;
- (iii) gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (iv) does anything or omits to do anything that causes the Working Capital of the Razor Group to fall below \$zero;
- (v) makes or agrees to make any change to its constitutional documents or passes any ordinary, special or extraordinary resolutions;
- (vi) amends or agrees to amend the terms of issue of any of the Shares or other securities (including Options);
- (vii) enters into a contract or commitment restraining it from competing with any person or conducting activities in any market or voluntarily changes any accounting policy applied by them to report their financial position;

- (viii) accepts as a compromise of a matter less than the full compensation due to it where the compromise is more than \$100,000 or waives any material third party default where the financial impact upon Razor and its Subsidiaries taken as a whole will be in excess of \$100,000;
- (ix) enters into, amends, or agrees to enter into or amend, any contract, commitment or other arrangement with a related party of Razor;
- (x) enters into, renews, amends or terminates, or agrees to enter into, renew, amend or terminate, any employment, consulting, severance or similar agreement or arrangement with current or proposed officers, directors, other executives or employees of Razor or a Subsidiary or otherwise increases compensation or benefits for any of the above other than in the ordinary course of business or pursuant to written contractual arrangements in effect on the Announcement Date and which have been fairly disclosed to TMX Australia as part of the Due Diligence Information;
- (xi) enters into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the Announcement Date or amends in any material respect any arrangement with its financial adviser, or entering into arrangements with a new financial adviser, in respect of the Takeover Bid;
- (xii) does anything that would result in a taxable gain in excess of \$200,000 for the Razor Consolidated Tax Group by either causing any Subsidiary of Razor to cease being a member of the Razor Consolidated Group or causes the Razor Consolidated Tax Group to cease being a Consolidated Group or changes its business or enters into a new business or transaction of a kind that it has not previously entered into in such a manner that tax losses (whether of a revenue or capital nature) in excess of \$200,000 in Razor or any Subsidiary of Razor (including the Razor Consolidated Tax Group) stop being available to Razor or any Subsidiary of Razor (including the Razor Consolidated Tax Group). For the purposes of this section 7.6(h)(xii), "**Razor Consolidated Tax Group**" means the Consolidated Group of which Razor is the head company (as defined for the purposes of the Tax Act) and "**Razor Consolidated Group**" means Razor and each of its Subsidiaries;
- (xiii) pays or agrees to pay any termination or retirement benefit or allowance to any current or proposed director, executive officer, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration or, other than in the ordinary course of business, the terms of redundancy or other employee entitlements of any current or proposed director, executive officer, manager or other employee on foot as at the date of the Takeover Bid Implementation Agreement (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the date of the Takeover Bid Implementation Agreement);

- (xiv) announces an intention to pay, pays or declares, distributes or resolves to pay or provide any dividend, distribution, bonus or other share of its profits or assets (whether in cash or in specie);
- (xv) is or becomes the subject of any litigation which is commenced, is threatened to be commenced, is announced or is made known to TMX Australia (whether or not becoming public) or the Razor Group which may reasonably be expected to result in a judgement against any member of the Razor Group of \$200,000 or more; or
- (xvi) discloses (without having disclosed to ASX prior to the date of the Takeover Bid Implementation Agreement) the existence of any matter described in sections 7.6(h)(i) to 7.6(h)(xv) above or announces an intention or proposal to do anything described in sections 7.6(h)(i) to 7.6(h)(xv) above.

(i) **Index out**

Between the Announcement Date and the end of the Offer Period (each inclusive) the All Ordinaries Index published by the ASX does not close below the number which is 15% below the number that it closed at on the last trading day before the Announcement Date for 3 or more consecutive trading days.

(j) **No untrue statements to ASX or ASIC**

Between the Announcement Date and the end of the Offer Period (each inclusive), TMX Australia does not become aware that any document filed by or on behalf of Razor, or by or on behalf of any person in relation to Razor or the Razor Group, with ASX or ASIC contains a statement which is incorrect or misleading in a material particular or from which there is a material omission which has or would reasonably be expected to have a material adverse effect on the value of the Razor Group.

(k) **No takeover bid**

No person (other than TMX Australia) announces or makes a takeover bid for the Shares.

7.7 Nature and benefit of conditions

- (a) The conditions in section 7.6 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 7.6(g), until the end of the third business day after the end of the Offer Period), prevent a contract to sell your Shares from arising, but entitles TMX Australia by written notice to you, to rescind the contract resulting from your acceptance of this Offer.
- (b) Subject to the Corporations Act, TMX Australia alone is entitled to the benefit of the conditions in section 7.6, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 7.6 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

7.8 Freeing the Offer of conditions

TMX Australia may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in section 7.6, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Razor and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:

- (a) in the case of the condition in section 7.6(g), not later than 3 business days after the end of the Offer Period; and
- (b) in the case of all the other conditions in section 7.6, not less than 7 days before the end of the Offer Period.

If, at the end of the Offer Period (or in the case of the conditions in section 7.6(g), at the end of the third business day after the end of the Offer Period), the conditions in section 7.6 have not been fulfilled and TMX Australia has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

7.9 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 23 January 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

7.10 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, TMX Australia will give notice of the withdrawal to ASX and to Razor and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in section 7.6 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 7.6, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 7.10 will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date those conditions are satisfied.

7.11 Variation of this Offer

TMX Australia may vary this Offer in accordance with the Corporations Act.

7.12 **No stamp duty or brokerage**

TMX Australia will pay any stamp duty on the transfer of your Shares to it. If your Razor Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to TMX Australia, you will not incur any brokerage fees in connection with your acceptance of the Offer.

If your Razor Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Razor Shares are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

8. ADDITIONAL CONSIDERATIONS FOR RAZOR SHAREHOLDERS

In making a decision whether to accept the Offer, Razor Shareholders should also consider carefully and have regard to the following matters:

8.1 Superior offer

If you accept the Offer, you only have a limited right to withdraw your acceptance, which could result in you forfeiting the opportunity to benefit from any higher offer made by another bidder for your Razor Shares, should such an offer eventuate.

There is no certainty that another takeover offer will be made or announced for Razor Shares. Should another takeover offer be announced during the Offer Period, Razor will issue a supplementary Target's Statement to Shareholders.

8.2 Trading

Shareholders who accept the Offer will forfeit certain rights to sell or otherwise deal with their Razor Shares.

8.3 The Offer is conditional

The Offer and any contracts resulting from acceptance of the Offer are subject to the fulfilment or waiver of a number of conditions summarised in Section 7.6 of this Target's Statement and detailed in Section 9 of the Bidder's Statement.

Shareholders should note that the Offer is subject to a minimum acceptance condition that TMX Australia acquire relevant interests in at least 90% of the Razor Shares at the end of the Offer Period. Shareholders should be aware that each Director intends to accept or procure the acceptance of the Offer in respect of the Razor Shares they or their associates own or control, in the absence of a superior proposal. The Directors recommend that Razor Shareholders accept the Offer, in the absence of a superior proposal.

At the date of this Target's Statement, the Directors are not aware of any matter that would result in a breach of the conditions of the Offer, or lead to the non-fulfilment of them. Shareholders should note that despite any conditions of the Offer not being satisfied, TMX Australia may waive such conditions. In these circumstances, TMX Australia would be entitled to proceed with its Offer.

8.4 Transaction Costs

The Offer has resulted in Razor incurring significant expenses that would not otherwise arise from carrying on business in the normal course. Expenses include fees payable to the Company's legal adviser engaged to assist in this transaction and other transaction related expenses which will have a negative impact on the after tax earnings in the current financial year.

8.5 Reimbursement of out-of-pocket expenses

Razor will be liable to pay an amount equal to the actual out-of-pocket expenses of TMX Group (up to \$500,000) if:

- (a) during the "**Exclusivity Period**" (being the period from and including the date of the Takeover Bid Implementation Agreement to the earlier of: (i) the

termination of the Takeover Bid Implementation Agreement; (ii) the end of the Offer Period; or (iii) 6 months after the date of the Takeover Bid Implementation Agreement), the Board or any Director fails to recommend or continue to recommend that Razor Shareholders accept the Offer in the absence of a superior proposal;

- (b) during the Exclusivity Period, the Board or any Director recommends that Razor Shareholders accept or support a competing proposal which is announced during the Exclusivity Period;
- (c) a competing proposal is announced during the Exclusivity Period and is completed within one year of the date of such announcement and, as a result, a Third Party or an Associate of that Third Party completes a competing proposal (of a kind referred to in paragraphs 2 to 5 of the definition of a competing proposal in the Takeover Bid Implementation Agreement) or acquires a Relevant Interest in more than 50% of the Shares or acquires Control of Razor;
- (d) any of the bid conditions are breached or rendered incapable of being fulfilled due to an act or omission of Razor, a related body corporate of Razor, a director or a director of any related body corporate of Razor provided that TMX Group announces that it will, as a result of such error or omission, allow the Takeover Bid to lapse without freeing the Offer from the relevant bid condition; or
- (e) Razor breaches any of its material obligations under the agreement.

8.6 Minority Shareholder

The Offer is subject to a 90% minimum acceptance condition. TMX Australia has reserved its right to waive the 90% minimum acceptance condition (or any other condition) of the Offer.

If TMX Australia:

- (a) waives this condition;
- (b) acquires a relevant interest in at least 50.1% of Razor Shares; and
- (c) declares its Offer free from all other conditions,

then TMX Australia will be the majority shareholder of Razor, and Razor will become a controlled entity of TMX Australia.

Shareholders who do not accept the Offer may remain collectively as minority Shareholders in Razor.

In these circumstances there may be various implications, including the result that TMX Australia will have the power to control the composition of the Board and the strategic direction of Razor, as it will be in a position to cast the majority of votes at a general meeting of Razor.

If TMX Australia becomes a majority Shareholder of Razor, then TMX Australia may seek to remove, to the extent possible, Razor from the official list of ASX. If Razor is removed from the official list of ASX, it will mean that you can no longer trade your Shares on ASX.

If TMX Australia acquires 75% or more of the Razor Shares, TMX Australia will be in a position to pass a special resolution of Razor Shareholders which would enable TMX Australia to, among other things, alter the constitution of Razor.

8.7 Risk Factors

Razor Shareholders will be exposed to different risks depending upon whether they choose to accept or reject the Offer. These respective risks are set out below, but Shareholders should note that the Directors do recommend accepting the Offer, in the absence of a superior proposal, taking all relevant circumstances and risks into account. More specifically:

- (a) If you do not accept the Offer, then you will continue to be exposed to the external and company specific risks and uncertainties to which Razor is subject that affect the trading price of Razor Shares. The risks to Razor include, but are not limited to:
 - (i) the risk of continued and longterm downturns in the economies in which Razor operates;
 - (ii) uncertainty as to when and whether Razor might win new contracts for its services and products in circumstances where its cash reserves are depleting;
 - (iii) the risk of adverse changes in the competitive environment; and
 - (iv) foreign exchange risk.
- (b) If you accept the Offer, then:
 - (i) you will no longer be a Razor Shareholder, and therefore will not be able to participate in any potential increase to the Razor Share price and the future direction of the Company through your rights as a Shareholder;
 - (ii) taxation implications may be triggered, as outlined in Section 10 of this Target's Statement and Section 7 of the Bidder's Statement; and
 - (iii) while the Offer is still open, you will not be able to sell your Shares on market, and you will also lose the ability to accept any other offer that may be made for your Shares.

9. INFORMATION ABOUT RAZOR

9.1 Overview

Razor's principal activities comprise the development and integration of risk management software for the financial sector. Razor assists financial services institutions worldwide to measure and control risk through its professional services and enterprise risk management framework, Razor.

The Razor framework is an enterprise risk management product that is designed to meet the risk management needs of investment banks, exchanges, central counterparties and asset managers.

Razor has been listed on the ASX since 1999 and has a market capitalisation of approximately \$5 million (as at the date of this Target's Statement). Razor's head office is in Sydney, Australia, and it also has offices in New York and London.

9.2 Razor Board of Directors

The Razor Board of Directors at the date of this Target's Statement comprises of:

(a) **Mr Ellis Bugg – Chairman and Non-Executive Director**

Ellis was appointed to the Board on 19 April 2006 and became Chairman of the Board and the Nominations and Remuneration Committee on 14 November 2007. Ellis has 40 years' experience within the Australian banking industry with extensive knowledge and practical experience within financial markets and the associated infrastructure, especially technology and risk management.

Prior to joining Razor, Ellis held senior positions in financial markets and risk management with the Commonwealth Bank and National Australia Bank. He has been actively involved in various industry bodies including serving a number of years as deputy chairman of Austraclear and as a member of the risk committee of CLS Bank.

Ellis is a Fellow of the Financial Services Institute of Australasia (Finsia) and Fellow of the Australian Institute of Company Directors.

(b) **Mr Simon Yencken – Non-Executive Director**

Simon has held a number of senior management and board-level positions with companies in the United States and Europe. He was a board member of Tibco Software Inc and CEO of Tibco Finance Technology Inc, and prior to that was managing director of Reuters Financial Enterprise Systems. His prior roles within Reuters Group Plc included general counsel and company secretary, a role on acquisitions and membership of the group executive committee.

Simon co-founded NextSet Software Inc, and subsequently oversaw the sale of that business to Razor in 2003. He remains a non-executive board member of Razor.

Simon is also an investor in, and Board Member of Aconex Limited. Aconex is the world's largest and fastest growing provider of online collaboration for

construction and engineering projects. Aconex closed a significant funding round with Francisco Partners of San Francisco in September 2008.

Simon is CEO & Co-Founder of Fanplayr Inc, which has developed a social marketing service for businesses to monetize social costumers, by issuing social coupons on web & Facebook pages.

(c) **Mr Ralph Pickering – Non-Executive Director**

Ralph was appointed to the Board on 3 October 2006. Ralph has over 20 years' experience in managing and developing technology businesses, acquisitions, mergers and major engineering projects. He is currently director of mergers, acquisitions and divestments with UXC Limited.

Ralph holds Bachelor of Engineering (Electrical) and Master of Engineering qualifications in computer science. Ralph is a Member of the Australian Institute of Company Directors and a Fellow of the Institute of Railway Signals Engineers.

(d) **Mrs Jane Yuile – Non-Executive Director**

Jane was appointed to the Board on 29 June 2007 and is the Chair of the Audit & Risk Management Committee and the Finance Committee.

Jane is a chartered accountant with over 30 years' experience as a finance executive. Jane is and has been a director of a number of entities at executive and non-executive level, ranging from listed companies to large not-for-profit organisations. Jane was a past chairman of the Institute of Chartered Accountants in Australia (SA & NT).

Jane holds a MBA and Bachelor of Science qualifications and is a Fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants in Australia.

(e) **Mr Andrew Wood – Chief Executive Officer, Executive Director**

Andrew was appointed as Chief Executive Officer on 11 September 2008 and as a Director on 1 February 2009. Andrew has a strong finance and operations background, with over 15 years of experience working globally across multiple business environments. His last role prior to joining Razor was with Corymbia Investments Ltd in the UK, a business consultancy focusing on operational and financial management.

Based for some years in America, Andrew was a senior vice president with Management Consulting Group plc, whose consultancies specialise in risk management, Sarbanes Oxley and general operational and sales performance consulting. In Australia, Andrew was chief financial and commercial officer with Object Consulting, an Australian software development and training organization.

Andrew holds a Bachelor of Arts - Economics (Honours) from Manchester University, and is a member of the Institute of Chartered Accountants in England and Wales.

10. TAXATION INFORMATION

The outline provided in this Section 10 is of a general nature, has been prepared for the information of Australian Shareholders and does not take into account the precise personal circumstances of individual Shareholders. Further taxation information is contained in Section 7 of the Bidder's Statement. You should obtain separate, independent professional taxation advice which will be applicable to your personal circumstances.

The comments below are based on you being an Australian resident for taxation purposes and you holding your Shares on a capital account basis.

Certain Shareholders who acquired Shares for the purpose of resale at a profit, or those that may include superannuation funds, employees of Razor, will or may, be subject to different taxation consequences specific to their circumstances.

If you accept the Offer, there will be Capital Gains Tax (**CGT**) consequences in the financial year you accept the Offer. CGT consequences apply in respect of each Share you hold.

You will make a capital gain if the proceeds received on the sale of your Shares exceeds the cost base of the Share. The cost base of the Share is determined by the amount you paid to acquire it (taking into account incidental costs), reduced by the amount of any returns of capital paid to you in respect of the Share.

You will make a capital loss from the sale of a Share if the proceeds of the sale are less than the cost base of the Share.

You should seek independent taxation advice in relation to calculating and determining any capital profit or loss from the sale of your Shares. The Company is not responsible if you choose to rely solely on the information provided in this Section 10 in deciding whether or not to accept the Offer.

11. ADDITIONAL INFORMATION

11.1 Issued Capital

As at the date of this Target's Statement, the issued capital of Razor consisted of:

- 286,453,565 Razor Shares; and
- 700,000 Options held by a Razor employee which expire on 30 September 2012. The exercise price in respect of these Options is greater than the Offer Price. Razor and the relevant employee have agreed that these Options will be cancelled for nil consideration, subject to, and immediately upon the Offer being declared unconditional.

11.2 Takeover Bid Implementation Agreement

Razor and TMX Group entered into the Takeover Bid Implementation Agreement on 30 November 2011 which sets out the key terms of the Offer. A summary of the terms of the Takeover Bid Implementation Agreement is contained in Section 8.2 of the Bidder's Statement. A full copy of the Takeover Bid Implementation Agreement is available from the ASX website at www.asx.com.au.

11.3 Impact of Offer on Razor contracts

Razor is not aware of any contract that has been entered into by the Company (other than those contracts in respect of which Razor has obtained the consent of the other party) that contains a change of control provision which will be triggered if TMX Australia acquires more than 50.01% of Razor's Shares as a result of the Offer.

11.4 Litigation

There is no known current litigation against Razor and the Directors have no knowledge of any potential litigation.

11.5 Financial position of Razor

Razor's last published annual financial statements are for the year ended 30 June 2011. Copies of Razor's Annual Report may be obtained from the ASX website at www.asx.com.au.

As noted in Section 11.6, there are significant economic challenges in the geographies that Razor operates in and this will continue to reduce the Working Capital position of Razor.

11.6 Material Developments

As previously advised in the Chairman's and CEO's statement in the 2011 Annual Report, the Company's key markets of North America and Europe continue to be significantly impacted by the turmoil of financial market instability. The flow on effect has been a continuation of the long sales cycle for enterprise risk systems and unwillingness for potential new clients to commit significant budgets for their enterprise risk infrastructure. Trading conditions remain extremely competitive and volatile.

Razor monitors its Working Capital on a daily basis and the Directors anticipate there will be growing pressures on costs and Working Capital needs. TMX Australia have stated they intend to have sufficient Working Capital for the business and capitalize on growth opportunities that should benefit our clients and valued employees.

11.7 Bidder's duty to disclose Razor Shareholding

TMX Australia, as the bidder, is required to advise Razor when it has acquired a relevant interest of 5% in Razor Shares, and for every 1% increase thereafter.

Upon the receipt of such notifications, Razor will advise the market accordingly through ASX announcements.

11.8 Consents

Thomsons Lawyers has given, and has not at the date of this Target's Statement, withdrawn their written consent to be named in this Target's Statement as legal adviser to Razor.

11.9 Disclaimer regarding responsibility

Each person named in this Target's Statement as acting in a professional capacity for Razor in relation to the Offer:

- (a) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement.

11.10 Class Order Relief — reference to statements

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including Razor, in relation to the operation of Chapter 6 of the Corporations Act. Razor may rely on this class order relief.

Razor has relied on the modification to section 636(3) of the Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include references to certain statements by TMX Australia and other persons in this Target's Statement without obtaining the consent of TMX Australia or those other persons.

The relevant statements were respectively taken from TMX Australia's Bidder's Statement and any other announcements by TMX Australia or TMX Group where material is sourced from.

As required by ASIC Class Order CO 01/1543, Razor will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Razor Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Razor Shareholders may telephone Razor on (02) 9236 9400.

11.11 No other Material Information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for Shareholders and their professional advisers to expect to find such information in this Target's Statement; and
- (b) only if the information is known to any of the Directors.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in TMX Australia's Bidder's Statement; and
- (b) the information contained or referred to in this Target's Statement.

11.12 Continuous Disclosure

Razor is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Razor to notify ASX of information about specific matters and events as they occur for the purposes of making that information available to the market. In particular, Razor has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Razor.

Copies of the documents filed with ASX may be obtained from ASX website at www.asx.com.au.

A list of announcements made by Razor to ASX since the Announcement Date is set out below.

Date	Announcement
30/11/2011	Becoming a substantial holder
30/11/2011	Results of Meeting
09/12/2011	Notice of people to whom information sent

11.13 Date

This Target's Statement is dated 16 December 2011 and was lodged with ASIC on the same date.

11.14 Authorisation

This Target's Statement has been approved by a resolution of the Directors in accordance with section 639 of the Corporations Act.

Signed on behalf of Razor by Ellis Bugg, being a director of Razor who has been authorised to sign by a unanimous resolution passed by all the Directors.

A handwritten signature in black ink, appearing to read 'E Bugg', written in a cursive style.

Ellis Bugg

Chairman

16 December 2011

12. GLOSSARY

In this Target's Statement, unless the context or subject matter otherwise requires, each word in the first column below has the meaning set out alongside that word in the second column:

Acceptance Form	The acceptance form enclosed with the Bidder's Statement.
AIFRS	Australian equivalents to the International Financial Reporting Standards adopted by the International Accounting Standards Board.
Announcement Date	The date that the Offer was announced, being 30 November 2011.
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to the Takeover Bid Implementation Agreement.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The official Listing Rules of ASX.
Bidder's Statement	The bidder's statement dated 14 December 2011 relating to the Offer prepared by TMX Australia.
Board or Directors	The board of Directors of Razor.
Business Days	A day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Company or Razor	Razor Risk Technologies Limited (ABN 84 088 299 512) (ASX:RZR)
Control	Has the meaning given to that term in the Corporations Act.
Controlling Participant	Has the same meaning given to that term in the ASX Settlement Operating Rules.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	A director of Razor.
Due Diligence Information	All information: <ul style="list-style-type: none"> (a) that the Directors have provided to TMX Group under the due diligence process or otherwise; and (b) in the electronic data room located at the secure website https://dataroom.ansarada.com up to and including 28 November 2011.
Encumbrance	An interest or power: <ul style="list-style-type: none"> (a) reserved in or over an interest in any asset, including any retention of title; or (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, <p>by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, any agreement to grant or create any of the above.</p>
Offer	The offer by TMX Australia to acquire all the Shares in Razor on the terms and conditions summarised in Section 7 of this Target's Statement.
Offer Period	The period between the date of this Offer and 31 January 2012,

	subject to variation in accordance with Section 9.2 of the Bidder's Statement.
Offer Price	\$0.0349 cash per Share.
Options	Options to subscribe for Shares granted by Razor.
Public Authority	Any government or any governmental, semi governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
Relevant Interest	Has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Razor Group	Razor and each of its subsidiaries.
Share Registry	Computershare Investor Services Pty Ltd.
Shares or Razor Shares	Ordinary shares in the capital of the Company.
Shareholder or Razor Shareholder	Holder of fully paid ordinary shares in Razor.
Subsidiary	Has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Takeover Bid	The off-market takeover bid by TMX Australia for all the Shares in Razor constituted by the dispatch of the Offers in accordance with the Corporations Act.
Takeover Bid Implementation Agreement	The Takeover Bid Implementation Agreement between Razor and TMX Group in relation to the Takeover Bid, which was executed on 29 November 2011. A copy of the Takeover Bid Implementation Agreement is available from the ASX website at www.asx.com.au .
Target's Statement	This Target's Statement.
Tax Act	<i>Income Tax Assessment Act 1936</i> (Cth) and <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	A party other than Razor, and any Subsidiary of Razor, TMX Group and any Subsidiary of TMX Group.
TMX Australia	TMX Australia Pty Ltd (ACN 154 513 907)
TMX Group	TMX Group Inc. (TSX:X)
Working Capital	The current assets of Razor less current liabilities of Razor as at the date that is the earlier of: <ul style="list-style-type: none"> (a) the date the Offer is declared unconditional; and (b) the close of the Offer Period (assuming all Bid Conditions are satisfied or waived), prepared in accordance with Australian GAAP or AIFRS, as applicable.

CORPORATE DIRECTORY**Directors**

Ellis Bugg
Simon Yencken
Ralph Pickering
Jane Yuile
Andrew Wood

Company Secretary

Oliver Carton
Suite 211, 11 Milton Parade
Malvern VIC 3144

Share Registry

Computershare Registry Services Pty Ltd
Level 12, 565 Bourke Street
Melbourne VIC 3000

Legal Adviser

Thomsons Lawyers
Level 25, Australia Square Tower
264 George Street
Sydney NSW 2000

Registered Office

Razor Risk Technologies Limited
(ABN 84 088 299 512)
Level 9, 115 Pitt Street
Sydney NSW 2000
+61 2 9236 9400

www.razor-risk.com

Principal Place of Business

Level 9, 115 Pitt Street
Sydney NSW 2000
Telephone +61 2 9236 9400

United Kingdom

Razor Risk Technologies Limited
8th Floor, 145 Leadenhall Street
London EC3V 4QT
Telephone +44 (0) 20 7621 8520

United States of America

Razor Risk Technologies Inc.
276 5th Avenue, Suite 901
New York NY 10001
Telephone +1 212 683 9445

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