



ABN: 71 111 196 420
Level 2, 160 Pitt Street Mall Sydney NSW 2000
Phone: 02 9210-7000 Facsimile: 02 9210-7099

ASX Announcement

15 November 2011

Update on Schemes of Arrangement

The Scheme Booklet has now been despatched to all security holders of Souls Private Equity Limited (SPEL) and is annexed to this announcement.

A table of key dates and times can be found on page 6 of the Scheme Booklet.

SPEL security holders with queries about the schemes of arrangement should contact SPEL on +61 2 9210 7000.

Souls Private Equity Limited

(ABN 71 111 196 420)

Scheme Booklet

For the Schemes of Arrangement for Washington H. Soul Pattinson and Company Limited (ABN 49 000 002 728) to acquire all of your shares and cancel all of your options in Souls Private Equity Limited

(ABN 71 111 196 420)

VOTE IN FAVOUR



**THE INDEPENDENT DIRECTORS
UNANIMOUSLY RECOMMEND THAT YOU
VOTE IN FAVOUR OF THE SCHEMES, IN THE
ABSENCE OF A SUPERIOR PROPOSAL**

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme(s) relevant to you. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

If you have recently sold all of your SPEL Shares and/or SPEL Options, please disregard this document.

If you have questions about this Scheme Booklet please call SPEL on +61 2 9210 7000 Monday to Friday between 9.00am and 5.00pm AEDT.

Important notices

Defined Terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary in Section 11 and refer to this Scheme Booklet only. The documents reproduced in some of the Annexures to this Scheme Booklet each have their own defined terms which are sometimes different to those in the Glossary.

This Scheme Booklet

This Scheme Booklet includes the explanatory statements for each of the Schemes required to be sent to SPEL Securityholders under Part 5.1 of the Corporations Act 2001 (Cth) (**Corporations Act**). The purpose of this Scheme Booklet is to explain the terms of each of the Schemes and the manner in which each of the Schemes will be implemented (if approved by SPEL Securityholders). It contains prescribed and other material information relevant to your decision whether to approve the Scheme(s) relevant to you. A copy of the proposed Share Scheme is set out in Annexure D, and a copy of the proposed Option Scheme is set out in Annexure E.

You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution(s) to be considered at the Scheme Meeting(s) relevant to you. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

Responsibility for information

SPEL has prepared and is responsible for the SPEL Information. WHSP and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the SPEL Information.

WHSP has prepared and is responsible for the WHSP Information. SPEL and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the WHSP Information.

The Independent Expert has prepared and is responsible for the opinion(s) contained in the Independent Expert's Report. Neither SPEL nor WHSP assume any responsibility for the accuracy or completeness of the opinions contained in the Independent Expert's Report. SPEL has provided the Independent Expert with a statement of factual accuracy with regard to matters of fact included in the Independent Expert's Report. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than the aforementioned opinions contained in the annexed Independent Expert's Report and as referred to in the Scheme Booklet.

Investment decisions

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position or particular needs of any SPEL Securityholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decisions in relation to SPEL Shares and/or SPEL Options or any other securities. Independent legal, financial and taxation advice should be sought before SPEL Securityholders make any investment decision in relation to their SPEL Shares and/or SPEL Options.

ASIC and ASX involvement

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with, and registered for the purposes of section 412(6) of the Corporations Act by, the Australian Securities and Investments Commission (**ASIC**). ASIC has been given an opportunity to review and comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporation Act. Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court on the Court Approval Date.

Important notices

A copy of this Scheme Booklet will be lodged with ASX Limited (**ASX**). Neither ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

Important Notice associated with court order under subsection 411(1) of Corporations Act 2001 (Cth)

The fact that under subsection 411(1) of the Corporations Act, the Supreme Court of New South Wales (**Court**) has ordered that the Scheme Meeting(s) be convened and has approved the explanatory statement required to accompany the notices of the Scheme Meeting(s) does not mean that the Court:

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

Disclosure regarding forward looking statements

This Scheme Booklet may contain forward looking statements in connection with SPEL and WHSP.

To the extent there are forward looking statements in this Scheme Booklet, they may not be based on historical facts, but rather reflect the current views of SPEL in relation to the SPEL Information and WHSP in relation to the WHSP Information, held only as at the date of this Scheme Booklet concerning future results and events. Forward looking statements generally may be identified by the use of forward looking words or phrases such as “believe”, “aim”, “expect”, “anticipated”, “intending”, “foreseeing”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or other similar words and phrases. Similarly, statements that describe SPEL’s and WHSP’s objectives, plans, goals or expectations are or may be forward looking statements.

Although SPEL believes that the views reflected in any forward looking statements in the SPEL Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Although WHSP believes that the views reflected in any forward looking statements included in the WHSP Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and important other factors that may cause either SPEL’s or WHSP’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. These forward looking statements should be considered in light of such factors. SPEL Securityholders should review carefully all of the information, including any financial information, included in this Scheme Booklet. The forward looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet. Neither SPEL, WHSP nor their respective directors, officers, employees or advisers give any representation, assurance or guarantee to SPEL Securityholders that any forward looking statements will actually occur or be achieved. SPEL Securityholders are cautioned not to place undue reliance on such forward looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, SPEL and WHSP do not give any undertaking to update or revise any forward looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Privacy and personal information

SPEL will need to collect personal information to implement the Scheme(s). The personal information may include the names, contact details and details of holdings of SPEL Securityholders, plus contact details of

Important notices

individuals appointed by SPEL Securityholders as proxies, corporate representatives or attorneys at the Scheme Meeting(s). The collection of this information is required or authorised by the Corporations Act. SPEL Securityholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and should contact the SPEL Registry by calling +61 8 9389 8033 if they wish to exercise those rights.

The personal information may be disclosed to the SPEL Registry, print and mail service providers, Related Bodies Corporate and advisers of SPEL and WHSP and, in any case, where disclosure is required by law or where the relevant individual has consented. If the personal information outlined above is not collected, SPEL may be hindered in, or prevented from, conducting the Scheme Meeting(s) or implementing the Scheme(s) effectively or at all. SPEL Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting(s) should inform that individual of the matters outlined above.

Notice to persons outside Australia

This Scheme Booklet and the Schemes are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this Scheme Booklet is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

This Scheme Booklet and the Schemes do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are to Australian Eastern Daylight Time (**AEDT**). All dates following the date of the Scheme Meetings are indicative only and are subject to the Court approval process, ASX approval and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Schemes (see Annexure A for details of the Conditions Precedent).

Currency

Unless otherwise stated, the financial amounts referred to in this Scheme Booklet are expressed in Australian currency and references to \$, AUD, A\$ or cents is to Australian currency.

Graphs and charts

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Scheme Booklet.

SPEL website

The content of the website of SPEL does not form part of this Scheme Booklet and SPEL Securityholders should not rely on any such content.

Date

This Scheme Booklet is dated 2 November 2011.

What you will receive for your SOE Shares and SOE Options

Share Scheme

If the Share Scheme is approved by SPEL Shareholders (other than WHSP Group Members) and the Court, Scheme Shareholders (other than Ineligible Foreign Shareholders) may elect to receive either of the following Share Scheme Consideration alternatives for those SPEL Shares which they hold on the Share Scheme Record Date:

- (a) the Cash Consideration; or
- (b) the Scrip Consideration.

However, Scheme Shareholders may not elect to receive a combination of the Cash Consideration and Scrip Consideration. A Scheme Shareholder who does not make an Election will receive the Cash Consideration if the Share Scheme is implemented.

The implied value of each Share Scheme Consideration alternative is equivalent. The Share Scheme Consideration will be paid or provided on the Implementation Date (which is expected to be Wednesday, 4 January 2012).

(a) Cash Consideration

The Cash Consideration payable to Scheme Shareholders is \$0.163 per SPEL Share held on the Share Scheme Record Date. You do not need to return the Election Form if you wish to receive the Cash Consideration for your Scheme Shares.

The Cash Consideration will be paid to Scheme Shareholders by cheque, sent to their address as specified in the SPEL Share Register as at the Share Scheme Record Date or, if authorised by the Scheme Shareholder, by electronic funds transfer to a bank account nominated by the Scheme Shareholder to the SPEL Registry.

(b) Scrip Consideration

The Scrip Consideration payable to Scheme Shareholders is that fraction of a New WHSP Share with a value of \$0.163 calculated using the WHSP VWAP for the 10 trading days prior to the date of the Scheme Meetings. Therefore, if you elect to receive the Scrip Consideration, it is unlikely you will know the exact number of New WHSP Shares you will be entitled to receive if the Share Scheme is implemented until around the time of the Scheme Meetings.

To receive New WHSP Shares as Scrip Consideration for your Scheme Shares, Scheme Shareholders (other than Ineligible Foreign Shareholders) must complete the Election Form accompanying this Scheme Booklet and return it to the SPEL Registry in accordance with the instructions on that form and so that it is received no later than 7.00pm on Thursday, 29 December 2011.

There are no limits on the total number of New WHSP Shares that can be issued as Scrip Consideration. The exact number of New WHSP Shares to be issued to Scheme Shareholders who elect to receive the Scrip Consideration will not be known until after the Share Scheme Record Date and will not be confirmed until the holding statements are sent to Scheme Shareholders following the Implementation Date.

You should note that the actual value of New WHSP Shares will depend on the trading prices of New WHSP Shares following Implementation. An investment in WHSP is not an identical substitute for an investment in SPEL as (amongst other reasons) the underlying investment profile of each of WHSP and SPEL is different.

Ineligible Foreign Shareholders

SPEL Shareholders with a registered address outside of Australia or New Zealand can only receive Cash Consideration and cannot elect to receive Scrip Consideration.

What you will receive for your SOE Shares and SOE Options

Option Scheme Consideration

Scheme Optionholders will receive \$0.01 cash per SPEL Option held on the Option Scheme Record Date.

The Option Scheme Consideration will be paid to Scheme Optionholders by cheque, sent to their address as specified in the SPEL Option Register as at the Option Scheme Record Date or, if authorised by the Scheme Optionholder, by electronic funds transfer to a bank account nominated by the Scheme Optionholder to the SPEL Registry.

The Option Scheme Consideration will be paid on the Implementation Date (which is expected to be Wednesday, 4 January 2012).

Important Dates and Times

Date and Time	Event
10.00 am (for Share Scheme Meeting) Monday, 12 December 2011	Last date and time by which Proxy Forms and powers of attorney for the Share Scheme Meeting must be received by the SPEL Registry
10.00 am (for Share Scheme Meeting) Monday, 12 December 2011	Date and time for determining eligibility to vote at the Share Scheme Meeting
10.30 am (for Option Scheme Meeting) Monday, 12 December 2011	Last date and time by which Proxy Forms and powers of attorney for the Option Scheme Meeting must be received by the SPEL Registry
10.00 am (for Option Scheme Meeting) Monday, 12 December 2011	Date and time for determining eligibility to vote at the Option Scheme Meeting
10.00 am Wednesday, 14 December 2011	Share Scheme Meeting
The later of 10.30 am and the conclusion or adjournment of the Share Scheme Meeting, Wednesday, 14 December 2011	Option Scheme Meeting

If SPEL Securityholders approve the Schemes at the Scheme Meetings, then:

Monday, 19 December 2011	Court hearing for approval of the Schemes (Court Approval Date)
Tuesday, 20 December 2011	Lodgement of Court Orders with ASIC and an announcement is made to ASX (Effective Date)
Wednesday, 21 December 2011	New WHSP Shares commence trading on a deferred settlement basis
7.00 pm Thursday, 29 December 2011	Last date and time by which Election Forms in respect of the Share Scheme Consideration must be received by the SPEL Registry Date for determining entitlement to Scheme Consideration (Record Date)
Wednesday, 4 January 2012	Implementation of the Schemes, including: <ul style="list-style-type: none"> • Transfer of SPEL Shares to WHSP • Cancellation of SPEL Options (Implementation Date) All Scheme Shareholders and Scheme Optionholders will be paid and/or provided the Scheme Consideration to which they are entitled (Implementation Date) Last day of deferred settlement trading for New WHSP Shares
Thursday, 5 January 2012	Dispatch of holding statements confirming the allotment of New WHSP Shares New WHSP Shares commence trading on a normal settlement basis on ASX

All dates following the date of the Scheme Meetings are indicative only and are subject to the Court approval process, ASX approval and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Share Scheme (see Section 3 of Annexure F) and the Option Scheme (see Section 3 of Annexure G). Any changes to the above timetable will be announced to ASX and notified on SPEL's website at www.spel.com.au.

Contents

Important notices	1
What you will receive for your SOE Shares and SOE Options	4
Important Dates and Times	6
Letter from the Chairman of Souls Private Equity Limited	8
1 Matters relevant to your vote on the Schemes	12
2 Details of the Scheme Meetings and voting	23
3 Frequently asked questions	25
4 Summary of the Proposal	37
5 Implementation of the Schemes	39
6 Information on SPEL	47
7 Information on WHSP	53
8 Risks for SPEL Securityholders associated with the proposal	62
9 Taxation consequences for SPEL Securityholders	68
10 Additional information	76
11 Glossary	85
Annexure A: Scheme Implementation Agreement	92
Annexure B: Notice of Share Scheme Meeting	140
Annexure C: Option Scheme Notice of Meeting	145
Annexure D: Share Scheme	150
Annexure E: Option Scheme	165
Annexure F: Share Scheme Deed Poll	176
Annexure G: Option Scheme Deed Poll	185
Annexure H: Independent Expert's Report	193

Letter from the Chairman of Souls Private Equity Limited

2 November 2011

Dear SPEL Securityholder,

On 7 October 2011, Souls Private Equity Limited (**SPEL**) announced that it had entered into a Scheme Implementation Agreement, under which it is proposed that:

- Washington H. Soul Pattinson and Company Limited (**WHSP**) will acquire all of the SPEL Shares (other than those owned by any WHSP Group Member) on issue on the Share Scheme Record Date; and
- all of the SPEL Options (other than those owned by any WHSP Group Member) on issue on the Option Scheme Record Date will be cancelled,

by way of separate schemes of arrangement (the **Share Scheme** for SPEL Shares and the **Option Scheme** for SPEL Options).

The Share Scheme is not conditional on the Option Scheme being implemented. However, the Option Scheme is conditional on the Share Scheme being implemented and will only proceed if both the Share Scheme and Option Scheme are approved by the requisite majorities of SPEL Securityholders and the Court.

WHSP

WHSP is a diversified investment company and the second oldest listed company on the ASX. WHSP has a market capitalisation of approximately \$3.3 billion¹ and holds net assets of approximately \$3.9 billion² across a range of different sectors including resources, telecommunications, building products, financial services, pharmaceuticals, retail and agriculture.

Share Scheme

Under the Share Scheme, WHSP will acquire all of the SPEL Shares (other than those owned by any WHSP Group Member) on issue on the Share Scheme Record Date for \$0.163 per SPEL Share payable in either cash or shares in WHSP. This represents a premium³ of:

- 150.8% to the closing price of \$0.065 per SPEL Share on 16 September 2011, being the last trading day before the proposal was announced;
- 134.9% to the one month volume weighted average price ("VWAP") of \$0.069 per SPEL Share up to and including 16 September 2011; and
- 125.0% to the three month VWAP of \$0.072 per SPEL Share up to and including 16 September 2011.

Option Scheme

Under the Option Scheme, all of the SPEL Options (other than those owned by any WHSP Group Member) on issue on the Option Scheme Record Date will be cancelled and WHSP will pay Scheme Optionholders \$0.01 per SPEL Option for a total of approximately \$0.64 million. This represents a premium⁴ of:

- 66.7% to the closing price of \$0.006 per SPEL Option on 16 September 2011, being the last trading day before the proposal was announced;
- 58.3% to the one month VWAP of \$0.0063 per SPEL Option up to and including 16 September 2011; and
- 32.2% to the three month VWAP of \$0.0076 per SPEL Option up to and including 16 September 2011.

¹As at 31 October 2011.

²As at 31 October 2011.

³Premiums are calculated with reference to unrounded VWAP numbers. VWAPs shown in this document are rounded to two decimal places.

⁴Premiums are calculated with reference to unrounded VWAP numbers. VWAPs shown in this document are rounded to two decimal places.

Independent Directors' Recommendation

The Independent Directors recommend that you vote in favour of the Scheme(s) relevant to you at the Scheme Meeting(s) in the absence of a Superior Proposal. No Superior Proposal has been received as at the date of this Scheme Booklet. If one were to be received, the Independent Directors would have a statutory and fiduciary duty to consider it. Further, WHSP's proposal does not include restrictions designed to deter alternative proposals as are sometimes included in transactions of this nature.

The Independent Directors intend to vote in favour of the Schemes in respect of all the SPEL Shares and/or SPEL Options that they hold or control, in the absence of a Superior Proposal.

Independent Expert

The Independent Expert, KPMG Corporate Finance (Aust) Pty Ltd, has concluded that the acquisition of SPEL Shares by WHSP under the Share Scheme and the cancellation of the SPEL Options under the Option Scheme is fair and reasonable, and in the best interests of non-associated SPEL Shareholders and SPEL Optionholders.

The Independent Expert has valued SPEL Shares at between \$0.140 and \$0.161 per SPEL Share. The Independent Expert has valued SPEL Options at \$0.00487 per SPEL Option.

Accordingly, the Share Scheme Consideration of \$0.163 is above the assessed valuation range of SPEL Shares and the Option Scheme Consideration of \$0.01 exceeds the assessed valuation of SPEL Options as set out in the Independent Expert's Report.

Further Information

This Scheme Booklet contains important information about the Schemes, including the reasons for the recommendation of the Independent Directors and a summary of the advantages as well as the potential risks and disadvantages associated with the Schemes. Please read this Scheme Booklet in its entirety before making your decision and voting at the Scheme Meeting(s) relevant to you. I encourage you to seek independent legal, financial or other professional advice before making any investment decision in relation to your SPEL Shares and/or SPEL Options.

I also encourage you to vote at the Scheme Meeting(s) relevant to you. If you wish for the Scheme(s) to proceed and are entitled to vote on the Scheme Resolution(s), it is important that you vote in favour of the Share Scheme (if you are a SPEL Shareholder) and the Option Scheme (if you are a SPEL Optionholder).

If you have any questions, please contact SPEL on +61 2 9210 7000 Monday to Friday between 9.00am and 5.00pm AEDT.

Yours sincerely,



Mr. Robert Millner
Chairman

Reasons to vote in favour of the Schemes



- 1.** The Schemes have been unanimously recommended by the Independent Directors as being in the best interests of the non-associated SPEL Securityholders, in the absence of a Superior Proposal
- 2.** The Independent Expert has concluded that each of the Schemes is fair and reasonable and in the best interests of the non-associated SPEL Securityholders, in the absence of a Superior Proposal
- 3.** As at the date of this Scheme Booklet, no Superior Proposal has emerged
- 4.** The Scheme Consideration represents an attractive premium to the market price of SPEL Shares and SPEL Options prior to the announcement of the Schemes
- 5.** The Schemes will deliver immediate and certain value to SPEL Securityholders and (for those SPEL Shareholders who elect to receive cash) will eliminate the future risks inherent in the SPEL business
- 6.** The Schemes provide a liquidity opportunity for SPEL Securityholders
- 7.** The Independent Directors consider SPEL's alternative options to be limited
- 8.** If the Share Scheme does not proceed, SPEL Securityholders will continue to be subject to the specific risks associated with SPEL's business and general market risks
- 9.** The Share Scheme offers Scheme Shareholders (other than Ineligible Foreign Shareholders) flexibility in the Share Scheme Consideration
- 10.** The Share Schemes allows Scheme Shareholders who elect to receive New WHSP Shares to continue to hold an interest in SPEL's business but as part of a more diversified and larger portfolio of interests
- 11.** The SPEL Share price and the SPEL Option price is likely to fall if the Share Scheme is not implemented and no alternative proposal emerges
- 12.** There are no brokerage costs or stamp duty payable by SPEL Securityholders on disposal of their SPEL Securities
- 13.** The Option Scheme Consideration represents an opportunity to receive certain consideration of \$0.01 cash per SPEL Option, all of which are significantly out of the money

This Section should be read in conjunction with the next Section (which sets out a summary of the reasons to vote against the Schemes) and Section 8 (which sets out the risks for SPEL if the Share Scheme is not implemented). For more information about the reasons why you should vote in favour of the Scheme(s), please see Section 1.

Reasons why you may wish not to vote in favour of the Schemes



- 1.** SPEL Securityholders may disagree with the recommendation of the Independent Directors and the conclusions of the Independent Expert and believe that the Schemes are not in the best interests of the non-associated SPEL Securityholders
- 2.** SPEL Securityholders may be of the view that their investment in SPEL could be worth more than the amount offered for their SPEL Securities under the Schemes
- 3.** The tax consequences of the Schemes may not suit a SPEL Securityholder's financial position (See Section 9)
- 4.** SPEL Securityholders may wish to maintain their current investment in SPEL so as to participate in any future value created by SPEL as a result of on-going operations
- 5.** SPEL Securityholders may disagree with the terms of the Schemes
- 6.** SPEL Securityholders may consider there is a possibility that a Superior Proposal will emerge
- 7.** The Schemes are subject to a number of Conditions Precedent which SPEL Securityholders may consider unacceptable
- 8.** There is risk involved in electing to receive the Scrip Consideration

THE INDEPENDENT DIRECTORS CONSIDER THAT THE BENEFITS OF EACH OF THE SCHEMES OUTWEIGH THE DISADVANTAGES AND UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SHARE SCHEME AND OPTION SCHEME IN THE ABSENCE OF A SUPERIOR PROPOSAL

THE INDEPENDENT DIRECTORS INTEND TO VOTE IN FAVOUR OF THE SCHEMES IN RESPECT OF ALL SPEL SHARES AND SPEL OPTIONS HELD OR CONTROLLED BY THEM IN THE ABSENCE OF A SUPERIOR PROPOSAL

THE INDEPENDENT EXPERT HAS CONCLUDED THAT EACH OF THE SCHEMES IS IN THE BEST INTERESTS OF NON-ASSOCIATED SPEL SECURITYHOLDERS, IN THE ABSENCE OF A SUPERIOR PROPOSAL

SPEL SECURITYHOLDERS ARE NOT OBLIGED TO FOLLOW THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS OR THE CONCLUSIONS OF THE INDEPENDENT EXPERT

This Section should be read in conjunction with the previous Section (which sets out a summary of the reasons to vote in favour of the Schemes) and Section 8 (which sets out the risks for SPEL if the Share Scheme is not implemented). For more information about the reasons to vote against the Scheme(s) relevant to you, please see Section 1.

1 Matters relevant to your vote on the Schemes

1.1 REASONS TO VOTE IN FAVOUR OF THE SCHEMES

1 THE SCHEMES HAVE BEEN UNANIMOUSLY RECOMMENDED BY THE INDEPENDENT DIRECTORS AS BEING IN THE BEST INTERESTS OF THE NON-ASSOCIATED SPEL SECURITYHOLDERS, IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Independent Directors unanimously recommend that SPEL Securityholders vote in favour of the Scheme Resolutions. However, as all of the other SPEL Directors (excluding the Independent Directors) are also directors of WHSP, those SPEL Directors do not make any recommendation in respect of the Schemes.

The Independent Directors who hold or control SPEL Securities intend to vote in favour of the Schemes in the absence of a Superior Proposal.

The Independent Directors carefully considered the advantages, disadvantages and risks associated with the Schemes. In making the recommendations in respect of the Schemes, the Independent Directors have carefully considered SPEL's growth opportunities, challenges and risks, and the uncertainties of delivering value to SPEL Securityholders that would be superior to the Scheme Consideration.

2 THE INDEPENDENT EXPERT HAS CONCLUDED THAT EACH OF THE SCHEMES IS FAIR AND REASONABLE AND IN THE BEST INTERESTS OF THE NON-ASSOCIATED SPEL SECURITYHOLDERS, IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Independent Expert, KPMG Corporate Finance (Aust) Pty Ltd, appointed by SPEL to assess each of the Schemes on behalf of SPEL Securityholders, has concluded that each of the Schemes is fair and reasonable and in the best interests of the non-associated SPEL Securityholders, in the absence of a Superior Proposal.

Share Scheme

The Independent Expert has assessed the value of SPEL Shares on a controlling interest basis to be in the range of \$0.14 to \$0.161 per SPEL Share. The Share Scheme Consideration of \$0.163 is above the Independent Expert's valuation range of SPEL Shares. The Independent Expert has concluded that the Share Scheme is fair and reasonable and in the best interests of non-associated SPEL Shareholders, in the absence of a Superior Proposal.

Option Scheme

The Independent Expert has assessed the value of the SPEL Options to be \$0.00487.

The Option Scheme Consideration of \$0.01 per SPEL Option is above the Independent Expert's valuation of SPEL Options. The Independent Expert has concluded that the Option Scheme is fair and reasonable and in the best interests of the non-associated SPEL Optionholders, in the absence of a Superior Proposal.

A copy of the Independent Expert's Report is set out in Annexure H. SPEL Securityholders are encouraged to read the Independent Expert's Report in its entirety, including the assumptions, qualifications and disclaimers on which the Independent Expert's conclusions are based.

1 Matters relevant to your vote on the Schemes

3

AS AT THE DATE OF THIS SCHEME BOOKLET, NO SUPERIOR PROPOSAL HAS EMERGED

As at the date of this Scheme Booklet, no Superior Proposal has emerged. However, it is possible that a more attractive proposal for SPEL Securityholders could materialise in the future; if one were to be received by SPEL, the Independent Directors would have a fiduciary and statutory duty to explore it fully.

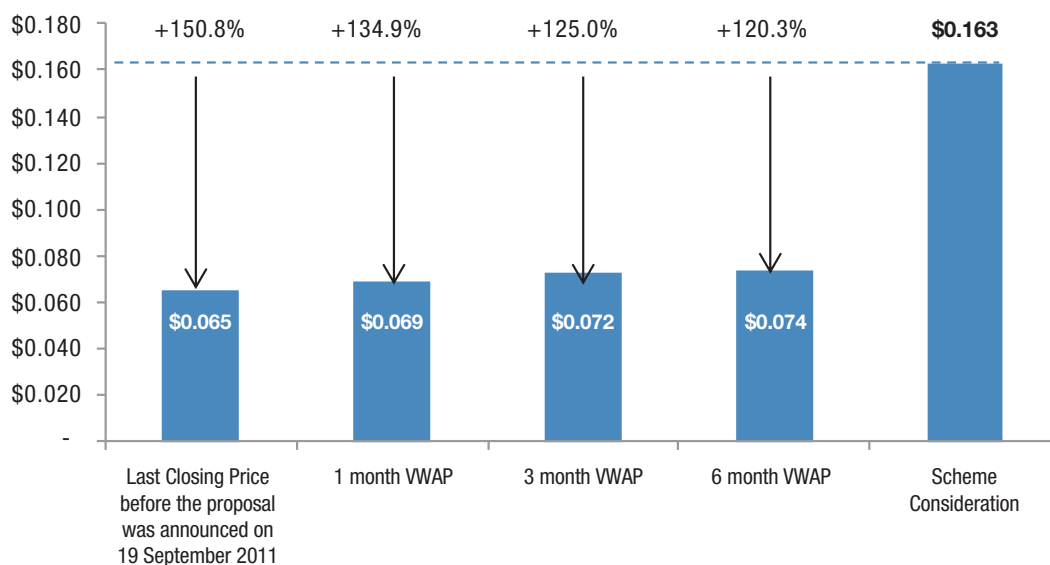
4

THE SCHEME CONSIDERATION REPRESENTS AN ATTRACTIVE PREMIUM TO THE MARKET PRICE OF SPEL SHARES AND SPEL OPTIONS PRIOR TO THE ANNOUNCEMENT OF THE SCHEMES

The Scheme Consideration being offered to SPEL Securityholders under the Schemes represents a significant premium⁵ to the trading price of SPEL Shares and SPEL Options prior to the announcement of the Schemes.

The proposed Share Scheme Consideration represents:

- 150.8% to the closing price of \$0.065 per SPEL Share on 16 September 2011, being the last trading day before the proposal was announced;
- 134.9% to the one month VWAP of \$0.069 per SPEL Share up to and including 16 September 2011; and
- 125.0% to the three month VWAP of \$0.072 per SPEL Share up to and including 16 September 2011.



Note: VWAP's are calculated with reference to the last day of trading before the proposal was announced by WHSP and SPEL, being 16 September 2011.

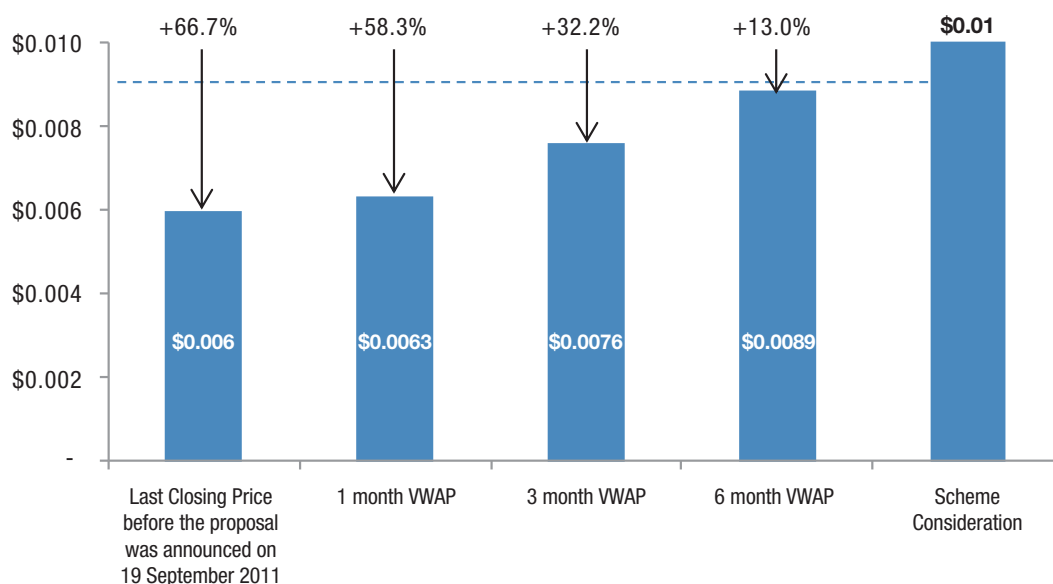
Source: ASX

⁵Premiums are calculated with reference to unrounded VWAP numbers. VWAPs shown in this document are rounded to two decimal places.

1 Matters relevant to your vote on the Schemes

The proposed Option Scheme Consideration represents:

- a premium of 66.7% to the closing price of \$0.006 per SPEL Option on 16 September 2011, being the last trading day before the proposal was announced;
- a premium of 58.3% to the one month VWAP of \$0.0063 per SPEL Option up to and including 16 September 2011; and
- a premium of 32.2% to the three month VWAP of \$0.0076 per SPEL Option up to and including 16 September 2011.



Note: VWAP's are calculated with reference to the last day of trading before the proposal was announced by WHSP and SPEL, being 16 September 2011.

Source: ASX

5

THE SCHEMES WILL DELIVER IMMEDIATE AND CERTAIN VALUE TO SPEL SECURITYHOLDERS AND (FOR THOSE SCHEME SHAREHOLDERS WHO ELECT TO RECEIVE CASH) WILL ELIMINATE THE FUTURE RISKS INHERENT IN THE SPEL BUSINESS

The Share Scheme Consideration offered to Scheme Shareholders under WHSP's proposal provides certainty of value and timing. Specifically, if all of the Conditions Precedent and approvals for the Share Scheme are satisfied or waived, as applicable, Scheme Shareholders will receive their Share Scheme Consideration within approximately one month of the date of the Share Scheme Meeting.

Under the terms of the Share Scheme, Scheme Shareholders will receive either \$0.163 cash or, if the Scheme Shareholder submits an Election, that fraction of a New WHSP Share with a value of \$0.163 calculated using the WHSP VWAP for 10 trading days prior to the date of the Scheme

1 Matters relevant to your vote on the Schemes

Meetings for each SPEL Share held as at the Share Scheme Record Date. In contrast, if the Share Scheme does not proceed, the amount which SPEL Shareholders will be able to realise for their SPEL Shares on a sale or from any future dividends is uncertain.

The certainty of the Cash Consideration should be compared against the risks and uncertainties of remaining a SPEL Shareholder, which include the risks specified in Section 8.

6

THE SCHEMES PROVIDE A LIQUIDITY OPPORTUNITY FOR SPEL SECURITYHOLDERS

The Schemes are an opportunity for SPEL Securityholders to realise their investment at an attractive premium.

The tables below show that there is relatively low liquidity in SPEL Shares and SPEL Options, and as such it may prove difficult to sell large holdings on-market without placing significant downward pressure on the price of each security.

SPEL Share Liquidity

Period	Start Date	End Date	Value \$'000	Volume '000	% of issued capital
3 months	17 Jun 11	16 Sep 11	1,722.4	23,770.2	4.0%
6 months	17 Mar 11	16 Sep 11	3,305.1	44,670.4	7.5%
12 months	17 Sep 10	16 Sep 11	6,338.9	79,771.8	13.4%

Source: ASX, Independent Expert Report

SPEL Option Liquidity

Period	Start Date	End Date	Value \$'000	Volume '000	% of issued capital
3 months	17 Jun 11	16 Sep 11	15.9	2,103.7	2.8%
6 months	17 Mar 11	16 Sep 11	29.5	3,336.7	4.5%
12 months	17 Sep 10	16 Sep 11	161.5	11,170.1	15.1%

Source: ASX

7

THE INDEPENDENT DIRECTORS CONSIDER SPEL'S ALTERNATIVE OPTIONS TO BE LIMITED

- The Independent Directors consider it unlikely that a Superior Proposal will be received for the following reasons:
 - There has been no expression of interest in acquiring SPEL by another party as at the date of this Scheme Booklet; and
 - Under the Investment Management Agreement between SPEL and its Investment Manager, a third party bidding for SPEL would need to continue to pay the management fee or acquire the rights to that contract which makes SPEL less valuable to a third party.
- The Independent Directors and the Investment Manager also consider that liquidation is not an immediate alternative for the following reasons:

1 Matters relevant to your vote on the Schemes

- The investments in the portfolio companies in SPEL's investment portfolio are illiquid. In all but two of SPEL's portfolio companies its equity shareholding is less than 50%. This has meant that SPEL has not been able to control the board, strategic direction or financial decision making in any of those companies.
As each of the shareholders in those portfolio companies will need to be in agreement regarding any future exit event, in most instances it may be many years before SPEL is able to achieve an appropriate exit.
 - Some of the assets in SPEL's investment portfolio, in particular Cromford Group Pty Ltd, are underperforming and operate in industries where little value could be achieved in the event of a sale.
 - In the last 18 months, five (5) of the portfolio companies in SPEL's investment portfolio have had a change in senior management. This has affected business continuity in those businesses and resulted in further time being required in order to achieve an appropriate exit.
- Without an imminent exit, the SPEL Directors and the Investment Manager can see no clear catalyst for a share price rerating for SPEL in the short to medium term.

8

IF THE SHARE SCHEME DOES NOT PROCEED, SPEL SECURITYHOLDERS WILL CONTINUE TO BE SUBJECT TO THE SPECIFIC RISKS ASSOCIATED WITH SPEL'S BUSINESS AND GENERAL MARKET RISKS

Since listing on the ASX in December 2004, SPEL has recorded over \$39 million in accumulated losses and has not been able to pay a dividend to SPEL Shareholders since 2007. For the financial year ended 31 July 2011, SPEL made a net loss after tax of \$8.3 million and it is not clear when SPEL will return to profitability.

The price of SPEL Shares has reflected the poor underlying business performance of SPEL's investment portfolio.

The future price of SPEL Shares will continue to be subject to SPEL's investment portfolio performance, external economic conditions and market factors. Further information in relation to these risks is outlined in Section 8. The Share Scheme, if implemented, would remove these risks and uncertainties for Scheme Shareholders that receive the Cash Consideration.

The Independent Directors consider that the opportunity to receive \$0.163 in cash or a fraction of a New WHSP Share equivalent to that amount under the Share Scheme provides Scheme Shareholders with a superior outcome relative to the uncertainty and risk associated with SPEL's current position.

9

THE SHARE SCHEME OFFERS SCHEME SHAREHOLDERS (OTHER THAN INELIGIBLE FOREIGN SHAREHOLDERS) FLEXIBILITY IN THE SHARE SCHEME CONSIDERATION

Scheme Shareholders (other than Ineligible Foreign Shareholders) may elect either the Cash Consideration or the Scrip Consideration, which allows Scheme Shareholders to receive 100% of their Share Scheme Consideration in cash or New WHSP Shares. Such flexibility permits Scheme Shareholders (other than Ineligible Foreign Shareholders) to tailor their Share Scheme Consideration to match their personal circumstances.

1 Matters relevant to your vote on the Schemes

10 THE SHARE SCHEME ALLOWS SCHEME SHAREHOLDERS WHO VALIDLY ELECT TO RECEIVE NEW WHSP SHARES TO CONTINUE TO HOLD AN INTEREST IN SPEL'S BUSINESS BUT AS PART OF A MORE DIVERSIFIED AND LARGER PORTFOLIO OF INTERESTS

WHSP has a track record of generating superior investment returns for its shareholders. Over the last 5 years WHSP has outperformed the ASX All Ordinaries Accumulation Index by 12.8% per annum on a total returns basis. However, the historic share price performance of WHSP Shares provides no assurance as to future share and performance of WHSP Shares.

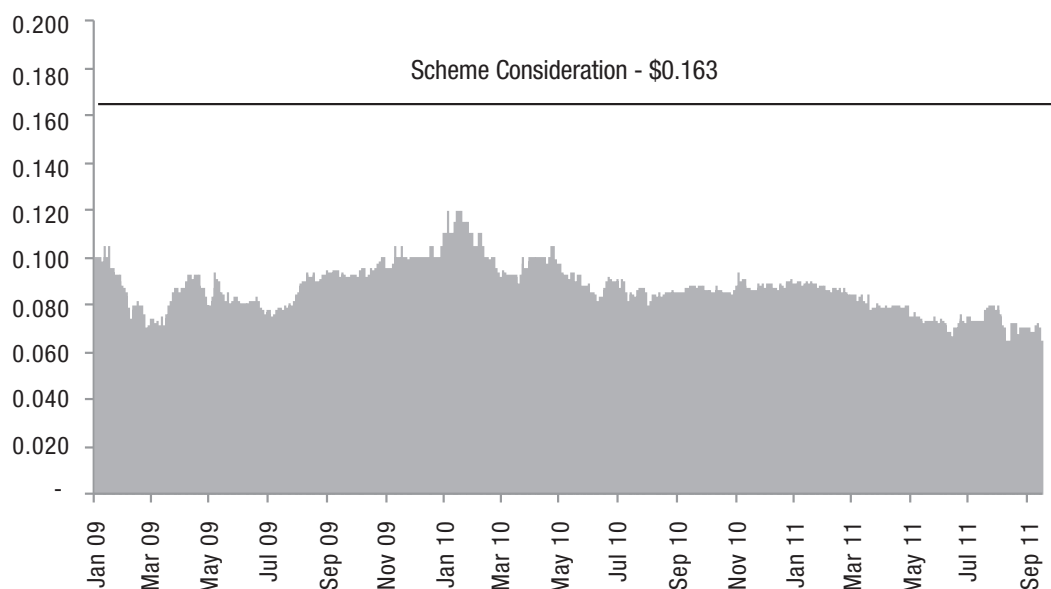
WHSP has paid a dividend to its shareholders every year for the past 25 years and has never raised capital from its shareholders.

11 THE SPEL SHARE PRICE AND THE SPEL OPTION PRICE IS LIKELY TO FALL IF THE SHARE SCHEME IS NOT IMPLEMENTED AND NO ALTERNATIVE PROPOSAL EMERGES

The price of SPEL Shares closed up 131% the day the Schemes were announced. If the Share Scheme is not implemented, SPEL Shares will continue to remain quoted on the ASX. In this event, it is possible that SPEL Shares will trade at lower prices than is currently the case. SPEL Shares last traded at \$0.065 prior to the announcement of the Schemes on 19 September 2011.

As there are many factors which affect the price of SPEL Shares, it is difficult to predict the price at which SPEL Shares will trade in the future if the Share Scheme is not implemented and there is no Superior Proposal. Any fall in the price of SPEL Shares would likely cause the SPEL Options to also fall in price.

1 Matters relevant to your vote on the Schemes



Source: ASX

Since 1 January 2009, SPEL Shares have consistently traded below the value of the Share Scheme Consideration of \$0.163. In fact, the last time the price of a SPEL Share was at or greater than the Share Scheme Consideration was over 3 years ago on 9 July 2008 when the SPEL Shares closed at \$0.165.

12 THERE ARE NO BROKERAGE COSTS OR STAMP DUTY PAYABLE BY SPEL SECURITYHOLDERS ON DISPOSAL OF THEIR SPEL SECURITIES

Scheme Shareholders will not be required to pay any brokerage costs or stamp duty on the transfer of their Scheme Shares to WHSP under the Share Scheme. However, if Scheme Shareholders sell their SPEL Shares on-market prior to close of trading on the ASX on the Effective Date, they may incur such costs.

Scheme Optionholders will not be required to pay any brokerage costs or stamp duty on the cancellation of their Scheme Options under the Option Scheme. However, if Scheme Optionholders sell their SPEL Options on-market prior to close of trading on the ASX on the Effective Date, they may incur such costs.

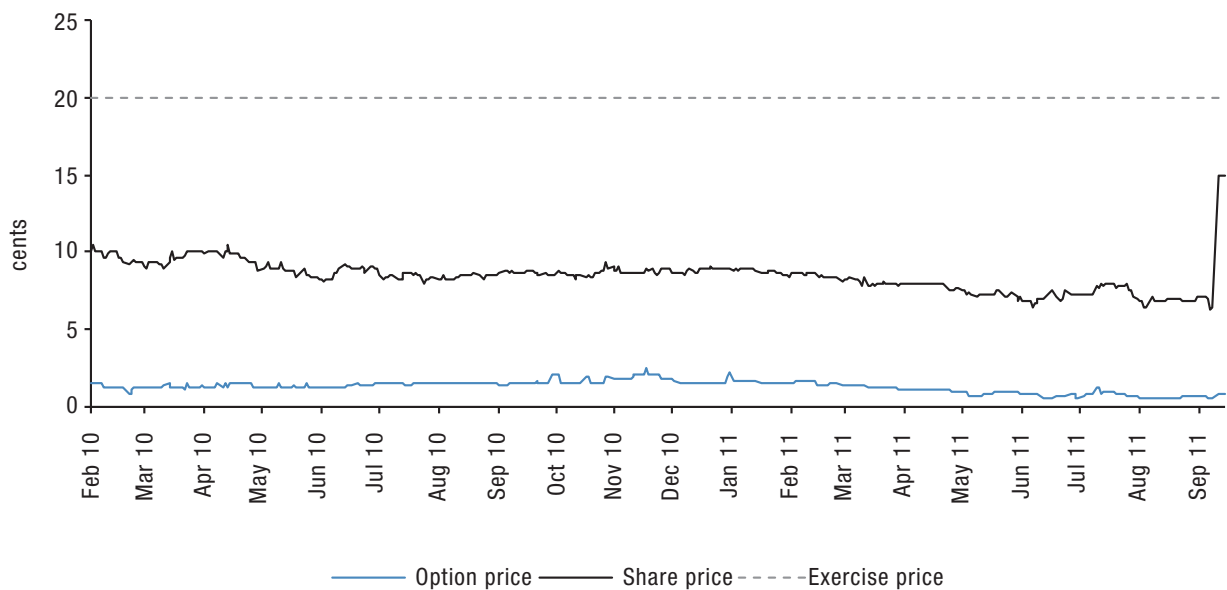
1 Matters relevant to your vote on the Schemes

13

THE OPTION SCHEME CONSIDERATION REPRESENTS AN OPPORTUNITY TO RECEIVE CERTAIN CONSIDERATION OF \$0.01 CASH PER SPEL OPTION, ALL OF WHICH ARE SIGNIFICANTLY OUT OF THE MONEY

All SPEL Options currently have an exercise price of \$0.20 per SPEL Option.

The SPEL Options have historically traded significantly out of the money and there is no certainty that the price of a SPEL Share will ever reach a level above the exercise price for any of the SPEL Options.



Source: ASX

1 Matters relevant to your vote on the Schemes

1.2 Reasons why SPEL Securityholders (excluding WHSP Group Members) may consider voting against the Scheme(s) and disadvantages of the Scheme(s)

Although the Independent Directors unanimously recommend that SPEL Securityholders (excluding WHSP Group Members) vote in favour of the Schemes in the absence of a Superior Proposal, and although the Independent Expert has concluded that each of the Schemes is fair and reasonable and in the best interests of the relevant non-associated SPEL Securityholders in the absence of a Superior Proposal, factors which SPEL Securityholders may consider as reasons to vote against the Schemes include:

1 SPEL SECURITYHOLDERS MAY DISAGREE WITH THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE CONCLUSIONS OF THE INDEPENDENT EXPERT AND BELIEVE THAT THE SCHEMES ARE NOT IN THE BEST INTERESTS OF THE NON-ASSOCIATED SPEL SECURITYHOLDERS

Despite the recommendation of the Independent Directors and the conclusions of the Independent Expert, SPEL Securityholders may take a different view and believe that the Scheme(s) is/are not in their best interests or that of other non-associated SPEL Securityholders. In particular, SPEL Securityholders may believe that SPEL will deliver greater returns over the long term by remaining an independent company.

2 SPEL SECURITYHOLDERS MAY BE OF THE VIEW THAT THEIR INVESTMENT IN SPEL COULD BE WORTH MORE THAN THE AMOUNT OFFERED FOR THEIR SPEL SECURITIES UNDER THE SCHEMES

If the Schemes are implemented, current SPEL Securityholders (excluding WHSP Group Members) will no longer own SPEL Securities. Although those Scheme Shareholders that receive the Cash Consideration will have eliminated the uncertainties and future risks inherent in the SPEL business, they may not participate in any potential upside that may result from being a SPEL Securityholder (unless they validly elect to receive the Scrip Consideration). This may include the right to participate in potential upside in SPEL's value, and to receive any potential future dividends on SPEL Shares, that may arise from (amongst other things) any increase in profitability in the companies in which SPEL invests, any improvement in the liquidity of SPEL's illiquid investments, the possible negotiation of more favourable control rights in respect of SPEL's unlisted investments and/or an exit from an investment in a timely and efficient manner.

3 THE TAX CONSEQUENCES OF THE SCHEMES MAY NOT SUIT A SPEL SECURITYHOLDER'S FINANCIAL POSITION

Implementation of the Schemes may trigger tax consequences for SPEL Securityholders earlier than would otherwise be the case. Section 9 sets out a general outline of the likely Australian tax consequences of the Schemes for certain SPEL Securityholders, but this will depend on each SPEL Securityholder's individual circumstances. Each SPEL Securityholder should consider obtaining professional advice in relation to the tax consequences of the Schemes for their individual circumstances.

1 Matters relevant to your vote on the Schemes

4

SPEL SECURITYHOLDERS MAY WISH TO MAINTAIN THEIR CURRENT INVESTMENT IN SPEL SO AS TO PARTICIPATE IN ANY FUTURE VALUE CREATED BY SPEL AS A RESULT OF ON-GOING OPERATIONS

SPEL Securityholders may wish to maintain an investment in SPEL in order to have an investment in a publicly listed company with the specific characteristics of SPEL such as industry, operational profile, size and geography.

In addition, if the Share Scheme is implemented, Scheme Shareholders who elect to receive the Cash Consideration would not be able to participate in any future value which may be created by SPEL as a result of on-going operations over and above that reflected in the Cash Consideration.

Implementation of the Schemes may disadvantage those SPEL Securityholders who do not want a change in their investment profile. SPEL Securityholders wishing to maintain the same portfolio risk profile for their investment will need to seek an alternative investment if the Share Scheme proceeds.

5

SPEL SECURITYHOLDERS MAY CONSIDER THAT THERE IS A POSSIBILITY THAT A SUPERIOR PROPOSAL WILL EMERGE

Despite the fact that no Superior Proposal has emerged as at the date of this Scheme Booklet, SPEL Securityholders may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future.

If the Share Scheme does not proceed, it is possible that an alternate acquirer or merger partner could emerge that offers greater value for SPEL Securityholders than would be realised under the Schemes. The implementation of the Schemes would mean that SPEL Securityholders would not obtain the benefit of any such alternate proposal.

The Independent Directors determined that each of the Schemes is the best alternative available. As at the date of this Scheme Booklet, no Superior Proposal has been received by SPEL.

If an unsolicited Superior Proposal is received prior to the Second Court Date this would be considered by the Independent Directors in accordance with their fiduciary and statutory duties and subject to the provisions contained in the Scheme Implementation Agreement. The SPEL Board will keep SPEL Securityholders fully informed if any Superior Proposal emerges before the Second Court Date.

6

SPEL SECURITYHOLDERS MAY DISAGREE WITH THE TERMS OF THE SCHEMES

SPEL Securityholders may feel that the structure of the Schemes and the surrounding commercial arrangements are unfair or inappropriate. For example, a SPEL Securityholder may be uncomfortable with the Conditions Precedent (see Section 10.1(a)) or disagree with some other aspect of the Scheme(s).

1 Matters relevant to your vote on the Schemes

7

THE SCHEMES ARE SUBJECT TO A NUMBER OF CONDITIONS PRECEDENT WHICH SPEL SECURITYHOLDERS MAY CONSIDER UNACCEPTABLE

Each of the Schemes is subject to a number of Conditions Precedent, including no "SPEL Prescribed Event" or "SPEL Material Adverse Change" occurring (these terms are defined in Section 1 of the Scheme Implementation Agreement in Annexure A), the Scheme Resolutions being passed by the requisite majorities (see Section 2.2 for further details) at the Scheme Meetings, the Court approving the Schemes, no fall in the ASX 300 index by more than 15% for two consecutive trading days and the New WHSP Shares being approved for official quotation before 8:00am on the Second Court Date. The Conditions Precedent to the Schemes are summarised in further detail in Section 10.1(a) and are set out in full in Section 3 of the Scheme Implementation Agreement in Annexure A. SPEL Securityholders may consider one or more of the Conditions Precedent to be unacceptable.

If the Conditions Precedent to the Share Scheme are not satisfied or (where applicable) waived, neither of the Schemes will proceed (even if the Share Scheme is approved by SPEL Shareholders (excluding any WHSP Group Member)), no SPEL Shares will be acquired by WHSP, and no SPEL Options will be cancelled as contemplated by the Schemes. If the Conditions Precedent to the Share Scheme are satisfied or (where applicable) waived, but the further Conditions Precedent to the Option Scheme are not satisfied or (where applicable) waived, the Share Scheme will proceed but the Option Scheme will not proceed.

The Independent Directors have reviewed the Conditions Precedent and, having regard to SPEL's circumstances and market practice generally, consider them to be acceptable for a transaction of this nature.

As at the date of this Scheme Booklet, the Independent Directors are not aware of any matter that would result in the non-fulfilment of any of the Conditions Precedent.

8

THERE IS RISK INVOLVED IN ELECTING TO RECEIVE SCRIP CONSIDERATION

Whilst WHSP has a successful track record, an investment in WHSP Shares involves the risks of a kind referred to in Section 8. Scheme Shareholders proposing to select the Scrip Consideration should have careful regard to these matters.

2 Details of the Scheme Meetings and voting

2.1 Meeting details

The Share Scheme Meeting is scheduled to be held at 10.00am on Wednesday, 14 December 2011 at the Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000. The Option Scheme Meeting will be held at the same place on the same date at 10:30 am or as soon thereafter as the Share Scheme Meeting is concluded or has been adjourned.

2.2 Approval required

For the Share Scheme to proceed, the Share Scheme must be approved by a majority in number (more than 50%) of SPEL Shareholders (other than WHSP Group Members) present and voting at the Share Scheme Meeting (in person, by attorney or by proxy or, in the case of corporations, by corporate representative) representing at least 75% of the total number of votes cast on the resolution at the Share Scheme Meeting by SPEL Shareholders entitled to vote on the resolution.

For the Option Scheme to proceed:

- the Share Scheme must first be approved as set out above; and
- the Option Scheme must then be approved by a majority in number (more than 50%) of SPEL Optionholders (other than WHSP Group Members) present and voting at the Option Scheme Meeting (in person, by attorney or by proxy or, in the case of corporations, by corporate representatives) whose SPEL Options amount to at least 75% of the total value of the SPEL Options held by SPEL Optionholders who voted at the Option Scheme Meeting (the "value" of a SPEL Option will be determined by reference to the Option Scheme Consideration).

Voting at the Scheme Meetings will be by poll. Please refer to Section 5.3(b) and (c) for further details.

2.3 Entitlement to vote

SPEL Shareholders (other than WHSP Group Members) who are registered on the SPEL Share Register at 10.00am on Monday, 12 December 2011 may vote at the Share Scheme Meeting in person, by attorney, by proxy or, in the case of corporations, by corporate representative.

SPEL Optionholders (other than WHSP Group Members) who are registered on the SPEL Option Register at 10.30am on Monday, 12 December 2011 may vote at the Option Scheme Meeting in person, by attorney or by proxy.

However, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting and/or Option Scheme Meeting.

2.4 How to vote in person

SPEL Securityholders who are entitled to vote and wish to do so in person should attend the Scheme Meeting(s) relevant to them.

Those SPEL Securityholders voting in person should bring their meeting registration forms with them to facilitate admission to the Scheme Meeting(s) relevant to them. The meeting registration form for the Scheme Meetings is the relevant Proxy Form included with this Scheme Booklet.

Unless you have already provided it to the SPEL Registry, persons who are attending as an attorney should provide the original or a certified copy of the power of attorney so that it is received by the SPEL Registry by no later than 10.00am (for the Share Scheme Meeting) and 10.30am (for the Option Scheme Meeting) on Monday, 12 December 2011.

Persons who are attending as a corporate representative for a corporation should bring evidence of their authority (including the original or a certified copy of any power of attorney under which such authority was signed) to the Scheme Meeting(s).

2 Details of the Scheme Meetings and voting

2.5 How to vote by proxy

Proxy Forms are included with this Scheme Booklet. SPEL Securityholders who are entitled to vote and wish to appoint a proxy to attend and vote at the relevant Scheme Meeting should complete the relevant Proxy Form.

To be effective, completed Proxy Forms must be sent to the addresses or fax number listed on the relevant Proxy Form so that they are received by no later than 10.00am (for the Share Scheme Meeting) and 10.30am (for the Option Scheme Meeting) on Monday, 12 December 2011.

SPEL Securityholders who are entitled to vote may also lodge their proxies online so that they are received by no later than 10.00am (for the Share Scheme Meeting) and 10.30am (for the Option Scheme Meeting) on Monday, 12 December 2011 at www.advancedshare.com.au/investors.aspx

If an attorney signs a Proxy Form on a SPEL Securityholder's behalf, a copy of the power of attorney under which the Proxy Form was signed must be received by the SPEL Registry at the same time as the Proxy Form (unless a copy has already been provided to the SPEL Registry).

SPEL Securityholders who are entitled to vote and who complete and return a Proxy Form may still attend the Scheme Meeting(s) relevant to them in person, revoke the proxy and vote at that meeting.

2.6 Notices of Scheme Meetings

A copy of the Notice of Share Scheme Meeting is set out in Annexure B and a copy of the Notice of Option Scheme Meeting is set out in Annexure C of this Scheme Booklet.

3 Frequently asked questions

Question	Answer
The Schemes	
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because at the date of its dispatch you are registered as a SPEL Securityholder. Accordingly, you are being asked to vote on either or both of the Schemes – depending on whether you are registered as a holder of SPEL Shares, SPEL Options or both (as at the Share Scheme Record Date and/or Option Scheme Record date, as applicable).</p> <p>The purpose of this Scheme Booklet is to explain the effect and terms of the Schemes and help you decide how to vote on the Scheme Resolutions which need to be passed at the Scheme Meetings.</p> <p>The SPEL Board encourages you to read this Scheme Booklet in its entirety and, if necessary, consult your legal, financial or other professional advisor before voting on the Scheme Resolutions.</p>
What is the Share Scheme?	<p>The Share Scheme is a scheme of arrangement between SPEL and Scheme Shareholders. It involves an offer by WHSP to acquire all SPEL Shares held by SPEL Shareholders (other than those owned by any WHSP Group Member) on the Share Scheme Record Date for \$0.163 per SPEL Share (in either cash or that fraction of a New WHSP Share with a value of \$0.163 calculated using the WHSP VWAP for the 10 trading days prior to the date of the Scheme Meetings). The Share Scheme is not conditional on the Option Scheme, but is subject to a number of Conditions Precedent (see Section 3.1 of the Scheme Implementation Agreement in Annexure A).</p> <p>If the Share Scheme is approved by the requisite majorities of SPEL Shareholders entitled to vote on the Share Scheme Resolution and becomes Effective, WHSP will acquire your Scheme Shares and you will receive the Share Scheme Consideration.</p>
What is the Option Scheme?	<p>The Option Scheme is a scheme of arrangement between SPEL and Scheme Optionholders. It involves an offer by WHSP for the cancellation of all SPEL Options held by SPEL Optionholders (other than those owned by any WHSP Group Member) on the Option Scheme Record Date for the Option Scheme Consideration.</p> <p>The Option Scheme is conditional on the Share Scheme becoming Effective and will only proceed if both Schemes are approved by the requisite majorities of SPEL Shareholders and SPEL Optionholders entitled to vote on the Share Scheme Resolution and Option Scheme Resolution respectively, and the Court.</p> <p>If the Option Scheme is approved by the requisite majorities of SPEL Optionholders entitled to vote on the Option Scheme Resolution and becomes Effective, your Scheme Options will be cancelled and you will receive the Option Scheme Consideration.</p>

3 Frequently asked questions

Question	Answer
The Schemes	
What is a scheme of arrangement?	A scheme of arrangement is a means of implementing an acquisition of securities under the Corporations Act. It requires a vote in favour of the scheme of arrangement by certain majorities of the target company's securityholders at the scheme meeting and also requires court approval.
What is the Independent Expert's opinion on the Schemes?	<p>The Independent Directors have commissioned KPMG Corporate Finance (Aust) Pty Ltd to provide an Independent Expert's Report containing an opinion as to whether the Share Scheme and Option Scheme are each fair and reasonable and in the best interests of the non-associated SPEL Shareholders and SPEL Optionholders respectively.</p> <p>The Independent Expert has concluded that each of the Schemes is fair and reasonable and in the best interests of the non-associated SPEL Securityholders.</p> <p>The Share Scheme Consideration is above the Independent Expert's valuation for SPEL Shares, as set out in the Independent Expert's Report.</p> <p>The Option Scheme Consideration is above the Independent Expert's valuation for SPEL Options, as set out in the Independent Expert's Report.</p> <p>A complete copy of the Independent Expert's Report is contained in Annexure H of this Scheme Booklet. SPEL Securityholders are encouraged to read the Independent Expert's Report in full.</p>
Was there independent consideration of the Schemes by SPEL?	<p>Due to WHSP's 13.36% shareholding in SPEL and the four common directors between SPEL and WHSP, the SPEL Directors formed a committee of the Board comprising the Independent Directors for the purposes of considering the proposal received from WHSP and negotiating the Scheme Implementation Agreement.</p> <p>After considering the proposal received from WHSP, taking into account the value to SPEL Securityholders, the conclusions of the Independent Expert and transaction certainty (from a funding, execution and timing perspective), the committee determined that the Share Scheme Consideration and Option Scheme Consideration offered by WHSP for the SPEL Shares and SPEL Options was acceptable and recommended to the SPEL Board the proposal received from WHSP on the basis that it was in the best interests of the non-associated SPEL Securityholders, in the absence of a Superior Proposal.</p>
Do the Independent Directors recommend the Schemes to SPEL Shareholders?	Yes. The Independent Directors unanimously recommend that SPEL Securityholders who are entitled to vote do so in favour of the Scheme Resolutions to approve the Scheme(s) relevant to them, in the absence of a Superior Proposal. However, as all of the other SPEL Directors (excluding the Independent Directors) are also directors of WHSP, those SPEL Directors do not make any recommendation in respect of the Schemes.

3 Frequently asked questions

Question	Answer
The Schemes	
How do the SPEL Directors intend to vote?	<p>The Independent Directors, intend to vote in favour of the Schemes in respect of all the SPEL Securities that they hold or control, in the absence of a Superior Proposal.</p> <p>However, as all of the SPEL Directors (excluding the Independent Directors) are also directors of WHSP, those SPEL Directors will not vote on the Share Scheme Resolution or the Option Scheme Resolution.</p>
What are the risks associated with an investment in SPEL if the Schemes are not implemented?	<p>The risks associated with an investment in SPEL Shares include:</p> <ul style="list-style-type: none">• Investment portfolio risks• Liquidity risk• Share price not reflecting NTA• Inability to pay dividends in the future• Key person risk• Technological change• Interest rate risk• Risks associated with private equity investments• Changes to government policy, taxation laws and regulatory conditions• Litigation risk• Disruption to business operations• General investment in shares• General economic conditions <p>These risks will continue to be relevant to the SPEL business should the Scheme(s) not be implemented. A discussion of these risks and other risks is set out in Section 8.</p>
What will I receive under the Share Scheme?	<p>Scheme Shareholders (other than Ineligible Foreign Shareholders) may elect to receive, for each SPEL Share held on the Share Scheme Record Date, either:</p> <ul style="list-style-type: none">• \$0.163 cash (Cash Consideration); or• that fraction of a New WHSP Share with a value of \$0.163 calculated using the WHSP VWAP for 10 trading days prior to the date of the Scheme Meetings (Scrip Consideration). <p>Scheme Shareholders who do not elect a form of Scheme Consideration will receive Cash Consideration for their SPEL Shares held on the Share Scheme Record Date. Ineligible Foreign Shareholders will also receive the Cash Consideration for their SPEL Shares held on the Share Scheme Record Date (see Section 5.4(b) for further details).</p> <p>The exact number of New WHSP Shares to be issued to Scheme Shareholders who elect to receive the Scrip Consideration will not be known until after the Record Date and will not be confirmed until the holding statements are sent to Scheme Shareholders following the Implementation Date. The Implementation Date is currently anticipated to be Wednesday, 4 January 2012.</p>

3 Frequently asked questions

Question	Answer
The Schemes	
How do I elect to receive New WHSP Shares for my SPEL Shares?	<p>To receive the New WHSP Shares as Scrip Consideration for your SPEL Shares held on the Share Scheme Record Date, Scheme Shareholders (other than Ineligible Foreign Shareholders) must complete the Election Form accompanying this Scheme Booklet and return it to the SPEL Registry in accordance with the instructions on the form and so that it is received no later than 7.00pm on Thursday, 29 December 2011.</p> <p>However, you should note that an investment in WHSP is not an identical substitute for an investment in SPEL as (amongst other reasons) the underlying investment profile of each of WHSP and SPEL is different. As at the date of this Scheme Booklet, Brickworks has a relevant interest in approximately 42.85% of WHSP. Further, WHSP has a relevant interest in approximately 44.48% of Brickworks. Accordingly, it is unlikely that any public control transaction (such as a takeover or scheme of arrangement) for WHSP will be made by a third party. To the extent any such transaction was to be made for WHSP, it would essentially require the consent of Brickworks (in which WHSP has a substantial interest).</p> <p>You do not need to return the Election Form if you wish to receive the Cash Consideration for your SPEL Shares held on the Share Scheme Record Date.</p>
How will fractions be treated?	<p>If the aggregate entitlement of a Scheme Shareholder to Scrip Consideration includes a fractional entitlement to a New WHSP Share, then a fractional entitlement of less than 0.5 will be rounded down to the nearest whole number of New WHSP Shares and a fractional entitlement of 0.5 or more will be rounded up to the nearest whole number of New WHSP Shares.</p> <p>If the aggregate entitlement of a Scheme Shareholder to Cash Consideration in accordance with this Scheme includes a fractional entitlement to a cent in cash, then a fractional entitlement of less than half a cent will be rounded down to the nearest whole cent and a fractional entitlement of half a cent or more will be rounded up to the nearest cent.</p>
Can I elect to receive a combination Cash Consideration and Scrip Consideration?	<p>No, Scheme Shareholders may only elect to receive either the Cash Consideration or the Scrip Consideration for all of their SPEL Shares held on the Share Scheme Record Date and not a combination of the alternative types of Share Scheme Consideration.</p> <p>There are no limits on the total number of New WHSP Shares that can be issued as Scrip Consideration or the aggregate amount of Cash Consideration that can be paid to Scheme Shareholders.</p>

3 Frequently asked questions

Question	Answer
The Schemes	
What is the Option Scheme Consideration?	Scheme Optionholders will receive \$0.01 cash for each SPEL Option held on the Option Scheme Record Date.
How will the Cash Consideration and Option Scheme Consideration be paid?	The Cash Consideration and Option Scheme Consideration will be paid to Scheme Shareholders and Scheme Optionholders by: <ul style="list-style-type: none">• cheque, sent to their address as specified in the SPEL Register as at the Record Date; or• by electronic funds transfer to a bank account nominated by the Scheme Securityholder to the SPEL Registry.
When will I receive the Scheme Consideration?	<p>If the Share Scheme becomes Effective, Scheme Shareholders on the SPEL Share Register at 7.00pm on the Share Scheme Record Date are expected to be provided the Share Scheme Consideration on the Implementation Date, which is expected to be Wednesday, 4 January 2012.</p> <p>If the Option Scheme becomes Effective, Scheme Optionholders on the SPEL Option Register at 7.00pm on the Option Scheme Record Date are expected to be provided the Option Scheme Consideration on the Implementation Date, which is expected to be Wednesday, 4 January 2012.</p>
How will I be notified of my new holdings of WHSP Shares (if I elect the Scrip Consideration)?	For Scheme Shareholders who elect to receive Scrip Consideration, statements confirming the holdings of New WHSP Shares are expected to be dispatched as soon as practicable after the Implementation Date and, in any event, no later than five Business Days after the Implementation Date. The Implementation Date is expected to be Wednesday, 4 January 2012.
When can I start trading my New WHSP Shares (if I elect the Scrip Consideration)?	<p>New WHSP Shares are expected to trade on a deferred settlement basis at the commencement of trading on Wednesday, 21 December 2011. Normal trading of New WHSP Shares is expected to commence on Thursday, 5 January 2012.</p> <p>It is the responsibility of each shareholder to confirm their holding before trading in New WHSP Shares to avoid the risk of selling shares that they do not own. Shareholders who sell New WHSP Shares before they receive their holding statement or confirm their uncertificated holdings of New WHSP Shares do so at their own risk. SPEL, WHSP, the SPEL Registry and the WHSP Registry disclaim all liability (to the maximum extent permitted by law) to persons who trade in New WHSP Shares before receiving their holdings statements, whether on the basis of confirmation of the allocation provided by WHSP or the WHSP Registry.</p> <p>Holding statements detailing the issue of New WHSP Shares are expected to be dispatched to you as soon as practicable after the Implementation Date and, in any event, no later than five Business Days after the Implementation Date. The Implementation Date is expected to be Wednesday, 4 January 2012.</p>

3 Frequently asked questions

Question	Answer
The Schemes	
What if I am a SPEL Shareholder outside of Australia and New Zealand?	SPEL Shareholders with registered addresses outside Australia or New Zealand can only receive Cash Consideration and cannot elect to receive Scrip Consideration.
Will I be taxed on the proceeds?	<p>The taxation consequences of the Scheme(s) being approved and implemented for SPEL Securityholders will depend on the specific taxation circumstances of each SPEL Securityholder.</p> <p>General information about the likely Australian tax consequences of the Share Scheme and the Option Scheme is set out in Section 9.</p> <p>SPEL Securityholders should consult their own taxation adviser about the taxation consequences for them if the Scheme(s) relevant to them are implemented.</p>
Will I have to pay brokerage or stamp duty?	You will not have to pay brokerage fees or stamp duty on implementation of the Scheme(s).
Information about WHSP and SPEL post Schemes	
Who is WHSP?	<p>WHSP is a diversified investment company and the second oldest listed company on the ASX. WHSP has a market capitalisation of approximately \$3.3 billion⁶ and holds net assets of approximately \$3.9⁷ billion across a range of different sectors including resources, telecommunications, building products, financial services, pharmaceuticals, retail and agriculture.</p> <p>Please refer to Section 7 for further details.</p>
Post Schemes, what will be the ownership profile of the combined group?	<p>The ownership profile of the combined group will depend on (i) the VWAP of WHSP Shares; and (ii) the percentage of Scheme Shareholders who make an Election to receive the Scrip Consideration.</p> <p>As an example, if (i) the Share Scheme proceeds; (ii) all Scheme Shareholders elect to receive New WHSP Shares; and (iii) the VWAP of WHSP Shares is \$12.09⁸, Scheme Shareholders will hold approximately 3.2% of the WHSP Shares on issue.</p>
Participation and Voting	
Who can vote at the Share Scheme Meeting?	Persons registered on the SPEL Share Register as SPEL Shareholders (other than WHSP Group Members) at 10.00am, Monday, 12 December 2011 are entitled to attend and vote at the Share Scheme Meeting. However, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting.

⁶As at 31 October 2011.

⁷As at 31 October 2011.

⁸Being the closing price of WHSP Shares on 16 September 2011, the last trading day before WHSP's proposal to acquire the SPEL Securities was announced.

3 Frequently asked questions

Question	Answer
Participation and Voting	
Who can vote at the Option Scheme Meeting?	Persons registered on the SPEL Option Register as SPEL Optionholders (other than WHSP Group Members) at 10.30am, Monday, 12 December 2011 are entitled to attend and vote at the Option Scheme Meeting. However, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Option Scheme Meeting.
What are the approval thresholds for the Schemes?	<p>The Share Scheme Resolution must be approved by:</p> <ul style="list-style-type: none">• a majority in number (more than 50%) of SPEL Shareholders (other than WHSP Group Members) present (in person, by attorney, by corporate representative or by proxy) and voting at the Share Scheme Meeting; and• at least 75% of the total number of votes cast on the Share Scheme Resolution by SPEL Shareholders (other WHSP Group Members) entitled to vote on the Share Scheme Resolution. <p>The Option Scheme Resolution must be approved by:</p> <ul style="list-style-type: none">• a majority in number (more than 50%) of SPEL Optionholders (other than WHSP Group Members) present (in person, by attorney, by corporate representative or by proxy) and voting at the Option Scheme Meeting; and• SPEL Optionholders (other than WHSP Group Members) whose SPEL Options amount to at least 75% of the total value of the SPEL Options held by SPEL Optionholders who vote at the Option Scheme Meeting (the "value" of a SPEL Option will be determined by reference to the Option Scheme Consideration payable on the cancellation of a SPEL Option). <p>Relevantly, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting and/or Option Scheme Meeting.</p>
How do I vote at the Scheme Meeting(s)?	<p>Voting at the Scheme Meeting(s) may be in person, by attorney, by proxy or, in the case of corporations, by corporate representative. If you wish to vote in person, you must attend the Scheme Meeting(s) relevant to you.</p> <p>If you are unable to attend the Scheme Meeting(s) relevant to you, the Independent Directors urge you to complete and return the Proxy Form(s) that accompanies this Scheme Booklet return it to the SPEL Registry as per the instructions on the form so that it is received by no later than 10.00am (for the Share Scheme Meeting) and 10.30am (for the Option Scheme Meeting) on Monday, 12 December 2011.</p> <p>Please refer to Section 2 for further information on voting and the Scheme Meetings.</p>

3 Frequently asked questions

Question	Answer
Participation and Voting	
Is voting compulsory?	<p>Voting is not compulsory. If you wish for the Scheme(s) to proceed, it is important that you vote in favour of the Scheme(s) relevant to you.</p> <p>The Independent Directors unanimously recommend SPEL Securityholders entitled to vote do so in favour of the Scheme(s).</p>
Can I be bound by a Scheme if I do not vote or vote against it?	<p>Yes, if the Schemes are approved and become Effective, then:</p> <ul style="list-style-type: none">• any SPEL Shares held by you as at 7.00pm on Thursday, 29 December 2011 will be transferred to WHSP; and• any SPEL Options held by you as at 7.00pm on Thursday, 29 December 2011 will be cancelled, and you will receive the Scheme Consideration.
When and where will the Scheme Meetings be held?	<p>The Share Scheme Meeting will be held at 10.00am on Wednesday, 14 December 2011 at the Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000. The Option Scheme Meeting will be held at 10.30am on the same date, or as soon thereafter as the Share Scheme Meeting is concluded or has been adjourned.</p> <p>However, as the Option Scheme is conditional on the Share Scheme becoming Effective, the Option Scheme Meeting will not proceed unless the Share Scheme is first approved at the Share Scheme Meeting.</p>
What steps are required after the Scheme Meetings?	<p>Assuming the requisite approvals of the Schemes are given by SPEL Shareholders and SPEL Optionholders entitled to vote on the Scheme Resolutions, SPEL will make applications to the Court to approve each Scheme(s). Section 5 of this Scheme Booklet contains details of the implementation steps and approvals required, as well as a number of Conditions Precedent that must be satisfied (or waived) before the Schemes can proceed.</p>

3 Frequently asked questions

Question	Answer
Other Questions	
What will happen if a Superior Proposal emerges?	<p>If SPEL receives a Superior Proposal, the SPEL Board must notify WHSP of that proposal and allow WHSP two Business Days to put forward a counterproposal. If the Independent Directors determine that such a counterproposal by WHSP offers a superior outcome for SPEL Securityholders, then that counterproposal will be proposed to SPEL Securityholders, otherwise the Superior Proposal will be pursued instead.</p> <p>The Independent Directors will keep SPEL Securityholders informed of such developments in accordance with SPEL's continuous disclosure obligations.</p> <p>WHSP's proposal does not include restrictions designed to deter alternative proposals as are sometimes included in transactions of this nature. There are no break fees or restrictions on engaging with third parties.</p> <p>As at the date of this Scheme Booklet, no Superior Proposal has emerged.</p>
Can I sell my SPEL Shares or my SPEL Options now?	<p>You can sell your SPEL Shares and/or SPEL Options on-market at the prevailing market price at any time before the close of trading on the ASX on the Effective Date which is expected to be Tuesday, 20 December 2011.</p> <p>However, if you do so and therefore do not own SPEL Shares and/or SPEL Options as at the Scheme Record Date, you will not be entitled to the Scheme Consideration and you may be required to pay brokerage fees.</p>
Are there any conditions that must be satisfied for the Scheme(s) to be implemented?	<p>Yes. The key Conditions Precedent which remain outstanding as at the date of this Scheme Booklet include:</p> <ul style="list-style-type: none">• no "SPEL Prescribed Event" or "SPEL Material Adverse Change" occurs (these terms are defined in Section 1 of Annexure A);• no "Bidder Prescribed Event" or "Bidder Material Adverse Change" occurs (these terms are defined in Section 1 of Annexure A);• the Scheme Resolution(s) are passed by the requisite majorities (see Section 5.3(b) and (c) for further details) at the Scheme Meeting(s), although the Share Scheme (if approved by the requisite majorities of SPEL Shareholders entitled to vote on the Share Scheme Resolution) may be implemented even if the Option Scheme Resolution is not passed by the requisite majorities of SPEL Optionholders (excluding WHSP Group Members);• the Court approves the Scheme(s), although the Share Scheme (if approved by the Court) may be implemented even if the Option Scheme is not approved by SPEL Optionholders (excluding WHSP Group Members) or the Court;

3 Frequently asked questions

Question	Answer
Other Questions	

- ASIC and ASX issue or provide all required consents and approvals;
- there are no other orders or restraints issued by any court or any Government Agency preventing the implementation of the Scheme(s), although the Share Scheme may be implemented if any such order relates only to the Option Scheme;
- that between the date of the Scheme Implementation Agreement and the close of the Business Day immediately prior to the Second Court Date, the ASX 300 index (or any successor or replacement index) does not on any ASX trading day fall by more than 15% below the level at which it closed on the preceding trading day and remain below that level at all times during the 2 consecutive ASX trading days;
- that prior to 8:00am on the Second Court Date, the New WHSP Shares have been approved for listing on the ASX, subject only to customary conditions and the Share Scheme becoming Effective; and
- no breach by SPEL of the SOE Warranties (as defined in Section 1 of the Scheme Implementation Agreement in Annexure A) and no breach by WHSP of the Bidder Warranties (as defined in Section 1 of the Scheme Implementation Agreement in Annexure A).

SPEL Securityholders should note that these Conditions Precedent, and in particular those relating to regulatory consents, may not be satisfied by the time of the Scheme Meetings.

The Conditions Precedent to the Schemes are summarised in further detail in Section 10.1(a) and set out in full in the Scheme Implementation Agreement as set out in full in Annexure A.

SPEL Securityholders should also be aware that the Scheme Implementation Agreement may be terminated in certain circumstances (details of which are summarised in Section 10.1(c)). If the Scheme Implementation Agreement is terminated, the Schemes will not proceed.

As at the date of this Scheme Booklet, the Independent Directors are not aware of any reason why the Conditions Precedent should not be satisfied.

What happens if these Conditions Precedent are not satisfied or the Scheme Implementation Agreement is terminated?

If the Conditions Precedent to the Share Scheme are not satisfied or (where applicable) waived, or if the Scheme Implementation Agreement is terminated, neither of the Schemes will proceed, no SPEL Shares will be acquired by WHSP, and no SPEL Options will be cancelled, as contemplated by the Schemes.

In these circumstances, you will retain your SPEL Shares and/or SPEL Options, the SPEL Shares will not be acquired by WHSP, the SPEL Options will not be cancelled, and you will not receive the Share Scheme

3 Frequently asked questions

Question	Answer
Other Questions	<p>Consideration or Option Scheme Consideration (as the case may be).</p> <p>If the Conditions Precedent to the Share Scheme are satisfied or (where applicable) waived, but the Conditions Precedent to the Option Scheme are not satisfied or (where applicable) waived, the Share Scheme will proceed but the Option Scheme will not proceed.</p> <p>In these circumstances, WHSP will acquire the SPEL Shares and Scheme Shareholders will receive the Share Scheme Consideration and to the extent that WHSP owns more than 90% of the issued capital in SPEL, WHSP may (but is not required to) seek to compulsorily acquire all of the SPEL Options under Part 6A.2 of the Corporations Act. The consideration offered for the SPEL Options under that procedure (if WHSP seeks to compulsorily acquire the SPEL Options) will be determined in accordance with Part 6A.4 of the Corporations Act which, amongst other things, requires an independent expert to opine on whether the consideration offered gives a fair value (as determined in accordance with specific criteria set out in section 667C of the Corporations Act) for the SPEL Options. Accordingly, the consideration payable for SPEL Options as part of any compulsory acquisition process may be different to the Option Scheme Consideration. For more information on WHSP's intentions if the Option Scheme is not implemented, see Section 7.6(e).</p>
When will the results of the Scheme Meetings be known?	<p>The results of each Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. If the Scheme Resolutions are passed by the requisite majorities at the relevant Scheme Meetings, the Schemes are still subject to the approval of the Court at the Second Court Hearing before becoming Effective.</p>
What are the forms accompanying this Scheme Booklet?	<ul style="list-style-type: none">• Proxy Form for SPEL Shareholders and/or SPEL Optionholders – If you are entitled to vote on a Scheme Resolution and wish to appoint a proxy to vote on your behalf at the Scheme Meeting(s) relevant to you, you should complete and sign the Proxy Form accompanying this Scheme Booklet and return it to the SPEL Registry in accordance with the instructions on the Proxy Form. You can also lodge a Proxy Form online at www.advancedshare.com.au/investors.aspx in accordance with the instructions on that form.• Election Form for SPEL Shareholders (other than Ineligible Foreign Shareholders) – If you wish to elect to receive the Scrip Consideration in respect of your Scheme Shares, you should complete and sign the Election Form and return it to the SPEL Registry in accordance with the instructions on the Election Form. You can also lodge an Election Form online at www.advancedshare.com.au/investors.aspx in accordance with the instructions on that form.

3 Frequently asked questions

Question	Answer
Other Questions	

What if I want further information? If after reading this Scheme Booklet, you have any questions about the Schemes, you should call SPEL on +61 2 9210 7000 or contact your legal, financial or other professional advisor.

4 Summary of the Proposal

4.1 Share Scheme and Option Scheme

On 19 September 2011, SPEL announced that it had received an offer from WHSP for WHSP to acquire all of the SPEL Shares and cancel all of the SPEL Options (other than those owned by WHSP Group Members) by way of separate schemes of arrangement.

On 7 October 2011, the Independent Directors announced that SPEL had entered into the Scheme Implementation Agreement, pursuant to which WHSP would pay:

- \$0.163 in cash or that fraction of a New WHSP Share equivalent to \$0.163⁹ (at each SPEL Shareholder's election¹⁰) for each SPEL Share held by Scheme Shareholders on the Share Scheme Record Date pursuant to the Share Scheme; and
- \$0.01 cash for the cancellation of each SPEL Option held by Scheme Optionholders on the Option Scheme Record Date pursuant to the Option Scheme.

SPEL and WHSP have certain rights and obligations in connection with the Schemes under the Scheme Implementation Agreement, including with respect to Conditions Precedent, termination rights and conduct of business arrangements and various other matters (full details of which are set out in Annexure A).

The Option Scheme is conditional on the Share Scheme being implemented, but the Share Scheme is not conditional on the Option Scheme being implemented. More specifically, the Option Scheme Meeting will not proceed unless the Share Scheme is first approved at the Share Scheme Meeting. Even if both Schemes are approved at the Scheme Meetings, the Schemes may still not proceed unless the Court approves the Schemes at the Second Court Hearing.

If both the Share Scheme and Option Scheme become Effective, SPEL will become a wholly-owned Subsidiary of WHSP and SPEL will be delisted from the ASX.

4.2 Implementation of the Schemes

The Schemes are proposed to be undertaken pursuant to Court approved schemes of arrangement. A scheme of arrangement is a legal arrangement that provides an opportunity for those SPEL Shareholders (in the case of the Share Scheme) and SPEL Optionholders (in the case of the Option Scheme) entitled to vote on the relevant Scheme Resolutions to vote on the Scheme(s) relevant to them.

Approval of a share scheme of arrangement requires a 50% majority of the number of shareholders voting and a 75% majority of the total votes cast being in favour of the scheme of arrangement. The approval of an option scheme of arrangement requires a 50% majority of the number of optionholders voting and a 75% majority of the total value of the options held by optionholders who vote at the scheme meeting being in favour of the option scheme (the "value" of a SPEL Option will be determined by reference to the Option Scheme Consideration).

If the requisite approval threshold by shareholders or optionholders (as the case may be) is met and the scheme is approved by the court, the scheme binds the company and all of its shareholders or optionholders (as the case may be) upon the court orders approving the scheme being lodged with ASIC.

Importantly, the Option Scheme proposed by SPEL will only proceed if the Share Scheme is first approved by both the SPEL Shareholders who are entitled to vote and the Court, and becomes Effective.

⁹Scrip Consideration will be calculated using the WHSP VWAP for the 10 trading days prior to the date of the Scheme Meetings.

¹⁰Other than Ineligible Foreign Shareholders who must accept the Cash Consideration.

4 Summary of the Proposal

Section 5 sets out in detail the steps required to be taken for the approval and implementation of the Schemes.

4.3 If the Scheme(s) are approved

If the Share Scheme is approved by the requisite majorities of SPEL Shareholders entitled to vote on the Share Scheme Resolution and the Court and you remain a SPEL Shareholder as at the Share Scheme Record Date, you will thereafter be considered a Scheme Shareholder and each of your SPEL Shares will be acquired by WHSP and WHSP will pay and/or provide the Scheme Consideration to you.

If both the Share Scheme and the Option Scheme are approved and you remain a SPEL Optionholder as at the Option Scheme Record Date, you will thereafter be considered a Scheme Optionholder and each of your SPEL Options will be cancelled and WHSP will pay the Option Scheme Consideration to you.

5 Implementation of the Schemes

5.1 Overview of steps for implementing the Schemes

The key steps to implementing the Schemes are:

- (a) SPEL Shareholders (other than WHSP Group Members and Associates of WHSP) will vote on whether to approve the Share Scheme at the Share Scheme Meeting.
- (b) SPEL Optionholders (other than WHSP Group Members and Associates of WHSP) will vote on whether to approve the Option Scheme at the Option Scheme Meeting.
- (c) If the requisite majorities of SPEL Shareholders entitled to vote on the Share Scheme Resolution approve the Share Scheme, and all Conditions Precedent to the Share Scheme (other than Court approval and lodgement of the Court order with ASIC) be satisfied or waived, SPEL will apply to the Court for approval of the Share Scheme.
- (d) If the requisite majorities of SPEL Optionholders entitled to vote on the Option Scheme Resolution approve the Option Scheme, and all Conditions Precedent to the Option Scheme (other than the Share Scheme becoming Effective, Court approval of the Option Scheme and lodgement of the Court order with ASIC) have been satisfied or waived, SPEL will apply to the Court for approval of the Option Scheme.
- (e) If the Court approves the Share Scheme or approves both the Share Scheme and the Option Scheme, SPEL will lodge with ASIC a copy of the court orders approving the Share Scheme and, as applicable, the Option Scheme. The date on which this occurs will be the Effective Date for the Share Scheme and, as applicable, the Option Scheme, and will be the last day for trading of SPEL Shares and SPEL Options on ASX.
- (f) On the Implementation Date, Bidder will acquire all of the SPEL Shares (other than those owned by WHSP Group Members) and will pay, or procure the payment of the Cash Consideration to SPEL (to hold on trust for the Scheme Shareholders) and will issue the New WHSP Shares to Scheme Shareholders (other than Ineligible Foreign Shareholders) that have submitted an Election. If the Option Scheme is Effective, all SPEL Options (other than those owned by WHSP Group Members) will be cancelled and Bidder will also pay the Option Scheme Consideration on the Implementation Date to SPEL (to hold on trust for the Scheme Optionholders). SPEL will then pay or provide the Scheme Consideration to Scheme Shareholders and Scheme Optionholders.
- (g) Following implementation of the Share Scheme and the Option Scheme, SPEL will apply for the termination of official quotation of the SPEL Shares and SPEL Options and the removal of SPEL from the official list of ASX.

These steps are discussed further below. The expected dates for the key steps are set out on page 8 of this Scheme Booklet (but those dates are indicative only and subject to change).

5.2 Scheme Consideration

If the Share Scheme becomes Effective, all SPEL Shares (other than those owned by WHSP Group Members) will be transferred to Bidder and Bidder will provide the Share Scheme Consideration in the form Cash Consideration or Scrip Consideration (as applicable) to the Scheme Shareholders on the Implementation Date.

If the Option Scheme becomes Effective, all SPEL Options (other than those owned by WHSP Group Members) will be cancelled and Bidder will provide or the Option Scheme Consideration of \$0.01 per SPEL Option to the Scheme Optionholders on the Implementation Date.

5 Implementation of the Schemes

5.3 Steps for implementing the Schemes

(a) Preliminary steps

SPEL and WHSP entered into a Scheme Implementation Agreement on 7 October 2011 pursuant to which they agreed, among other things, to propose the Schemes.

On 1 November 2011, WHSP executed both the Share Scheme Deed Poll and Option Scheme Deed Poll pursuant to which WHSP agreed, subject to the relevant Scheme becoming Effective, to provide to each Scheme Shareholder and Scheme Optionholder (as the case may be) the Share Scheme Consideration and/or Option Scheme Consideration (as the case may be) to which each Scheme Shareholder and Scheme Optionholder is entitled under the terms of the relevant Scheme.

A copy of the Scheme Implementation Agreement is set out in Annexure A to this Scheme Booklet.

Copies of the proposed Share Scheme and Option Scheme are set out in Annexure D and Annexure E respectively.

Copies of the executed Share Scheme Deed Poll and Option Scheme Deed Poll are set out in Annexure F and Annexure G respectively.

(b) Share Scheme Meeting

On 1 November 2011, the Court ordered that the Share Scheme Meeting be held at 10.00am on Wednesday, 14 December 2011 at the Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000 for the purposes of approving the Share Scheme Resolution.

The Notice of Share Scheme Meeting for SPEL Shareholders is included in Annexure B, which sets out the Share Scheme Resolution.

Each SPEL Shareholder (other than WHSP Group Members) who is registered on the SPEL Share Register at 10.00am on Monday, 12 December 2011 is entitled to attend and vote at the Share Scheme Meeting, either in person or by proxy or by attorney or, in the case of a body corporate, by its corporate representative appointed in accordance with section 250D of the Corporations Act. However, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting.

Instructions on how to attend and vote at the Share Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set out in Section 2 and in the Notice of Share Scheme Meeting set out in Annexure B of this Scheme Booklet.

The Share Scheme Resolution must be approved by:

- a majority in number (more than 50%) of SPEL Shareholders (other than WHSP Group Members) present and voting at the Share Scheme Meeting (whether in person, by proxy, by attorney or, in the case of body corporate, by a corporate representative) (the **Headcount Test**); and
- at least 75% of the total number of votes cast on the Share Scheme Resolution at the Share Scheme Meeting by SPEL Shareholders entitled to vote on the Share Scheme Resolution.

If the Share Scheme is not approved by SPEL Shareholders entitled to vote at the Share Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and SPEL considers that share splitting or some other abusive or improper conduct may have caused or contributed to this result, SPEL will, notwithstanding that the Headcount Test has not been satisfied, apply to the Court for the Court to exercise its discretion to disregard the Headcount Test and make orders approving the Share Scheme.

5 Implementation of the Schemes

(c) Option Scheme Meeting

On 1 November 2011, the Court ordered that the Option Scheme Meeting be held 10.30am (or as soon thereafter as the Share Scheme Meeting is concluded or has been adjourned) on Wednesday, 14 December 2011 at the Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000 for the purposes of approving the Option Scheme Resolution. However, as the Option Scheme is conditional on the Share Scheme becoming Effective, the Option Scheme Meeting will not proceed unless the Share Scheme is first approved at the Share Scheme Meeting. The Notice of Option Scheme Meeting for SPEL Optionholders is included in Annexure C, which sets out the Option Scheme Resolution.

Each SPEL Optionholder (other than WHSP Group Members) who is registered on the SPEL Option Register at 10.30am on Monday, 12 December 2011 is entitled to attend and vote at the Option Scheme Meeting, either in person or by proxy or by attorney or, in the case of a body corporate, by its corporate representative appointed in accordance with section 250D of the Corporations Act. However, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Option Scheme Meeting.

Instructions on how to attend and vote at the Option Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set out in Section 2 and in the Notice of Option Scheme Meeting set out in Annexure of this Scheme Booklet.

The Option Scheme Resolution must be approved by:

- a majority in number (more than 50%) of SPEL Optionholders (other than WHSP Group Members) present and voting at the Option Scheme Meeting (whether in person, by proxy, by attorney or, in the case of a body corporate, by a corporate representative); and
- SPEL Optionholders (other than WHSP Group Members) whose SPEL Options amount to at least 75% of the total value of the SPEL Options held by SPEL Optionholders who vote at the Option Scheme Meeting (the "value" of a SPEL Option will be determined by reference to the Option Scheme Consideration payable on the cancellation of a SPEL Option).

(d) Second Court Hearing

In the event that:

- the Share Scheme Resolution is approved by the requisite majorities of SPEL Shareholders (excluding all WHSP Group Members) at the Share Scheme Meeting; and
- all Conditions Precedent to the Share Scheme (other than Court approval of the Share Scheme and lodgement of the Court orders with ASIC) have been satisfied or remain capable of being satisfied or waived (if applicable),

SPEL will apply to the Court for orders approving the Share Scheme.

In the event that:

- the Option Scheme Resolution is approved by the requisite majorities of SPEL Optionholders (excluding all WHSP Group Members) at the Option Scheme Meeting; and
- all Conditions Precedent to the Option Scheme (other than the Share Scheme becoming Effective, Court approval of the Option Scheme and lodgement of the Court order with ASIC) have been satisfied or waived (if applicable),

SPEL will apply to the Court for orders approving the Option Scheme.

As the Option Scheme is conditional on the Share Scheme having been approved by SPEL Shareholders (other than WHSP Group Members), the Option Scheme Meeting will only be held and SPEL will only make an application to the Court for an order approving the Option Scheme if

5 Implementation of the Schemes

the Share Scheme has been approved by those SPEL Shareholders.

However, in the event that each of the Schemes is approved by the requisite majorities of SPEL Securityholders entitled to vote on the Scheme Resolutions, the Court must still separately approve each Scheme at the Second Court Hearing in order for it to be implemented by SPEL. In exercising its power to approve the Schemes, the Court is entitled to take into account the existence of any extraneous interests that SPEL Securityholders may have in the Scheme(s) relevant to them and may disregard the votes of SPEL Securityholders with such interests.

SPEL Securityholders have the right to appear at the Second Court Hearing for the Scheme(s) relevant to them.

(e) Effective Date for the Share Scheme

If the Court makes orders approving the Share Scheme, SPEL will lodge with ASIC an office copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Share Scheme. It is anticipated that this will occur on the first Business Day immediately following the Court Approval Date.

Once the Share Scheme becomes Effective:

- (i) Bidder will become bound to pay or provide (or procure the payment or provision of) the Share Scheme Consideration to Scheme Shareholders on the Implementation Date by paying the aggregate Cash Consideration to SPEL and issuing the New WHSP Shares to Scheme Shareholders that have submitted an Election as set out in Section 5.4 below; and
- (ii) subject to payment or provision of the aggregate Share Scheme Consideration by Bidder as referred to in Section 5.4 below, SPEL will become bound to take the steps required for Bidder to become the holder of all SPEL Shares.

(f) Effective Date for the Option Scheme

If the Court makes orders approving the Option Scheme, SPEL will lodge with ASIC an office copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Option Scheme. It is anticipated that this will occur on the first Business Day immediately following the Court Approval Date.

Once the Option Scheme becomes Effective:

- (i) Bidder will become bound to pay, or procure payment, to Scheme Optionholders the Option Scheme Consideration on the Implementation Date by paying the aggregate Option Scheme Consideration to SPEL as set out in Section 5.5(a) below; and
- (ii) subject to payment of the aggregate Option Scheme Consideration by Bidder as referred to in Section 5.5(a) below, SPEL will become bound to take the steps required for all Scheme Options to be cancelled.

(g) Record Date

SPEL Shareholders (other than any WHSP Group Member) on the SPEL Share Register at the Share Scheme Record Date (7.00pm on Thursday, 29 December 2011) will become entitled to the Share Scheme Consideration for the SPEL Shares they hold at that time.

SPEL Optionholders (other than any WHSP Group Member) on the SPEL Option Register at the Option Scheme Record Date (7.00pm on Thursday, 29 December 2011) will become entitled to the Option Scheme Consideration for the SPEL Options they hold at that time.

5 Implementation of the Schemes

5.4 Provision of Share Scheme Consideration

On the Implementation Date, which is currently anticipated to be Wednesday, 4 January 2012, the Share Scheme will be implemented by SPEL and Bidder undertaking the following steps.

- (a) Before 10.00am on the Implementation Date, Bidder will deposit the aggregate Cash Consideration payable to all relevant Scheme Shareholders in cleared funds to an account nominated by SPEL to be held on trust by SPEL for the relevant Scheme Shareholders.

On the Implementation Date, the Share Scheme Consideration will (depending on the election made by a Scheme Shareholder that has a registered address in Australia or New Zealand) be paid or provided to Scheme Shareholders as follows:

- subject to Bidder having deposited the aggregate Cash Consideration, SPEL will pay the Cash Consideration to Scheme Shareholders by:
 - (i) cheque in Australian dollars in the name of the Scheme Shareholder for the Cash Consideration that they are entitled to receive under the Share Scheme; or
 - (ii) depositing or procuring the SPEL Registry to deposit the Cash Consideration into an account with any Australian ADI specified by the relevant Scheme Shareholder entitled to the Cash Consideration relating to its SPEL Shares.
- WHSP will issue and allot New WHSP Shares to the Scheme Shareholders that have made an Election and enter into WHSP share register the name and address of each relevant Scheme Shareholder in accordance with the aggregate number of New WHSP Shares issued to them under the Share Scheme.

SPEL will dispatch the cheque to each Scheme Shareholder by prepaid post to the Scheme Shareholder's address as listed in the SPEL Share Register at the Share Scheme Record Date.

In the case of SPEL Shares held in joint names, the Cash Consideration will be payable to both joint holders and sent to the joint holder whose name appears first in the SPEL Share Register or at the Share Scheme Record Date. The holding statements in respect of the Scrip Consideration will be issued in the names of the joint holders.

- (b) Ineligible Foreign Shareholders

On the Implementation Date, subject to the Bidder having deposited the aggregate Cash Consideration, SPEL will pay the Cash Consideration to all Ineligible Foreign Shareholders that are Scheme Shareholders in the manner outlined above in Section 5.4(a).

- (c) Transfer of all SPEL Shares to Bidder

Subject to payment of the aggregate Cash Consideration by Bidder and the issue of the New WHSP Shares as referred to above in Section 5.4(a) and (b), all of the SPEL Shares (other than those owned by any WHSP Group Member) will be transferred to Bidder and SPEL will enter the name of Bidder in the SPEL Share Register in respect of all SPEL Shares.

5.5 Implementation of Option Scheme - payment of Option Scheme Consideration

On the Implementation Date, which is currently anticipated to be Wednesday, 4 January 2012, the Option Scheme will be implemented by SPEL and Bidder undertaking the following steps.

- (a) Deposit of aggregate Option Scheme Consideration by Bidder
Relevant funds will be deposited by Bidder according to the methodology described in Section 5.4 (in relation to the Cash Consideration) for the benefit of Scheme Optionholders.
- (b) Cancellation of all SPEL Options

5 Implementation of the Schemes

Subject to payment of the aggregate Option Scheme Consideration by Bidder as referred to in Section 5.5(a), all of the SPEL Options (other than those owned by any WHSP Group Member) will be cancelled.

(c) Payment of Option Scheme Consideration

Subject to Bidder depositing the aggregate Option Scheme Consideration in accordance with Section 5.5(a), the Option Scheme Consideration will then be paid by SPEL to each relevant Scheme Optionholder according to the methodology described in Section 5.4(a) in relation to the Cash Consideration.

5.6 Determination of persons entitled to Share Scheme Consideration

(a) Dealings on or prior to the Share Scheme Record Date

For the purpose of establishing those persons who are Scheme Shareholders, dealings in SPEL Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHES, the transferee is registered in the SPEL Share Register as a holder of the relevant SPEL Shares on or before the Share Scheme Record Date; and
- in all other cases, registrable transfers or transmission applications are received at the place where the SPEL Share Register is kept on or before 12.00pm on the day which is the Share Scheme Record Date (in which case, SPEL must register such transfers or transmission applications by 7.00pm on that date).

SPEL will not accept for registration or recognise, for any purpose, any transmission application or transfer in respect of SPEL Shares received after such times or received prior to these times and not in registrable form.

(b) Dealings after the Share Scheme Record Date

For the purposes of determining entitlements to the Share Scheme Consideration, SPEL will, from the Share Scheme Record Date until the Share Scheme Consideration has been paid to Scheme Shareholders in accordance with the Share Scheme, maintain the SPEL Share Register in this form, which will solely determine entitlements to the Share Scheme Consideration.

As from 7.00pm on the Share Scheme Record Date, each entry current on the SPEL Share Register (other than any entries relating to WHSP Group Members) will cease to be of any effect other than as evidence of entitlement to the Share Scheme Consideration in respect of the SPEL Shares relating to that entry.

Any share certificates (other than those held by WHSP Group Members) or statements of holding in respect of SPEL Shares shall, from the Share Scheme Record Date, cease to have any effect as documents of evidence of title in respect of such SPEL Shares.

5.7 Determination of persons entitled to Option Scheme Consideration

(a) Dealings on or prior to the Option Scheme Record Date

For the purpose of establishing those persons who are Scheme Optionholders, dealings in SPEL Options will only be recognised if:

- in the case of dealings of the type to be effected by CHES, the transferee is registered in the SPEL Option Register as a holder of the relevant SPEL Options on or before the Option Scheme Record Date; and
- in all other cases, registrable transfers or transmission applications are received at the place where the SPEL Option Register is kept on or before 12.00pm on the day which is the

5 Implementation of the Schemes

Option Scheme Record Date (in which case, SPEL must register such transfers or transmission applications by 7.00pm on that date).

In relation to the exercise of SPEL Options, SPEL will:

- issue SPEL Shares in accordance with any valid exercise of a SPEL Option which is received on or before 12.00pm on the Business Day immediately prior to the Option Scheme Record Date; and
- not accept for registration or recognise for any purpose any exercise of a SPEL Option received after 12.00pm on the Business Day immediately prior to the Option Scheme Record Date. After this time, the SPEL Options shall not be capable of exercise notwithstanding any terms on which the SPEL Options were granted.

(b) Dealings after the Option Scheme Record Date

For the purposes of determining entitlements to the Option Scheme Consideration, SPEL will, from the Option Scheme Record Date until the Option Scheme Consideration has been paid to Scheme Optionholders in accordance with the Option Scheme, maintain the SPEL Option Register in this form, which will solely determine entitlements to the Option Scheme Consideration.

As from 7.00pm on the Option Scheme Record Date, each entry current on the SPEL Option Register (other than any entries relating to WHSP Group Members) will cease to be of any effect other than as evidence of entitlement to the Option Scheme Consideration in respect of the SPEL Options relating to that entry.

Any option certificates (other than those held by WHSP Group Members) in respect of SPEL Options shall, from the Option Scheme Record Date, cease to have any effect as documents of evidence of title in respect of such SPEL Options.

5.8 Dispatch of holding statements

Bidder expects to dispatch holding statements confirming the issue of the New WHSP Shares (if applicable) to the each Scheme Shareholder as soon as practicable after the Implementation Date and, in any event, no later than five Business Days after the Implementation Date. The Implementation Date is currently anticipated to be Wednesday, 4 January 2012.

5.9 Commencement of trading in New WHSP Shares

Trading in the New WHSP Shares is expected to commence on a deferred settlement basis on Wednesday, 21 December 2011 and on a normal settlement basis on Thursday, 5 January 2012.

The exact number of New WHSP Shares to be issued to the relevant Scheme Shareholders will not be known until after the Share Scheme Record Date and will not be confirmed to the relevant Scheme Shareholders until they receive their holding statements following the Implementation Date. It is the responsibility of the relevant Scheme Shareholders who receive New WHSP Shares to confirm their holdings of New WHSP Shares before they trade them to avoid the risk of committing to sell more New WHSP Shares than will be issued to them.

5.10 Delisting of SPEL

Following the Implementation Date, SPEL will require ASX to end official quotation of SPEL Shares and SPEL Options, and remove SPEL from the official list of ASX (subject to the satisfaction of any applicable conditions under the ASX Listing Rules).

5 Implementation of the Schemes

5.11 End date

If, by the Sunset Date (as defined in the Scheme Implementation Agreement), the Share Scheme:

- (a) is not approved by the Court, either SPEL or Bidder can terminate the Scheme Implementation Agreement; or
- (b) has not become Effective, the Scheme Implementation Agreement will automatically terminate.

If the Scheme Implementation Agreement is terminated (whether in the manner described above or otherwise), the Schemes will not proceed.

5.12 Stamp duty

Bidder will pay any stamp duty on the transfer of SPEL Shares and the cancellation of SPEL Options under the Schemes.

5.13 Transfer of SPEL Shares free from third party interests

Clause 8.4(a) of the Share Scheme provides that, to the extent permitted by law, the SPEL Shares will at the date of transfer to Bidder be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind.

The effect of this clause is that all Scheme Shareholders, including those who vote against the Share Scheme and those who do not vote on the Share Scheme, will be deemed to have warranted to Bidder that their SPEL Shares are not subject to any of the encumbrances specified in that clause. Clause 8.4(a) of the Share Scheme is set out in Annexure D of this Scheme Booklet.

5.14 Cancellation of SPEL Options free from third party interests

Clause 7.4(a) of the Option Scheme provides that, to the extent permitted by law, the SPEL Options will at the date of cancellation be free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind.

The effect of that clause is that all Scheme Optionholders, including those who vote against the Option Scheme and those who do not vote on the Option Scheme, will be deemed to have warranted to Bidder that their SPEL Options are not subject to any of the encumbrances specified in that clause. Clause 7.4(a) of the Option Scheme is set out in Annexure E of this Scheme Booklet.

6 Information on SPEL

6.1 Background

SPEL is an investment company incorporated in Australia and has been listed on the ASX since December 2004.

SPEL is primarily focussed on unlisted, as well as listed, small and mid-market investments (SMEs). SPEL's investment portfolio has three segments (i) SME investments (unlisted and listed), (ii) a listed share portfolio and (iii) investable cash.

(a) SME Investments

Name	Investment Cost (\$m)	Book Value at 31 July 2011 (\$m)
Ampcontrol Pty Limited	11.5	30.3
Cromford Pty Limited*	55.7	24.1
Pitt Capital Partners Limited	5.9	5.7
CMA Corporation Limited	12.0	0.4
InterRisk Australia Pty Limited	2.1	3.5
CBD Energy Limited	2.9	2.8
Supercorp Australia Pty Limited	3.7	2.8
Belaroma Coffee Pty Limited**	3.0	3.7
Specialist Oncology Property Pty Limited	1.6	2.3
Austgrains Pty Limited	2.9	0.9
Heritage Brands Limited	7.4	0.9
Total	108.7	77.4

*Deemed book value of controlled entities is calculated as the original cost plus/minus the movement in accumulated profits and losses of the entity since the date of original investment.

**Belaroma is held by the 100% subsidiary of Food and Beverage Company Limited, which in turn is a 100% subsidiary of SPEL.

Source: Company filings

6 Information on SPEL

(b) Listed Share Portfolio

Name	Book Value at 31 July 2011 (\$m)
Commonwealth Bank of Australia	9.5
Australia & New Zealand Banking Group Ltd	4.7
Telstra Corporation Ltd	2.8
CBD Energy Limited	2.8
Wesfarmers Ltd	2.1
BHP Billiton Ltd	2.1
Coca Cola Amatil Ltd	1.7
CMA Corporation Limited	0.4
Total	26.0

Source: Company filings

(c) Cash and Cash Equivalents

As at 31 July 2011, cash balances totalled \$1.268 million.

6.2 Post Balance Date events

After 31 July 2011, SPEL has sold some of the listed share portfolio to fund working capital requirements in Cromford Pty Limited and to fund SPEL's entitlement in the CMA Corporation Limited rights issue in August 2011. As a result, the value of the listed share portfolio as at 30 September 2011 was \$21.6m.

6.3 Directors

The current directors of SPEL are:

Name	Position
Robert Millner	Non Executive Chairman
David Fairfull	Non Executive Director
Robert Westphal	Non Executive Director
David Wills	Non Executive Director
Graeme Crampton	Independent Non Executive Director
Ross Strang	Independent Non Executive Director

Source: Company filings

Due to WHSP's 13.36% shareholding in SPEL and the four common directors between SPEL and WHSP, the SPEL Directors formed a committee of the Board comprising the Independent Directors for the purposes of considering the proposal received from WHSP and negotiating the Scheme Implementation Agreement.

After considering the proposal received from WHSP, taking into account the value to SPEL Securityholders, the conclusions of the Independent Expert and transaction certainty (from a funding, execution and timing perspective), the committee determined that the Share Scheme Consideration and Option Scheme Consideration offered by WHSP for the SPEL Shares and SPEL Options was

6 Information on SPEL

acceptable and recommended to the SPEL Board the proposal received from WHSP on the basis that it was in the best interests of the non-associated SPEL Securityholders, in the absence of a Superior Proposal.

6.4 2011 SPEL Annual Report

The 2011 SPEL Annual Report, which has been lodged with ASX, contains detailed information about SPEL's assets, business and operations and structure. It also includes a copy of the unaudited consolidated financial statements of SPEL for the financial year ended 31 July 2011.

SPEL Securityholders can view the 2011 SPEL Annual Report and all ASX lodgements made between the date of that report and the date of this Scheme Booklet on the SPEL website (www.spel.com.au) or on the ASX website (www.asx.com.au).

Any SPEL Securityholder who would like a copy of the 2011 SPEL Annual Report can call SPEL on +61 2 9210 7000 Monday to Friday between 9.00am and 5.00pm AEDT and a copy will be sent to them free of charge.

6.5 SPEL historical financial performance

The financial information contained in this Section 6.4 has been presented in abbreviated form. It does not contain all the disclosures usually provided in an annual financial report or a half year financial report prepared in accordance with the Corporations Act.

Notes to, and forming part of, the audited or reviewed Income Statements and Statements of Financial Position are set out in SPEL's annual financial report for the financial years ended 31 July 2009, 31 July 2010 and 31 July 2011.

The Income Statements presented in this Section have been subject to the following oversight:

- Income Statement for the 12 months ended 31 July 2009 – audited;
- Income Statement for the 12 months ended 31 July 2010 – audited; and
- Income Statement for the 12 months ended 31 July 2011 – audited.

The Statements of Financial Position presented in this Section have been subject to the following oversight:

- Statement of Financial Position as at 31 July 2009 – audited;
- Statement of Financial Position as at 31 July 2010 – audited; and
- Statement of Financial Position as at 31 July 2011 – audited.

6 Information on SPEL

SPEL abbreviated profit and loss statements

	2005 ¹ \$ '000	2006 \$ '000	2007 \$ '000	2008 \$ '000	2009 \$ '000	2010 \$ '000	2011 \$ '000
Revenue	8,461	16,508	20,361	25,288	24,805	29,108	32,580
Other (losses) / gains	-	8,596	13,922	(32,792)	(29,932)	5,153	(4,661)
Expenses	(6,317)	(14,650)	(18,602)	(28,548)	(34,966)	(35,114)	(42,541)
Finance costs	-	-	(52)	(45)	(63)	(14)	(24)
Share of net profits of associates accounted for using the equity method	767	2,951	7,040	4,459	7,978	1,258	5,736
Profit / (Loss) before income tax benefit	2,911	13,405	22,669	(31,638)	(32,178)	391	(8,910)
Income tax benefit / (Expense)	(470)	(3,092)	(6,473)	2,308	6,815	101	608
Profit / (Loss) after income tax benefit	2,441	10,313	16,196	(29,330)	(25,363)	492	(8,302)
Net loss attributable to minority interest	37	89	210	102	-	-	-
Profit / (Loss) for the year attributable to members of the Company	2,478	10,402	16,406	(29,228)	(25,363)	492	(8,302)
<i>Total comprehensive income / (loss) attributable to:</i>							
Adjustments recognised directly in equity	2,048	-	-	-	-	-	-
Owners of the parent	2,478	10,402	16,406	(29,228)	(22,508)	492	(8,302)
Non-controlling interests	-	-	210	102	(2,855)	-	-
Profit / (Loss) for the year attributable to members of the Company	4,526	10,402	16,616	(29,126)	(25,363)	492	(8,302)
Basic earnings / (loss) per share (cents)	0.44	1.76	2.76	(4.92)	(3.79)	0.08	(1.40)
Diluted earnings / (loss) per share (cents)	0.37	1.76	2.76	(4.92)	(3.79)	0.08	(1.40)

Source: Company filings

¹ For the period 30 September 2004 to 31 July 2005

6 Information on SPEL

SPEL abbreviated balance sheets

	2005 \$ '000	2006 \$ '000	2007 \$ '000	2008 \$ '000	2009 \$ '000	2010 \$ '000	2011 \$ '000
ASSETS							
Cash and cash equivalents	70,522	29,492	23,498	6,795	2,966	883	1,268
Current tax assets	6,157	-	-	190	786	436	-
Deferred tax assets	1,271	2,928	3,980	3,957	8,396	7,057	9,045
Intangible assets	3,769	3,991	7,765	4,437	-	-	-
Inventories	1,027	1,503	2,714	6,463	5,339	6,773	5,252
Investments accounted for using the equity method	15,873	30,798	52,694	41,350	44,936	44,974	50,063
Investments in securities	-	60,571	77,740	69,746	38,956	39,179	26,334
Other financial assets	43,531	-	915	-	-	-	-
Other long term receivables	-	27,375	2,262	100	100	635	1,197
Prepayments	299	617	297	195	144	312	113
Property, plant & equipment	6,069	5,830	12,732	14,170	18,385	17,864	17,997
Trade and other receivables	2,140	3,126	6,695	5,332	4,917	6,504	6,869
TOTAL ASSETS	150,658	166,231	191,293	152,735	124,925	124,617	118,138
LIABILITIES							
Bank overdraft	-	13	-	-	-	-	-
Current tax liabilities	199	130	3,250	-	-	-	-
Deferred tax liabilities	1,253	6,128	10,160	7,707	5,322	3,945	5,270
Employee benefits	243	267	329	408	515	496	631
Other financial liabilities	-	-	135	-	-	-	-
Trade and other payables	1,237	1,282	3,995	6,452	5,311	5,918	6,280
TOTAL LIABILITIES	2,932	7,820	17,870	14,568	11,148	10,359	12,181
NET ASSETS	147,726	158,411	173,423	138,167	113,777	114,258	105,957
SHAREHOLDERS' EQUITY							
Issued capital	143,201	144,916	144,924	144,928	144,928	144,908	144,909
Reserves	2,048	36	48	54	54	63	63
Accumulated losses	2,478	13,395	26,834	(8,329)	(31,205)	(30,713)	(39,015)
Parent entity interest	147,727	158,347	171,806	136,653	113,777	114,258	105,957
Minority Interests	(1)	64	1,617	1,515	-	-	-
TOTAL EQUITY	147,726	158,411	173,423	138,167	113,777	114,258	105,957

Source: Company filings

6 Information on SPEL

6.6 Material changes to the financial position of SPEL since 31 July 2011

Within the knowledge of the SPEL Directors and other than as disclosed in this Scheme Booklet or announced to ASX, the financial position of SPEL has not materially changed since 31 July 2011, being the date of the balance sheet included in the 2011 Annual Report.

6.7 SPEL capital structure

(a) SPEL Shares

As at the date of this Scheme Booklet, there are 593,719,107 SPEL Shares on issue that are quoted on the ASX.

SPEL does not anticipate that it will be required to issue further SPEL Shares before the Implementation Date, other than on any exercise of any SPEL Options, in accordance with their terms.

(b) SPEL Options

As at the date of this Scheme Booklet, there are 74,024,813 SPEL Options on issue that are quoted on the ASX. The SPEL Options have an exercise price of \$0.20 and expire on 2 February 2015.

6.8 Recent SPEL Share price performance

The closing price of SPEL Shares on the ASX on 31 October 2011, being the last date SPEL Shares traded before this Scheme Booklet was registered with ASIC, was \$0.16.

The closing price of SPEL Shares on the ASX on 16 September 2011 was \$0.065, being the last date SPEL Shares traded before the Schemes were announced by SPEL and WHSP to ASX.

During the three month period immediately preceding the date on which this Scheme Booklet was lodged for registration with ASIC, the highest and lowest recorded sale prices of SPEL Shares on ASX were \$0.16 on 20 October 2011 and 31 October 2011 and \$0.06 on 9 August 2011 respectively.

The VWAP of SPEL Shares on the ASX for the one and three month periods to 16 September 2011 (inclusive) was \$0.069 and \$0.072 respectively.

The current price of SPEL Shares on the ASX can be obtained from the ASX website (www.asx.com.au).

6.9 Recent SPEL Option price performance

The closing price of SPEL Options on the ASX on 31 October, being the last date SPEL Options traded before this Scheme Booklet was registered with ASIC, was \$0.009.

The closing price of SPEL Options on the ASX on 16 September 2011 was \$0.006, being the last date SPEL Options traded before the Schemes were announced by SPEL and WHSP to ASX.

During the three month period immediately preceding the date on which this Scheme Booklet was lodged for registration with ASIC, the highest and lowest recorded sale prices of SPEL Options on ASX were \$0.01, on several days, (with 6 October 2011 being the most recent) and \$0.005, on several days, (with 29 August 2011 being the most recent), respectively.

The VWAP of SPEL Options on the ASX for the one and three month periods to 16 September 2011 (inclusive) was \$0.0063 and \$0.0076 respectively.

The current price of SPEL Options on the ASX can be obtained from the ASX website (www.asx.com.au).

7 Information on WHSP

This Section has been prepared by WHSP and WHSP is solely responsible for its accuracy.

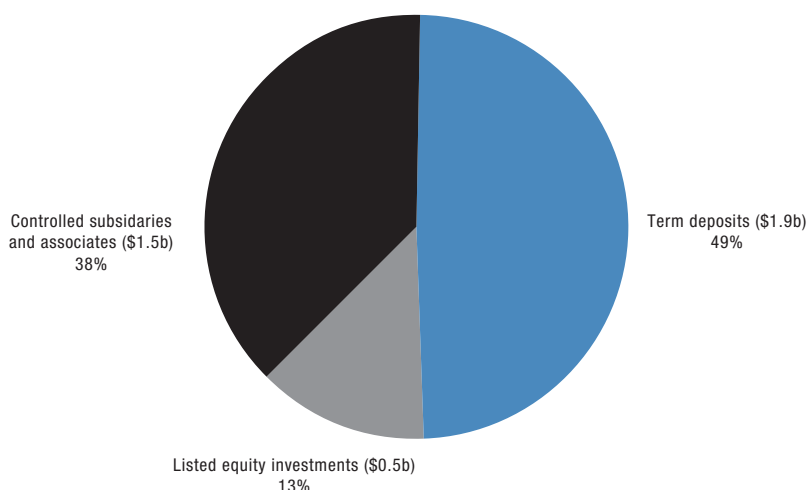
7.1 Overview of WHSP

(a) WHSP's overview and history

WHSP is a diversified investment company incorporated in Australia and is Australia's second oldest listed company, having listed in 1903.

WHSP has significant investments across a range of different sectors including resources, telecommunications, building products, financial services, pharmaceuticals, retail and agriculture.

WHSP Consolidated Net Assets as at 31 July 2011



Note: this is a consolidated net asset position that includes WHSP's controlled entities

Source: Company filings

(b) The directors of WHSP as at the date of this Scheme Booklet are:

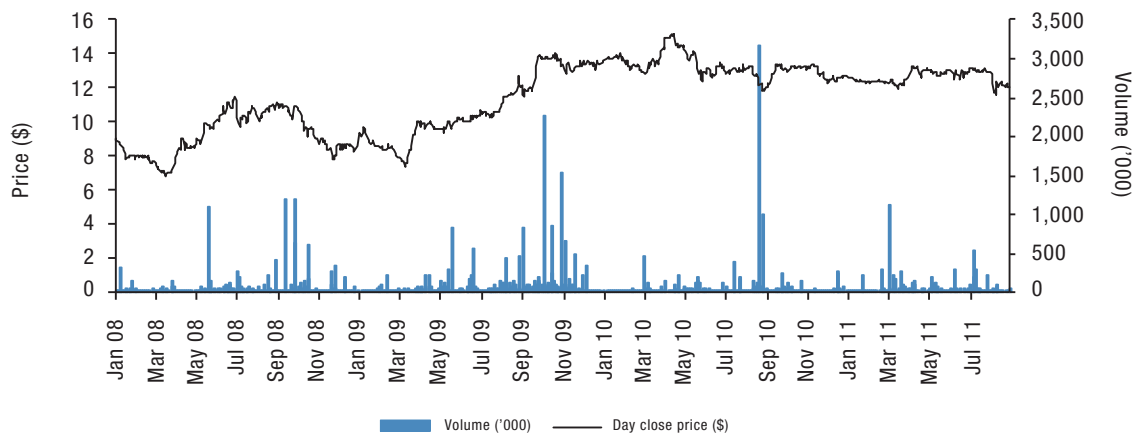
Name	Position
Robert Millner	Non Executive Chairman
Michael Millner	Non Executive Deputy Chairman
Peter Robinson	Executive Director
Thomas Millner	Non Executive Director
David Fairfull	Non Executive Director
Robert Westphal	Non Executive Director
David Wills	Non Executive Director

Source: Company filings

7 Information on WHSP

(c) WHSP share price and volume history

The historical trading prices and volumes of WHSP Shares are as follows:

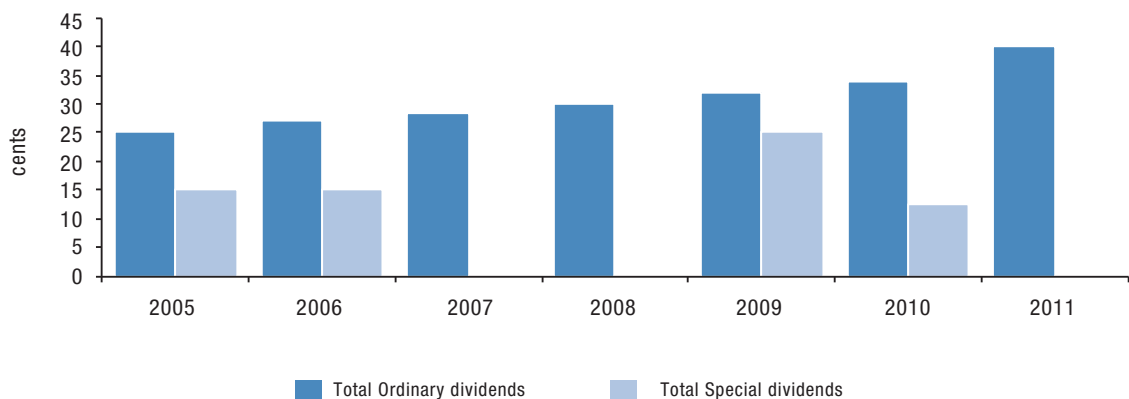


Source: ASX

However, the historic share price performance of WHSP Shares provides no assurance as to future share and performance of WHSP Shares.

(d) Dividend history

The dividends paid by WHSP to its Shareholders since 2005 are as follows:



Source: Company filings

However, the dividend history of WHSP provides no assurance as to the payment of any future dividends.

7 Information on WHSP

7.2 2011 WHSP Annual Report

The 2011 WHSP Annual Report, which has been lodged with ASX, contains detailed information about the WHSP Group's assets, business and operations. It also includes a copy of the audited consolidated financial statements of the WHSP Group for the financial year ended 31 July 2011.

SPEL Securityholders can view the 2011 WHSP Annual Report on the WHSP website (www.whsp.com.au) or on the ASX website (www.asx.com.au).

7.3 Financial Information

The financial information contained in this Section 7.3 has been presented in abbreviated form. It does not contain all the disclosures usually provided in an annual financial report or a half year financial report prepared in accordance with the Corporations Act.

Notes to, and forming part of, the audited or reviewed Income Statements and Statements of Financial Position are set out in WHSP's annual financial report for the financial years ended 31 July 2009, 31 July 2010 and 31 July 2011.

WHSP abbreviated profit and loss statements

	2009 \$ '000	2010 \$ '000	2011 \$ '000
Revenue from continuing operations	774,953	823,307	758,387
Other income	2,429,851	70,205	567,309
Revenue	3,204,804	893,512	1,325,696
Cost of sales	(259,768)	(393,133)	(345,295)
Selling and Distribution Expenses	(88,966)	(124,719)	(132,654)
Administration Expenses	(46,442)	(33,651)	(39,471)
Other Expenses	(4,470)	(1,943)	(4,633)
Impairment of assets	(147,705)	(706)	(41,492)
Finance Costs	(1,478)	(2,437)	(2,692)
Share of results from equity accounted associates	(5,493)	40,985	36,582
Profit before income tax	2,650,482	377,908	796,041
Income tax expense	(798,595)	(86,816)	(237,791)
Profit after tax	1,851,309	291,092	558,250
Profit after tax attributable to non controlling interest	(738,657)	(72,765)	(194,379)
Profit after tax attributable to members of WHSP	1,112,652	218,327	363,871

Source: Company filings

7 Information on WHSP

WHSP abbreviated balance sheet

	2009 \$ '000	2010 \$ '000	2011 \$ '000
Cash	2,847,768	1,765,186	2,007,694
Equity accounted associates and joint ventures	526,798	685,739	764,498
Equity Portfolio	924,907	547,707	507,878
PPE	416,121	458,706	775,604
Assets held for sale	-	576,211	-
Other	229,066	254,163	419,927
Assets	4,944,660	4,287,712	4,475,601
Trade Payables	43,264	64,113	62,467
Interest Bearing Liabilities	33,827	41,193	44,168
Tax Liabilities	1,002,139	322,746	407,902
Provisions	38,045	40,020	47,306
Other	122	-	-
Liabilities	1,117,397	468,072	561,843
Net Assets	3,827,263	3,819,640	3,913,758

Source: Company filings

7.4 WHSP Shares

(a) Capital Structure

As at the date of this Scheme Booklet, WHSP has only one class of shares, being fully paid ordinary shares (referred to in this Scheme Booklet as WHSP Shares).

As at the date of this Scheme Booklet, there are 238,640,580 WHSP Shares on issue.

(b) Substantial Shareholders

WHSP's substantial shareholders as disclosed to ASX as at 31 October 2011 are set out below.

Company	Shares	%
Brickworks Limited	102,257,830	42.85
Perpetual Limited	29,318,700	12.29
Millner Family	19,474,256	8.16

Source: ASX

7 Information on WHSP

As at 11 October, 2011, the following table represents the distribution of WHSP shareholders owning WHSP Shares.

Size of Shareholding	Number of Shareholders	Number of Shares
1 – 1000	3,038	1,733,659
1,001 – 5,000	3,653	9,537,289
5,001 – 10,000	919	7,071,574
10,001 – 100,000	799	20,463,227
100,000+	83	199,861,831
Total	8,492	238,640,580
Holding less than a marketable parcel	160	653

Source: Company filings

(c) Market information about WHSP Shares

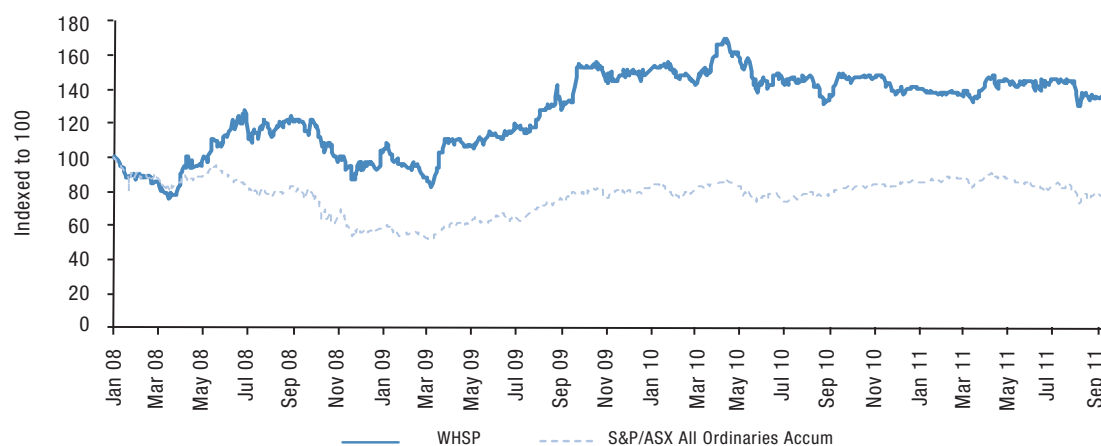
The Scheme Consideration to be provided to Scheme Shareholders in connection with the acquisition of SPEL Shares by the Bidder pursuant to the Share Scheme includes New WHSP Shares. The New WHSP Shares are in the same class as the existing WHSP Shares, which shares have been granted official quotation by ASX.

The closing price of WHSP Shares on the ASX on 31 October 2011, being the last date WHSP Shares traded before the Scheme Booklet was registered with ASIC, was \$13.80.

The closing price of WHSP Shares on the ASX on 16 September 2011 was \$12.09, being the last date WHSP Shares traded before the Schemes were announced by WHSP and SPEL to ASX.

During the three month period immediately preceding the date on which this Scheme Document was lodged for registration with ASIC, the highest and lowest recorded sale prices of WHSP Shares on ASX were \$14.74 on 14 October 2011 and \$11.16 on 9 August 2011 respectively.

The VWAP of WHSP Shares on the ASX for the one and three month periods to 16 September 2011 was \$12.09 and \$12.61 respectively (Source: Independent Expert's Report).



Source: ASX

None of the trading prices of WHSP Shares referred to above should be taken as necessarily being an indication of the likely price of the WHSP Shares following implementation.

7 Information on WHSP

The current trading price of WHSP Shares on the ASX can be obtained from the ASX website (www.asx.com.au).

(d) Rights attaching to WHSP Shares

The New WHSP Shares to be issued as part of the Share Scheme Consideration will be issued fully paid and, from the date of their issue, rank equally with existing WHSP Shares.

An application will be made by WHSP to ASX for the granting of official quotation of the New WHSP Shares to be issued pursuant to the Share Scheme. Quotation is not guaranteed or automatic on such application, but quotation is expected in the ordinary course as WHSP is already admitted to the official list of ASX.

It is expected that the New WHSP Shares to be issued pursuant to the Share Scheme will commence trading on ASX, initially on a deferred settlement basis, on Wednesday, 21 December 2011. It is the responsibility of each Scheme Shareholder to determine their entitlement to New WHSP Shares under the Share Scheme before trading those shares to avoid the risk of selling shares that they do not own. Normal trading of the New WHSP Shares issued pursuant to the Share Scheme is expected to commence on Thursday, 5 January 2012.

The rights attaching to WHSP Shares are set out in the WHSP Constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and the general law.

The following is a summary of the principal rights attaching to WHSP Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of WHSP, which can involve complex questions of law arising from the interaction of the WHSP Constitution and statutory, common law and ASX Listing Rule requirements. To obtain a definitive assessment of the rights and liabilities which attach to the WHSP Shares in any specific circumstances, investors should seek their own professional advice.

General Meetings

Each WHSP shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of WHSP and to receive all notices, accounts and other documents required to be furnished to WHSP shareholders under the WHSP Constitution, the Corporations Act or the ASX Listing Rules.

Voting rights

Subject to the Constitution, the ASX Listing Rules and any rights or restrictions for the time being attached to any class of shares, at a meeting of WHSP shareholders, each WHSP shareholder entitled to vote may vote in person or by proxy or attorney or, being a corporation, by a representative duly authorised under the Corporations Act, and has one vote on a show of hands and one vote per share on a poll.

Dividend rights

Subject to the WHSP Constitution, the Corporations Act and the ASX Listing Rules, the profits of WHSP which the WHSP Directors may from time to time determine to distribute by way of dividend are payable equally on all WHSP Shares.

Rights on a winding up

If WHSP is wound up, any assets available for distribution to WHSP shareholders will, subject to the rights of the holders of WHSP shares issued on special terms and conditions, the WHSP Constitution, the Corporations Act and the ASX Listing Rules, be distributed amongst WHSP shareholders to return paid up capital on their WHSP Shares and distribute any surplus in proportion to the number of WHSP Shares held by WHSP shareholders. The liquidator may, with the authority of a special resolution, divide among

7 Information on WHSP

the WHSP shareholders in specie or in kind any part of the property of the WHSP and may, for that purpose, set such value as the liquidator considers fair and reasonable upon the property and determine how the division is to be carried out between the WHSP Shareholders.

Transfer of Shares

Subject to the WHSP Constitution, the Corporations Act, the ASX Listing Rules and ASX Settlement Rules, WHSP Shares are freely transferable. Subject to the ASX Listing Rules and the Corporations Act, the WHSP Directors may refuse to register a transfer or apply a holding lock to prevent a transfer of WHSP Shares only in limited circumstances, such as where the WHSP has a lien on those WHSP Shares.

Variation of rights

Subject to the Corporations Act and the ASX Listing Rules, the rights, privileges and restrictions attaching to WHSP Shares, or to any other class of shares which may be issued in the future, can only be varied or cancelled by a special resolution passed at a general meeting of the holders of shares of the relevant class or with the written consent of the holders of at least three quarters of shares of the relevant class on issue.

Share buy-backs

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Rules, WHSP may reduce its share capital and buy-back WHSP Shares on any terms at any time.

Amendment of WHSP Constitution

The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the members of the company. The WHSP Constitution does not provide for any further requirements to be complied with to effect a modification of, or to repeal, the WHSP Constitution.

7.5 Continuous Disclosure

WHSP is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. WHSP has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of WHSP Shares. Copies of documents filed with ASX may be obtained from ASX's website www.asx.com.au.

In addition, WHSP is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to WHSP may be obtained from, or inspected at, an ASIC office.

The following documents are available on WHSP's website at www.whsp.com.au:

- 2011 WHSP Annual Report;
- 2011 WHSP Half Year Report;
- 2010 WHSP Annual Report; and
- any continuous disclosure notice lodged by WHSP with ASX between lodgement of the 2011 WHSP Annual Report with ASX and the date of this Scheme Booklet.

Since lodgement of the 2011 WHSP Annual Report, WHSP has made the following ASX Announcements:

- 01-11-2011 SOE: Update on Scheme of Arrangement;
- 01-11-2011 Change of Director's Interest Notice;
- 01-11-2011 Change of Director's Interest Notice;
- 01-11-2011 Change of Director's Interest Notice;
- 01-11-2011 2011 Annual Report and Annual General Meeting;

7 Information on WHSP

7.6 Post-acquisition intentions of WHSP

This Section 7.6 sets out WHSP's current intentions in relation to:

- the continuation of the business of SPEL;
 - any major changes to the business of SPEL: and
 - the future employment of the present employees of SPEL,
- in circumstances where the Share Scheme is implemented.

These intentions are based on the information concerning SPEL, its business and the general business environment which is known to WHSP at the time of the preparation of this Scheme Booklet. Final decisions in relation to the ongoing prospects for SPEL will only be reached after WHSP has had an opportunity to undertake a detailed review of SPEL's business and operations.

Accordingly, the statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change.

- Delisting**
WHSP will seek to have SPEL removed from the official list of the ASX immediately following implementation of the Schemes.
- Board Composition**
The composition and structure of the SPEL Board will be reviewed immediately following Implementation of the Share Scheme to reflect the requirements of SPEL being a wholly owned subsidiary of WHSP.
- Business Continuity and Major Changes**
WHSP does not expect to change the way SPEL's investments are managed or the way in which SPEL is operated other than as mentioned above.
- Employees**
SPEL does not have any employees but is externally managed by the Investment Manager. WHSP does not intend to change the existing arrangements with the Investment Manager in this regard.
- SPEL Options**
If the Share Scheme becomes Effective but the Option Scheme does not, WHSP intends (to the extent possible) to undertake a compulsory acquisition procedure in respect of the SPEL Options that remain outstanding following implementation of the Share Scheme pursuant to Division 1 of Part 6A.2 of the Corporations Act. The consideration offered under that procedure will be determined having regard to the requirements of Part 6A.4 of the Corporations Act, and accordingly that consideration may be more than or less than the Option Scheme Consideration.

7.7 WHSP's funding arrangements

WHSP has executed the Share Scheme Deed Poll in favour of each Scheme Shareholder pursuant to which it undertakes (subject to the Share Scheme becoming Effective) to pay (or procure the payment of) the aggregate Cash Consideration on the Implementation Date to SPEL to hold on trust for each Scheme Shareholder and provide the Share Scheme Consideration to each Scheme Shareholder on the Implementation Date.

Similarly, WHSP has executed the Option Scheme Deed Poll in favour of each Optionholder pursuant to

7 Information on WHSP

which it undertakes (subject to the Option Scheme becoming Effective) to pay (or procure the payment of) on the Implementation Date the aggregate Option Scheme Consideration to SPEL to hold on trust for each SPEL Optionholder with SPEL in turn paying the Option Scheme Consideration to Scheme Optionholders on the Implementation Date.

A copy of the Share Scheme Deed Poll and Option Scheme Deed Poll are contained in Annexure F and Annexure G respectively.

If all Scheme Shareholders were to receive the Cash Consideration for their Scheme Shares, the total consideration payable by WHSP to Scheme Shareholders and Scheme Optionholders for the acquisition of all of the Scheme Shares and the cancellation of all of the Scheme Options is approximately \$84.9 million (excluding SPEL Shares and SPEL Options already held by WHSP). Based on WHSP's audited consolidated balance sheet as at 31 July 2011, WHSP held cash and cash equivalents of \$2.0 billion (on a consolidated basis) and net assets of \$3.9 billion. As per the Chairman's Review contained in WHSP's 2011 Annual Report (lodged with the ASX on 25 October 2011), WHSP held cash and deposits of \$320 million within the parent entity at 31 July 2011. As at the date of this Scheme Booklet, WHSP has cash and cash equivalents of approximately \$287 million.

WHSP intends to fund the aggregate Cash Consideration and Option Scheme Consideration from its own cash resources and the group financial resources without recourse to any funds from an external third party. Accordingly, if the Share Scheme and the Option Scheme are implemented, WHSP will have, on the Implementation Date, sufficient cash funds to pay the aggregate Cash Consideration to all Scheme Shareholders, and the aggregate Option Scheme Consideration to all Scheme Optionholders.

7.8 Information WHSP's interests on SPEL Securities

a) Interests in SPEL Securities held by WHSP

Security	Number Held	%
SPEL Shares	79,339,419	13.36
SPEL Options	9,917,428	13.40

Source: Company filings

b) Acquisitions of SPEL Securities by WHSP or its Associates

In the four months prior to the date of this Scheme Booklet, neither WHSP nor any of its Associates has provided, or agreed to provide, consideration for SPEL Securities under a purchase agreement or other agreement, other than the agreement under the Deed Polls to pay the Share Scheme Consideration and Option Scheme Consideration.

c) Pre-Scheme Benefits

In the four months prior to the date of this Scheme Booklet, neither WHSP nor any of its Associates have provided any benefit, or agreed to provide any benefit, to a person to induce them to vote in favour of the Scheme(s) or to dispose of their SPEL Shares or SPEL Options, other than the agreement under the Deed Polls to pay the Share Scheme Consideration and Option Scheme Consideration.

8 Risks for SPEL Securityholders associated with the proposal

8.1 Introduction

The Schemes present a number of potential risks that SPEL Securityholders should consider when deciding whether to vote in favour of the Schemes.

If the Share Scheme proceeds, Scheme Shareholders (other than Ineligible Foreign Shareholders) may elect to receive New WHSP Shares as Share Scheme Consideration and will therefore be exposed to the risks associated with an investment in WHSP. Some of these risks relate to the SPEL businesses which will be acquired by WHSP and are therefore risks to which SPEL Securityholders already have some exposure. However, a number of them will be new or potentially greater in impact than is currently the case in relation to SPEL.

If the Schemes do not proceed, SPEL will continue to be subject to a number of risks and uncertainties, which are both specific to SPEL and of a more general nature and which may affect the future operating and financial performance of SPEL and the value of SPEL Shares and SPEL Options.

The outline of the risks in this Section 8 is a summary only and should not be considered exhaustive. Additional risks and uncertainties that SPEL is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the operating and financial performance of SPEL or WHSP.

You should carefully consider the following risk factors as well as the other information contained in this Scheme Booklet before voting on the Scheme(s) relevant to you. This Section 8 does not take into account the investment objectives, financial situation, taxation position or particular needs of SPEL Securityholders.

8.2 Risk factors specific to SPEL

Specific factors (including factors relating to investments in private equity) which may have a significant impact on the future performance of SPEL, both with respect to its profitability and the underlying price of SPEL Shares and SPEL Options, include:

(a) Investment portfolio risks

The performance and value of SPEL is reliant on the performance and value of its investments. The success of SPEL's investment strategies may be affected by the:

- performance of the companies in which SPEL invests;
- level of dividend payments made by the companies in which SPEL invests;
- market prices of the securities in which SPEL invests; and
- market liquidity of the listed and unlisted securities in which SPEL invests. Unlisted investments in particular are generally illiquid and SPEL may be hindered in its ability to realise such investments in a timely manner.

(b) Liquidity risk

- SPEL Shares and SPEL Options have traditionally been illiquid.
- SPEL's investment portfolio is illiquid, with the majority of investments in unlisted assets, with SPEL having limited rights to effect exits from those investments.

(c) Share Price not reflecting NTA

SPEL Shares have traditionally traded at a steep discount to the underlying Net Tangible Asset (NTA) backing per share reported by SPEL.

8 Risks for SPEL Securityholders associated with the proposal

(d) Future payment of dividends

SPEL's future dividend levels will be determined by the SPEL Board having regard to its operating results and financial position. There is no guarantee that any dividends will be paid by SPEL or, if paid, that they will be paid at previous levels.

SPEL has not paid a dividend since 2007.

(e) Key person risk

The operating and financial performance of SPEL is dependent on the ability of its investment portfolio companies to retain key personnel (including senior management) and the ability of the Investment Manager to retain its key personnel. There can be no assurance that there will not be a detrimental impact on SPEL's operations and performance if a number of these key personnel cease their employment.

(f) Technological change

The value and performance of SPEL may be affected by technological change which may cause a portfolio company's product to be obsolete before it has been fully exploited commercially.

(g) Interest rate risk and credit availability

The value and performance of SPEL may be affected by changes in the level of interest rates because SPEL may have a level of borrowing and the companies in which SPEL may invest may often have a high level of debt.

Further, general economic and business conditions that impact the debt or equity markets, such as the recent global financial crisis, could impact the availability of credit to, and cost of credit for, SPEL. Any economic event that limits SPEL's access to capital or that precipitates a significant rise in interest rates could have a material adverse effect on the SPEL's financial results, business prospects and financial condition.

(h) Risks associated with private equity investments

The value and performance of SPEL may be affected by:

- the availability of suitable investments, particularly having regard to increased competition in the private equity market;
- its portfolio being less diversified than some listed investment companies;
- unlisted investments being illiquid and the inability of SPEL to realise such investments in a timely manner;
- investment in private equity potentially being of a higher risk than other asset classes and some investments possibly failing; and
- SPEL's investments in private equity being diluted by the raising of additional funds by a portfolio company.

8.3 Risk factors specific to WHSP

WHSP holds significant investments in coal mining, telecommunications and internet retailing, pharmaceutical distribution and retailing and building products. The financial condition and performance of WHSP is reliant on these investments. Set out below are a number of risks associated with WHSP's investments.

8 Risks for SPEL Securityholders associated with the proposal

- (a) Risks specific to WHSP's portfolio of investments
- i. Risks specific to WHSP's investment in coal mining include:
 - changes to regulations and government policies, particularly relating to the proposed carbon tax, mineral resources rent tax or any strategic cropping legislation;
 - adverse coal price movements which may affect the revenue and performance of the coal mining operations;
 - adverse weather conditions or other natural events, particularly rain and flood, may result in reduced production levels;
 - operational risks including disruptions to energy and water supply or industrial action; and
 - adverse currency movements may affect business revenue and expenses.
 - ii. Risks specific to WHSP's investment in telecommunications and internet retailing include:
 - changes to regulations and government policies, and in particular, any negative impact of the federal government's broadband initiatives;
 - structural and market risks associated with participating in an industry with few large participants;
 - business risks, specifically relating to remaining subscriber growth, fibre utilisation and margin pressure; and
 - significant reliance on information technology and changes to information and telecommunications technology may impact on customers' demand for products.
 - iii. Risks specific to WHSP's investment in pharmaceutical distribution and retailing include:
 - changes to regulations and government policies on the pharmaceutical industry may affect distribution and retailing of products;
 - adverse retail conditions may result in reduced demand for products; and
 - structural and market risks, specifically any structural changes in the pharmaceutical industry.
 - iv. Risks specific to WHSP's investment in building products include:
 - longer than expected downturn in the housing cycle may reduce demand for building products;
 - adverse interest rates movements may affect construction and property sectors;
 - weaker than expected construction activity will affect demand for building products; and
 - weaker than expected activity in the property market.

(b) Equity market risks

As result of WHSP's investments in listed entities, WHSP has a large exposure to the equity markets. The financial performance and value of WHSP Shares may be exposed to the risks of investing in equity securities. Broader market factors affecting the price of securities held by WHSP are unpredictable and may be unrelated or disproportionate to the financial or operating performance of the relevant investment. Such factors may include the domestic and international economic outlook, global political and economic stability, interest and inflation rates, foreign exchange rates and investor sentiment.

8 Risks for SPEL Securityholders associated with the proposal

(c) Dependence on key personnel

The performance of WHSP will depend on the continued retention of certain executives and other key management personnel. A loss of one or more key individuals or the inability to attract suitably qualified personnel in the future could affect the business of WHSP. As WHSP's business extends across different sectors, it may experience difficulties in employing and retaining qualified personnel who are willing to work in certain jurisdictions.

(d) Potential sale of New Hope Corporation Limited

On 5 October 2011, New Hope Corporation Limited ('New Hope'), an ASX listed company in which WHSP has a majority stake, announced its intention to consider offers to acquire the company. There is no certainty that this process will deliver a change in control of New Hope or the price at which a change of control of New Hope may occur. New Hope is the largest asset owned by WHSP and the outcome of the sales process will have a material impact on the financial performance and value of WHSP. If a change in control of New Hope occurs, the portfolio composition of WHSP's investments could be significantly different.

8.4 Risks relating to the Schemes

(a) Initial potential for high volumes of sale of New WHSP Shares issued as Share Scheme Consideration.

The Scheme Shareholders (other than Ineligible Foreign Shareholders) who elect to receive New WHSP Shares as Share Scheme Consideration may not intend to continue to hold the New WHSP Shares issued to them under the Share Scheme and may wish to sell the New WHSP Shares on the ASX following implementation of the Share Scheme. There is a risk that if a significant number of Scheme Shareholders seek to sell their New WHSP Shares, this may adversely impact the price of the WHSP Shares in the short term.

(b) Trading during the deferred settlement trading period

Scheme Shareholders (other than Ineligible Foreign Shareholders) that elect to receive the Scrip Consideration will not know the number of New WHSP Shares that they will receive in exchange for their SPEL Shares until a number of days after those New WHSP Shares can be traded on a deferred settlement basis. Scheme Shareholders who trade New WHSP Shares on a deferred settlement basis without knowing the number of New WHSP Shares they will receive as part of the Share Scheme Consideration may risk adverse financial consequences if they purport to sell more New WHSP Shares than they receive.

(c) An investment in WHSP is not an identical substitute for an investment in SPEL

Scheme Shareholders (other than Ineligible Foreign Shareholders) that elect to receive the Scrip Consideration will receive New WHSP Shares in exchange for their Scheme Shares. However, an investment in WHSP is not an identical substitute for an investment in SPEL as (amongst other reasons) the underlying investment profile of each of WHSP and SPEL is different.

As at the date of this Scheme Booklet, Brickworks has a relevant interest in approximately 42.85% of WHSP. Further, WHSP has a relevant interest in approximately 44.48% of Brickworks. Accordingly, it is unlikely that any public control transaction (such as a takeover or scheme of arrangement) for WHSP will be made by a third party. To the extent any such transaction is to be made for WHSP, it would essentially require the consent of Brickworks (in which WHSP has a substantial interest). Accordingly, the arrangements between WHSP and Brickworks could potentially have a negative impact on the trading prices of WHSP Shares.

8 Risks for SPEL Securityholders associated with the proposal

8.5 General Risk Factors

- (a) Changes to government policy, taxation laws and regulatory conditions

Governmental action, including delay, inaction, policy change or the introduction of new, or amendment of or changes in interpretation of existing legislation or regulations may have an adverse effect on SPEL's and WHSP's financial performance. The nature and impact of future changes such as regulations and policies are not predictable and will be beyond SPEL's and WHSP's control. Also, any significant changes in tax law could have an adverse effect on SPEL's and WHSP's financial condition and performance.

The principal activities of WHSP include ownership of listed shares, coal mining, distribution and retail of pharmaceutical products, distribution and retail of telecommunications and internet products and the manufacture of building products. Certain of these business operations such as mining, telecommunications and sale of pharmaceutical products are subject to extensive laws and regulations. Failure to comply with applicable laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties.

There can be no assurance that WHSP or SPEL has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with current and future laws and regulations will not materially or adversely affect the future cash flow, results of operations and financial condition of SPEL or WHSP (as the case may be).

In particular, WHSP's coal operations may be affected by the impact of future carbon trading or carbon tax regimes or future regulation of carbon emissions, together with any other legislative requirements relating to climate change or associated issues.

- (b) Litigation risk

Exposure to litigation brought by third parties such as customers, regulators, employees or business associates could negatively impact on SPEL's or WHSP's financial performance (as the case may be) through increased costs, payments for damages and reputational damage.

Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on the future cash flow, results of operations or financial condition of SPEL or WHSP (as the case may be).

- (c) Disruption to business operations

SPEL's and WHSP's portfolio investments are exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failure, accidents, strike and employee related actions, information systems failure, external services failure, industrial action and natural disasters. While SPEL and WHSP endeavour to take appropriate action to mitigate these operational risks and, where practicable, to insure against these risks, it is not possible to completely remove all possible risks relating to each company's business, that of its portfolio investments nor control risks to which its customers or its portfolio businesses are exposed. A disruption in the operations of SPEL or WHSP, one or more of their portfolio investments or the customers of portfolio businesses may have an adverse impact on the operating results and financial performance of either or both SPEL or WHSP (as the case may be).

- (d) General investment in shares

Investors should be aware that there are risks associated with any investment in equity securities. Any securities traded on a stock exchange are subject to general risk factors which affect their

8 Risks for SPEL Securityholders associated with the proposal

price (e.g. changes to the economic climate, interest and inflation rates, currency exchange rates, investor sentiment and the demand and supply for capital). These risk factors are generally unpredictable and may have implications that are unrelated or disproportionate to the operating performance of the relevant company.

If the Share Scheme becomes Effective, these risks may affect the value of the New WHSP Shares and in turn the value of the Scrip Consideration received by those Scheme Shareholders that submitted an Election. It should be noted that the historic share price performance of WHSP Shares provides no guidance or guarantee as to future share performance of WHSP Shares.

If the Schemes do not become Effective, investors should recognise that the trading price of SPEL Shares and SPEL Options may fall as well as rise with movements in the equity capital markets in Australia and internationally. It should be noted that there is no guarantee that the SPEL Shares and SPEL Options will trade at or above current levels if the Schemes are not approved. It should also be noted that the historic share price performance of SPEL Shares and SPEL Options provides no guidance or guarantee as to the future SPEL Share and Option price performance. The sale of a large parcel of SPEL Shares or SPEL Options (whether by WHSP or another SPEL Securityholder) may cause fluctuations in the price at which SPEL Shares and SPEL Options trade on the ASX.

(e) General economic conditions

A number of factors outside the control of SPEL and WHSP may impact significantly on the operating and financial performance of the companies and the price of the SPEL Shares or WHSP Shares, including:

- economic conditions in Australia and internationally;
- general movements in local and international stock markets;
- investor sentiment;
- commodity prices;
- changes in interest rates, exchange rates, economic growth and the rate of inflation;
- changes in fiscal, monetary and regulatory policies; and
- international hostilities.

Prolonged or continued deterioration in general economic conditions, including a reduction in government spending or a decrease in consumer and business demand, could have an adverse impact on the operating and financial performance of either or both of SPEL and WHSP. This impact might not be immediate.

(f) International factors

To the extent that WHSP's and SPEL's investments rely on overseas factors, the value of those investments may be affected by:

- political, legal or economic instability in the jurisdictions in which the investments are located or general global economic instability;
- foreign exchange movements which may affect the value of foreign assets or foreign earnings; and
- the impact of the global security situation and possible terrorist disturbances.

9 Taxation consequences for SPEL Securityholders

9.1 Overview

The following is a general outline of the Australian tax consequences that may apply for Scheme Shareholders who dispose of their SPEL Shares under the Share Scheme and Scheme Optionholders whose SPEL Options are cancelled under the Option Scheme.

It does not take into account the specific circumstances of any particular SPEL Securityholder. This outline reflects the **Tax Law** as at the date of this Scheme Booklet. This general outline does not take into account or anticipate changes in the law after the date of this Scheme Booklet, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

This general outline does not apply to all SPEL Securityholders. For example, it does not apply to SPEL Securityholders that:

- hold their SPEL Securities on revenue account (for example, as trading stock, in the course of carrying on a business or for the purposes of re-sale at a profit);
- elect to receive Scrip Consideration and will hold their New WHSP Shares on revenue account;
- are exempt from Australian tax;
- are currently subject to the application of the taxation of financial arrangements rules (**TOFA**) included in Division 230 of the Tax Law;
- acquired their SPEL Securities under an employee share or option scheme or otherwise acquired their SPEL Securities in respect of their employment with, or services provided to, SPEL;
- obtained rollover relief in connection with acquiring their SPEL Securities;
- are SPEL Shareholders and acquired their SPEL Shares by exercising an option;
- hold, or have held, their SPEL Securities through a permanent establishment outside their country of tax residence;
- are, or have been, temporary residents of Australia for the purposes of the Tax Law; or
- have not been resident in the same country for tax purposes throughout the period they have owned their SPEL securities, and in the case of SPEL Shareholders that elect to receive Scrip Consideration, will not be resident in that same country throughout the period they will own their New WHSP Shares.

If a SPEL Securityholder is a trustee, this outline also does not consider the tax consequences for the underlying beneficiaries.

Such SPEL Securityholders should consult their own independent tax adviser regarding the tax consequences of participating in the Schemes to take into account their particular circumstances.

The tax consequences for a SPEL Securityholder disposing of their SPEL Securities may depend, in part, upon whether they are an individual or an entity (e.g. a company, the trustee of a trust or a complying superannuation fund). Unless otherwise indicated, this outline applies to SPEL Securityholders who are individuals.

SPEL Securityholders that are not residents of Australia for the purposes of the Tax Law should seek their own independent professional advice regarding the tax consequences under the laws of their country of residence, as well as under Australian law, in relation to the Schemes.

9 Taxation consequences for SPEL Securityholders

9.2 Capital gains tax consequences for Scheme Shareholders that receive Cash

Consideration

Outlined below is a guide to calculating the capital gain or capital loss on the disposal of SPEL Shares under the Share Scheme. Foreign SPEL Shareholders should refer to the section entitled "Foreign SPEL Shareholders".

Guide for calculating the capital gain or loss on the disposal of SPEL Shares

CGT event	If the Share Scheme is approved, a SPEL Shareholder will dispose of their SPEL Shares for tax purposes as a result of the implementation of the Share Scheme. The disposal will be a CGT event. The CGT event will happen on the Implementation Date.
Capital gain	If the capital proceeds received by a SPEL Shareholder from the disposal of their SPEL Shares exceed their cost base, a capital gain may arise.
Capital loss	<p>If the capital proceeds received by a SPEL Shareholder from the disposal of their SPEL Shares are less than their reduced cost base, a capital loss may arise.</p> <p>As outlined below, net capital losses cannot be used to reduce the other assessable income of a SPEL Shareholder, but may be carried forward to offset future capital gains.</p>
Capital proceeds	For SPEL Shares, the capital proceeds will be equal to the Cash Consideration.
Cost base or reduced cost base	<p>The cost base of a SPEL Shareholder's SPEL Shares is generally equal to the cost of acquisition plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty, and other costs such as professional advisers' fees, to the extent not otherwise deductible).</p> <p>Certain amounts are excluded from the "reduced cost base" for the purpose of calculating a capital loss.</p>
Amounts included in assessable income	<p>Capital gains and capital losses of a taxpayer in a year of income from all sources are aggregated, together with any unapplied net capital loss from prior years, to determine if the taxpayer made a net capital gain or a net capital loss.</p> <p>Any net capital gain for the income year is included in assessable income.</p> <p>Net capital losses may not be deducted against other assessable income for income tax purposes, but may be carried forward to offset against capital gains derived in future income years. Specific loss rules apply to SPEL Shareholders that are companies and trusts. These rules may, among other things, limit the ability to offset capital</p>

9 Taxation consequences for SPEL Securityholders

losses in a current or later income year. These loss rules are complex. Companies and trustees should seek their own independent professional advice as to how these rules apply to them and their beneficiaries, having regard to their own particular circumstances.

CGT discount

The CGT discount may apply to a SPEL Shareholder's net capital gain. A SPEL Shareholder may be eligible to apply the CGT discount to their net capital gain if:

- the capital gain relates to SPEL Shares they acquired (for the purposes of the Tax Law) at least 12 months prior to the disposal; and
- they are an individual, a trust, or a complying superannuation entity.

Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain will be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33 $\frac{1}{3}$ %.

The CGT discount is not available to a company.

Foreign SPEL Shareholders

Foreign SPEL Shareholders may disregard the whole of the capital gain or capital loss they make on the disposal of their SPEL Shares if, broadly speaking:

- they are not a resident of Australia for the purposes of the Tax Law and have not used the SPEL Shares in carrying on business through an Australian permanent establishment; and
- they (and their associates) do not hold 10% or more of SPEL Shares on the Implementation Date and have not held 10% or more of SPEL Shares throughout a 12 month period during the two years preceding the disposal of their SPEL Shares.

Foreign SPEL Shareholders that have held 10% or more of SPEL Shares, either alone or together with their associates, should obtain specific advice on the application of the Australian CGT rules to any gain or loss that arises on disposal.

Foreign SPEL Shareholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the disposal of their SPEL Shares.

9 Taxation consequences for SPEL Securityholders

9.3 Capital gains tax consequences for SPEL Shareholders that elect to receive Scrip Consideration

Outlined below is a guide to calculating the capital gain or capital loss on the disposal of SPEL Shares under the Share Scheme. Foreign SPEL Shareholders should refer to the section entitled "Foreign SPEL Shareholders".

Guide for calculating the capital gain or loss on the disposal of SPEL Shares

Calculating the capital gain or loss

Subject to the comments below in relation to scrip for scrip rollover relief, SPEL Shareholders that elect to receive Scrip Consideration may make a capital gain or loss from the disposal of their SPEL Shares on a similar basis as that outlined above in relation to SPEL Shareholders that receive Cash Consideration.

However, the capital proceeds for such SPEL Shareholders should be the market value of the New WHSP Shares issued in respect of the relevant SPEL Shares exchanged.

Availability of scrip for scrip rollover relief

Scrip for scrip rollover relief may be available in respect of the disposal of the SPEL Shares in exchange for New WHSP Shares if the SPEL Shareholder would otherwise make a capital gain.

Choosing rollover relief

In order to obtain the rollover, the SPEL Shareholder must choose to obtain the rollover. The way that a SPEL Shareholder prepares their income tax return is sufficient evidence of making the choice.

Effect of rollover relief

If a SPEL Shareholder is eligible for, and chooses to obtain, rollover relief, they may disregard any capital gain they would otherwise make from the disposal of their SPEL Shares.

In broad terms, the effect of this rollover is to defer the capital gain until a subsequent CGT event happens in respect of the New WHSP Shares acquired. The cost base and reduced cost base in each New WHSP Share acquired under the Share Scheme should include the cost base of each relevant SPEL Share (or part thereof) exchanged (discussed further below at Section 9.4).

Further, for the purposes of applying the CGT discount, the SPEL Shareholder may be taken to acquire such a New WHSP Share at the time they acquired their SPEL Shares exchanged (also discussed further below at Section 9.4).

Foreign SPEL Shareholders

A Foreign SPEL Shareholder may only obtain roll over relief if it would otherwise make a capital gain and the New WHSP Shares would be "taxable Australian property".

A Foreign SPEL Shareholder that would otherwise make a capital gain should seek their own independent tax advice.

9 Taxation consequences for SPEL Securityholders

9.4 Tax consequences in relation to the acquisition of New WHSP Shares for SPEL Shareholders that elect to receive Scrip Consideration

(a) Disposal of New WHSP Shares

If a SPEL Shareholder acquires a New WHSP Share under the Share Scheme, the disposal of the New WHSP Share will give rise to a CGT event. This will give rise to a capital gain or loss. A capital gain may arise if the capital proceeds exceed the cost base of the New WHSP Shares for the former SPEL Shareholder. A capital loss may arise if the capital proceeds are less than the reduced cost base of the New WHSP Shares for the former SPEL Shareholder. The cost base and reduced cost base of the New WHSP Shares will depend, in part, upon whether rollover relief was obtained in respect of the disposal of the SPEL Shares under the Share Scheme. If rollover relief was obtained, the cost base and reduced cost base should be determined by reasonably attributing the cost base (or part of it) of the original SPEL Shares for which it was exchanged and for which rollover relief was obtained. If rollover relief was not obtained, the cost base and reduced cost base should include the market value of property (that is, the relevant SPEL Shares or part of them) given in exchange for the New WHSP Share.

The CGT discount may apply to a former SPEL Shareholder's net capital gain. A former SPEL Shareholder may be eligible to apply the CGT discount to their net capital gain if:

- the capital gain relates to New WHSP Shares they acquired (for the purposes of the Tax Law) at least 12 months prior to the disposal (see the discussion below); and
- they are an individual, a trust, or a complying superannuation entity.

Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain will be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33¹/₃%.

The CGT discount is not available to a company.

The acquisition date for a SPEL Shareholder of New WHSP Shares acquired in exchange for their SPEL Shares is the date that the New WHSP Shares are issued to the SPEL Shareholder. However, for the purposes of applying the CGT discount to any later disposal of the New WHSP Shares, SPEL Shareholders who obtain rollover relief should be taken to have acquired their New WHSP Shares when they acquired the original SPEL Shares.

A SPEL Shareholder may acquire a New WHSP Share in exchange for two or more SPEL Shares. In this case, the Tax Law does not specifically prescribe how to determine the time of acquisition for the New WHSP Share. One approach which may be reasonable is to aggregate the original SPEL Shares on a consecutive basis, having regard to when they were acquired, for the purposes of determining which bundle of SPEL Shares were exchanged for a New WHSP Share. It may be reasonable to treat the New WHSP Share as being acquired when the first SPEL Share in the bundle was acquired. In other contexts, the Australian Taxation Office has also expressed the view that it may be reasonable to treat the New WHSP Share as being acquired when the majority of the shares in the bundle were acquired. SPEL Shareholders should seek their own independent tax advice in relation to determining the time of acquisition for the purposes of applying the CGT discount.

Foreign SPEL Shareholders may disregard the whole of the capital gain or capital loss they make on the disposal of their New WHSP Shares if, broadly speaking:

- they are not a resident of Australia for the purposes of the Tax Law and have not used the New WHSP Shares in carrying on business through an Australian permanent establishment; and
- they (and their associates) do not hold 10% or more of New WHSP Shares at the time they

9 Taxation consequences for SPEL Securityholders

dispose of their New WHSP Shares for tax purposes and have not held 10% or more of New WHSP Shares throughout a 12 month period during the two years preceding the disposal of their New WHSP Shares.

Foreign SPEL Shareholders that have held 10% or more of New WHSP Shares, either alone or together with their associates, should obtain specific advice on the application of the Australian CGT rules to any gain or loss that arises on disposal.

Foreign SPEL Shareholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the disposal of their New WHSP Shares.

(b) Distributions from WHSP to SPEL Shareholders that are residents of Australia for Tax Law purposes

Former SPEL Shareholders may be required to include any unfranked dividends paid by WHSP in their assessable income.

Former SPEL Shareholders receiving franked dividends from WHSP may be required to include in their assessable income the amount of the dividend, together with any attached franking credit. The SPEL Shareholders may be entitled to an offset for the amount of franking credits (subject to satisfaction of certain holding period rules).

(c) Distributions from WHSP to Foreign SPEL Shareholders

Unfranked dividends paid by WHSP to Foreign SPEL Shareholders are subject to dividend withholding tax at a rate of 30%. However, the rate may be reduced for Foreign SPEL Shareholders resident in a country with a Double Tax Treaty with Australia (e.g. New Zealand).

Franked dividends paid to Foreign SPEL Shareholders are generally exempt from dividend withholding tax.

(d) Tax File Number

It is not compulsory for SPEL Shareholders to notify WHSP of their tax file number (TFN) or Australian Business Number (ABN).

However, if a TFN, ABN or exemption notification is not provided to WHSP, tax at the top individual marginal tax rate plus Medicare levy (currently totally 46.5%) will be deducted from the unfranked component of any dividend paid. However, SPEL Shareholders may be entitled to claim an income tax credit / refund (as applicable) in their income tax returns in respect of the tax withheld.

9.5 Stamp duty

No stamp duty will be payable by any SPEL Shareholder on the disposal of the SPEL Shares to WHSP. WHSP, as the transferee/acquirer of those SPEL Shares, will be the party who will be liable for any stamp duty that is payable in respect of the Share Scheme.

No stamp duty will be payable by any SPEL Shareholder that elects to receive Scrip Consideration in respect of the acquisition of the New WHSP Shares.

9.6 Goods and services tax (GST)

An SPEL Shareholder will not be liable to pay GST on the Share Scheme Consideration received in respect of a disposal of their SPEL Shares.

A SPEL Shareholder that elects to receive Scrip Consideration will not be liable to pay GST in respect of the acquisition of the New WHSP Shares.

9 Taxation consequences for SPEL Securityholders

9.7 Capital gains tax consequences for SPEL Optionholders

Outlined below is a guide to calculating the capital gain or capital loss on the disposal of SPEL Options under the Option Scheme. Foreign SPEL Optionholders should refer to the section entitled "Foreign SPEL Optionholders".

Guide for calculating the capital gain or loss on the cancellation of the SPEL Options

CGT event	If the Option Scheme is approved, CGT event C2 will happen for the SPEL Optionholder upon cancellation of their SPEL Options under the Option Scheme.
Capital gain	If the capital proceeds received by a SPEL Optionholder from the cancellation of their SPEL Options exceed their cost base, a capital gain may arise.
Capital loss	<p>If the capital proceeds received by a SPEL Optionholder from the cancellation of their SPEL Options are less than their reduced cost base, a capital loss may arise.</p> <p>As outlined below, net capital losses cannot be used to reduce the other assessable income of a SPEL Optionholder, but may be carried forward to offset future capital gains.</p>
Capital proceeds	For SPEL Options, the capital proceeds will equal the Option Scheme Consideration.
Cost base or reduced cost base	<p>The cost base of a SPEL Optionholder's SPEL Options is generally equal to the cost of acquisition plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty, and other costs such as professional advisers' fees, to the extent not otherwise deductible).</p> <p>Certain amounts are excluded from the "reduced cost base" for the purpose of calculating a capital loss.</p>
Amounts included in assessable income	<p>Capital gains and capital losses of a taxpayer in a year of income from all sources are aggregated, together with any unapplied net capital loss from prior years, to determine if the taxpayer made a net capital gain or a net capital loss.</p> <p>Any net capital gain for the income year is included in assessable income.</p> <p>Net capital losses may not be deducted against other assessable income for income tax purposes, but may be carried forward to offset against capital gains derived in future income years. Specific loss rules apply to SPEL Optionholders that are companies and trusts. These rules may, among other things, limit the ability to offset capital losses in a current or later income year. These loss rules are complex. Companies and trustees should seek their own independent professional advice as to how these rules apply to them and their beneficiaries, having regard to their own particular circumstances.</p>

9 Taxation consequences for SPEL Securityholders

CGT discount

The CGT discount may apply to a SPEL Optionholder's net capital gain. A SPEL Optionholder may be eligible to apply the CGT discount to their net capital gain if:

- the capital gain relates to SPEL Options they acquired (for the purposes of the Tax Law) at least 12 months prior to the disposal; and
- they are an individual, a trust, or a complying superannuation entity.

Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain will be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33 %.

The CGT discount is not available to a company.

Foreign SPEL Optionholders

It may be possible for a Foreign SPEL Optionholder to disregard the whole of the capital gain or capital loss they make on the cancellation of their SPEL Options if, among other things:

- they are not a resident of Australia for the purposes of the Tax Law and have not used the SPEL Options in carrying on business through an Australian permanent establishment; and
- they (and their associates) do not hold, or have options over, 10% or more of SPEL Shares on the Implementation Date and have not held, or had options over, 10% or more of SPEL Shares throughout a 12 month period during the two years preceding the cancellation of their SPEL Options.

Foreign SPEL Optionholders should obtain specific advice on the application of the Australian CGT rules to any gain or loss realised on the cancellation of their SPEL Options.

Foreign SPEL Optionholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the cancellation of their SPEL Options.

9.8 Stamp duty on cancellation of SPEL Options

No Australian stamp duty will be payable by SPEL Optionholders on the cancellation of their SPEL Options in return for the Option Scheme Consideration.

9.9 GST for SPEL Options

The cancellation of SPEL Options under the Option Scheme should not give rise to any GST liability for any SPEL Optionholder. However, there may be consequences in relation to any input tax credits that may be claimed by a SPEL Optionholder for any GST included in any costs they incur in respect of any legal or other advice sought in respect of the Option Scheme.

10 Additional information

This Section 10 sets out additional information required pursuant to the Corporations Act and the Corporations Regulations in respect of the Schemes, as well as some other relevant information.

10.1 Summary of Scheme Implementation Agreement

The Scheme Implementation Agreement sets out the rights and obligations of the parties in connection with the Schemes. A complete copy of the Scheme Implementation Agreement is contained in Annexure A.

The key matters provided for in the Scheme Implementation Agreement are as follows:

(a) Conditions Precedent

The Share Scheme is subject to a number of Conditions Precedent, including:

- regulatory consents being obtained for the purposes of implementing the Share Scheme;
- no "SPEL Prescribed Event" or "SPEL Material Adverse Change" (as defined in the Scheme Implementation Agreement) occurring prior to the Second Court Date;
- no "Bidder Prescribed Event" or "Bidder Material Adverse Change" (as defined in the Scheme Implementation Agreement) occurring prior to the Second Court Date;
- no change in recommendation by the Independent Directors that SPEL Securityholders should vote in favour of the Scheme(s) relevant to them;
- no breach by SPEL of the "SOE Warranties" (as defined in the Scheme Implementation Agreement) and no breach by WHSP of the "Bidder Warranties" (as defined in the Scheme Implementation Agreement);
- that between the date of the Scheme Implementation Agreement and the close of the Business Day immediately prior to the Second Court Date, the ASX 300 Index does not on any ASX trading day fall by more than 15% below the level which it closed on the preceding day and remain below that level at all times during 2 consecutive ASX trading days; and
- that prior to 8.00am on the Second Court Date, the New WHSP Shares have been approved for listing on the ASX, subject only to the customary listing conditions and to the Share Scheme becoming Effective.

The Option Scheme is also subject to a number of Conditions Precedent, including that the Share Scheme has become Effective.

(b) Exclusivity Provisions

SPEL has agreed to a matching right, which requires SPEL to notify WHSP of any Competing Proposal, with WHSP then having 2 Business Days to offer to amend the terms of the Schemes or to propose any other transaction (however, this matching right is subject to fiduciary and statutory duty carve-outs for the Independent Directors).

(c) Termination

Each of SPEL and WHSP has termination rights under the Scheme Implementation Agreement in certain circumstances, including:

- termination where a material breach of a term or warranty by the other party occurs and the breach is not remedied;
- automatic termination if approval by SPEL Shareholders entitled to vote is not obtained at the Share Scheme Meeting or the Share Scheme does not become Effective by the "Sunset Date" (as defined in the Scheme Implementation Agreement);
- termination where the Court refuses to grant an order convening the Share Scheme

10 Additional information

Meeting or approving the Share Scheme and SPEL and WHSP either fail to agree on conducting an appeal within five Business Days or agree to conduct an appeal within five Business Days but the appeal is unsuccessful;

- termination where the Share Scheme is not approved by the Court on or before the "Sunset Date" (as defined in the Scheme Implementation Agreement);
- termination if a Condition Precedent to the Share Scheme is not satisfied or waived by the party with the benefit of that Condition Precedent (and termination only in respect of the Option Scheme if a Condition Precedent to the Option Scheme is not satisfied or waived by the party with the benefit of that Condition Precedent); and
- termination due to a Superior Proposal being publicly announced by the SPEL Board.

If a termination right is exercised, the Schemes will not proceed.

10.2 SPEL Shares and SPEL Options held by SPEL Directors

The SPEL Directors and the number of SPEL Shares and SPEL Options in which they have a Relevant Interest as at 31 October 2011 are set out in the table below:

Director	SPEL Shares	SPEL Options
Robert Millner	1,725,193	153,151
David J Fairfull	8,700,001	1,087,501
David E Wills	623,277	52,910
Robert G Westphal	370,000	46,250
Graeme Crampton	44,014	1,955
Ross Strang	Nil	Nil

Source: Company Filings

Each SPEL Director will receive the Share Scheme Consideration and/or Option Scheme Consideration in respect of each SPEL Share and/or SPEL Option that they hold on the Share Scheme Record Date and Option Scheme Record Date respectively.

10.3 Interests in WHSP held by SPEL Directors

The SPEL Directors and the number of shares of WHSP in which they have a Relevant Interest as at 31 October 2011 are set out in the table below.

Director	WHSP Shares
Robert Millner	19,474,256
David J Fairfull	60,000
David E Wills	138,866
Robert G Westphal	10,000
Graeme Crampton	Nil
Ross Strang	Nil

Source: Company Filings

10 Additional information

10.4 Interests held by SPEL Directors in contracts of WHSP

Certain SPEL Directors (namely, Robert Millner, David Fairfull, David Wills and Robert Westphal) are also directors of WHSP. WHSP has entered into non-executive director service agreements with each of those persons, under which WHSP has agreed to pay certain fees and other remuneration to that person in respect of their appointment as a director of WHSP (see the 2011 WHSP Annual Report for details of the fees and remuneration payable to directors of WHSP).

WHSP has also entered into a deed of access, indemnity and insurance with each of the directors of WHSP, under which the directors of WHSP have the right to access board papers and be indemnified (including after they cease to be a director of WHSP).

Except as set out in Section 10.8, no SPEL Director has an other interest in any contract entered into by WHSP.

10.5 Other interests of SPEL Directors

Except as set out in Section 10.8, no SPEL Director has any other interest material to the Schemes, other than in their capacity as a holder of SPEL Securities.

10.6 Agreements or arrangements with or conditional on the Schemes

Except as set out in Section 10.8, there is no agreement or arrangement made between any SPEL Director and any other person, including WHSP, in connection with or conditional upon the outcome of the Schemes, other than in their capacity as a holder of SPEL Securities.

10.7 Payments and other benefits in connection with retirement from Office

Except as set out in Section 10.8, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of SPEL (or any member of the SPEL Group) as compensation for loss of, or as consideration for or in connection with their retirement from, office in SPEL or in any member of the SPEL Group as a result of the Schemes.

10.8 Director and executive remuneration

Under clause 7.5 of the Scheme Implementation Agreement, WHSP has indemnified each SPEL Director from any demand, claim, action or proceeding, loss or liability which a SPEL Director may suffer or incur by reason of any breach of any of the representations and warranties given by WHSP in clause 7.4 of the Scheme Implementation Agreement.

SPEL intends to take out an insurance policy which insures each SPEL Director against liability as a director and officer of the SPEL Group from the Implementation Date until the later of the date which is seven years after the relevant SPEL Director ceases to hold office as a director of SPEL and the date that any relevant proceedings commenced or threatened during the period of seven years after the SPEL Director ceases to hold office have been fully resolved.

SPEL is required to maintain such an insurance policy by the terms of the deed of access, indemnity and insurance which it entered into which each SPEL Director, which confirms the SPEL Director's right of access to board papers and requires SPEL to indemnify the SPEL Director for liability incurred as an officer or promoter of SPEL (subject to the restrictions imposed by the Corporations Act and the SPEL Constitution).

10.9 Top 20 SPEL Shareholders and Optionholders

SPEL's largest 20 shareholders hold approximately 52.34% of all SPEL Shares on issue. SPEL's largest 20 optionholders hold approximately 46.1% of all SPEL Options on issue (as at 26 September 2011).

10 Additional information

10.10 SPEL's substantial holders

The substantial holders of SPEL Shares as at the date of this Scheme Booklet are as follows:

Company	Shares	%
Washington H. Soul Pattinson and Company Limited	79,339,419	13.4
Select Asset Management Limited	40,395,057	6.8
Perpetual Limited	35,605,214	6.0
Australian Foundation Investment Company Limited	30,658,471	5.2

Source: ASX

SPEL has relied on substantial holder notices provided to it prior to the date of this Scheme Booklet, which are available on the ASX website, to compile the above table. Information in regard to substantial holdings arising, changing or increasing after the date of this Scheme Booklet or in respect of which the relevant announcement is not available on the ASX website is not included in the above table.

10.11 SPEL Option Register

Under the Corporations Act, any SPEL Optionholder has a right to inspect and to ask for a copy of the SPEL Option Register kept by SPEL which contains details of the names and addresses of SPEL Optionholders and other details regarding the SPEL Options. A copy of the SPEL Option Register will be made available to a SPEL Optionholder upon request and payment of the prescribed fee under the Corporations Act.

10.12 Suspension of trading of SPEL Shares and SPEL Options

If the Court approves the Share Scheme, SPEL will immediately notify the ASX. It is expected that suspension of trading on the ASX in SPEL Shares will occur at the close of trading on the Effective Date.

If the Court approves the Option Scheme, SPEL will immediately notify the ASX. It is expected that suspension of trading on the ASX of SPEL Options will occur at the close of trading on the Effective Date.

10.13 Warranty by Scheme Shareholders about their SPEL Shares

The effect of clause 8.4(a) of the Share Scheme is that all Scheme Shareholders, including those who vote against the Share Scheme and those who do not vote, will be deemed to have warranted to WHSP that their SPEL Shares are not subject to any of the encumbrances specified in that clause. Clause 8.4(a) of the Share Scheme is set out in Annexure D of this Scheme Booklet.

10.14 Warranty by Scheme Optionholders about their SPEL Options

The effect of clause 7.4(a) of the Option Scheme is that all Scheme Optionholders, including those who vote against the Option Scheme and those who do not vote, will be deemed to have warranted to WHSP that their SPEL Options are not subject to any of the encumbrances specified in that clause. Clause 7.4(a) of the Option Scheme is set out in Annexure E of this Scheme Booklet.

10.15 Regulatory Relief

- (a) ASIC Modifications
- Paragraphs 8201(a), (b), (c), (d) and (e) and 8203(a) and (b) of Part 2 of Schedule 8 of the Corporations Regulations set out various disclosure requirements in connection with the Option Scheme. ASIC has waived these requirements.

10 Additional information

(b) ASX Waivers

ASX Listing Rule 6.23.2 requires that a change which has the effect of cancelling an option (or similar instrument) for consideration can only be made if shareholders approve the change.

ASX has granted SPEL a waiver from ASX Listing Rule 6.23.2 to allow the cancellation of the SPEL Options under the Option Scheme without the need to obtain specific shareholder approval. The waiver is conditional on the Share Scheme being approved by SPEL Shareholders entitled to vote on the Share Scheme Resolution and by the Court.

10.16 Consents

- (a) The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
- (i) Advanced Share Registry Limited as the manager of the SPEL Registry; and
 - (ii) Pitt Capital Partners Limited as the Investment Manager of SPEL; and
 - (iii) Baker & McKenzie as legal adviser to SPEL in relation to the Schemes.
- (b) The Independent Expert has consented to the inclusion of the Independent Expert's Report in Annexure H of this Scheme Booklet and to the inclusion of each statement it has made and references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such statement and reference is included.
- (c) WHSP has given and has not withdrawn its consent in relation to the inclusion of the WHSP Information in this Scheme Booklet in the form and context in which that information is included.
- (d) Advanced Share Registry Limited has had no involvement in the preparation of any part of the Scheme Booklet other than being named as the Share Registry to SPEL. Advanced Share Registry Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Scheme Booklet.
- (e) Each person named in this Section 10.16:
- (i) has not authorised or caused the issue of this Scheme Booklet;
 - (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 10.16; and
- (f) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 10.16.

10.17 Fees and interests of advisers

Each person named in Section 10.16 (other than WHSP) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

Further transaction costs would also be incurred in relation to legal, registry, printing and other fees payable to those parties engaged by SPEL to implement the Schemes, even if the Schemes do not proceed.

10 Additional information

10.18 Creditors of SPEL

The Schemes, if implemented, are not expected to materially prejudice SPEL's ability to pay its creditors as they involve the acquisition of SPEL Shares and the cancellation of SPEL Options for consideration provided by a third party, rather than the acquisition of SPEL's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by SPEL as a consequence of implementation of the Schemes. As at the date of this Scheme Booklet, SPEL has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

10.19 No unacceptable circumstances

The SPEL Directors believe that the Schemes do not involve any circumstances in relation to the affairs of any members of the SPEL Group that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

10.20 Documents available

An electronic version of this Scheme Booklet and the following documents are available for viewing and downloading online at SPEL's website at www.spel.com.au.

10.21 Continuous disclosure

SPEL is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. SPEL has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of SPEL Shares. Copies of documents filed with ASX may be obtained from ASX's website www.asx.com.au.

In addition, SPEL is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to SPEL may be obtained from, or inspected at, an ASIC office.

The following documents are available on SPEL's website at www.spel.com.au:

- 2011 Annual Report;
- 2011 ASX Appendix 4E;
- 2010 SPEL Annual Report; and
- any continuous disclosure notice lodged by SPEL with ASX between lodgement of the 2011 Annual Report with ASX on 13 October 2011 and the date of this Scheme Booklet.

Since lodgement of the 2011 SPEL Annual Report, SPEL has made the following ASX Announcements:

- 01-11-2011 Update on Scheme of Arrangement
- 20-10-2011 Change in Substantial Shareholding

10.22 Supplementary information

If SPEL becomes aware of any of the following between the date of this Scheme Booklet and the Court Approval Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet,

10 Additional information

SPEL intends to publish any supplementary material by:

- placing an advertisement in a prominently placed newspaper which is circulated generally throughout Australia; or
- posting the supplementary material on SPEL's website at www.spel.com.au and lodging the material with ASX; and
- depending on the nature and the timing of the changes, the circumstances and the supplementary material, SPEL may also post the supplementary material to all SPEL Securityholders, subject to obtaining any necessary regulatory approvals.

10.23 Other material contracts

Investment Management Agreement

SPEL and the Manager entered into the Investment Management Agreement on 27 October 2004.

(a) Appointment and term

SPEL appointed the Manager on an exclusive basis to provide the services outlined below for 10 years commencing on the 15 December 2004. The term may be extended unilaterally by written notice from SPEL to the Manager for further 10 year periods but otherwise on the same terms or other terms agreed by SPEL and the Manager.

(b) Services

The Manager must, and is authorised by SPEL to, provide the following services to SPEL in accordance with the directions from time to time of the SPEL Board:

- negotiate the terms and conditions of and implement the acquisition and disposal of Permitted Investments (as that term is defined in the Investment Management Agreement);
- carry out day-to-day management and reporting functions;
- review the SPEL Board's investment policy on an ongoing basis and make recommendations to the SPEL Board in respect of the investment policy on the basis of such review;
- identify, source, investigate, research, analyse and evaluate investment opportunities for approval by the SPEL Board and prepare proposals and advise the SPEL Board generally in relation to such opportunities;
- evaluate and negotiate the sources and structure of funding for acquisitions by SPEL and make recommendations to the SPEL Board with respect to the source of and structure of such funding;
- generally provide management services to SPEL with respect to the Portfolio;
- advise on and assist SPEL with the strategy, financing, management and organisation of SPEL and its Portfolio;
- reasonably utilise the Manager's resources to maximise the performance and value of the Private Equity Investments (as that term is defined in the Investment Management Agreement);
- explore opportunities for SPEL to exit its Private Equity Investments at an appropriate time;
- assist SPEL to perform any obligations under agreements or arrangements to which SPEL is a party; and
- provide investment, consultation, advisory and management services in relation to Permitted Investments generally.

10 Additional information

(c) Fees and expenses

SPEL must pay a monthly management fee to the Manager equal to one twelfth of 1.75% of the "Net Asset Value" as at the last business day of each month less any unrealised gains or losses arising from revaluation of any Private Equity Investment prior to quotation of a Private Equity Investment's securities on the ASX or other licensed market in New Zealand or Asia, plus GST.

SPEL must also pay a half-yearly performance fee to the Manager, being 15% of the amount by which Private Equity Inflows (as that term is defined in the Investment Management Agreement) in respect of Private Equity Investments realised in any half year exceed:

- the Private Equity Outflows (as that term is defined in the Investment Management Agreement) in respect of Private Equity Investments realised in the same half year; plus
- a 10% pre-tax Internal Rate of Return in respect of Private Equity Investments realised in the same half year.

SPEL must pay or reimburse the Manager for all reasonable out of pocket disbursements and expenses properly incurred by the Manager in providing services to SPEL. The Manager must pay all its own internal costs for providing those services other than the cost of attending meetings of the SPEL Board.

(d) Termination

SPEL may terminate the Investment Management Agreement at any time by written notice to the Manager if:

- the Manager ceases, or threatens to cease, to carry on business;
- the Manager suspends payment of its debts generally;
- a receiver, receiver and manager, official manager, trustee or similar official is appointed over any of the assets or undertaking of the Manager;
- the Manager is unable to pay its debts as and when they are due or fails to comply with a statutory demand under the Corporations Act;
- an application or order is made for the winding up or dissolution of the Manager or a resolution is passed or any steps are taken to pass a resolution for the winding up of the Manager otherwise than for the purpose of an amalgamation or reconstruction upon terms previously approved in writing by SPEL;
- the Manager breaches the Investment Management Agreement and, if such breach is in the reasonable opinion of SPEL capable of remedy, fails to remedy the breach within 60 days of receipt of a notice from SPEL specifying the breach and requiring that it be remedied; or
- the licence or other authorisation held by the Manager is materially breached, suspended or revoked or is otherwise made subject to conditions which, in the reasonable opinion of SPEL, would prevent the Manager from performing the services or its other obligations under the Investment Management Agreement.

If the Investment Management Agreement is extended beyond the first 10 year term, SPEL may terminate the agreement at any time after a further 5 years by giving at least 3 months' written notice to the Manager.

(e) Indemnities

SPEL indemnifies the Manager against all actions, proceedings, claims, costs, demands, losses and expenses suffered or incurred by the Manager (or its officers, employees, consultants, advisers, servants or agents) in connection with providing the services and its obligations under the Investment Management Agreement, unless arising from a grossly negligent or wilfully deceitful act or omission by

10 Additional information

the Manager or its officers, employees, consultants, advisers, servants or agents in breach of the Manager's obligations under or in respect of the Investment Management Agreement.

The Manager indemnifies SPEL against all actions, proceedings, claims, costs, demands, losses and expenses suffered or incurred by SPEL (or its officers, employees, consultants, advisers, servants or agents) arising from a grossly negligent or wilfully deceitful act or omission by the Manager or its officers, employees, consultants, advisers, servants or agents in breach of the Manager's obligations under or in respect of the Investment Management Agreement.

10.24 Administration Agreement

SPEL and Corporate & Administrative Services Pty Ltd (CAS) (a wholly-owned subsidiary of PCP) entered into the Administration Agreement on 6 October 2004. Under the Administration Agreement, CAS agreed to provide accounting and administrative services to SPEL for a period of one year commencing on 28 October 2004. In return, SPEL agreed to pay CAS a monthly fee of \$5,416.67 plus GST. This amount was subsequently increased to \$8,700 plus GST.

The Administration Agreement provides for a CAS employee to act as the public officer and the responsible officer of SPEL for the purposes of making disclosures to the ASX. Either party may terminate the agreement by giving 14 days written notice to the other party upon the happening of certain corporate events or for failure to remedy a breach of the Administration Agreement.

10.25 Other

(a) Lodgement of Scheme Booklet with ASIC

This Scheme Booklet was lodged with ASIC on 1 November 2011 in accordance with section 411(2) (b) of the Corporations Act.

(d) Other material information

Otherwise than as contained or referred to in this Scheme Booklet, there is no other information that is material to the making of a decision by a SPEL Securityholder in relation to the Scheme Resolutions, being information that is known to any SPEL Director and which has not previously been disclosed to SPEL Securityholders.

11 Glossary

In this Scheme Booklet unless the context otherwise requires:

₤AUD and \$A mean Australian dollars unless otherwise stated.

1936 Act means Income Tax Assessment Act 1936 (Cth).

1997 Act means Income Tax Assessment Act 1997 (Cth).

2010 SPEL Annual Report means SPEL's annual report for the financial year ended 31 July 2010, a copy of which was lodged with ASX on 13 October 2010.

2011 SPEL Annual Report means SPEL's annual report for the financial year ended 31 July 2011, a copy of which was lodged with ASX on 13 October 2011.

2011 SPEL Half Year Report means SPEL's half year report for the period ended 31 January 2011, a copy of which was lodged with ASX on 18 March 2011.

2010 WHSP Annual Report means WHSP's annual report for the financial year ended 31 July 2010, a copy of which was lodged with ASX on 2 November 2010.

2011 WHSP Annual Report means WHSP's annual report for the financial year ended 31 July 2011, a copy of which was lodged with ASX on 25 October 2011.

2011 WHSP Half Year Report means WHSP's half year report for the period ended 31 January 2011, a copy of which was lodged with ASX on 24 March 2011.

Administration Agreement means the administration agreement entered into between SPEL and Corporate & Administrative Services Pty Ltd on 6 October 2004.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

ASTC Settlement Rules means settlement and transfer rules of ASX Settlement Pty Ltd.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules, from time to time, of ASX.

Australian ADI has the meaning given to that term in the Corporations Act.

Bidder means WHSP.

Brickworks means Brickworks Limited (ACN 000 028 526).

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

Cash Consideration means a cash amount of \$0.163 per SPEL Share to be paid to each Scheme Shareholder as Scheme Consideration (as applicable).

CGT means capital gains tax as defined in the Tax Law.

11 Glossary

CHES means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia.

Company means Souls Private Equity Limited (ABN 71 111 196 420).

Competing Proposal means any expression of interest, offer or proposal by any person (other than Bidder or its Associates):

- (a) to consider or enter into any transaction which, if ultimately completed, will have the result that any person or two or more persons who are Associates (other than Bidder or its Associates) will, or would reasonably be expected to, acquire voting power in 50% or more of SPEL Shares, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, shareholder-approved SPEL Share acquisition or issuance, share buy-back or repurchase, reverse takeover, establishment of a new holding entity for SPEL or any other transaction or arrangement with SPEL;
- (b) to acquire, have a right to acquire or obtain an economic interest in (whether directly or indirectly) all or substantially the whole of the assets or business of the SPEL Group; or
- (c) to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement or merger in respect of, SPEL.

Condition Precedent means a condition to the Share Scheme set out in clause 3.1 of the Scheme Implementation Agreement and/or a condition to the Option Scheme set out in clause 3.2 thereof (as the context requires).

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Court means the Supreme Court of New South Wales.

Court Approval Date means the date when the Court grants its approval to the relevant Scheme under section 411(4) of the Corporations Act.

Court Orders means the orders made by the Court at the Second Court Hearing approving the implementation of the Share Scheme and/or Option Scheme (as the context requires).

Deed Polls means together the Share Scheme Deed Poll and the Option Scheme Deed Poll.

Double Tax Treaty means an agreement entered into between Australia and another country for the relief of double taxation and prevention of fiscal evasion.

EBIT means earnings before interest and taxes.

EBITDA means earnings before interest, taxes, depreciation and amortisation.

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 relevant Scheme.

11 Glossary

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

Election means a valid election by a Scheme Shareholder pursuant to clause 5.1 of the Scheme and in accordance with clause 5.2.

Election Form means the form accompanying the Scheme Booklet pursuant to which SPEL Shareholders (other than Ineligible Foreign Shareholders) may elect the form of Scheme Consideration they wish to receive in consideration for the transfer of their Scheme Shares.

ESS means Employee Share Scheme as described in the 1936 Act.

Foreign SPEL Optionholder means a SPEL Optionholder who is not, and has not been, a resident of Australia for the purposes of the Tax Law.

Foreign SPEL Shareholder means a SPEL Shareholder who is not, and has not been, and will not at any relevant time be, a resident of Australia for the purposes of the Tax Law.

FY means financial year ended/ending 31 July.

Government Agency means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.

GST means a goods and services tax or similar value added tax levied or imposed under the GST Law.

GST Law has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Implementation Date means the third Business Day after the Share Scheme Record Date or the Option Scheme Record Date (as the context requires) or such other date as:

- (a) SPEL and Bidder may agree;
- (b) is ordered by the Court; or
- (c) may be required by ASX.

Independent Directors means Mr Graeme Crampton and Mr Ross Strang.

Independent Expert means KPMG Corporate Finance (Aust) Pty Ltd (AFSL No. 246901).

Independent Expert's Report means the report prepared by the Independent Expert, a copy of which is set out in Annexure H.

Ineligible Foreign Shareholder means SPEL Shareholders with a registered address outside of Australia or New Zealand.

Investment Manager or Manager or PCP means Pitt Capital Partners Limited (ABN: 17 000 651 427; AFSL No. 276323).

Investment Management Agreement means the investment management agreement entered into between SPEL and the Manager dated 27 October 2004.

11 Glossary

New WHSP Shares means fully paid ordinary shares in the capital of WHSP to be issued under the Share Scheme as Scheme Consideration (as applicable).

Notice of Option Scheme Meeting means the notice set out at Annexure C.

Notice of Share Scheme Meeting means the notice set out at Annexure B.

NPAT means net profit after tax.

NTA means Net Tangible Assets.

Option Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between SPEL and SPEL Optionholders, in the form of Annexure E, together with any alterations or conditions made or required pursuant to section 411(6) of the Corporations Act and agreed or consented to by SPEL and Bidder, for the acquisition of all of the SPEL Options by Bidder.

Option Scheme Consideration means the \$0.01 per SPEL Option to be paid in respect of each SPEL Option held by a Scheme Optionholder on the Option Scheme Record Date.

Option Scheme Deed Poll means the deed poll in the form of Annexure G, executed by Bidder in favour of Scheme Optionholders.

Option Scheme Meeting means the meeting of SPEL Optionholders ordered by the Court in relation to the Option Scheme to be convened pursuant to section 411(1) of the Corporations Act to consider the Option Scheme Resolution.

Option Scheme Record Date means 7.00 pm on the fifth Business Day following the Effective Date.

Option Scheme Resolution means a resolution of SPEL Optionholders to approve the Option Scheme, the form of which is set out in the Notice of Option Scheme Meeting in Annexure C.

Portfolio means the portfolio of investments of SPEL from time to time.

PCP means Pitt Capital Partners Limited (ABN: 17 000 651 427; AFSL No. 276323).

Proxy Form means the proxy form accompanying this Scheme Booklet.

Register means the SPEL Share Register and/or the SPEL Option Register (as the context requires).

Record Date means the Share Scheme Record Date or the Option Scheme Record Date as the context requires.

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

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

Schemes means the Share Scheme and the Option Scheme and **Scheme** means either or both of them (as the context requires).

Scheme Booklet means this scheme booklet in relation to the Schemes.

Scheme Consideration means the Share Scheme Consideration and/or the Option Scheme Consideration (as the context requires).

11 Glossary

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 7 October 2011 between SPEL, Bidder and WHSP, a summary of which is contained in Section 10.1 and a copy of which is set out in Annexure A.

Scheme Meetings means the Share Scheme Meeting and the Option Scheme Meeting and Scheme Meeting means either or both of them (as the context requires).

Scheme Options means each SPEL Option held by a Scheme Optionholder on the Option Scheme Record Date.

Scheme Optionholder means a holder of SPEL Options on the Option Scheme Record Date (other than any WHSP Group Member).

Scheme Resolutions means the Share Scheme Resolution and the Option Scheme Resolution and **Scheme Resolution** means either or both of them (as the context requires).

Scheme Shares means each SPEL Share held by a Scheme Shareholder on the Share Scheme Record Date.

Scheme Shareholder means a holder of SPEL Shares on the Share Scheme Record Date (other than any WHSP Group Member).

Scrip Consideration means a fraction of a New WHSP Share with a value of \$0.163 calculated using the WHSP VWAP for 10 trading days prior to the date of the Scheme Meetings.

Second Court Date means the date of the relevant Second Court Hearing.

Second Court Hearing means the hearing at which SPEL will apply to the Court for approval of the Share Scheme or the Option Scheme (as the context requires).

Share Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between SPEL and Scheme Shareholders, in the form of Annexure D, together with any alterations or conditions made or required pursuant to section 411(6) of the Corporations Act and approved in writing by SPEL and Bidder, for the acquisition of all of the Scheme Shares by Bidder.

Share Scheme Consideration means the Cash Consideration or the Scrip Consideration (as applicable) for each SPEL Share held by a Scheme Shareholder on the Share Scheme Record Date.

Share Scheme Deed Poll means the deed poll in the form of Annexure F, executed by Bidder in favour of Scheme Shareholders.

Share Scheme Meeting means the meeting of SPEL Shareholders ordered by the Court in relation to the Share Scheme to be convened pursuant to section 411(1) of the Corporations Act to consider the Share Scheme Resolution.

Share Scheme Record Date means 7.00pm on the fifth Business Day following the Effective Date.

Share Scheme Resolution means a resolution of SPEL Shareholders to approve the Share Scheme, the form of which is set out in the Notice of Share Scheme Meeting in Annexure B.

SPEL means Souls Private Equity Limited (ABN 71 111 196 420).

11 Glossary

SPEL Board means the board of directors of SPEL.

SPEL Director means a director of SPEL as at the date of this Scheme Booklet.

SPEL Employee Incentive Plan means the employee incentive plan governed by the SPEL Employee Incentive Plan Rules.

SPEL Group means SPEL and its Subsidiaries.

SPEL Information means the information in this Scheme Booklet that is not WHSP Information or the Independent Expert's Report.

SPEL Option means an option to subscribe for SPEL Shares.

SPEL Option Register means the register of SPEL Optionholders kept pursuant to the Corporations Act.

SPEL Optionholder means each person who is registered in the SPEL Option Register as the holder of SPEL Options.

SPEL Registers means the SPEL Share Register and the SPEL Option Register and SPEL Register means either or both of them as the context requires.

SPEL Registry means Advanced Share Registry Limited (ABN 14 127 175 946) or the manager from time to time of the SPEL Share Register.

SPEL Securities means SPEL Shares and SPEL Options.

SPEL Securityholder means a SPEL Shareholder and/or a SPEL Optionholder (as the context requires).

SPEL Share means an ordinary share issued in the capital of SPEL.

SPEL Share Register means the register of members of SPEL kept pursuant to the Corporations Act.

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

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a Competing Proposal which the Independent Directors in good faith determine is, or is reasonably likely to result in, a proposal by the person making the Competing Proposal that is more favourable to SPEL Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.

Tax Law means Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth).

VWAP means volume weighted average price.

WHSP means Washington H. Soul Pattinson and Company Limited (ABN 49 000 002 728).

WHSP Constitution means the Constitution of WHSP.

WHSP Group means WHSP and its Related Bodies Corporate and each entity is a WHSP Group Member.

11 Glossary

WHSP Information means the information provided by Bidder in Section 7 of this Scheme Booklet.

WHSP Share means a fully paid ordinary share in WHSP.

WHSP VWAP means the volume weighted average share price for WHSP Shares traded on ASX (excluding any and all special crossings, crossings made prior to the commencement of normal trading, crossings made during the closing phase or the after hours adjust phase, overseas trades and overnight crossings or trades pursuant to the exercise of options over WHSP Shares, and any other trades which SOE and Bidder agree (acting reasonably) to exclude on the basis that they are not representative of the general price at which WHSP Shares are trading on ASX in the context of trading in WHSP Shares on any day on which the trades took place) over the 10 consecutive Trading Days (as defined in the Listing Rules) immediately preceding the date of the Scheme Meetings (calculated to 2 decimal places).

WHSP Registry means Advanced Share Registry Limited (ABN 14 127 175 946) or the manager from time to time of the WHSP Share Register.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Scheme Implementation Agreement

Souls Private Equity Limited
Washington H. Soul Pattinson and Company Limited

Baker & McKenzie
Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 9225-0200
Fax: (02) 9225-1595



Ref: 1464616-v15/AUSKJ1

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Agreement to propose Scheme and Option Scheme	11
3	Conditions	11
4	Scheme of Arrangement	16
5	Co-operation	17
6	Implementation	17
7	Warranties	23
8	Termination	27
9	Public announcements	28
10	Confidentiality	29
11	Conduct of Court proceedings	30
12	Exclusivity	30
13	Costs and stamp duty	31
14	Notices	31
15	General	33
	Annexure 1	37
	Timetable	37
	Annexure 2	38
	Scheme of Arrangement	38
	Annexure 3	39
	Deed Poll	39
	Annexure 4	40
	Option Scheme of Arrangement	40
	Annexure 5	41
	Option Scheme Deed Poll	41
	Annexure 6	42
	Public announcement	42
	Annexure 7	43
	Share Scheme Consideration	43

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Date 7 October 2011

Parties **Souls Private Equity Limited** (ABN 71 111 196 420) of Level 2, 160 Pitt Street Mall, Sydney NSW 2000 (*SOE*)

Washington H. Soul Pattinson and Company Limited (ABN 49 000 002 728) of Level 1, 160 Pitt Street Mall, Sydney NSW 2000 (*Bidder*)

Recitals

- A Bidder wishes to acquire all of the fully paid ordinary shares of SOE, together with the cancellation of all options to subscribe for ordinary shares in SOE, by means of separate schemes of arrangement under Part 5.1 of the *Corporations Act*.
- B SOE and Bidder propose to implement the Scheme and Option Scheme on the terms and conditions of this Agreement.
- C SOE and Bidder have agreed certain other matters in connection with the implementation of the Scheme and Option Scheme as set out in this Agreement.

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Agreement, unless the context otherwise requires:

Adviser means, in relation to an entity, its legal, financial and other expert advisers (not including the Independent Expert).

Agreed Period means the period between the date of this Agreement and the earliest of:

- (a) the Implementation Date;
- (b) the date this Agreement is terminated in accordance with its terms; and
- (c) the Sunset Date.

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

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Agreement and SOE were the designated body.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

Bidder Group means Bidder and each of its Subsidiaries.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Bidder Indemnified Party means each member of the Bidder Group and their respective Representatives.

Bidder Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring) that is announced or becomes known to SOE that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have one of the following effects:

- (a) to materially adversely affect the status or terms of any Regulatory Consent that is applicable to the Bidder Group; or
- (b) to prevent or would be likely to prevent Bidder from materially discharging its obligations under this Agreement,

unless that occurrence, fact, matter or circumstance:

- (a) was publicly announced by Bidder or otherwise Fairly Disclosed in publicly available filings by Bidder or any of its Subsidiaries at least two Business Days prior to the date of this Agreement; or
- (b) comprises a change in applicable law after the date of this Agreement; or
- (c) is required to be undertaken by Bidder or its Subsidiary (as the case may be) in connection with the Scheme or this Agreement, or Bidder or its Subsidiary (as the case may be) otherwise elects (acting reasonably) to undertake an action or event in connection with the Scheme or this Agreement.

Bidder Prescribed Event means the occurrence of any of the following:

- (a) Bidder or any of its Subsidiaries resolving that it be wound up;
- (b) a liquidator, provisional liquidator or administrator of Bidder or any of its Subsidiaries being appointed;
- (c) the making of an order by a court for the winding up of Bidder or any of its Subsidiaries;
- (d) Bidder or any of its Subsidiaries executing a deed of company arrangement; or
- (e) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Bidder or any of its Subsidiaries being appointed,

however, none of the above events will constitute a Bidder Prescribed Event where Bidder has first consulted, in reasonable detail, with SOE in relation to the proposed event, and SOE has approved in writing the proposed event.

Bidder Scheme Information means information about Bidder which is provided to SOE by or on behalf of Bidder to enable the Scheme Booklet to be prepared in accordance with all applicable laws, applicable ASIC guidance and policies and the Listing Rules, or to the Independent Expert to enable it to prepare its report, including information regarding the arrangements Bidder has in place to fund the Scheme Consideration and Option Scheme Consideration and Bidder's intentions with respect to the assets, business and employees of SOE if the Scheme is implemented.

Bidder Warranties means the representations and warranties of Bidder set out in clause 7.4.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, NSW Australia.

Cash Consideration means a cash amount of \$0.163 per Scheme Share.

Claim means a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance.

Competing Proposal means any expression of interest, offer or proposal by any person (other than Bidder or its Associates):

- (a) to consider or enter into any transaction which, if ultimately completed, will have the result that any person or two or more persons who are Associates (other than Bidder or its Associates) will, or would reasonably be expected to, acquire voting power in 50% or more of SOE Shares, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, shareholder-approved SOE Share acquisition or issuance, share buy-back or repurchase, reverse takeover, establishment of a new holding entity for SOE or any other transaction or arrangement with SOE;
- (b) to acquire, have a right to acquire or obtain an economic interest in (whether directly or indirectly) all or a substantial part of the assets or business of the SOE Group; or
- (c) to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement or merger in respect of, SOE.

Completion means completion of the implementation of the Scheme or Option Scheme (as the context requires) on the Implementation Date.

Condition means a condition to the Scheme set out in clause 3.1 and/or a condition to the Option Scheme set out in clause 3.2 (as the context requires).

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

Court means a court of competent jurisdiction under the Corporations Act.

Deed Poll means the deed poll to be executed by Bidder substantially in the form of Annexure 3 under which Bidder covenants in favour of SOE Shareholders to perform its obligations under this Agreement and the Scheme.

Dispatch Date means the day that the Scheme Booklet is dispatched to SOE Shareholders and Optionholders.

Draft Scheme means the document set out in Annexure 2, which is the proposed Scheme under which all of the Scheme Shares will be acquired by Bidder on the Implementation Date.

Draft Option Scheme means the document set out in Annexure 4, which is the proposed Option Scheme under which all of the Scheme Options will be cancelled on the Implementation Date.

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

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

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

Election means a valid election made by a SOE Shareholder pursuant to clause 1.1 of Annexure 7 and in accordance with clause 1.2 of Annexure 7.

Election Date means 7.00 pm on the fifth Business Day following the Effective Date, or such earlier date as the parties may agree in writing.

Election Form means the form accompanying the Scheme Booklet pursuant to which SOE Shareholders (other than Ineligible Foreign Shareholders) may elect the form of Scheme Consideration they wish to receive in consideration for the transfer of their Scheme Shares.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Scheme and experienced in a business similar to any business conducted by the SOE Group, to identify the nature and scope of the relevant matter, event or circumstance.

First Court Date means the date of the hearing by the Court of the application to order the convening of the Scheme Meeting and Option Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means a:

- (a) government, whether foreign, federal, state, territorial or local;
- (b) department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or
- (c) commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local,

and includes ASX, ASIC, the Australian Competition and Consumer Commission, the Foreign Investment Review Board and the Takeovers Panel.

GST means goods and services tax as defined in *A New Tax Systems (Goods and Services Tax) Act 1999* (Cth), or any like tax.

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

Implementation means the implementation of the Scheme or Option Scheme (as the context requires), following it becoming Effective under section 411(10) of the Corporations Act.

Implementation Date means the third Business Day after the Scheme Record Date.

Independent Expert means an expert independent of the parties engaged by SOE to opine (and prepare a report for inclusion in the Scheme Booklet) on whether each of the Scheme and Option Scheme is fair and reasonable, and in the best interests of SOE Shareholders and Optionholders (respectively).

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the Register as at the Scheme Record Date is a place outside Australia and its external territories and New Zealand.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Listing Rules means the listing rules of ASX as amended from time to time.

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

Officer means, in relation to an entity, its directors, officers and employees.

Option means an option to subscribe for a SOE Share.

Optionholder means each person who is registered in the Option Register as a holder of an Option.

Optionholder Approval means a resolution by Optionholders in favour of the Option Scheme passed by the majorities required under section 411(4)(a)(i) of the Corporations Act.

Options Register means the register of holders of Options.

Option Scheme means the creditors scheme of arrangement, substantially in the form set out in Annexure 4, under Part 5.1 of the Corporations Act between SOE and the Scheme Optionholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by SOE and Bidder.

Option Scheme Consideration means \$0.01 in respect of each Scheme Option.

Option Scheme Deed Poll means a deed poll to be executed by Bidder substantially in the form of Annexure 5 under which Bidder covenants in favour of the Optionholders to perform its obligations under this Agreement and the Option Scheme.

Option Scheme Meeting means the meeting of Optionholders order by the Court to be convened under section 411(1) of the Corporations Act.

Recommendation means:

- (a) in respect of the Scheme, the recommendation of the SOE Independent Directors to SOE Shareholders to vote in favour of the Scheme in the form described in clause 6.1(a)(i)(E) of this Agreement; and
- (b) in respect of the Option Scheme, the recommendation of the SOE Independent Directors to SOE Optionholders to vote in favour of the Option Scheme in the form described in clause 6.1(a)(i)(E) of this Agreement.

Register means the register of shareholders of SOE.

Registry means Advanced Share Registry Services (ABN 48 078 279 277).

Regulatory Consents has the meaning given to that term in clause 3.1(f).

Related Body Corporate has the meaning given to that term in the Corporations Act.

Representative means, in relation to an entity:

- (a) each of the entity's Related Bodies Corporate; and
- (b) each of the Officers and Advisers of the entity or any of its Related Bodies Corporate.

Scheme means the members scheme of arrangement, substantially in the form set out in Annexure 2, under Part 5.1 of the Corporations Act between SOE and SOE Shareholders,

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by SOE and Bidder.

Scheme Booklet means in respect of the Scheme and Option Scheme, the document including the information described in clause 6.1(a) to be approved by the Court and dispatched to SOE Shareholders and Optionholders.

Scheme Consideration means the Cash Consideration and Scrip Consideration to be provided by Bidder in consideration for the transfer of the Scheme Shares held by Scheme Shareholders to Bidder, as described in Annexure 7.

Scheme Meeting means the meeting of SOE Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Option means each Option on issue on the Scheme Record Date.

Scheme Optionholder means each person who holds Scheme Options (other than any WHSP Group Member).

Scheme Record Date means 7.00 pm on the fifth Business Day after the Effective Date.

Scheme Share means a SOE Share as at the Scheme Record Date.

Scheme Shareholder means each person who holds Scheme Shares (other than any WHSP Group Member).

Scrip Consideration means that fraction of a WHSP Share which (calculated using the WHSP VWAP) is equal to the amount of \$0.163.

Second Court Date means the date of the hearing by the Court of the application to approve the Scheme and Option Scheme under section 411(4)(b) of the Corporations Act.

Share Splitting means the splitting by a holder of SOE Shares of those SOE Shares into two or more parcels of SOE Shares whether or not it results in any change in beneficial ownership of the SOE Shares.

SOE Board means the board of directors of SOE as constituted from time to time.

SOE Confidential Information means any of the business, commercial, financial or technical information of the SOE Group disclosed or otherwise supplied by or on behalf of any such entities to Bidder or any of its Representatives, and in whatever form or medium and includes notes, records and copies made by Bidder or any of its Representatives of such information but excludes:

- (a) information which is in the public domain (other than as a result of a breach of this Agreement); and
- (b) the SOE Scheme Information.

SOE Group means SOE and each of its Subsidiaries.

SOE Indemnified Party means each member of the SOE Group and their respective Representatives.

SOE Independent Directors means Mr. Graeme Crampton and Mr Ross Strang.

SOE Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring) that is announced or becomes known to Bidder that

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

individually, or when aggregated with all such occurrences, facts, matters or circumstances, has prevented or is reasonably likely to prevent SOE from materially discharging its obligations under this Agreement, unless that occurrence, fact, matter or circumstance:

- (a) was Fairly Disclosed to the Bidder on or before the date of this Agreement;
- (b) was publicly announced by SOE or otherwise Fairly Disclosed in publicly available filings by SOE or any of its Subsidiaries on or before the date of this Agreement;
- (c) comprises a change in applicable law after the date of this Agreement; or
- (d) is required to be undertaken by SOE or its Subsidiary (as the case may be) in connection with the Scheme, the Option Scheme or this Agreement, or SOE or its Subsidiary (as the case may be) otherwise elects (acting reasonably) to undertake an action or event in connection with the Scheme, the Option Scheme or this Agreement.

SOE Prescribed Event means the occurrence of any of the following:

- (a) SOE or any of its Subsidiaries converting all or any of its shares into a larger or smaller number of shares;
- (b) SOE or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) SOE or any of its Subsidiaries entering into a buy-back agreement, or resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) SOE declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) SOE or any of its Subsidiaries issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option (other than pursuant to the existing Options);
- (f) SOE or any of its Subsidiaries issuing or agreeing to issue securities or other instruments convertible into shares or debt securities;
- (g) SOE or any of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (h) other than in the ordinary course of business and consistent with past practice, SOE or any of its Subsidiaries creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
- (i) SOE or any of its Subsidiaries resolving that it be wound up;
- (j) a liquidator, provisional liquidator or administrator of SOE or any of its Subsidiaries being appointed;
- (k) the making of an order by a court for the winding up of SOE or any of its Subsidiaries;
- (l) SOE or any of its Subsidiaries executing a deed of company arrangement;
- (m) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of SOE or any of its Subsidiaries being appointed;

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (n) SOE or any of its Subsidiaries making any material change or amendment to its constitution; or
- (o) SOE or any of its Subsidiaries making any change to their accounting practices or policies, other than to comply with generally accepted Australian accounting standards or AIFRS,

however none of the above events will constitute a SOE Prescribed Event where:

- (a) SOE has first consulted, in reasonable detail, with Bidder in relation to the proposed event, and Bidder has approved in writing the proposed event;
- (b) the event was Fairly Disclosed to the Bidder on or before the date of this Agreement;
- (c) the event was publicly announced by SOE or otherwise Fairly Disclosed in publicly available filings by SOE or any of its Subsidiaries on or before the date of this Agreement;
- (d) SOE or its Subsidiary (as the case may be) is required to undertake (or otherwise elects (acting reasonably) to undertake) the action or event in connection with:
 - (i) the Scheme;
 - (ii) the Option Scheme;
 - (iii) this Agreement.

SOE Scheme Information means all information included in the Scheme Booklet other than the Bidder Scheme Information and the Independent Expert's report.

SOE Share means an issued fully paid ordinary share in SOE.

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

SOE Shareholder Approval means a resolution by SOE Shareholders in favour of the Scheme passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act or, in the circumstances contemplated by clause 3.5, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act.

SOE Warranties means the representations and warranties of SOE set out in clause 7.1.

Subsidiary has the meaning given to that term in the Corporations Act.

Sunset Date means:

- (a) 5.00 pm on 6 April 2012 or, if clause 6.4 applies, 6 July 2012 (or any earlier date agreed between SOE and Bidder in accordance with clause 6.4(b)); or
- (b) such other date and time agreed in writing between SOE and Bidder.

Superior Proposal means a Competing Proposal which the SOE Independent Directors in good faith determine is, or is reasonably likely to result in, a proposal by the person making the Competing Proposal that is more favourable to SOE Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.

Timetable means the indicative timetable set out in Annexure 1.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

voting power has the meaning given to that term in Chapter 6 of the Corporations Act.

WHSP Group Member means Bidder and each of its Related Bodies Corporate.

WHSP Share means a fully paid ordinary share in the capital of the Bidder.

WHSP VWAP means the volume weighted average share price for WHSP Shares traded on ASX (excluding any and all special crossings, crossings made prior to the commencement of normal trading, crossings made during the closing phase or the after hours adjust phase, overseas trades and overnight crossings or trades pursuant to the exercise of options over WHSP Shares, and any other trades which SOE and Bidder agree (acting reasonably) to exclude on the basis that they are not representative of the general price at which WHSP Shares are trading on ASX in the context of trading in WHSP Shares on any day on which the trades took place) over the 10 consecutive Trading Days (as defined in the Listing Rules) immediately preceding the Implementation Date (calculated to 2 decimal places).

Interpretation

1.2 In this Agreement:

- (a) unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this Agreement) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (v) to a party means a party to this Agreement;
 - (vi) to an item, Recital, clause, Schedule or Annexure is to an item, Recital, clause, Schedule or Annexure of or to this Agreement;
 - (vii) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Agreement;
 - (viii) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators; and
 - (C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (ix) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
- (x) to proceedings includes litigation, arbitration and investigation;
- (xi) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;
- (xii) to time is to prevailing Sydney, NSW time; and
- (xiii) to \$ means the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this Agreement;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

Construction

- 1.3 This Agreement may not be construed adversely to a party only because that party or its legal advisers were responsible for preparing it.

Payments

- 1.4 Unless otherwise expressly provided in this Agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this Agreement, that amount must be paid:
- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties agree; and
 - (b) without deduction, withholding or set-off.

In this clause 1.4, a Receiving Party does not include a Scheme Shareholder or Scheme Optionholder.

Best and reasonable endeavours

- 1.5 Any provision of this Agreement which requires a party to use best endeavours, or reasonable endeavours, or to take all steps reasonably necessary or desirable, (including to procure that something is performed or occurs) does not include an obligation:
- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

any relevant application with any Government Agency or fees to any professional advisers; or

- (b) to commence any legal proceeding against any person, except in accordance with the express terms of this Agreement.

2 Agreement to propose Scheme and Option Scheme

- 2.1 SOE will propose and seek to implement the Scheme and Option Scheme in accordance with this Agreement and the Corporations Act.
- 2.2 Bidder will comply with its obligations under:
- (a) the Scheme;
 - (b) the Option Scheme;
 - (c) the Deed Poll;
 - (d) the Option Scheme Deed Poll; and
 - (e) this Agreement,
- and will provide reasonable assistance to SOE in proposing and implementing the Scheme and Option Scheme in accordance with this Agreement.

3 Conditions

Conditions

- 3.1 The obligations of SOE under clause 6.1(r) and of Bidder under clause 6.2(k) will not become binding and the Scheme will not take place until each of the following Conditions is satisfied or waived in accordance with clauses 3.6 to 3.12:
- (a) **(Orders convening Scheme Meeting)** The Court orders the convening of the Scheme Meeting under section 411(1) of the *Corporations Act*.
 - (b) **(SOE Shareholder Approval)** SOE Shareholder Approval is obtained at the Scheme Meeting.
 - (c) **(Court approval of Scheme)** The Court makes orders under section 411(4)(b) of the *Corporations Act* approving the Scheme on the Second Court Date.
 - (d) **(Order lodged with ASIC)** An office copy of the Court order approving the Scheme is lodged with ASIC as contemplated by section 411(10) of the *Corporations Act* on or before the Sunset Date.
 - (e) **(No prohibitive orders)** Prior to 8.00 am on the Second Court Date, no Government Agency takes any action, or imposes any legal restraint or prohibition, to prevent the implementation of the Scheme (or any transaction contemplated by the Scheme), which remains in force at 8.00 am on the Second Court Date.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (f) **(Regulatory Consents)** ASIC and ASX issue or provide (and do not withdraw) all such consents and approvals and do all other acts which are necessary or reasonably desirable for Implementation of the Scheme by 8.00 am on the Second Court Date **(Regulatory Consents)**.
- (g) **(No SOE Prescribed Event)** No SOE Prescribed Event occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (h) **(No Bidder Prescribed Event)** No Bidder Prescribed Event occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (i) **(No SOE Material Adverse Change)** No SOE Material Adverse Change occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (j) **(No Bidder Material Adverse Change)** No Bidder Material Adverse Change occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (k) **(No change of Recommendation)** Between the date of this Agreement and SOE Shareholders voting on the Scheme at the Scheme Meeting, the SOE Independent Directors do not change, qualify or withdraw their Recommendation.
- (l) **(Independent Expert's report)** The Independent Expert provides its report to the SOE Board concluding that the Scheme is fair and reasonable, and in the best interest of SOE Shareholders (and does not change that conclusion or withdraw its report by notice in writing to SOE prior to 8.00am on the Second Court Date).
- (m) **(Market fall)** Between the date of this Agreement and the close of the Business Day immediately prior to the Second Court Date, the ASX 300 index (or any successor or replacement index) does not on any ASX trading day fall by more than 15% below the level at which it closed on the preceding trading day and remain below that level at all times during 2 consecutive ASX trading days.
- (n) **(Approval of Options cancellation)** On or before the Scheme Meeting, SOE satisfies or obtains a waiver from any requirement of the Listing Rules that must be met to validly effect the cancellation of the Options.
- (o) **(Quotation of New WHSP Shares)** Prior to 8:00 am on the Second Court Date, the New WHSP Shares have been approved for official quotation by the ASX, subject only to customary conditions and to the Scheme becoming Effective.
- (p) **(SOE Warranties)** Each of the SOE Warranties that is qualified as to materiality is true and correct, and each SOE Warranty that is not so qualified is true and correct in all material respects, in each case on the date or dates specified in clause 7.1.
- (q) **(Bidder Warranties)** Each of the Bidder Warranties that is qualified as to materiality is true and correct, and each Bidder Warranty that is not so qualified is true and correct in all material respects, in each case on the date or dates specified in clause 7.4.

Option Scheme Conditions

3.2 The obligations of SOE under clause 6.1(r) and of Bidder under clause 6.2(l) will not become binding and the Option Scheme will not take place until each of the following Conditions is satisfied or waived in accordance with clauses 3.6 to 3.12:

- (a) **(Scheme Effective)** The Scheme becomes Effective.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (b) **(ASX waiver)** ASX grants a waiver of any requirement under Listing Rule 6.23 in respect of the Option Scheme or SOE Shareholders give any necessary approvals under Listing Rule 6.23 in relation to the Option Scheme.
- (c) **(Orders convening Option Scheme Meeting)** The Court orders the convening of the Option Scheme Meeting under section 411(1) of the Corporations Act.
- (d) **(Optionholder Approval)** Optionholder Approval is obtained at the Option Scheme Meeting.
- (e) **(Court approval of Option Scheme)** The Court makes orders under section 411(4)(b) of the Corporations Act approving the Option Scheme on the Second Court Date.
- (f) **(Order lodged with ASIC)** An office copy of the Court order approving the Option Scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act on or before the Sunset Date.
- (g) **(No prohibitive orders)** Prior to 8.00 am on the Second Court Date, no Government Agency takes any action, or imposes any legal restraint or prohibition, to prevent the implementation of the Option Scheme (or any transaction contemplated by the Option Scheme), which remains in force at 8.00 am on the Second Court Date.
- (h) **(No change of Recommendation)** Between the date of this Agreement and Optionholders voting on the Option Scheme at the Option Scheme Meeting, the SOE Independent Directors do not change, qualify or withdraw their Recommendation.
- (i) **(Independent Expert's report)** The Independent Expert provides its report to the SOE Board concluding that the Option Scheme is fair and reasonable, and in the best interest of Optionholders (and does not change that conclusion or withdraw its report by notice in writing to SOE prior to 8.00am on the Second Court Date).

Reasonable endeavours

- 3.3 Each of SOE and Bidder must use its reasonable endeavours to procure that:
- (a) each of the Conditions is satisfied as expeditiously as possible and in any event on or before the Sunset Date and continues to be satisfied at all times until the last time it is required to be satisfied (as the case may require), including providing all reasonable assistance to the other party which is necessary to satisfy such Conditions; and
 - (b) there is no occurrence within the control of SOE or Bidder (as the context requires) or their Subsidiaries that would prevent the Conditions from being satisfied.
- 3.4 Without limiting clause 3.3, SOE or Bidder (as the context requires) must:
- (a) promptly apply for all relevant Regulatory Consents and provide the other party with a copy of all those applications;
 - (b) take all the steps for which it is responsible as part of the Regulatory Consent process, including responding to requests for information at the earliest practicable time;
 - (c) provide the other party with all information reasonably requested in connection with the applications for Regulatory Consents. Where the information is confidential or commercially sensitive to the party, it may provide the information directly to the relevant Government Agency; and

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (d) use reasonable endeavours to consult with the other party in advance in relation to all material communications with any Government Agency relating to any Regulatory Consent and, so far as it is able, allow the other party and its Representatives the opportunity to be present at any meetings with any Government Agency.

Share splitting

- 3.5 If the Scheme is not approved by SOE Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and SOE considers (acting reasonably) that Share Splitting or some other abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied, then SOE must:
- (a) apply for an order of the Court of the type contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
 - (b) make such submissions to the Court and file such evidence as counsel engaged by SOE to represent it in Court proceedings related to the Scheme, in consultation with Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

Waiver of conditions

- 3.6 The Conditions in clauses 3.1(e), (f), (n) and (o) and clause 3.2(g) are for the joint benefit of SOE and Bidder and may only be waived jointly by them.
- 3.7 The Conditions in clauses 3.1(h), (j), (l) and (q) and clause 3.2(i) are for the sole benefit of SOE and may only be waived by SOE.
- 3.8 The Conditions in clauses 3.1(g), (i), (k), (m) and (p) and clause 3.2(h) are for the sole benefit of Bidder and may only be waived by Bidder.
- 3.9 The Conditions in clauses 3.1(a), (b), (c) and (d) and clauses 3.2 (a), (b), (c), (d), (e) and (f) cannot be waived.
- 3.10 To be effective any waiver of the breach or non-fulfilment of any Condition must be in writing and a copy of the waiver must be provided to the other party prior to 8.00 am on the Second Court Date to be effective.
- 3.11 Subject to clause 3.12, a waiver of any Condition precludes the party who has the benefit of the Condition from suing the other party for any breach of this Agreement that resulted from any breach or non-fulfilment of the Condition.
- 3.12 A party entitled to waive a Condition under this clause 3 may do so in its absolute discretion. If the party who has the benefit of a Condition in waives a breach or non-fulfilment of the Condition on one or more terms, and the other party agrees to those terms, then those terms will apply notwithstanding any inconsistency with clause 3.10. If the other party does not agree to the terms of any waiver, the relevant Condition will not be waived.

Failure of Condition

- 3.13 Subject to clause 6.4, if a Condition:

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (a) is not satisfied or (where capable of waiver) waived by the date specified for its satisfaction; or
- (b) becomes incapable of being satisfied by the date specified for its satisfaction and is not waived,

and neither of the following has occurred:

- (c) the Independent Expert has opined to the effect that the Scheme or Option Scheme is not in the best interest of SOE Shareholders or Optionholders (respectively); or
- (d) a Superior Proposal has been received,

then SOE and Bidder must consult in good faith with a view to determining whether:

- (e) the Scheme and/or Option Scheme may proceed by way of alternative means or methods;
- (f) to extend the relevant time or date for satisfaction of the Conditions;
- (g) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme and/or Option Scheme or adjourning that application (as applicable) to another date agreed by SOE and Bidder; or
- (h) to extend the Sunset Date.

3.14 If SOE and Bidder are unable to reach agreement under clause 3.13 within five Business Days of the date on which they both become aware that the Condition is not satisfied or has become incapable of being satisfied (or, if earlier, by 8.00 am on the Second Court Date), or the parties are not required in the circumstances to consult under clause 3.13, then unless the relevant Condition is waived (and subject to clause 3.15):

- (a) the party entitled to the benefit of that Condition; or
- (b) either SOE or Bidder in the case of a Condition which is for the benefit of both of them jointly,

may in respect of a Condition:

- (c) in clause 3.1, terminate this Agreement; and
- (d) in clause 3.2, terminate this Agreement only in respect of the Option Scheme,

at any time prior to 8.00 am on the Second Court Date with immediate effect by written notice to the other party.

3.15 A party may not terminate this Agreement under clause 3.14 if the relevant Condition has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant Condition being satisfied by the date specified in this Agreement for its satisfaction, as a result of an act or omission by that party or any of its Related Bodies Corporate which results in a breach of this Agreement and either alone or together with other circumstances prevents that Condition being satisfied or capable of being satisfied.

3.16 Subject to the rights of the parties under clauses 7.7, 9 and 10 of this Agreement, following any termination under clause 3.14 no party will have any liability to the other parties in respect

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

of this Agreement, other than in respect of a breach of this Agreement occurring prior to that termination.

Notice of changes

- 3.17 SOE must promptly notify Bidder, and Bidder must promptly notify SOE, after it becomes aware that any Condition has been satisfied, has become incapable of being satisfied or is not reasonably capable of being satisfied (having regard to the respective obligations of each party under clauses 3.3 and 3.4).
- 3.18 Upon receipt of notice given under clause 3.17, SOE or Bidder, as applicable, must give notice to the notifying party as soon as practicable as to whether or not it waives the breach or non-fulfilment of any Condition which has become incapable of being satisfied.
- 3.19 SOE must promptly notify Bidder, and Bidder must promptly notify SOE, of any change, matter, event or circumstance causing, or which is reasonably likely to cause:
- (a) a representation or warranty in this Agreement to be breached; or
 - (b) a material breach of this Agreement,
- and must provide Bidder or SOE (as applicable) with reasonable details of the relevant breach.

Certificates

- 3.20 On the Second Court Date:
- (a) Bidder and SOE will provide a joint certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(e), (f), (n) and (o) and clause 3.2(g) have been satisfied or waived in accordance with the terms of this Agreement;
 - (b) SOE will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a), (b), (g), (i), (k), (l), (m), (n) and (p) and clause 3.2(h) relating to the Scheme have been satisfied or waived in accordance with the terms of this Agreement; and
 - (c) Bidder will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(h), (j) and (q) and clause 3.2(i) have been satisfied or waived in accordance with the terms of this Agreement.

4 Scheme of Arrangement

Scheme

- 4.1 SOE will propose a scheme of arrangement under which, subject to the Scheme becoming Effective, all the Scheme Shares will be transferred to Bidder.
- 4.2 If the Court does not make orders on the First Court Date to convene the Option Scheme Meeting due to concerns it has regarding the Option Scheme, SOE may, to the extent that the Court makes orders to convene the Scheme Meeting on the First Court Date or on a subsequent date, implement only the Scheme and the Bidder Group will have no grounds for objecting (and will not object) to the implementation of the Scheme.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Scheme Consideration

- 4.3 In consideration of the Scheme Shareholders transferring their Scheme Shares to Bidder at Completion, Bidder covenants in SOE's favour (in its own right and separately as trustee or nominee for each Scheme Shareholder) that Bidder will, on the Implementation Date and immediately prior to the transfer of the Scheme Shares to Bidder, pay and/or provide to each Scheme Shareholder, the Scheme Consideration in accordance with the terms of the Draft Scheme.

Option Scheme

- 4.4 SOE will propose a scheme of arrangement under which, subject to the Scheme and Option Scheme becoming Effective, all Scheme Options will be cancelled.

Option Scheme Consideration

- 4.5 In consideration for the Scheme Optionholders having their Scheme Options cancelled at Completion, Bidder covenants in SOE's favour (in its own right and separately as trustee or nominee for each Scheme Optionholder) that Bidder will, on the Implementation Date and immediately prior to the cancellation of the Scheme Options, pay to each Scheme Optionholder, the Option Scheme Consideration in accordance with the Draft Option Scheme.

Deed Poll and Option Scheme

- 4.6 Bidder covenants in favour of SOE (in its own right and separately as trustee for each of the SOE Shareholders and SOE Optionholders) to execute and deliver prior to the First Court Date, and (subject to their respective terms) perform, the Deed Poll and Option Scheme Deed Poll.

5 Co-operation

Giving effect to Scheme

- 5.1 Each party must use its reasonable endeavours and utilise all reasonable resources (including management, marketing and corporate relations resources, as well as the resources of external advisers) to give effect to the Scheme and Option Scheme and must execute all documents and do all acts and things (including produce the Scheme Booklet) as may be necessary or desirable for the Implementation of the Scheme and Option Scheme substantially in accordance with the Timetable.

6 Implementation

SOE's obligations

- 6.1 SOE must take all steps reasonably necessary to propose and implement the Scheme and Option Scheme in accordance with all necessary laws and regulations as soon as is reasonably practicable and substantially in accordance with the Timetable, including doing anything required on behalf of SOE Shareholders and Optionholders which SOE is authorised to do. This includes:
- (a) **(Scheme Booklet)** Preparing the Scheme Booklet and dispatching the Scheme Booklet to SOE Shareholders and Optionholders (as applicable). The Scheme Booklet must:

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (i) include:
 - (A) the Scheme and Option Scheme;
 - (B) a notice of the Scheme Meeting, a notice of Option Scheme Meeting and proxy forms;
 - (C) an explanatory statement in relation to the Scheme and Option Scheme issued under section 412 of the Corporations Act and registered by ASIC;
 - (D) a copy of the Independent Expert's report, a copy of this Agreement (without the schedules or annexures) and a copy of the executed Deed Poll and Option Scheme Deed Poll;
 - (E) a statement that each SOE Independent Director recommends that SOE Shareholders and Optionholders vote in favour of the Scheme and Option Scheme (as applicable), which may be expressed as subject to the Independent Expert concluding that the Scheme and Option Scheme are each fair and reasonable, and in the best interest of SOE Shareholders and Optionholders respectively and to be given in the absence of a Superior Proposal; and
 - (F) a statement that each SOE Independent Director with a relevant interest in SOE Shares and SOE Options intends to vote those SOE Shares and SOE Options in favour of the Scheme and Option Scheme (as applicable), which statement may be expressed as subject to the Independent Expert concluding that the Scheme and Option Scheme are each fair and reasonable, and in the best interest of SOE Shareholders and Optionholders respectively and to be given in the absence of a Superior Proposal; and
- (ii) comply with all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules.
- (b) **(Consultation)** Providing Bidder with drafts of the Scheme Booklet, consulting with Bidder in relation to the content and presentation of the Scheme Booklet and giving Bidder and its representatives a reasonable opportunity to provide input about the content and presentation of the Scheme Booklet, and obtaining Bidder's consent to include the Bidder Scheme Information in the form and context in which it appears.
- (c) **(Access to information)** During the Agreed Period, providing Bidder and its Representatives with reasonable access during normal business hours and within a reasonable time of a request by Bidder, to all information about SOE and its Subsidiaries that Bidder or its Representatives reasonably require to prepare the necessary documentation for obtaining any Regulatory Consents.
- (d) **(Engage the Independent Expert)** Engaging the Independent Expert to prepare and provide its report for inclusion in the Scheme Booklet, and providing all reasonable assistance and information to the Independent Expert to enable it to do so.
- (e) **(Approval of draft for ASIC)** As soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procuring that a meeting of the SOE Board, or of a committee of the SOE Board appointed for this

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- purpose, is convened to consider, and if thought fit, approve, that draft as being in a form appropriate for provision to ASIC for review.
- (f) **(Liaison with ASIC)** As soon as practicable after the date of this Agreement, providing an advanced draft of the Scheme Booklet, in a form approved in accordance with clause 6.1(e), to ASIC for review and approval for the purposes of section 411(2) of the Corporations Act and:
- (i) liaising with ASIC during the period of ASIC's consideration of that draft of the Scheme Booklet; and
 - (ii) keeping Bidder reasonably informed of any material matters raised by ASIC in relation to the Scheme Booklet, and using all reasonable endeavours in co-operation with Bidder to resolve any such matters.
- (g) **(Approval of Scheme Booklet)** As soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet, procuring that a meeting of the SOE Board, or of a committee of the SOE Board appointed for this purpose, is convened to consider, and if thought fit, approve, the Scheme Booklet for dispatch to SOE Shareholders and Optionholders (as applicable), subject to the approval of the Court.
- (h) **(Registration)** Requesting ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme and Option Scheme in accordance with section 412(6) of the Corporations Act.
- (i) **(Section 411(17)(b) statement)** Applying to ASIC for a statement under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme and Option Scheme.
- (j) **(Engage suitable counsel)** Engaging suitable counsel to represent SOE in all Court proceedings related to the Scheme and Option Scheme.
- (k) **(Regulatory notifications)** Lodging with each Government Agency within the relevant time periods all necessary documentation and filings in relation to the Scheme and Option Scheme and the transactions contemplated by this Agreement.
- (l) **(Court direction)** Applying to the Court for orders under section 411(1) of the Corporations Act directing SOE to convene the Scheme Meeting and Option Scheme Meeting.
- (m) **(Scheme Meetings)** Taking all steps reasonably necessary to comply with the orders of the Court, including dispatching the Scheme Booklet to SOE Shareholders and Optionholders and convening and holding the Scheme Meeting and Option Scheme Meeting.
- (n) **(SOE Scheme Information)** Taking all reasonable steps to ensure that the SOE Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) as at the Dispatch Date.
- (o) **(SOE new information)** Providing to SOE Shareholders and Optionholders (as applicable) any further or new information which arises after the Dispatch Date and prior to the Scheme Meeting or Option Scheme Meeting which is necessary to ensure that the information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (whether by omission or otherwise).

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (p) **(Court approval of Scheme)** If SOE Shareholder Approval is obtained at the Scheme Meeting and, if necessary, Bidder and SOE agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions in clause 3.1 (other than the Conditions in clauses 3.1(c) and 3.1(d)) will be satisfied or waived on or prior to 8.00am on the proposed Second Court Date, applying (and, to the extent necessary, re-applying) to the Court for orders approving the Scheme.
- (q) **(Court approval of Option Scheme)** If SOE Optionholder Approval is obtained at the Option Scheme Meeting and, if necessary, Bidder and SOE agree on the Business Day immediately following the Option Scheme Meeting that it can be reasonably expected that all of the Conditions in clause 3.2 (other than the Conditions in clauses 3.2(a), 3.2(e) and 3.2(f)) will be satisfied or waived on or prior to 8.00am on the proposed Second Court Date, applying (and, to the extent necessary, re-applying) to the Court for orders approving the Option Scheme.
- (r) **(Lodge copy of Court order)** Lodging an office copy of the Court orders approving the Scheme and Option Scheme (if made) with ASIC no later than 10.00 am on the next Business Day after the order is made.
- (s) **(Registration)** If the Scheme or Option Scheme become Effective, executing proper instruments of transfer of, and effecting and entering in:
 - (i) the Register the transfer of, the Scheme Shares to Bidder under the Scheme on the Implementation Date; and
 - (ii) the Option Register the cancellation of the Scheme Options under the Option Scheme on the Implementation Date.
- (t) **(Register information)** Providing Bidder and its share registry with all information necessary, or reasonably requested, in order to assist Bidder to pay the Scheme Consideration and Option Scheme Consideration.

Bidder's obligations

- 6.2 Bidder must take all steps reasonably necessary to implement the Scheme and Option Scheme in accordance with all necessary laws and regulations as soon as is reasonably practicable and substantially in accordance with the Timetable. This includes:
- (a) **(Deed Poll and Option Scheme Deed Poll)** Executing the Deed Poll and Option Scheme Deed Poll as soon as practicable on or before the First Court Date before the Scheme Booklet is dispatched to SOE Shareholders and Optionholders (as applicable).
 - (b) **(Bidder Scheme Information)** Preparing and providing to SOE, in a form appropriate for inclusion in the Scheme Booklet, the Bidder Scheme Information.
 - (c) **(Independent Expert's report)** Providing all reasonable assistance and information to the Independent Expert in connection with the preparation of its report for inclusion in the Scheme Booklet.
 - (d) **(Representation)** Procuring that it is represented by counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme and Option Scheme, at which, through its counsel, Bidder will undertake (if requested by the Court) to do all things and take all steps within its power that may be necessary to ensure the fulfilment of its obligations in relation to

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

the Scheme and Option Scheme, and, to the extent that leave of the Court is required for Bidder to be represented at those Court hearings, apply for that leave.

- (e) **(Review of Scheme Booklet)** As soon as reasonably practicable after delivery, reviewing the drafts of the Scheme Booklet prepared by SOE and providing comments on those drafts in good faith.
- (f) **(Approval of draft for ASIC)** As soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procuring that a meeting of the appropriate decision-making body of Bidder is held to consider approving those sections of the draft that relate to Bidder as being in a form appropriate for provision to ASIC for review.
- (g) **(Approval of Scheme Booklet)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procuring that a meeting of the appropriate decision-making body of Bidder is held to consider approving those sections of the Scheme Booklet that relate to Bidder as being in a form appropriate for despatch to SOE Shareholders and Optionholders, subject to approval of the Court.
- (h) **(Accuracy of Bidder Scheme Information)** Before the Dispatch Date, verifying to SOE the accuracy of the Bidder Scheme Information contained in the Scheme Booklet, and consenting to the inclusion of that information in the form and context in which it appears in the Scheme Booklet, in each case subject to Bidder being reasonably satisfied as to those matters.
- (i) **(Bidder Scheme Information)** Taking all reasonable steps to ensure that the Bidder Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) as at the Dispatch Date.
- (j) **(Bidder new information)** Providing to SOE any further or new information about Bidder which arises after the Dispatch Date and prior to the Scheme Meeting or Option Scheme Meeting which is necessary or reasonably required by SOE to ensure that the Bidder Scheme Information disclosed to SOE Shareholders and Optionholders is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
- (k) **(Scheme Consideration)** If the Scheme becomes Effective, paying or providing the Scheme Consideration in accordance with clause 4.3 on Completion.
- (l) **(Option Scheme Consideration)** If the Option Scheme becomes Effective, paying the Option Scheme Consideration in accordance with clause 4.5 on Completion.
- (m) **(Regulatory notifications)** Without limiting any obligation of Bidder under any other provision of this Agreement, lodging with each Government Agency within the relevant time periods all necessary documentation and filings required by law to be lodged by Bidder in relation to the Scheme, Option Scheme and the transactions contemplated by this Agreement.
- (n) **(Reasonable assistance)** Without limiting any obligation of Bidder under any other provision of this Agreement, providing any assistance or information reasonably requested by SOE in relation to the Scheme and/or Option Scheme.
- (o) **(Quotation of New Shares)** Apply to ASX for quotation of New WHSP Shares to be issued as Scheme Consideration, initially on a deferred settlement basis and then on a normal T+3 settlement basis and in accordance with the Timetable.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Timetable

- 6.3 Each of SOE and Bidder must use its reasonable endeavours to perform its obligations (and procure its Representatives to assist in that performance) substantially in accordance with the Timetable.

Conduct of appeals

- 6.4 If the Court refuses to grant an order convening the Scheme Meeting or the Option Scheme Meeting, or approving the Scheme or Option Scheme, then SOE and Bidder must consult with each other in good faith as to whether to appeal the Court's decision. If, in the opinion of senior counsel obtained by either party within five Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision then:
- (a) SOE must appeal the Court's decision, the cost of which is to be borne equally by SOE and Bidder; and
 - (b) the Sunset Date will be extended to 6 July 2012 (or any earlier date agreed to by SOE and Bidder) to account for the period for determination of the appeal on an expedited basis.

Conduct of business

- 6.5 Subject to clause 6.6, during the Agreed Period, SOE and Bidder must, and must ensure that each of its Subsidiaries, conduct their businesses in the ordinary course.
- 6.6 Any restriction on conduct which is imposed in clause 6.5, does not apply to the extent that the conduct, or the intention to carry out the conduct, was Fairly Disclosed by SOE or Bidder to the other party on or before the date of this Agreement.

Restrictions on Bidder

- 6.7 Without limiting clause 6.5, during the Agreed Period, Bidder must, and must procure that each of its Subsidiaries, not take any action which would be reasonably expected to give rise to a Bidder Prescribed Event.
- 6.8 Any restriction on conduct which is imposed in clause 6.7 does not apply to the extent that:
- (a) the conduct is undertaken by a member of the Bidder Group in conducting its businesses in the ordinary course of business;
 - (b) the conduct, or the intention to carry out the conduct, was Fairly Disclosed to SOE on or before the date of this Agreement;
 - (c) the conduct is required or otherwise elected (acting reasonably) to be undertaken by Bidder in connection with:
 - (i) the Scheme;
 - (ii) the Option Scheme;
 - (iii) the Deed Poll;
 - (iv) the Option Scheme Deed Poll ; or
 - (v) this Agreement; or

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (d) the conduct is approved in writing by SOE (which approval must not be unreasonably withheld or delayed).

Resignation of directors

- 6.9 As soon as practicable on the Implementation Date after the transfer of the Scheme Shares to Bidder under the terms of the Scheme, SOE must procure that those directors on the SOE Board and the board of directors of each member of the SOE Group which Bidder nominates resign with effect from the Implementation Date.

7 Warranties

SOE Warranties

- 7.1 SOE represents and warrants to Bidder at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:
- (a) it and each of its Subsidiaries is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has taken all necessary corporate action to authorise entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
 - (c) it has full corporate power to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - (d) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
 - (e) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which any member of the SOE Group is a party or is subject or by which any member of the SOE Group is bound;
 - (f) it has obtained (or will have obtained prior to 8.00 am on the Second Court Date) all necessary consents and approvals to enable it to enter into and perform this Agreement. However, it does not represent or warrant that the Regulatory Consents will necessarily be obtained;
 - (g) as at the date of this Agreement, its issued equity securities comprise:
 - (i) 593,719,107 SOE Shares; and
 - (ii) 74,024,813 Options,and there are no other options, preference shares of any class, rights, performance rights, shares, convertible notes or other securities on issue, and neither it nor any of its Subsidiaries are under any obligation to issue and have not granted any person the right to call for the issue of any such securities in it or any of its Subsidiaries;
 - (h) the SOE Scheme Information:

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (i) will comply in all material respects with the requirements of all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules; and
- (ii) be provided on the understanding that each of the Bidder Indemnified Parties will rely on that information for the purposes of preparing the Bidder Scheme Information and implementing the Scheme and Option Scheme;
- (i) as at the Dispatch Date, the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Bidder Scheme Information and the Independent Expert's report) will not be misleading or deceptive in any material respect (whether by omission or otherwise); and
- (j) it is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the Corporations Act and, subject to the announcement of the Scheme, Option Scheme and the execution of this Agreement, as at the date of this Agreement SOE is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules.

SOE indemnity

- 7.2 SOE agrees with Bidder (on Bidder's own behalf and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all Claims, liabilities and loss which any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 7.1.
- 7.3 For the purpose of clause 7.2, Bidder is taken to be acting as agent and trustee on behalf of, and for the benefit of, each of the Bidder Indemnified Parties. SOE acknowledges that Bidder and each of the Bidder Indemnified Parties may bring action directly against SOE in respect of any breach of the SOE Warranties.

Bidder Warranties

- 7.4 Bidder represents and warrants to SOE (on its own behalf and separately as trustee for each of the other SOE Indemnified Parties) at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:
- (a) it, and each of its Subsidiaries, is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
 - (c) it has full corporate power to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - (d) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
 - (e) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order,

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- judgment, or law to which it, or any of its Subsidiaries, is a party or is subject or by which it or any of its Subsidiaries is bound;
- (f) it has obtained (or will have obtained prior to 8.00 am on the Second Court Date) all necessary consents and approvals to enable it to enter into and perform this Agreement. However, it does not represent or warrant that the Regulatory Consents will necessarily be obtained;
 - (g) as at the date of this Agreement its issued equity securities comprise 238,640,580 WHSP Shares, and there are no other options, preference shares of any class, rights, performance rights, shares, convertible notes or other securities on issue, and neither it nor any of its Subsidiaries are under any obligation to issue and have not granted any person the right to call for the issue of any such securities in it or any of its Subsidiaries;
 - (h) as at the Dispatch Date, the Bidder Scheme Information, in the form and context in which it appears in the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be false, misleading or deceptive in any material respect (whether by omission or otherwise);
 - (i) the Bidder Scheme Information provided to SOE in accordance with clause 6.2(i) for inclusion in the Scheme Booklet will:
 - (i) comply in all material respects with the requirements of all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules; and
 - (ii) be provided on the understanding that each of the SOE Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme and Option Scheme in accordance with the requirements of the Corporations Act;
 - (j) all Bidder Scheme Information provided by or on behalf of Bidder to the Independent Expert to enable the Independent Expert's report to be prepared and completed will be provided on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's report for inclusion in the Scheme Booklet;
 - (k) all information provided by or on behalf of Bidder to SOE during the course of negotiations in relation to the Scheme and Option Scheme and preparation of the Scheme Booklet is complete, accurate and not misleading in all material respects (including by omission);
 - (l) as at the date of this Agreement, Bidder has available to it sufficient cash amounts from internal cash resources to satisfy Bidder's obligation to pay the Scheme Consideration (assuming all SOE Shareholders elect to receive cash for their Scheme Shares) and Option Scheme Consideration;
 - (m) at 8.00am on the Second Court Date, Bidder will have available to it sufficient cash amounts from internal cash resources to satisfy Bidder's obligation to pay the Scheme Consideration (assuming all SOE Shareholders elect to receive cash for their Scheme Shares) and Option Scheme Consideration in accordance with its obligations under this Agreement, the Deed Poll and Option Scheme Deed Poll;

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (n) the New WHSP Shares to be issued as Scheme Consideration will be validly issued, fully paid, and rank equally with Bidder's other issued fully paid ordinary shares from their date of issue;
- (o) it is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the *Corporations Act* and subject to the announcement of the Scheme, Option Scheme and execution of this Agreement, is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules of the kind referred to in section 713(5)(b) of the *Corporations Act* that may otherwise be reasonably expected by investors and their professional advisers to be disclosed;
- (p) no delisting or suspension in trading in respect of the WHSP Shares is pending or, to the knowledge of Bidder, threatened; and
- (q) the approval of the holders of WHSP Shares (or any class of them) is not required in connection with the Scheme or Option Scheme.

Bidder indemnity

- 7.5 Bidder agrees with SOE (on SOE's own behalf and separately as trustee for each of the other SOE Indemnified Parties) to indemnify and keep indemnified the SOE Indemnified Parties from and against all Claims, liabilities and loss which any of the SOE Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 7.4.
- 7.6 For the purposes of clause 7.5, SOE is taken to be acting as agent and trustee on behalf of, and for the benefit of, each of the SOE Indemnified Parties. Bidder acknowledges that SOE and each of the SOE Indemnified Parties may bring action directly against Bidder in respect of any breach of the Bidder Warranties.

Release

- 7.7 Each party:
- (a) releases its rights against, and will not make any Claim against, any past or present Representative of any other party in relation to anything done or purported to be done in connection with the Scheme and Option Scheme, any transaction contemplated by or warranty given in this Agreement, any information provided to it by another party or in relation to its execution or delivery of this Agreement to the extent that the past or present Representative has acted in good faith and has not engaged in any wilful misconduct. Nothing in this clause 7.7(a) excludes any liability that may arise from wilful misconduct or bad faith on the part of any person; and
 - (b) holds the releases in clause 7.7(a) in respect of its past and present Representatives as trustee for those Representatives.
- 7.8 Each representation and warranty in clauses 7.1 and 7.4:
- (a) is severable;
 - (b) will survive termination of this Agreement; and
 - (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this Agreement.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Survival of indemnities

- 7.9 Each indemnity in this Agreement (including those in clauses 7.2 and 7.5):
- (a) is severable;
 - (b) is a continuing obligation;
 - (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Agreement; and
 - (d) will survive termination of this Agreement.

No other warranties or reliance

- 7.10 Each party acknowledges that no other party (nor any person acting on that other party's behalf) has made any warranty, representation or other inducement to it to enter into this Agreement, except for the representations and warranties expressly set out in this Agreement.
- 7.11 Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any warranty, representation or other inducement by or on behalf of any other party, except for any warranty or representation expressly set out in this Agreement.

8 Termination

Termination for breach

- 8.1 Without prejudice to any other rights of termination under this Agreement, either party may terminate this Agreement by giving the other party written notice at any time before 8.00 am on the Second Court Date if:
- (a) the other party is in material breach of any term of this Agreement, or the other party is in breach of a warranty that is qualified as to materiality or is in material breach of a warranty that is not qualified by materiality given by the other party under clauses 7.1 or 7.4 (as applicable) on or before the Second Court Date; and
 - (b) the party wishing to terminate this Agreement has given the other party a written notice setting out details of the breach and stating its intention to terminate this Agreement; and
 - (c) the breach has not been remedied 5 Business Days (or any shorter period ending immediately before 8.00 am on the Second Court Date) from the date the notice under clause 8.1(b) is given.

Automatic termination

- 8.2 This Agreement will terminate automatically without the need for action by any party in the event that:
- (a) subject to paragraph (c), SOE Shareholder Approval is not obtained at the Scheme Meeting;
 - (b) if clause 3.5 requires SOE to apply for the order referred to in that clause, the order is refused with the result that the Scheme is not approved by SOE Shareholders; or
 - (c) the Scheme does not become Effective by the Sunset Date.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Termination by SOE or Bidder

- 8.3 Either of Bidder or SOE may terminate this Agreement by giving the other party written notice if:
- (a) the Court refuses to grant an order convening the Scheme Meeting, or approving the Scheme and either:
 - (i) Bidder and SOE fail to agree on conducting an appeal under clause 6.4 within five Business Days of the Court's decision and SOE is not otherwise obliged to conduct an appeal in accordance with clause 6.4; or
 - (ii) Bidder and SOE agree to conduct an appeal under clause 6.4 within five Business Days of the Court's decision but the appeal is unsuccessful; or
 - (b) the Scheme is not approved by the Court under section 411(4)(b) of the Corporations Act on or before the Sunset Date.
- 8.4 This Agreement may not be terminated by a party under clause 8.3 if the relevant event described in clause 8.3 is a result of (either alone or together with other events or circumstances) an act or omission by that party or any of its Related Bodies Corporate that results in a breach of this Agreement.

Termination following Superior Proposal

- 8.5 Without prejudice to any other rights of termination under this Agreement, but subject to clause 12.2, either Bidder or SOE may terminate this Agreement by giving the other party written notice at any time before 8.00 am on the Second Court Date if the SOE Independent Directors determine and publicly announce that a Competing Proposal is a Superior Proposal.

Effect of termination

- 8.6 If either SOE or Bidder terminates this Agreement under clauses 3 or 8, this Agreement and the parties' obligations under it cease, other than obligations under this clause and clauses 7.2, 7.3, 7.5, 7.6, 7.7, 7.9, 9, 10, and 13 which will survive termination.
- 8.7 Termination of this Agreement under clauses 3 or 8 does not affect any accrued rights of a party in respect of a breach of this Agreement prior to termination.

9 Public announcements

Public announcements

- 9.1 Neither party may make a public announcement about this Agreement (including any termination of this Agreement), the Scheme Booklet, the Scheme or the Option Scheme unless:
- (a) the other party has given its prior approval to the form of the announcement (acting reasonably); or
 - (b) applicable law or the Listing Rules requires an announcement to be made, subject to clause 9.3.
- 9.2 The parties must use all reasonable endeavours to participate constructively and promptly with respect to the approvals and consultation contemplated by clauses 9.1 and 9.3.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Required disclosure

- 9.3 If applicable law or the Listing Rules require a party to make an announcement or disclosure about the subject of this Agreement, the Scheme Booklet, the Scheme or Option Scheme, that party may only do so after it has given the other party prior notice (of at least one Business Day if possible, subject to complying with all applicable laws and the Listing Rules) and consulted with the other party about the form and content of the announcement or disclosure.

Statements on termination

- 9.4 Without limiting clause 9.1, the parties must act in good faith and use all reasonable endeavours to issue an agreed statement or announcement in respect of any termination of this Agreement.

10 Confidentiality

Bidder's obligations

- 10.1 Bidder acknowledges and agrees that it will:
- (a) only use SOE Confidential Information or any part of it in relation to the Scheme and/or Option Scheme and their implementation and not for anything else;
 - (b) not use SOE Confidential Information or any part of it to the competitive disadvantage of SOE or any of its Subsidiaries;
 - (c) keep all SOE Confidential Information in confidence;
 - (d) only disclose SOE Confidential Information:
 - (i) to those Representatives of Bidder who:
 - (A) require SOE Confidential Information to produce the Bidder Scheme Information or review the Scheme Booklet; and
 - (B) are informed of Bidder's obligations under this clause 10.1 and agree to comply with such obligations as if they were Bidder; or
 - (ii) to the extent required by law or the Listing Rules, subject to first observing the terms of clause 9.3;
 - (iii) to the extent that the disclosure is necessary for the purpose of implementing the Scheme and/or Option Scheme, including obtaining all necessary Regulatory Consents, and enforcing the provisions of this Agreement;
 - (iv) to the extent that such information is required for inclusion in any documents to be made available to the Court in support of the Scheme and/or Option Scheme; or
 - (v) with SOE's prior written consent.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

11 Conduct of Court proceedings

- 11.1 Nothing in this Agreement gives any party any right or power to make undertakings to the Court for or on behalf of another party without that party's written consent.
- 11.2 Each party agrees to give all undertakings to the Court in all Court proceedings which it is reasonably required to give (on an individual basis) to obtain Court approval and confirmation of the Scheme and Option Scheme as contemplated by this Agreement.

12 Exclusivity

Notification

- 12.1 During the Agreed Period, if a Competing Proposal is put to SOE (*Other Proposal*) then SOE must promptly inform Bidder of that fact, the identity of the person or persons involved in the Other Proposal and the key terms of the Other Proposal (*Other Proposal Notice*).

Bidder's right to match Other Proposal

- 12.2 SOE must not enter into any agreement, arrangement or understanding in relation to an Other Proposal, announce one Other Proposal publicly or rely on clause 8.5 as a result of an Other Proposal, unless:
- (a) SOE gives Bidder an Other Proposal Notice in relation to the Other Proposal;
 - (b) a period of 2 Business Days has elapsed from the date on which Bidder receives the Other Proposal Notice.
- 12.3 Despite clause 12.2, to the extent required to discharge what they have determined in good faith to be their fiduciary or statutory obligations, the SOE Board may release a public announcement acknowledging the receipt of an Other Proposal and:
- (a) recommending that SOE Shareholders and Optionholders take no action in relation to the Other Proposal; and
 - (b) reserving the SOE Board's position in relation to its Recommendation,
- provided that any such announcement does not disclose the person from whom the Other Proposal has been received nor any of the material terms of the Other Proposal, including the price.
- 12.4 If SOE gives an Other Proposal Notice, Bidder will have the right, but not the obligation, at any time until the expiration of 2 Business Days following receipt of the Other Proposal Notice to:
- (a) offer to amend the terms of the Scheme and Option Scheme; or
 - (b) to propose any other transaction,
- which offer or proposal must be submitted to SOE in writing (each a *Bidder Counterproposal*), and if Bidder does so, the SOE Independent Directors must review the Bidder Counterproposal in good faith to determine whether the Bidder Counterproposal is more favourable to SOE Shareholders and Optionholders than the Other Proposal.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- 12.5 If the SOE Independent Directors determine, in good faith, that the Bidder Counterproposal is more favourable to SOE Shareholders and Optionholders than the Other Proposal, then:
- (a) if the Bidder Counterproposal contemplates an amendment to the Scheme and/or Option Scheme, the parties must enter into a deed amending this Agreement and all other necessary documents to reflect the Bidder Counterproposal;
 - (b) if the Bidder Counterproposal contemplates any other transaction, SOE must make an announcement as soon as reasonably practicable recommending the Bidder Counterproposal, in the absence of a Superior Proposal, and the parties must pursue implementation of the Bidder Counterproposal in good faith; and
 - (c) SOE must not take any of the steps referred to in clause 12.2.

Normal provision of information

- 12.6 Nothing in this clause 12 prevents SOE Group from:
- (a) providing information to its Representatives, rating agencies or any Government Agency;
 - (b) providing information to customers, joint venturers and suppliers in the ordinary course of their businesses; or
 - (c) making presentations to brokers, portfolio investors or analysts in the ordinary course of their businesses.

13 Costs and stamp duty

Costs

- 13.1 Subject to clause 13.2, each party must bear its own costs and expenses (including professional fees and stamp duty) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the implementation or attempted implementation of the Scheme and Option Scheme.

Stamp duty

- 13.2 Bidder must pay all stamp duty and any related fines or penalties in respect of this Agreement, the Deed Poll, the Option Scheme Deed Poll and the acquisition of the Scheme Shares and Scheme Options in accordance with the Scheme and Option Scheme and indemnify SOE (on SOE's own behalf and separately as trustee or nominee for the other SOE Indemnified Parties and SOE Shareholders and Optionholders) against any liability arising from failure to comply with this clause 13.2.

14 Notices

Requirements

- 14.1 All notices must be:
- (a) in legible writing and in English;

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

- (b) addressed to the recipient at the address or fax number set out below or to any other address or fax number that a party may notify to the other:

to SOE:

Address:	Level 2, 160 Pitt Street Mall, Sydney NSW 2000
Attention:	Mr Graeme Crampton and Mr Ross Stang, Directors
Fax no:	+61 2 9210 7099

to Bidder:

Address:	Level 1, 160 Pitt Street Mall, Sydney NSW 2000
Attention:	Mr Ian Bloodworth, Company Secretary
Fax no:	+61 2 9233 1025

- (c) signed by the party making the communication or by a person duly authorised by that party; and
- (d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

Receipt of notices

14.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to the recipient's fax number;

but if a notice is served by hand, or is received by the recipient's fax, on a day that is not a Business Day, or after 5.00 pm (recipient's local time) on a Business Day, the notice will be considered to have been received by the recipient at 9.00 am (recipient's local time) on the next Business Day.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

15 General

Entire agreement

15.1 To the extent permitted by law, in relation to the subject matter of this Agreement, this Agreement:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the parties.

Further assurances

15.2 Each party will promptly do everything necessary, including executing and delivering all further documents required by law or reasonably requested by the other party, to implement this Agreement, the Scheme and Option Scheme.

No merger

15.3 The rights and obligations of the parties do not merge on completion of any transaction contemplated under this Agreement. They survive the execution and delivery of any assignment or other document entered into to implement any transaction contemplated under this Agreement.

Assignment

15.4 A party cannot assign, novate or otherwise transfer or deal in any other way with any of its rights or obligations under this Agreement without the other party's prior written consent.

Invalid or unenforceable provisions

15.5 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

Waiver and exercise of rights

15.6 A waiver by a party of a provision of, or of a right under, this Agreement is only binding on the party granting the waiver if it is given in writing and is signed by the party or an authorised officer of the party granting the waiver.

15.7 A waiver is effective only in the specific instance and for the specific purpose for which it is given.

15.8 A single or partial exercise of a right by a party does not preclude another exercise of that right or the exercise of another right.

15.9 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the party so failing or exercising its right from later doing so.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Amendment

15.10 Except as expressly provided to the contrary in this Agreement, this Agreement may only be amended by a document signed by or on behalf of each party.

Counterparts

15.11 This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

Rights cumulative

15.12 Except as expressly provided to the contrary in this Agreement or as permitted by law, the rights, powers and remedies provided in this Agreement are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Agreement.

Consents or approvals

15.13 A party may give its approval or consent conditionally or unconditionally, or withhold its approval or consent, in its absolute discretion unless this Agreement expressly provides otherwise.

Severability

15.14 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction, or the remaining provisions of this Agreement.

GST

15.15 Unless expressly included, the consideration for any supply under or in connection with this Agreement does not include GST.

15.16 To the extent that any supply made by a party to another party (*Recipient*) under or in connection with this Agreement is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Agreement for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.

15.17 The amount of GST payable in accordance with clause 15.16 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

Governing law and jurisdiction

15.18 This Agreement is governed by the laws of New South Wales, Australia.

15.19 Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia; and
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Service of process

15.20 Each party agrees that a document required to be served in proceedings about this Agreement may be served:

- (a) by being delivered to or left at its address for service of notices under clauses 14.1 and 14.2; or
- (b) in any other way permitted by law.


Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Execution

Executed as an agreement.


Signed by)
Souls Private Equity Limited)
by a director and secretary/director:)



Signature of director

Ross Straw

Name of director (please print)




Signature of director/secretary

LARINA TCHERKEZIAN

Name of director/secretary (please print)


Signed by)
Washington H. Soul Pattinson and)
Company Limited)
by a director and secretary/director:)



Signature of director

PETER R. ROBINSON

Name of director (please print)



Signature of director/secretary

IAN D. BLOODWORTH

Name of director/secretary (please print)

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 1

Timetable

Event	Indicative date
Enter into Scheme Implementation Agreement	7 October 2011
Provide Scheme Booklet to ASIC for review and comment	7 October 2011
First Court Date	28 October 2011
Scheme Booklet registered by ASIC and lodged with ASX	28 October 2011
SOE Board meeting to approve Scheme Booklet and its dispatch	31 October 2011
Dispatch Scheme Booklet to SOE Shareholders and Optionholders	11 November 2011
Latest date for return of completed proxy forms for Scheme Meeting	12 December 2011
Eligibility for voting at Scheme Meeting and Option Scheme Meeting determined	12 December 2011
Scheme Meeting and Option Scheme Meeting	14 December 2011
Second Court Date (<i>SCD</i>)	19 December 2011
Notify ASX of Court approval of the Scheme	19 December 2011
Effective Date (lodge office copy of Court order approving the Scheme and Option Scheme with ASIC)	20 December 2011
SOE Shares suspended from trading on ASX	20 December 2011
Scheme Record Date	29 December 2011
Implementation Date	4 January 2012

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 2
Scheme of Arrangement

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 3

Deed Poll

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 4
Option Scheme of Arrangement

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 5
Option Scheme Deed Poll

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 6
Public announcement

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Annexure 7

Share Scheme Consideration

1. Election

- 1.1 A Scheme Shareholder (other than an Ineligible Foreign Shareholder) may make an Election for either Cash Consideration or Scrip Consideration by completing the Election Form which accompanies the Scheme Booklet and returning it to the address specified on that form or submitting it via the method set out in that form so that it is received by SOE no later than the Election Date.
- 1.2 Subject to the remaining provisions of this clause 1, an Election:
- (a) must be made in accordance with the terms and conditions on the Election Form (other than an Election deemed to be made pursuant to and in accordance with clause 1.5);
 - (b) will be deemed to apply to the entire registered holding of SOE Shares of the Scheme Shareholder as at the Scheme Record Date regardless of whether the Scheme Shareholder's holding of Scheme Shares is more or less than the Scheme Shareholder's holding at the time it made its Election; and
 - (c) once made, may be varied before the Election Date by a Scheme Shareholder lodging or submitting a replacement Election Form in accordance with the instructions on the Election Form.
- 1.3 Subject to clause 1.13 to 1.16, a Scheme Shareholder that holds one or more parcels of SOE Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of SOE Shares (subject to it providing to SOE and Bidder any substantiating information they reasonably require), and, for the purposes of calculating the Scheme Consideration to which that Scheme Shareholder is entitled under the Scheme, each such parcel of SOE Shares will be treated as though it were held by a separate Scheme Shareholder.
- 1.4 Any purported Election not made or deemed not to have been made in accordance with clauses 1.1, 1.2 and, if applicable 1.3, will not be valid for any purpose and will not be recognised by SOE or Bidder.
- 1.5 Any Scheme Shareholder who has not made a valid Election is, for the purpose of the Scheme, deemed to have made a valid Election for Cash Consideration.

Form of Scheme Consideration

- 1.6 Subject to clauses 1.13 to 1.16, if a Scheme Shareholder:
- (a) is deemed to have elected Cash Consideration, the Scheme Shareholder will be entitled to receive as Scheme Consideration the Cash Consideration for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; or
 - (b) elects to receive Scrip Consideration, the Scheme Shareholder will be entitled to receive as Scheme Consideration the Scrip Consideration for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date.
- 1.7 SOE may, with Bidder's consent (which may not be unreasonably withheld or delayed), settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with any Election, whether arising generally or in relation to any particular Election of a

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Scheme Shareholder, and any decision is conclusive and binding on all relevant Scheme Shareholders and other persons to whom the decision relates.

Provision of Scheme Consideration

- 1.8 On the Implementation Date, in consideration of the transfer to Bidder of the Scheme Shares, SOE must procure Bidder to pay or provide the Scheme Consideration to each Scheme Shareholder in respect of each Scheme Share held by that Scheme Shareholder.
- 1.9 SOE's obligation under clause 1.8 will be satisfied by procuring Bidder:
- (a) on or before the Implementation Date, to deposit an amount equal to the aggregate amount of the Cash Consideration payable to Scheme Shareholders in accordance with this clause 1 in cleared funds in a trust account operated by SOE, and in the name of SOE, to be held on trust for the Scheme Shareholders for the purpose of paying the aggregate amount of Cash Consideration to Scheme Shareholders, except that any interest on the amount deposited (less any bank fees and other charges) will be for the account of Bidder; and
 - (b) on the Implementation Date, to issue and allot to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) such number of New WHSP Shares as that Scheme Shareholder is entitled to as Scrip Consideration for each Scheme Share held by them in accordance with this clause 1; and
 - (c) on the Implementation Date, enter into the register of members of Bidder the name and address of each Scheme Shareholder (other than an Ineligible Foreign Shareholder) in respect of the aggregate number of New WHSP Shares issued to them under clause 1.9(b).
- 1.10 On the Implementation Date, subject to Bidder depositing the Cash Consideration in accordance with clause 1.9(a), SOE will (and will procure Bidder to) pay each Scheme Shareholder the aggregate amount of the cash (if any) as that Scheme Shareholder is entitled to as Cash Consideration for each Scheme Share held by them under this clause 1:
- (a) by cheque (drawing on the trust account referred to in clause 1.9(a)) sent by prepaid post to Scheme Shareholder's address in the Register as at the Scheme Record Date; or
 - (b) by depositing or procuring the Registry to deposit such amount into an account with any Australian ADI (as defined in the Corporations Act) notified to SOE (or SOE's agent who manages the Registry) by an appropriate authority from the Scheme Shareholder.
- 1.11 As soon as practicable after the Implementation Date and no later than 5 Business Days after the Implementation Date, SOE must procure that Bidder despatch to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) by pre-paid post to his or her address recorded in the Register as at the Scheme Record Date a holding statement or notice confirming the issue of the New WHSP Shares (if any) to that Scheme Shareholder in accordance with the Scheme.

Binding instruction or notifications

- 1.12 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and SOE relating to Scheme Shares as at the Scheme Record Date (including, any instructions relating to payment of dividends or to communications from SOE) will, from the Scheme Record Date, be deemed (except to the extent determined otherwise by Bidder in its sole discretion) to be a similarly binding instruction or notification

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

to Bidder, and accepted by Bidder, in respect of the New WHSP Shares (if any) issued to the Scheme Shareholder pursuant to the Scheme, until that instruction or notification is revoked or amended in writing addressed to Bidder through the Registry, provided that any such instructions or notifications accepted by Bidder will apply to and in respect of the issue of New WHSP Shares as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of the Scheme.

Ineligible Foreign Shareholders

- 1.13 Each Ineligible Foreign Shareholder is only entitled and will be deemed to have elected to receive as Scheme Consideration the Cash Consideration for each Scheme Share held by it at the Scheme Record Date. SOE will be under no obligation to procure that Bidder issues, and Bidder has no obligation to issue, any New WHSP Shares to any Ineligible Foreign Shareholder as Scheme Consideration under the Scheme. Any Election purportedly made by an Ineligible Foreign Shareholder will be invalid.

Fractional entitlements

- 1.14 If the aggregate entitlement of that Scheme Shareholder to Scrip Consideration in accordance with the Scheme includes a fractional entitlement to a New WHSP Share, then the entitlement of that Scheme Shareholder must be rounded up or down, with any fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New WHSP Shares, and any fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New WHSP Shares.
- 1.15 If the aggregate entitlement of a Scheme Shareholder to Cash Consideration in accordance with the Scheme includes a fractional entitlement to a cent in cash, then the entitlement of that Scheme Shareholder must be rounded up or down, with any fractional entitlement of less than half a cent being rounded down to the nearest whole cent, and any fractional entitlement of half a cent or more being rounded up to the nearest cent.

Share Splitting

- 1.16 If SOE reasonably believes that a Scheme Shareholder that holds a holding of Scheme Shares has, on or before the Scheme Record Date, dealt with its SOE Shares (including splitting or dividing a holding) since the date of the Scheme Implementation Agreement in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of that Scheme Shareholder's entitlement to the Scheme Consideration, then Bidder may give notice to those Scheme Shareholders:
- (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 Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares shall, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Scheme Shares.

Annexure A - Scheme Implementation Agreement

BAKER & MCKENZIE

Status of New WHSP Shares

- 1.17 SOE must procure that the New WHSP Shares issued as Scheme Consideration by Bidder, on their issue:
- (a) are duly and validly issued and fully paid;
 - (b) rank equally in all respects with all other WHSP Shares then on issue; and
 - (c) are free from any mortgage, charge, lien, encumbrance or other security interests.
- 1.18 SOE must procure that Bidder uses its best endeavours to ensure that, as from the Business Day after the Effective Date (or such later date as ASX requires), the New WHSP Shares issued as Scheme Consideration are listed for quotation on the official list of ASX, initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date (or such later date as ASX requires), on an ordinary settlement basis.

Joint Holders

- 1.19 In the case of Scheme Shares held in joint names:
- (a) any holding statements for New WHSP Shares to be issued to Scheme Shareholders in accordance with the Scheme will be issued in the names of the joint holders; and
 - (b) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders, and will be forwarded to the holder whose name appears first in the Register as at the Scheme Record Date.

Annexure B: Notice of Share Scheme Meeting

Notice of Share Scheme Meeting

Notice of Court Ordered Meeting of SPEL Shareholders (other than WHSP Group Members)

Notice is given that, by an order of the Supreme Court of New South Wales (*Court*) made on 1 November 2011, pursuant to section 411(1) of the Corporations Act, a meeting of SPEL Shareholders (other than WHSP Group Members) will be held at Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000 on **Wednesday, 14 December 2011 starting at 10:00am (Sydney time)**.

The Court has directed that Mr Ross Strang, or failing him Mr Graeme Crampton, act as Chair of Share Scheme Meeting and has directed the Chair to report the result of Share Scheme Meeting to the Court.

Purpose of Share Scheme Meeting

The purpose of Share Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to the Share Scheme proposed to be made between SPEL and SPEL Shareholders (other than WHSP Group Members).

A copy of the Share Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Share Scheme are contained in the Scheme Booklet of which this notice forms part.

Share Scheme Resolution

SPEL Shareholders (other than WHSP Group Members) entitled to vote at Share Scheme Meeting will be asked to consider and, if thought fit, to pass, with or without modification, the following resolution:

"In accordance with the provisions of section 411 of the Corporations Act 2001, the arrangement proposed between Souls Private Equity Limited and the holders of its fully paid ordinary shares (other than Washington H. Soul Pattinson and Company Limited and its related bodies corporate), as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of New South Wales)."

Dated 2 November, 2011

By order of the Board
Souls Private Equity Limited



Robert D. Millner
Chairman

Annexure B: Notice of Share Scheme Meeting

Explanatory Notes to Notice of Share Scheme Meeting

General

This notice of meeting, including the Share Scheme Resolution, should be read in conjunction with the Scheme Booklet of which this notice forms part.

Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

A copy of the Share Scheme is contained in Annexure D to the Scheme Booklet.

Required voting majorities

In accordance with section 411(4)(a) of the Corporations Act, for the Share Scheme to be Effective, the Share Scheme Resolution must be passed at each Share Scheme Meeting by:

- unless the Court orders otherwise, more than 50% of SPEL Shareholders (other than WHSP Group Members) present and voting (either in person or by proxy, attorney or by corporate representative) at that Share Scheme Meeting; and
- at least 75% of the votes cast on the Share Scheme Resolution by SPEL Shareholders (other than WHSP Group Members) voting at that Share Scheme Meeting.

Voting at each Share Scheme Meeting will be by poll rather than by show of hands.

WHSP Group Members will not be entitled to vote at the Share Scheme Meeting. WHSP Group Members consist of WHSP and its related bodies corporate (as defined in the Corporations Act). In addition, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting.

Court approval

Under section 411(4)(b) of the Corporations Act, the Share Scheme (with or without modification) must be approved by the order of the Court to become Effective. If the Share Scheme Resolution is agreed to by the required majorities set out above and all of the Conditions Precedent in respect of the Share Scheme are satisfied or waived, SPEL intends to apply to the Court for the necessary orders to give effect to the Share Scheme.

The Court has a discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Share Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority in number of SPEL Shareholders (other than WHSP Group Members) present and voting at the meeting.

Determination of entitlement to attend and vote

SPEL Shareholders will be entitled to vote in accordance with their holding of SPEL Shares (as recorded on the SPEL Share Register) at 10:00am (Sydney time) on Monday, 12 December 2011 (except where that person is a WHSP Group Member and is not entitled to vote in any event).

Accordingly, only such persons will be entitled to vote at the Share Scheme Meeting and transfers of SPEL Shares registered after that time will be disregarded in determining entitlements to attend and vote at the Share Scheme Meeting. Relevantly, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Share Scheme Meeting.

How to vote – SPEL Shareholders

Voting will be by poll. If you are a SPEL Shareholder entitled to attend and vote at the Share Scheme Meeting, you may vote by:

- attending the Share Scheme Meeting and voting in person;
- appointing an attorney to attend and vote on your behalf;

Annexure B: Notice of Share Scheme Meeting

- appointing a proxy to attend and vote on your behalf using the Proxy Form accompanying the Scheme Booklet; or
- in the case of a body corporate, appointing an authorised corporate representative to attend and vote on its behalf in accordance with s250D of the Corporations Act.

Voting at the Share Scheme Meeting

If you or your representatives intend to attend the Share Scheme Meeting, please arrive at least 30 minutes prior to the time the Share Scheme Meeting is to commence, so that your shareholding may be checked against the SPEL Share Register, any power of attorney or certificate of appointment of corporate representative can be verified (as required), and you or your representatives' attendance noted.

Jointly held securities

If your SPEL Shares are jointly held with one or more other persons, only one of you will be entitled to vote. If more than one SPEL Shareholder votes in respect of jointly held SPEL Shares, only the vote of the SPEL Shareholder whose name appears first on the SPEL Share Register will be counted.

Voting in person

To vote in person at the Share Scheme Meeting, you must attend the Share Scheme Meeting.

A SPEL Shareholder who is entitled to vote and wishes to attend and vote at the Share Scheme Meeting in person will be admitted to the Share Scheme Meeting and given a voting card on disclosure at the point of entry to the Share Scheme Meeting of their name and address.

Voting by corporate representative

A body corporate that is a SPEL Shareholder and entitled to vote at the Share Scheme Meeting must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act, meaning that SPEL will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

If a Certificate of Appointment is completed by an individual or a corporation under a power of attorney, the power of attorney under which the Certificate is signed, or a certified copy of that power of attorney, must accompany the completed Certificate of Appointment, unless the power of attorney has already been noted by SPEL.

Authorised corporate representatives of SPEL Shareholders entitled to vote at the Share Scheme Meeting will be admitted to the Share Scheme Meeting and given a voting card on providing at the point of entry to the Share Scheme Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the name of their appointer.

Voting by attorney

You may appoint an attorney to attend and vote at the Share Scheme Meeting on your behalf. Your attorney need not be another SPEL Shareholder. Each attorney will have the right to vote on the poll and also speak at the meeting.

The power of attorney appointing the attorney in respect of the Share Scheme Meeting must be duly executed and specify the name of the applicable SPEL Shareholder, SPEL and the attorney. The appointment may be a standing one.

Unless you have already provided it to the SPEL Registry, the original or certified copy of the power of attorney must be received by the SPEL Registry, at the registered office of the SPEL Registry by no later than 10:00am (Sydney time) on Monday, 12 December 2011 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the Share Scheme Meeting).

Annexure B: Notice of Share Scheme Meeting

Attorneys of SPEL Shareholders entitled to vote at the Share Scheme Meeting will be admitted to the Share Scheme Meeting and given a voting card on providing at the point of entry of the Share Scheme Meeting, their name and address and the identity of their appointer.

The appointment of an attorney will not preclude you from attending in person and voting at the Share Scheme Meeting if you are entitled to attend and vote. In such circumstances only you, and not your attorney, will be entitled to vote.

Voting by proxy

You may appoint one or two proxies to attend and vote at the Share Scheme Meeting on your behalf. A proxy need not be a SPEL Shareholder. Each proxy will have the right to vote on the poll and also speak at the Share Scheme Meeting.

The Proxy Form is enclosed with this Scheme Booklet. Please refer to the Proxy Form for instructions on completion and lodgement.

To appoint a proxy, you should complete and return the original or certified copy of the Proxy Form (and any authority under which the Proxy Form is signed), so that the Proxy Form is received by the SPEL Registry by no later than 10:00am (Sydney time) on Monday, 12 December 2011 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the Share Scheme Meeting).

If you wish to appoint a second proxy, a second Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified in the Proxy Form, each proxy may exercise half of your votes.

You should consider how you wish the proxy to vote. That is, whether you wish for the proxy to vote 'For' or 'Against', or abstain from voting on, the Share Scheme Resolution, or whether to leave the decision to the appointed proxy after discussion at the Share Scheme Meeting.

If you do not instruct your proxy on how to vote, your proxy may vote, or abstain from voting, as he or she sees fit at the Share Scheme Meeting. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on a SPEL Shareholder's behalf on a show of hands or on a poll, and the SPEL Shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without specifying the identity of the proxy, you will be taken to have appointed the chairman of the Share Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy specified but the nominated proxy does not attend the Share Scheme Meeting, the chairman of the Share Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions on the Proxy Form.

The SPEL Board intends to vote all valid undirected proxies which they receive in favour of the Share Scheme Resolution.

A proxy will be admitted to the Share Scheme Meeting and given a voting card on providing at the point of entry to the Share Scheme Meeting written evidence of their name and address.

Your appointment of proxy does not preclude you from attending in person, revoking a proxy and voting at the Share Scheme Meeting if you are entitled to attend and vote at the Share Scheme Meeting. In such circumstances, you, and not the proxy, will be entitled to vote at the Share Scheme Meeting.

Annexure B: Notice of Share Scheme Meeting

Online submission of proxy appointment(s)

Alternatively, SPEL Shareholders who are entitled to vote at the Share Scheme Meeting can submit their proxy appointment(s) online at www.advancedshare.com.au. To use this online proxy facility, you will need your Securityholders Reference Number (SRN) or Holder Identification Number (HIN) and postcode, as shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website.

If you wish to use this facility, you must lodge your Proxy Form through the facility by no later than 10:00am (Sydney time) on Monday, 12 December 2011. A proxy appointment cannot be submitted electronically by a person acting on behalf of a SPEL Shareholder under a power of attorney or similar authority. The online proxy facility may not be suitable for some shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for the online proxy facility carefully before you lodge your proxy using this facility.

Lodgement of proxies, powers of attorney and authorities

Proxy Forms, powers of attorney and certificates of appointment of representative should be returned to the SPEL Registry by either:

- posting them in the reply paid envelope provided;
- delivering them to 150 Stirling Highway, Nedlands WA 6009 or Suite 601, Level 6, 225 Clarence Street, Sydney NSW 2000;
- faxing them to +61 8 9389 7871; or
- posting them to C/- Advanced Share Registry, 150 Stirling Highway, Nedlands WA 6009 or Suite 601, Level 6, 225 Clarence Street, Sydney NSW 2000.

Annexure C: Option Scheme Notice of Meeting

Notice of Option Scheme Meeting

Notice of Court Ordered Meeting of SPEL Optionholders (other than WHSP Group Members)

Notice is given that, by an order of the Supreme Court of New South Wales (*Court*) made on 1 November 2011, pursuant to section 411(1) of the Corporations Act, a meeting of SPEL Optionholders (other than WHSP Group Members) will be held at Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney NSW 2000 on **Wednesday, 14 December 2011 starting at 10:30am (Sydney time)** or as soon thereafter as the Share Scheme Meeting has concluded or is adjourned.

The Court has directed that Mr Ross Strang, or failing him Mr Graeme Crampton, act as Chair of the Option Scheme Meeting and has directed the Chair to report the result of the Option Scheme Meeting to the Court.

Purpose of Option Scheme Meeting

The purpose of the Option Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement (the Option Scheme) proposed to be made between SPEL and the SPEL Optionholders (other than WHSP Group Members).

A copy of the Option Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Option Scheme are contained in the Scheme Booklet of which this notice forms part.

Option Scheme Resolution

SPEL Optionholders (other than WHSP Group Members) entitled to vote at Option Scheme Meeting will be asked to consider and, if thought fit, to pass, with or without modification, the following resolution:

"In accordance with the provisions of section 411 of the *Corporations Act 2001*, the arrangement proposed between Souls Private Equity Limited and the holders of options to subscribe for its ordinary shares (other than Washington H. Soul Pattinson and Company Limited and its related bodies corporate), as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of New South Wales)."

Dated 2 November 2011

By order of the Board
Souls Private Equity Limited



Robert D. Millner
Chairman

Annexure C: Option Scheme Notice of Meeting

Explanatory Notes to Notice of Option Scheme Meeting

General

This notice of meeting, including the Option Scheme Resolution, should be read in conjunction with the Scheme Booklet of which this notice forms part.

Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

A copy of the Option Scheme is contained in Annexure E to the Scheme Booklet.

Required voting majorities

In accordance with section 411(4)(a) of the Corporations Act, for the Option Scheme to be Effective, the Option Scheme Resolution must be passed by:

- more than 50% of SPEL Optionholders (other than WHSP Group Members) present and voting (either in person or by proxy, attorney or by corporate representative); and
- SPEL Optionholders (other than WHSP Group Members) whose SPEL Options amount to at least 75% of the total value of the SPEL Options held by SPEL Optionholders who vote at the Option Scheme Meeting (the 'value' of a SPEL Option will be determined by reference to the Option Scheme Consideration payable on the cancellation of a SPEL Option).

Voting at the Option Scheme Meeting will be by poll rather than by show of hands.

WHSP Group Members will not be entitled to vote at the Option Scheme Meeting. WHSP Group Members consist of WHSP and its related bodies corporate (as defined in the Corporations Act). In addition, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Option Scheme Meeting.

Court approval

Under section 411(4)(b) of the Corporations Act, the Option Scheme (with or without modification) must be approved by the order of the Court to become Effective. If the Option Scheme Resolution is agreed to by the required majorities set out above and all of the Conditions Precedent in respect of the Option Scheme are satisfied or waived, SPEL intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

Determination of entitlement to attend and vote

A person's entitlement to vote at the Option Scheme Meeting will be determined in accordance with their holding of SPEL Options (as recorded on the SPEL Option Register) at 10:30am on Monday, 12 December 2011 (except where that person is a WHSP Group Member and is not entitled to vote in any event). Accordingly, only those persons will be entitled to vote at the Option Scheme Meeting and transfers of SPEL Options registered after that time will be disregarded in determining entitlements to attend and vote at the Option Scheme Meeting. Relevantly, the Associates of WHSP have indicated to SPEL that they do not intend to vote at the Option Scheme Meeting.

How to vote

Voting will be by poll. If you are a SPEL Optionholder entitled to attend and vote at the Option Scheme Meeting, you may vote by:

- attending the Option Scheme Meeting and voting in person;
- appointing an attorney to attend and vote on your behalf;
- appointing a proxy to attend and vote on your behalf using the Proxy Form accompanying the Scheme Booklet; or

Annexure C: Option Scheme Notice of Meeting

- in the case of a body corporate, appointing an authorised corporate representative to attend and vote on its behalf in accordance with s250D of the Corporations Act.

Voting at the Option Scheme Meeting

If you or your representatives intend to attend the Option Scheme Meeting, please arrive at least 30 minutes prior to the time the Option Scheme Meeting is to commence, so that your optionholding may be checked against the SPEL Option Register, any power of attorney or certificate of appointment of corporate representative can be verified (as required), and you or your representatives' attendance noted.

Jointly held securities

If your SPEL Options are jointly held with one or more other persons, only one of you will be entitled to vote. If more than one SPEL Optionholder votes in respect of jointly held SPEL Options, only the vote of the SPEL Optionholder whose name appears first on the SPEL Option Register will be counted.

Voting in person

To vote in person at the Option Scheme Meeting, you must attend the Option Scheme Meeting.

A SPEL Optionholder who is entitled to vote and wishes to attend and vote at the Option Scheme Meeting in person will be admitted to the Option Scheme Meeting and given a voting card on disclosure at the point of entry to the Option Scheme Meeting of their name and address.

Voting by corporate representative

A body corporate that is a SPEL Optionholder and entitled to vote at the Option Scheme Meeting must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act, meaning that SPEL will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

If a Certificate of Appointment is completed by an individual or a corporation under a power of attorney, the power of attorney under which the Certificate is signed, or a certified copy of that power of attorney, must accompany the completed Certificate of Appointment, unless the power of attorney has already been noted by SPEL.

Authorised corporate representatives of SPEL Optionholders entitled to vote at the Option Scheme Meeting will be admitted to the Option Scheme Meeting and given a voting card on providing at the point of entry to the Option Scheme Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the name of their appointer.

Voting by attorney

You may appoint an attorney to attend and vote at the Option Scheme Meeting on your behalf. Your attorney need not be another SPEL Optionholder. Each attorney will have the right to vote on the poll and also speak at the Option Scheme Meeting.

The power of attorney appointing the attorney in respect of the Option Scheme Meeting must be duly executed and specify the name of the applicable SPEL Optionholder, SPEL and the attorney. The appointment may be a standing one.

Unless you have already provided it to the SPEL Registry, the original or certified copy of the power of attorney must be received by the SPEL Registry, at the registered office of the SPEL Registry by no later than 10:30am (Sydney time) on Monday, 12 December 2011 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the Option Scheme Meeting).

Attorneys of SPEL Optionholders entitled to vote at the Option Scheme Meeting will be admitted to the Option Scheme Meeting and given a voting card on providing at the point of entry of the Option Scheme Meeting, their name and address and the identity of their appointer.

Annexure C: Option Scheme Notice of Meeting

The appointment of an attorney will not preclude you from attending in person and voting at the Option Scheme Meeting if you are entitled to attend and vote. In such circumstances only you, and not your attorney, will be entitled to vote.

Voting by proxy

You may appoint a proxy to attend and vote at the Option Scheme Meeting on your behalf. A proxy need not be a SPEL Optionholder. A proxy will have the right to vote on the poll and also speak at the Option Scheme Meeting.

The Proxy Form is enclosed with this Scheme Booklet. Please refer to the Proxy Form for instructions on completion and lodgement.

To appoint a proxy, you should complete and return the original or certified copy of the Proxy Form (and any authority under which the Proxy Form is signed), so that the Proxy Form is received by the SPEL Registry by no later than 10:30am (Sydney time) on Monday, 12 December 2011 (or if the meeting is adjourned, at least 48 hours before the resumption of the meeting in relation to the resumed part of the Option Scheme Meeting).

You should consider how you wish the proxy to vote. That is, whether you wish for the proxy to vote 'For' or 'Against', or abstain from voting on, the Option Scheme Resolution, or whether to leave the decision to the appointed proxy after discussion at the Option Scheme Meeting.

If you do not instruct your proxy on how to vote, your proxy may vote, or abstain from voting, as he or she sees fit at the Option Scheme Meeting. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on a SPEL Optionholder's behalf on a show of hands or on a poll, and the SPEL Options the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without specifying the identity of the proxy, you will be taken to have appointed the chairman of the Option Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy specified but the nominated proxy does not attend the Option Scheme Meeting, the chairman of the Option Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions on the Proxy Form.

The SPEL Board intends to vote all valid undirected proxies which they receive in favour of the Option Scheme Resolution.

A proxy will be admitted to the Option Scheme Meeting and given a voting card on providing at the point of entry to the Option Scheme Meeting written evidence of their name and address.

Your appointment of proxy does not preclude you from attending in person, revoking a proxy and voting at the Option Scheme Meeting if you are entitled to attend and vote at the Option Scheme Meeting. In such circumstances, you, and not the proxy, will be entitled to vote at the Option Scheme Meeting.

Online submission of proxy appointment(s)

Alternatively, SPEL Optionholders who are entitled to vote at the Option Scheme Meeting can submit their proxy appointment online at www.advancedshare.com.au. To use this online proxy facility, you will need your Reference Number and postcode, as shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website.

If you wish to use this facility, you must lodge your Proxy Form through the facility by no later than 10:30am (Sydney time) on Monday, 12 December 2011. A proxy appointment cannot be submitted electronically by a person acting on behalf of a SPEL Optionholder under a power of attorney or

Annexure C: Option Scheme Notice of Meeting

similar authority. Please read the instructions for the online proxy facility carefully before you lodge your proxy using this facility.

Lodgement of proxies, powers of attorney and authorities

Proxy Forms, powers of attorney and certificates of appointment of representative should be returned to the SPEL Registry by either:

- posting them in the reply paid envelope provided;
- delivering them to 150 Stirling Highway, Nedlands WA 6009 or Suite 601, Level 6, 225 Clarence Street, Sydney NSW 2000;
- faxing them to +61 8 9389 7871; or
- posting them to C/- Advanced Share Registry, 150 Stirling Highway, Nedlands WA 6009 or Suite 601, Level 6, 225 Clarence Street, Sydney NSW 2000.

BAKER & MCKENZIE

Scheme of Arrangement

Souls Private Equity Limited

**The holders of fully paid ordinary shares in
Souls Private Equity Limited as at the
Scheme Record Date (other than WHSP
Group Members)**

BAKER & MCKENZIE

Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Fax: (02) 9225-1595

Ref: 1461134-v7/AUSMTT



Annexure D: Share Scheme

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	4
3	Conditions precedent	5
4	Implementation of Scheme	6
5	Scheme Consideration	6
6	Dealings in SOE Shares	10
7	Quotation of SOE Shares	11
8	General Scheme provisions	11

Annexure D: Share Scheme

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: Souls Private Equity Limited (ABN 71 111 196 420) of Level 2, 160 Pitt Street Mall, Sydney NSW 2000 Australia (*SOE*)

and: **The holders of fully paid ordinary shares in SOE as at the Scheme Record Date (other than any WHSP Group Member as defined below)**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASPL Settlement Rules means the settlement and transfer rules of ASPL.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

Bidder means Washington H. Soul Pattinson and Company Limited (ABN 49 000 002 728).

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, NSW, Australia.

Cash Consideration means a cash amount of \$0.163 per Scheme Share.

CHES means the Clearing House Electronic Subregister System of share transfers operated by ASPL.

Close of Trading means the close of normal trading on ASX on the Effective Date.

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

Court means a court of competent jurisdiction under the *Corporations Act*.

Deed Poll means the deed poll in respect of this Scheme dated 1 November 2011 executed by Bidder in favour of each Scheme Shareholder.

Effective means, when used in relation to this Scheme, the coming into effect, under section 411(10) of the *Corporations Act*, of the Scheme Order.

Effective Date means the date on which an office copy of the Scheme Order approving this Scheme is lodged with ASIC.

Annexure D: Share Scheme

Election means a valid election made by a SOE Shareholder pursuant to clause 5.1 and in accordance with clause 5.2.

Election Date means 7.00 pm on the fifth Business Day following the Effective Date, or such earlier date as the parties may agree in writing.

Election Form means the form accompanying the Scheme Booklet pursuant to which SOE Shareholders (other than Ineligible Foreign Shareholders) may elect the form of Scheme Consideration they wish to receive in consideration for the transfer of their Scheme Shares.

Implementation Date means the third Business Day after the Scheme Record Date.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the Register as at the Scheme Record Date is a place outside Australia and its external territories and New Zealand, unless SOE and Bidder agree in writing to issue that Scheme Shareholder with New WHSP Shares when the Scheme becomes Effective.

New WHSP Shares means the new WHSP Shares to be issued under the Scheme as Scheme Consideration.

Register means the register of shareholders of SOE.

Registry means Advanced Share Registry Services Limited (ABN 48 078 279 277).

Related Body Corporate has the meaning given to the term in the Corporations Act.

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

Scheme Booklet means the explanatory memorandum in respect of the Scheme approved by the Court under section 411(1) of the *Corporations Act* for distribution to SOE Shareholders containing, among other things, the explanatory statement required by Part 5.1 of the *Corporations Act* relating to the Scheme and a notice of convening the Scheme Meeting.

Scheme Consideration means the consideration in respect of each Scheme Share to be provided to Scheme Shareholders under the terms of this Scheme, ascertained in accordance with clause 5.

Scheme Implementation Agreement means the scheme implementation agreement dated 7 October 2011 between SOE and Bidder.

Scheme Meeting means the meeting of SOE Shareholders ordered by the Court to be convened under section 411(1) of the *Corporations Act* in relation to this Scheme.

Scheme Order means the orders of the Court approving this Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date.

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

Scheme Shareholder means each person who is a SOE Shareholder as at the Record Date.

Annexure D: Share Scheme

Scrip Consideration means that fraction of a WHSP Share which (calculated using the WHSP VWAP) is equal to an amount of \$0.163.

Second Court Date means the date of the hearing by the Court of the application to approve this Scheme under section 411(4)(b) of the *Corporations Act*.

Second Court Hearing means the hearing of the application to the Court for the Scheme Order approving this Scheme.

SOE Share means an issued fully paid ordinary share in SOE.

SOE Shareholder means each person who is registered in the Register as a holder of a SOE Share but excludes any WHSP Group Member.

Sunset Date means:

- (a) 5.00 pm on 6 April 2012 or, if clause 6.4 of the Scheme Implementation Agreement applies, 6 July 2012 (or any earlier date agreed between SOE and Bidder in accordance with clause 6.4(b) of the Scheme Implementation Agreement); or
- (b) such other date and time as agreed in writing between SOE and Bidder.

WHSP Group Member means Bidder and each of its Related Bodies Corporate.

WHSP Shares means fully paid ordinary shares in the capital of Bidder.

WHSP VWAP means the volume weighted average share price for WHSP Shares traded on ASX (excluding any and all special crossings, crossings made prior to the commencement of normal trading, crossings made during the closing phase or the after hours adjust phase, overseas trades and overnight crossings or trades pursuant to the exercise of options over WHSP Shares, and any other trades which SOE and Bidder agree (acting reasonably) to exclude on the basis that they are not representative of the general price at which WHSP Shares are trading on ASX in the context of trading in WHSP Shares on any day on which the trades took place) over the 10 consecutive Trading Days (as defined in the Listing Rules) immediately preceding the date of the Scheme Meeting (calculated to 2 decimal places).

Interpretation

1.2 In this document:

- (a) unless the context requires otherwise, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this document;
 - (v) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (vi) to any time is to Sydney, NSW time;

Annexure D: Share Scheme

- (vii) to "\$" is to the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this document;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

SOE

- 2.1 SOE is a public company, incorporated in Australia and registered in Victoria. Its registered office is at Level 2, 160 Pitt Street Mall, Sydney New South Wales 2000 Australia.
- 2.2 SOE is admitted to the official list of ASX and SOE Shares are quoted on ASX.
- 2.3 As at the date of this document, there were 593,719,107 SOE Shares on issue.

Bidder

- 2.4 Bidder is a public company, incorporated in Australia and registered in New South Wales. Its registered office is at Level 1, 160 Pitt Street Mall, Sydney New South Wales 2000 Australia.

Effect of Scheme

- 2.5 If this Scheme becomes Effective:
 - (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to Bidder and SOE will become a subsidiary of Bidder;
 - (b) in consideration of the transfer of the Scheme Shares, Bidder will pay or procure the payment of the Cash Consideration and will provide the Scrip Consideration to each Scheme Shareholder in accordance with the terms of this Scheme; and
 - (c) SOE will enter the name and address of Bidder in the Register as the holder of the Scheme Shares.

Scheme Implementation Agreement

- 2.6 SOE and Bidder have entered into the Scheme Implementation Agreement which sets out the terms on which SOE and Bidder have agreed to implement this Scheme.

Deed Poll

- 2.7 Bidder has executed the Deed Poll in favour of each Scheme Shareholder under which it has covenanted to comply with its obligations under the Scheme and to do all things necessary or

Annexure D: Share Scheme

desirable to implement this Scheme, including to pay or procure the payment of Cash Consideration and to provide the Scrip Consideration.

3 Conditions precedent

Conditions precedent to Scheme

3.1 This Scheme is conditional on:

- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms;
- (b) all of the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement, other than those in clauses 3.1(c) and 3.1(d) (relating to the approval of the Court and lodgement of the Court order) of the Scheme Implementation Agreement, having been satisfied or waived in accordance with the terms of that agreement;
- (c) this Scheme having been approved by the requisite majority of SOE Shareholders in accordance with section 411(4)(a) of the *Corporations Act* at the Scheme Meeting;
- (d) the Court having approved this Scheme, with or without modification, under section 411(4)(b) of the *Corporations Act*; and
- (e) any other conditions made or required by the Court under section 411(6) of the *Corporations Act* in relation to this Scheme, and which are acceptable to SOE and Bidder, having been satisfied,

and the provisions of clauses 4, 5, 6, 7 and 8 will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

3.2 On the Second Court Date, SOE and Bidder will each provide to the Court at the Second Court Hearing a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent to as set out in clause 3.1 of the Scheme Implementation Agreement, other than those in clauses 3.1(c) and 3.1(d) (relating to the approval of the Court and lodgement of the Court order) of the Scheme Implementation Agreement, have been satisfied or waived.

3.3 The giving of a certificate by each of SOE and Bidder under clause 3.2 will, in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

Sunset Date

3.4 This Scheme will lapse and have no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

Termination

3.5 Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, each of Bidder and SOE are released from:

- (a) any further obligation to take steps to implement this Scheme; and

Annexure D: Share Scheme

- (b) any liability with respect to this Scheme.

4 Implementation of Scheme

Lodgement of Scheme Order

- 4.1 If the conditions precedent in clause 3.1 are satisfied, SOE will lodge with ASIC in accordance with section 411(10) of the *Corporations Act* an office copy of the Scheme Order as soon as practicable, and in any event by no later than 5:00pm on the first Business Day (or on such other Business Day as SOE and Bidder agree) after the date on which the Court makes that Scheme Order.

Transfer of Scheme Shares

- 4.2 Subject to this Scheme becoming Effective and the payment or provision of the Scheme Consideration in accordance with clauses 5.9 to 5.10, on the Implementation Date:
- (a) the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Shareholder;
 - (b) to transfer the Scheme Shares to Bidder, SOE will effect a valid transfer or transfers of the Scheme Shares to Bidder under section 1074D of the *Corporations Act*, or deliver to Bidder duly completed and executed share transfer forms (or a master transfer form) in accordance with section 1071B of the *Corporations Act* and Bidder will execute and deliver those share transfer form(s) to SOE; and
 - (c) SOE will enter the name and address of Bidder in the Register as the holder of the Scheme Shares.

5 Scheme Consideration

Election

- 5.1 A Scheme Shareholder (other than an Ineligible Foreign Shareholder) may make an Election for either Cash Consideration or Scrip Consideration by completing the Election Form which accompanies the Scheme Booklet and returning it to the address specified on that form or submitting it via the method set out in that form so that it is received by SOE no later than the Election Date.
- 5.2 Subject to the remaining provisions of this clause 5, an Election:
- (a) must be made in accordance with the terms and conditions on the Election Form (other than an Election deemed to be made pursuant to and in accordance with clause 5.5);
 - (b) will be deemed to apply to the entire registered holding of SOE Shares of the Scheme Shareholder as at the Scheme Record Date regardless of whether the Scheme Shareholder's holding of Scheme Shares is more or less than the Scheme Shareholder's holding at the time it made its Election; and
 - (c) once made, may be varied before the Election Date by a Scheme Shareholder lodging or submitting a replacement Election Form in accordance with the instructions on the Election Form.

Annexure D: Share Scheme

- 5.3 Subject to clause 5.13 to 5.16, a Scheme Shareholder that holds one or more parcels of SOE Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of SOE Shares (subject to it providing to SOE and Bidder any substantiating information they reasonably require), and, for the purposes of calculating the Scheme Consideration to which that Scheme Shareholder is entitled under the Scheme, each such parcel of SOE Shares will be treated as though it were held by a separate Scheme Shareholder.
- 5.4 Any purported Election not made or deemed not to have been made in accordance with clauses 5.1, 5.2 and, if applicable 5.3, will not be valid for any purpose and will not be recognised by SOE or Bidder.
- 5.5 Any Scheme Shareholder who has not made a valid Election is, for the purpose of the Scheme, deemed to have made a valid Election for Cash Consideration.

Form of Scheme Consideration

- 5.6 Subject to clauses 5.13 to 5.16, if a Scheme Shareholder elects to receive:
- (a) Cash Consideration, or is deemed to have elected Cash Consideration, the Scheme Shareholder will be entitled to receive as Scheme Consideration the Cash Consideration for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; or
 - (b) Scrip Consideration, the Scheme Shareholder will be entitled to receive as Scheme Consideration the Scrip Consideration for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date.
- 5.7 SOE may, with Bidder's consent (which may not be unreasonably withheld or delayed), settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with any Election, whether arising generally or in relation to any particular Election of a Scheme Shareholder, and any decision is conclusive and binding on all relevant Scheme Shareholders and other persons to whom the decision relates.

Provision of Scheme Consideration

- 5.8 On the Implementation Date, in consideration of the transfer to Bidder of the Scheme Shares, SOE must procure Bidder to pay or provide the Scheme Consideration to each Scheme Shareholder in respect of each Scheme Share held by that Scheme Shareholder.
- 5.9 SOE's obligation under clause 5.8 will be satisfied by procuring Bidder:
- (a) on or before the Implementation Date, to deposit an amount equal to the aggregate amount of the Cash Consideration payable to Scheme Shareholders in accordance with this clause 5 in cleared funds in a trust account operated by SOE, and in the name of SOE, to be held on trust for the Scheme Shareholders for the purpose of paying the aggregate amount of Cash Consideration to Scheme Shareholders, except that any interest on the amount deposited (less any bank fees and other charges) will be for the account of Bidder; and
 - (b) on the Implementation Date, to issue and allot to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) such number of New WHSP Shares as that Scheme Shareholder is entitled to as Scrip Consideration for each Scheme Share held by them in accordance with this clause 5; and

Annexure D: Share Scheme

- (c) on the Implementation Date, enter into the register of members of Bidder the name and address of each Scheme Shareholder (other than an Ineligible Foreign Shareholder) in respect of the aggregate number of New WHSP Shares issued to them under clause 5.9(b).
- 5.10 On the Implementation Date, subject to Bidder depositing the Cash Consideration in accordance with clause 5.9(a), SOE will (and will procure Bidder to) pay each Scheme Shareholder the aggregate amount of the cash (if any) as that Scheme Shareholder is entitled to as Cash Consideration for each Scheme Share held by them under this clause 5:
- (a) by cheque (drawing on the trust account referred to in clause 5.9(a)) sent by prepaid post to Scheme Shareholder's address in the Register at the Scheme Record Date; or
- (b) by depositing or procuring the Registry to deposit such amount into an account with any Australian ADI (as defined in the Corporations Act) notified to SOE (or SOE's agent who manages the Registry) by an appropriate authority from the Scheme Shareholder.
- 5.11 As soon as practicable after the Implementation Date and no later than 5 Business Days after the Implementation Date, SOE must procure that Bidder despatch to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) by pre-paid post to his or her address recorded in the Register as at the Scheme Record Date a holding statement or notice confirming the issue of the New WHSP Shares (if any) to that Scheme Shareholder in accordance with this Scheme.

Binding instruction or notifications

- 5.12 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and SOE relating to Scheme Shares as at the Scheme Record Date (including any instructions relating to payment of dividends or to communications from SOE) will, from the Scheme Record Date, be deemed (except to the extent determined otherwise by Bidder in its sole discretion) to be a similarly binding instruction or notification to Bidder, and accepted by Bidder, in respect of the New WHSP Shares (if any) issued to the Scheme Shareholder pursuant to the Scheme, until that instruction or notification is revoked or amended in writing addressed to Bidder through the Registry, provided that any such instructions or notifications accepted by Bidder will apply to and in respect of the issue of New WHSP Shares as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

Ineligible Foreign Shareholders

- 5.13 Each Ineligible Foreign Shareholder is only entitled and will be deemed to have elected to receive as Scheme Consideration the Cash Consideration for each Scheme Share held by it at the Scheme Record Date. SOE will be under no obligation to procure that Bidder issues, and Bidder has no obligation to issue, any New WHSP Shares to any Ineligible Foreign Shareholder as Scheme Consideration under this Scheme. Any Election purportedly made by an Ineligible Foreign Shareholder will be invalid.

Fractional entitlements

- 5.14 If the aggregate entitlement of that Scheme Shareholder to Scrip Consideration in accordance with this Scheme includes a fractional entitlement to a New WHSP Share, then the entitlement of that Scheme Shareholder must be rounded up or down, with any fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New WHSP Shares, and any

Annexure D: Share Scheme

fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New WHSP Shares.

- 5.15 If the aggregate entitlement of a Scheme Shareholder to Cash Consideration in accordance with this Scheme includes a fractional entitlement to a cent in cash, then the entitlement of that Scheme Shareholder must be rounded up or down, with any fractional entitlement of less than half a cent being rounded down to the nearest whole cent, and any fractional entitlement of half a cent or more being rounded up to the nearest cent.

Share Splitting

- 5.16 If SOE reasonably believes that a Scheme Shareholder that holds a holding of Scheme Shares has, on or before the Scheme Record Date, dealt with its SOE Shares (including splitting or dividing a holding) since the date of the Scheme Implementation Agreement in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of that Scheme Shareholder's entitlement to the Scheme Consideration, then Bidder may give notice to those Scheme Shareholders:

- (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 Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares shall, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Scheme Shares.

Status of New WHSP Shares

- 5.17 SOE must procure that the New WHSP Shares issued as Scheme Consideration by Bidder, on their issue:

- (a) are duly and validly issued and fully paid;
- (b) rank equally in all respects with all other WHSP Shares then on issue; and
- (c) are free from any mortgage, charge, lien, encumbrance or other security interests.

- 5.18 SOE must procure that Bidder makes an application to the ASX to have the New WHSP Shares issued as Scheme Consideration listed for quotation on the official list of the ASX prior to 8:00am on the Second Court Date in accordance with clause 6.2(o) of the Scheme Implementation Agreement.

Joint Holders

- 5.19 In the case of Scheme Shares held in joint names:

- (a) any holding statements for New WHSP Shares to be issued to Scheme Shareholders in accordance with this Scheme will be issued in the names of the joint holders; and
- (b) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders, and will be forwarded to the holder whose name appears first in the Register as at the Scheme Record Date.

Annexure D: Share Scheme

6 Dealings in SOE Shares

Participation in Share Scheme

6.1 Each Scheme Shareholder will be entitled to participate in this Scheme.

Determination of Scheme Shareholders

6.2 For the purpose of determining who is a Scheme Shareholder, dealings in SOE Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant SOE Shares on or before the Scheme Record Date; and
- (b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received on or before the Scheme Record Date by the Registry.

SOE's obligation to register

6.3 SOE must register any registrable transfers or transmission applications of the kind referred to in clause 6.2(b) by the Scheme Record Date.

Transfer requests received after the Scheme Record Date

6.4 SOE will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of SOE Shares received after the Scheme Record Date (other than a transfer to Bidder in accordance with this Scheme and any subsequent transfers by Bidder or its successors in title).

No disposal after Scheme Record Date

6.5 If the Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport to agree to dispose of, any SOE Shares or any interest in them after the Scheme Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever. SOE will procure that the Registry does not recognise any dealings in SOE Shares after the Scheme Record Date other than a transfer to Bidder in accordance with this Scheme and any subsequent transfer by Bidder.

Maintenance of Register

6.6 For the purpose of determining entitlements to the Scheme Consideration, SOE will, until the Scheme Consideration has been paid or provided to Scheme Shareholders, maintain or procure the maintenance of the Register in accordance with this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Register.

Effect of certificates and holding statements

6.7 From the Scheme Record Date (other than for Bidder after the Implementation Date), all certificates and holding statements for Scheme Shares will cease to have any effect as a document of title in respect of the Scheme Shares, and each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of an entitlement of Scheme Shareholders to the Scheme Consideration.

Annexure D: Share Scheme

Information to be made available to Bidder

- 6.8 SOE will procure that, as soon as reasonably practicable after the Scheme Record Date and in any event at least 2 Business Days before the Implementation Date, details of the names, addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the Register at the Scheme Record Date are made available to Bidder in such form as Bidder reasonably requires.

7 Quotation of SOE Shares

- 7.1 SOE will apply to ASX for suspension of trading of SOE Shares on ASX with effect from the Close of Trading.
- 7.2 If this Scheme has been fully implemented in accordance with its terms, SOE will apply to ASX for the termination of the official quotation of SOE Shares on ASX and to have SOE removed from the official list of ASX with effect as soon as practicable after the Implementation Date.

8 General Scheme provisions

Appointment of SOE as agent and attorney

- 8.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints SOE and each of the directors and officers of SOE (jointly and severally) as its agent and attorney for the purpose of:
- (a) in the case of Scheme Shares in a CHESS holding:
 - (i) causing a message to be transmitted to ASPL in accordance with the ASPL Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of SOE to the issuer sponsored subregister operated by SOE at any time after Bidder has paid or procured the payment of the Cash Consideration or provided the Scrip Consideration which is due under this Scheme to Scheme Shareholders; and
 - (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares; and
 - (b) in the case of Scheme Shares registered in the issuer sponsored subregister operated by the Registry, completing and signing on behalf of Scheme Shareholders any required form of transfer; and
 - (c) in all cases, executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a proper instrument of transfer of Scheme Shares for the purposes of section 1071B of the *Corporations Act* (which may be a master transfer).

Scheme Shareholders' consent

- 8.2 Each Scheme Shareholder consents to SOE doing all things and executing all deeds, instruments, transfers and other documents that may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Annexure D: Share Scheme

Agreement by Scheme Shareholders

- 8.3 Under the Scheme, each Scheme Shareholder:
- (a) agrees to the transfer of its Scheme Shares to Bidder in accordance with the terms of this Scheme;
 - (b) the variation, cancellation or modification (if any) of the rights attached to its SOE Shares constituted by or resulting from this Scheme; and
 - (c) to whom New WHSP Shares are to be issued in accordance with the Scheme:
 - (i) agrees to become a member of Bidder and to have their name entered in Bidder's register of members; and
 - (ii) accepts the New WHSP Shares issued under the Scheme on the terms and conditions of the constitution of Bidder and agrees to be bound by the constitution of Bidder as in force from time to time in respect of the New WHSP Shares, without the need for any further act by a Scheme Shareholder.

Warranty by Scheme Shareholders

- 8.4 Each Scheme Shareholder is deemed to have warranted to SOE, and is deemed to have authorised SOE to warrant to Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause, that:
- (a) all of its Scheme Shares (including all rights and entitlements attaching to them) transferred to Bidder under this Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind; and
 - (b) it has full power and capacity to sell and transfer its Scheme Shares (including all rights and entitlements attaching to them).

Title to Scheme Shares

- 8.5 Upon the Scheme Consideration being provided to Scheme Shareholders and pending registration by SOE of Bidder in the Register as the holder of the Scheme Shares, Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme.

Appointment of Bidder as sole proxy

- 8.6 Upon the Scheme Consideration being provided to Scheme Shareholders and pending registration by SOE of Bidder in the Register as the holder of the Scheme Shares, each Scheme Shareholder appoints Bidder and each of the directors and officers of Bidder (jointly and severally) as its sole proxy and, where appropriate, its corporate representative, to attend shareholders' meetings of SOE, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders' resolutions of SOE. The Scheme Shareholder must not itself attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative.

Scheme alterations and conditions

- 8.7 If the Court proposes to approve this Scheme subject to any alterations or conditions under section 411(6) of the *Corporations Act*, SOE may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders.

Annexure D: Share Scheme

Effect of Scheme

- 8.8 This Scheme binds SOE and all SOE Shareholders (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of SOE.

No liability when acting in good faith

- 8.9 Neither SOE nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 8.10 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to SOE, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at SOE's registered office or at the Registry.

Further assurances

- 8.11 SOE will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Costs and stamp duty

- 8.12 Bidder will pay all stamp duty (if any) and any related fines, penalties and interest payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

Governing law and jurisdiction

- 8.13 This Scheme is governed by the laws of New South Wales.
- 8.14 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure E: Option Scheme

BAKER & MCKENZIE

Scheme of Arrangement

Souls Private Equity Limited

**The holders of options to subscribe for fully
paid ordinary shares in Souls Private Equity
Limited as at the Scheme Record Date
(other than WHSP Group Members)**

BAKER & MCKENZIE

Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Fax: (02) 9225-1595

Ref: 1461325-v4/AUSK&W



Annexure E: Option Scheme

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	3
3	Conditions precedent	4
4	Implementation of Option Scheme	5
5	Dealings in SOE Options	6
6	General Option Scheme provisions	7

Annexure E: Option Scheme

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: Souls Private Equity Limited (ACN 111 196 420) of Level 2, 160 Pitt Street Mall, Sydney NSW 2000 Australia (*SOE*)

and: **The holders of options to subscribe for fully paid ordinary shares in SOE as at the Scheme Record Date (other than any WHSP Group Member as defined below)**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

Bidder means Washington H. Soul Pattinson And Company Limited (ACN 000 002 728).

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, NSW, Australia.

CHESS means the Clearing House Electronic Subregister System of share transfers operated by ASPL.

Close of Trading means the close of normal trading on ASX on the Effective Date.

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

Court means a court of competent jurisdiction under the *Corporations Act*.

Deed Poll means the deed poll in respect of this Option Scheme dated 1 November 2011 executed by Bidder in favour of each Scheme Optionholder.

Effective means, when used in relation to this Option Scheme, the coming into effect, under section 411(10) of the *Corporations Act*, of the Option Scheme Order.

Effective Date means the date on which an office copy of the Option Scheme Order approving this Option Scheme is lodged with ASIC.

Implementation Date means the third Business Day after the Scheme Record Date.

Annexure E: Option Scheme

Option Scheme means this scheme of arrangement under Part 5.1 of the *Corporations Act* between SOE and Scheme Optionholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the *Corporations Act* and approved in writing by SOE and Bidder.

Option Scheme Consideration means \$0.01 in respect of each Scheme Option.

Option Scheme Meeting means the meeting of SOE Optionholders ordered by the Court to be convened under section 411(1) of the *Corporations Act* in relation to this Option Scheme.

Option Scheme Order means the orders of the Court approving this Option Scheme pursuant to section 411(4)(b) of the *Corporations Act*.

Register means the register of optionholders of SOE.

Related Body Corporate has the meaning given to the term in the *Corporations Act*.

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

Scheme Implementation Agreement means the scheme implementation agreement dated 7 October 2011 between SOE and Bidder.

Scheme Option means a SOE Option held by a Scheme Optionholder as at the Scheme Record Date.

Scheme Optionholder means each person that is a SOE Optionholder as at the Scheme Record Date.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date.

Second Court Date means the date of the hearing by the Court of the application to approve this Option Scheme under section 411(4)(b) of the *Corporations Act*.

Second Court Hearing means the hearing of the application to the Court for the Option Scheme Order approving this Option Scheme.

SOE Option means an ASX-listed option to subscribe for an SOE Share exercisable at \$0.20 and expiring on 2 February 2015.

SOE Optionholder means each person who is registered in the Register as a holder of an SOE Option but excludes any WHSP Group Member.

SOE Option Registry means Advanced Share Registry Services Limited (ABN 48 078 279 277).

SOE Share means an issued fully paid ordinary share in SOE.

SOE Shareholder means a person who is registered in the register of members of SOE as a holder of SOE Shares but excludes any WHSP Group Member.

Sunset Date means:

- (a) 5.00 pm on 6 April 2012 or, if clause 6.4 of the Scheme Implementation Agreement applies, 6 July 2012 (or any earlier date agreed between SOE and Bidder in accordance with clause 6.4(b) of the Scheme Implementation Agreement); or

Annexure E: Option Scheme

- (b) such other date and time as agreed in writing between SOE and Bidder.

WHSP Group Member means Bidder and each of its Related Bodies Corporate.

Interpretation

1.2 In this document:

- (a) unless the context requires otherwise, a reference:
- (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this document;
 - (v) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (vi) to any time is to Sydney, NSW time;
 - (vii) to "\$" is to the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this document;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

SOE

- 2.1 SOE is a public company, incorporated in Australia and registered in Victoria. Its registered office is at Level 2, 160 Pitt Street Mall, Sydney NSW 2000.
- 2.2 SOE is admitted to the official list of ASX and the SOE Options are quoted on ASX.
- 2.3 As at the date of this document 2011, there were 74,024,813 SOE Options on issue.

Bidder

- 2.4 Bidder is a public company, incorporated in Australia and registered in New South Wales. Its registered office is at Level 1, 160 Pitt Street Mall, Sydney NSW 2000 Australia.

Annexure E: Option Scheme

Effect of Option Scheme

- 2.5 If this Option Scheme becomes Effective and subject to Bidder depositing the Option Scheme Consideration in accordance with clause 4.4:
- (a) all of the Scheme Options, together with all rights and entitlements attaching to the Scheme Options, will be cancelled; and
 - (b) in consideration of the cancellation of the Scheme Options, Bidder will pay or procure the payment of the Option Scheme Consideration to each Scheme Optionholder in accordance with the terms of this Option Scheme.

Scheme Implementation Agreement

- 2.6 SOE and Bidder have entered into the Scheme Implementation Agreement which sets out the terms on which SOE and Bidder have agreed to implement this Option Scheme.

Deed Poll

- 2.7 Bidder has executed the Deed Poll in favour of each Scheme Optionholder under which it has covenanted to comply with its obligations under the Option Scheme and to do all things necessary or desirable to implement this Option Scheme, including to pay or procure the payment of Option Scheme Consideration.

3 Conditions precedent

Conditions precedent to Option Scheme

- 3.1 This Option Scheme is conditional on:
- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms;
 - (b) all of the conditions precedent set out in clause 3.2 of the Scheme Implementation Agreement, other than those in clauses 3.2(e) and (f) (relating to the approval of the Court and lodgement of the Court order) and clause 3.2(a) (relating to the implementation of the Scheme) of the Scheme Implementation Agreement, having been satisfied or waived in accordance with the terms of that agreement;
 - (c) this Option Scheme having been approved by the requisite majority of SOE Optionholders in accordance with section 411(4)(a) of the *Corporations Act* at the Option Scheme Meeting;
 - (d) ASX granting a waiver of any requirement under Listing Rule 6.23 in respect of the Option Scheme or SOE Shareholders giving any necessary approvals under Listing Rule 6.23 in relation to the Option Scheme;
 - (e) the Court having approved this Option Scheme, with or without modification, under section 411(4)(b) of the *Corporations Act*; and
 - (f) any other conditions made or required by the Court under section 411(6) of the *Corporations Act* in relation to this Option Scheme, and which are acceptable to SOE and Bidder, having been satisfied,

and the provisions of clauses 4, 5, 6 and 7 will not come into effect unless and until each of these conditions precedent has been satisfied.

Annexure E: Option Scheme

Certificate in relation to conditions precedent

- 3.2 On the Second Court Date, SOE and Bidder will each provide to the Court at the Second Court Hearing a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent as set out in clause 3.2 of the Scheme Implementation Agreement other than those in clauses 3.2(e) and (f) (relating to the approval of the Court and lodgement of the Court order) and clause 3.2(a) (relating to the implementation of the Scheme) of the Scheme Implementation Agreement, have been satisfied or waived.
- 3.3 The giving of a certificate by each of SOE and Bidder under clause 3.2 will, in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

Sunset Date

- 3.4 This Option Scheme will lapse and have no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

Termination

- 3.5 Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before this Option Scheme becomes Effective, each of Bidder and SOE are released from:
- (a) any further obligation to take steps to implement this Option Scheme; and
 - (b) any liability with respect to this Option Scheme.

4 Implementation of Option Scheme

Lodgement of Option Scheme Order

- 4.1 If the conditions precedent in clause 3.1 are satisfied, SOE will lodge with ASIC in accordance with section 411(10) of the *Corporations Act* an office copy of the Option Scheme Order as soon as practicable, and in any event by no later than 5:00pm on the first Business Day (or on such other Business Day as SOE and Bidder agree) after the date on which the Court makes that Option Scheme Order.

Cancellation of Scheme Options

- 4.2 Subject to this Option Scheme becoming Effective and the payment of the Option Scheme Consideration in accordance with clauses 4.4 to 4.5, on the Implementation Date, the Scheme Options, together with all rights and entitlements attaching to them as at the Implementation Date, will be cancelled without the need for any further act by any Scheme Optionholder.

Payment of Option Scheme Consideration

- 4.3 On the Implementation Date, in consideration of the cancellation of the Scheme Options, SOE must procure Bidder to pay the Option Scheme Consideration to each Scheme Optionholder in respect of each Scheme Option held by that Scheme Optionholder.
- 4.4 SOE's obligation under clause 4.3 will be satisfied by procuring Bidder, on or before the Implementation Date, to deposit an amount equal to the aggregate amount of the Option Scheme Consideration payable to Scheme Optionholders in cleared funds in a trust account

Annexure E: Option Scheme

operated by SOE, and in the name of SOE, to be held on trust for the purpose of paying the Option Scheme Consideration to those Scheme Optionholders, except that any interest on the amount deposited (less any bank fees and other charges) will be for the account of the Bidder.

- 4.5 On the Implementation Date, SOE, subject to Bidder depositing the Option Scheme Consideration in accordance with clause 4.4, will (and will procure Bidder to) pay each Scheme Optionholder the amount equal to the number of Scheme Options held by the Scheme Optionholder as at the Scheme Record Date multiplied by the Option Scheme Consideration:
- (a) by a cheque in the name of the Scheme Optionholder (drawn on the trust account referred to in clause 4.4) sent by prepaid post to its address in the Register as at the Scheme Record Date; or
 - (b) by depositing or procuring the SOE Option Registry to deposit such amount into an account with any Australian ADI (as defined in the Corporations Act) notified to SOE (or SOE's agent who manages the SOE Option Registry) by an appropriate authority from the Scheme Optionholder.
- 4.6 In the case of joint holders of Scheme Options, the cheque will be payable to the joint holders and sent to the holder whose name appears first in the Register at the Scheme Record Date.

5 Dealings in SOE Options

Participation in Option Scheme

- 5.1 Each Scheme Optionholder will be entitled to participate in this Option Scheme.

Determination of Scheme Optionholders

- 5.2 For the purpose of determining who is a Scheme Optionholder, dealings in SOE Options will only be recognised if:
- (a) in the case of dealings of the type to be effected by CHESSE, the transferee is registered in the Register as the holder of the relevant SOE Options on or before the Scheme Record Date; and
 - (b) in all other cases, transfer forms in registrable form or transmission applications in respect of those dealings are received on or before the Scheme Record Date by the SOE Option Registry.

Exercise of SOE Options

- 5.3 SOE must issue, and register the relevant SOE Optionholder as the holder of, SOE Shares resulting from the valid exercise of an SOE Option which is received on or before 12:00pm on the Business Day immediately prior to the Scheme Record Date.
- 5.4 SOE will not accept for registration or recognise for any purpose any exercise of an SOE Option received after 12:00pm on the Business Date immediately prior to the Scheme Record Date and, after such time, the SOE Options shall not be capable of exercise notwithstanding any terms on which such SOE Options were granted.

SOE's obligation to register transfers

- 5.5 SOE must register any registrable transfers or transmission applications of the kind referred to in clause 5.2(b) by the Scheme Record Date.

Annexure E: Option Scheme

Transfer requests received after the Scheme Record Date

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

No disposal after Scheme Record Date

- 5.7 If this Option Scheme becomes Effective, a Scheme Optionholder (and any person claiming through that Scheme Optionholder) must not dispose or purport to dispose of any Scheme Options or any interest in them after the Scheme Record Date in any way except as set out in this Option Scheme and any such disposal will be void and of no legal effect whatsoever. SOE will procure that the Registry does not recognise any dealings in SOE Options after the Scheme Record Date.

Maintenance of Register

- 5.8 For the purpose of determining entitlements to the Option Scheme Consideration, SOE will, until the Option Scheme Consideration has been paid to Scheme Optionholders, maintain or procure the maintenance of the Register in accordance with this clause 5 and entitlements to the Option Scheme Consideration will be determined solely on the basis of the Register.

Effect of certificates and holding statements

- 5.9 From the Scheme Record Date (other than for Bidder after the Implementation Date), all certificates and holding statements for Scheme Options will cease to have any effect as a document of title in respect of the Scheme Options, and each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of an entitlement of Scheme Optionholders to the Option Scheme Consideration.

Information to be made available to Bidder

- 5.10 SOE will procure that, as soon as reasonably practicable after the Scheme Record Date and in any event at least 2 Business Days before the Implementation Date, details of the names, addresses and holdings of Scheme Options of every Scheme Optionholder as shown in the Register at the Scheme Record Date are made available to Bidder in such form as Bidder reasonably requires.

6 Quotation of SOE Options

- 6.1 SOE will apply to ASX for suspension of trading of SOE Options on ASX with effect from the Close of Trading.
- 6.2 If this Scheme has been fully implemented in accordance with its terms, SOE will apply to ASX for the termination of the official quotation of SOE Options on ASX.

7 General Option Scheme provisions

Appointment of SOE as agent and attorney

- 7.1 Each Scheme Optionholder, without the need for any further act, irrevocably appoints SOE and each of the directors and officers of SOE (jointly and severally) as its agent and attorney for the purpose of executing any document or doing any other act necessary, desirable or expedient to give full effect to this Option Scheme and the transactions contemplated by it.

Annexure E: Option Scheme

Scheme Optionholders' consent

- 7.2 Each Scheme Optionholder consents to SOE doing all things and executing all deeds, instruments, transfers and other documents that may be necessary or desirable to give full effect to this Option Scheme and the transactions contemplated by it.

Agreement by Scheme Optionholders

- 7.3 Each Scheme Optionholder agrees to the cancellation of its Scheme Options, together with all rights and entitlements attaching to those Scheme Options, in accordance with the terms of this Option Scheme.

Warranty by Scheme Optionholders

- 7.4 Each Scheme Optionholder is deemed to have warranted to SOE, and is deemed to have authorised SOE to warrant to Bidder as agent and attorney for the Scheme Optionholder by virtue of this clause, that:
- (a) all of their Scheme Options (including all rights and entitlements attaching to them) cancelled under this Option Scheme will, on the date of cancellation, be free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind; and
 - (b) it has full power and capacity to deal with its Scheme Options (including all rights and entitlements attaching to them).

Option Scheme alterations and conditions

- 7.5 If the Court proposes to approve this Option Scheme subject to any alterations or conditions under section 411(6) of the *Corporations Act*, SOE may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Optionholders.

Effect of Option Scheme

- 7.6 This Option Scheme binds SOE and all SOE Optionholders (including those who do not attend the Option Scheme Meeting, do not vote at that meeting or vote against this Option Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of SOE.

No liability when acting in good faith

- 7.7 Neither SOE nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Option Scheme in good faith.

Notices

- 7.8 Where a notice, transfer, transmission application, direction or other communication referred to in this Option Scheme is sent by post to SOE, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at SOE's registered office or at the SOE Option Registry.

Further assurances

- 7.9 SOE will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Optionholder) as may be necessary or desirable to give full effect to this Option Scheme and the transactions contemplated by it.

Annexure E: Option Scheme

Costs and stamp duty

7.10 Bidder will pay all stamp duty (if any) and any related fines, penalties and interest payable on the cancellation of the Scheme Options.

Governing law and jurisdiction

7.11 This Option Scheme is governed by the laws of New South Wales.

7.12 Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure F: Share Scheme Deed Poll

BAKER & MCKENZIE

Deed Poll
(in respect of the Scheme)

**By Washington H. Soul Pattinson and
Company Limited**

in favour of each Scheme Shareholder

BAKER & MCKENZIE
Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000

Ref: 1461795-v4/AUSMTT



Annexure F: Share Scheme Deed Poll

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Nature of Deed Poll	2
3	Conditions precedent and termination	2
4	Payment of Scheme Consideration	2
5	Representations and warranties	4
6	Continuing obligations	4
7	Notices	5
8	General	5

Annexure F: Share Scheme Deed Poll

Date 1 November 2011

By: Washington H. Soul Pattison and Company Limited (ABN 49 000 002 728) of Level 1, 160 Pitt Street Mall, Sydney NSW 2000 Australia (**Bidder**)

in favour of: Each holder of fully paid ordinary shares in Souls Private Equity Limited (ABN 71 111 196 420) (**SOE**) on issue as at the Scheme Record Date other than any WHSP Group Member (**Scheme Shareholders**)

Recitals

- A SOE and Bidder are parties to a scheme implementation agreement dated 7 October 2011 (**Scheme Implementation Agreement**).
- B Under the Scheme Implementation Agreement, SOE has agreed that it will propose and implement the Scheme in accordance with the Scheme Implementation Agreement.
- C Under the Scheme Implementation Agreement, Bidder has agreed to take all necessary steps to implement and complete the Scheme in accordance with the Scheme Implementation Agreement.
- D Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform certain of its obligations under the Scheme Implementation Agreement and the Scheme, including paying and/or providing the Scheme Consideration to Scheme Shareholders.
- E The effect of the Scheme will be that the SOE Shares held by Scheme Shareholders as at the Scheme Record Date (**Scheme Shares**), together with all rights and entitlements attaching to them, will be transferred to Bidder in exchange for the Scheme Consideration.

Operative provisions

1 Definitions and interpretation

Definitions

- 1.1 Words and phrases defined in the Scheme Implementation Agreement have the same meanings in this Deed Poll unless defined in this Deed Poll or the context requires otherwise.

Interpretation

- 1.2 Clause 1.2 of the Scheme Implementation Agreement applies to the interpretation of this Deed Poll except that references to "this Agreement" in that clause are to be read as references to "this Deed Poll".

Annexure F: Share Scheme Deed Poll

2 Nature of Deed Poll

2.1 Bidder acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints SOE as its agent and attorney to enforce this Deed Poll against Bidder.

3 Conditions precedent and termination

Conditions precedent

3.1 Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

3.2 Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect if and only if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms prior to the occurrence of the Effective Date for the Scheme; or
- (b) the Scheme does not become Effective on or before the Sunset Date.

Consequences of termination

3.3 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available:

- (a) Bidder is released from its obligations to further perform this Deed Poll except for those obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against Bidder in respect of any breach of this Deed Poll by Bidder which occurs before its termination.

4 Provision of Scheme Consideration

Performance of Scheme obligations generally

4.1 Subject to clause 3, Bidder covenants to perform its obligations under the Scheme, and do all acts and things as may be necessary or desirable on its part to give full effect to the Scheme.

Provision of Scheme Consideration

4.2 Subject to clause 3, in consideration of the transfer to Bidder of the Scheme Shares, Bidder will pay or provide, or procure the payment or provision, to each Scheme Shareholder of the Scheme Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder on the Scheme Record Date.

Annexure F: Share Scheme Deed Poll

Timing and manner of provision of Scheme Consideration

- 4.3 Bidder's obligation to pay or provide, or procure the payment or provision of, the Scheme Consideration to each Scheme Shareholder pursuant to clause 4.2 must be satisfied by Bidder by:
- (a) before 10:00am on the Implementation Date, depositing in cleared funds into a trust account established by, or on behalf of SOE, and in the name of SOE, an amount equal to the aggregate amount of the cash component of the Scheme Consideration (if any) payable to Scheme Shareholders, such amount to be held by SOE on trust for the Scheme Shareholders (except that any interest on the amount deposited less any bank fees and other charges will be for the account of Bidder) and for the purposes of paying the aggregate amount of the cash component of the Scheme Consideration to the Scheme Shareholders in accordance with the Scheme;
 - (b) on the Implementation Date, paying each Scheme Shareholder such amount of the cash (if any) as that Scheme Shareholder is entitled to as Cash Consideration for each Scheme Share held by them by:
 - (i) cheque (drawing on the trust account referred to in clause 4.3(a)) sent by prepaid post to the Scheme Shareholder's address in the Register at the Scheme Record Date; or
 - (ii) depositing or procuring the Registry to deposit such amount into an account with any Australian ADI (as defined in the Corporations Act) notified to SOE (or SOE's agent who manages the Registry) by an appropriate authority from the Scheme Shareholder,in accordance with the terms of the Scheme;
 - (c) on the Implementation Date, issuing and allotting to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) such number of New WHSP Shares (if any) as that Scheme Shareholder is entitled to as Scrip Consideration for each Scheme Share held by them in accordance with the terms of the Scheme;
 - (d) on the Implementation Date, entering into the register of members of Bidder the name and address of each Scheme Shareholder (other than an Ineligible Foreign Shareholder) in respect of the aggregate number of New WHSP Shares issued to them in accordance with the Scheme; and
 - (e) providing a certificate addressed to the board of directors of SOE signed by two directors of Bidder, confirming that Bidder has fulfilled its obligations under clause 4.3.
- 4.4 As soon as practicable after the Implementation Date and no later than 5 Business Days after the Implementation Date, Bidder must send or procure the despatch to each Scheme Shareholder (other than an Ineligible Foreign Shareholder) by pre-paid post to his or her address recorded in the Register as at the Scheme Record Date a holding statement or notice confirming the issue of the New WHSP Shares (if any) to that Scheme Shareholder in accordance with this Scheme

Annexure F: Share Scheme Deed Poll

Official quotation of New WHSP Shares

- 4.5 Bidder must make an application to the ASX to have the New WHSP Shares issued as Scheme Consideration listed for quotation on the official list of the ASX prior to 8:00am on the Second Court Date in accordance with clause 6.2(o) of the Scheme Implementation Agreement.

Joint Holders

- 4.6 In the case of Scheme Shares held in joint names:
- (a) any holding statements for New WHSP Shares to be issued to Scheme Shareholders in accordance with the Scheme will be issued in the names of the joint holders; and
 - (b) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders, and will be forwarded to the holder whose name appears first in the Register as at the Scheme Record Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:
- (a) it is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
 - (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
 - (d) this Deed Poll has been duly and validly executed and is valid and binding upon it and enforceable against it in accordance with its terms; and
 - (e) the New WHSP Shares which are issued to Scheme Shareholders as Scheme Consideration in accordance with the Scheme will:
 - (i) be duly and validly issued and be fully paid;
 - (ii) rank equally in all respects with all other WHSP Shares then on issue; and
 - (iii) be free from any mortgage, charge, lien, encumbrance or other security interests.

6 Continuing obligations

- 6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:
- (a) Bidder having fully performed its obligations under this Deed Poll; and
 - (b) the termination of this Deed Poll under clause 3.2.

Annexure F: Share Scheme Deed Poll

7 Notices

7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Bidder at the address or fax number set out below:

Attention:	Mr Ian Bloodworth, Company Secretary
Address:	Level 1, 160 Pitt Street Mall, Sydney NSW 2000
Fax no:	+612 9235 1747

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Bidder;
- (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or ten Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

8.1 Bidder:

- (a) must pay all stamp duty (if any) and any related fines, penalties and interest in respect of the Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to this Deed Poll; and
- (b) indemnifies each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Annexure F: Share Scheme Deed Poll

Waiver

- 8.2 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- 8.3 No waiver of a breach of any term of this Deed Poll will operate as a waiver of another breach of that term or of a breach of any other term of this Deed Poll.
- 8.4 Nothing in this Deed Poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.
- 8.5 A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

Variation

- 8.6 A provision of this Deed Poll may not be varied by Bidder unless:
- (a) before the Second Court Date, the variation is agreed to in writing by SOE; or
 - (b) on or after the Second Court Date, the variation is agreed to writing by SOE and is approved by the Court,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity.

Further assurances

- 8.9 Bidder will, at its own expense, execute all deeds and other documents and do all acts and things as may be necessary or desirable to give full effect to this Deed Poll.

Governing law and jurisdiction

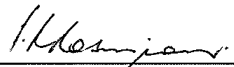
- 8.10 This Deed Poll is governed by the laws of New South Wales, Australia.
- 8.11 Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Annexure F: Share Scheme Deed Poll

Execution

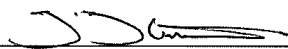
Executed as a deed poll.

Signed sealed and delivered
by **Washington H. Soul Pattinson and
Company Limited**



Signature of director

PETER R. ROBINSON.
Name of director (please print)



Signature of director/secretary

IAN D. SLOODWORTH
Name of director/secretary (please print)

Annexure G: Option Scheme Deed Poll

BAKER & MCKENZIE

Deed Poll
(in respect of Option Scheme)

**By Washington H. Soul Pattinson and
Company Limited**

in favour of each Scheme Optionholder

Baker & McKenzie
Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 9225-0200



Ref: 1461326-v4/AUSKJ1

Annexure G: Option Scheme Deed Poll

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Nature of Deed Poll	1
3	Conditions precedent and termination	2
4	Payment of Option Scheme Consideration	2
5	Representations and warranties	3
6	Continuing obligations	3
7	Notices	3
8	General	4

Annexure G: Option Scheme Deed Poll

Date 1 November 2011

By: Washington H. Soul Pattinson and Company Limited (ACN 000 002 728) of Level 1, 160 Pitt Street Mall, Sydney NSW 2000, Australia (**Bidder**)

in favour of: Each holder of an option to subscribe for fully paid ordinary shares in Souls Private Equity Limited (ACN 111 196 420) (**SOE**) on issue as at the Scheme Record Date other than any WHSP Group Member (**Scheme Optionholders**)

Recitals

- A SOE and Bidder are parties to a scheme implementation agreement dated 7 October 2011 (**Scheme Implementation Agreement**).
- B Under the Scheme Implementation Agreement, SOE has agreed that it will propose and implement the Option Scheme in accordance with the Scheme Implementation Agreement.
- C Under the Scheme Implementation Agreement, Bidder has agreed to take all necessary steps to implement and complete the Option Scheme in accordance with the Scheme Implementation Agreement.
- D Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Optionholders to perform certain of its obligations under the Scheme Implementation Agreement and the Option Scheme, including providing the Option Scheme Consideration to Scheme Optionholders.
- E The effect of the Option Scheme will be that the Options held by the Scheme Optionholders as at the Scheme Record Date (**Scheme Options**), together with all rights and entitlements attaching to them, will be cancelled in exchange for the Option Scheme Consideration.

Operative provisions

1 Definitions and interpretation

Definitions

- 1.1 Words and phrases defined in the Scheme Implementation Agreement have the same meanings in this Deed Poll unless defined in this Deed Poll or the context requires otherwise.

Interpretation

- 1.2 Clause 1.2 of the Scheme Implementation Agreement applies to the interpretation of this Deed Poll except that references to "this Agreement" in that clause are to be read as references to "this Deed Poll".
-

2 Nature of Deed Poll

- 2.1 Bidder acknowledges that:

1461326-v5\SYDDMS\AUSKJ1

1

Deed Poll
(in respect of Option Scheme)

Annexure G: Option Scheme Deed Poll

- (a) this Deed Poll may be relied on and enforced by any Scheme Optionholder in accordance with its terms even though the Scheme Optionholders are not party to it; and
- (b) under the Option Scheme, each Scheme Optionholder irrevocably appoints SOE as its agent and attorney to enforce this Deed Poll against Bidder.

3 Conditions precedent and termination

Conditions precedent

- 3.1 Bidder's obligations under clause 4 are subject to the Option Scheme becoming Effective.

Termination

- 3.2 Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect if and only if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms prior to the occurrence of the Effective Date for the Option Scheme; or
- (b) the Option Scheme does not become Effective on or before the Sunset Date.

Consequences of termination

- 3.3 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available:

- (a) Bidder is released from its obligations to further perform this Deed Poll except for those obligations which by their nature survive termination; and
- (b) each Scheme Optionholder retains the rights it has against Bidder in respect of any breach of this Deed Poll by Bidder which occurs before its termination.

4 Payment of Option Scheme Consideration

Performance of Option Scheme obligations generally

- 4.1 Subject to clause 3, Bidder covenants to perform its obligations under the Option Scheme, and do all acts and things as may be necessary or desirable on its part to give full effect to the Option Scheme.

Payment of Option Scheme Consideration

- 4.2 Subject to clause 3, in consideration of the cancellation of the Scheme Options, Bidder will pay, or procure the payment, to each Scheme Optionholder of the Option Scheme Consideration in respect of each Scheme Option registered in the name of that Scheme Optionholder on the Scheme Record Date.

Timing and manner of payment

- 4.3 Bidder's obligation to pay, or procure the payment of, the Option Scheme Consideration to each Scheme Optionholder pursuant to clause 4.2 must be satisfied by Bidder by:
- (a) before 10:00am on the Implementation Date, depositing in cleared funds into a trust account established by, or on behalf of SOE, and in the name of SOE, an amount equal to the aggregate Option Scheme Consideration payable to all Scheme

Annexure G: Option Scheme Deed Poll

Optionholders, such amount to be held by SOE on trust for the Scheme Optionholders (except that any interest on the amount deposited less any bank fees and other charges will be for the account of Bidder) and for the purposes of paying the aggregate Option Scheme Consideration to the Scheme Optionholders in accordance with the Option Scheme;

- (b) on the Implementation Date, dispatching or procuring the dispatch to each Scheme Optionholder by prepaid post to its address in the Register at the Scheme Record Date, a cheque in the name of the Scheme Optionholder (drawing on the trust account referred to in clause 4.3(a)) for the amount equal to the number of Scheme Options held by the Scheme Optionholder multiplied by the Option Scheme Consideration; and
 - (c) on the Implementation Date, providing a certificate addressed to the board of directors of SOE signed by two directors of Bidder, confirming that Bidder has fulfilled its obligations under clause 4.3.
- 4.4 In the case of joint holders of Scheme Options, the cheque referred to in clause 4.3(b) will be payable to the joint holders and sent to the holder whose name appears first in the Register at the Scheme Record Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:
- (a) it is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
 - (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
 - (d) this Deed Poll has been duly and validly executed and is valid and binding upon it and enforceable against it in accordance with its terms.

6 Continuing obligations

- 6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:
- (a) Bidder having fully performed its obligations under this Deed Poll; and
 - (b) the termination of this Deed Poll under clause 3.2.

7 Notices

- 7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:
- (a) in legible writing and in English;
 - (b) addressed to Bidder at the address or fax number set out below:

Annexure G: Option Scheme Deed Poll

Attention:	Mr Ian Bloodworth, Company Secretary
Address:	Level 1, 160 Pitt Street Mall, Sydney NSW 2000 Australia
Fax no:	+612 9235 1747

- (c) signed by the sender or a person duly authorised by the sender; and
 - (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.
- 7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:
- (a) if sent by hand, when left at the address of Bidder;
 - (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or ten Business Days (if posted from one country to another) after the date of posting; or
 - (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

- 8.1 Bidder:
- (a) must pay all stamp duty (if any) and any related fines, penalties and interest in respect of the Option Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Options pursuant to the Option Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to this Deed Poll; and
 - (b) indemnifies each Scheme Optionholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

- 8.2 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- 8.3 No waiver of a breach of any term of this Deed Poll will operate as a waiver of another breach of that term or of a breach of any other term of this Deed Poll.

Annexure G: Option Scheme Deed Poll

- 8.4 Nothing in this Deed Poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.
- 8.5 A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

Variation

- 8.6 A provision of this Deed Poll may not be varied by Bidder unless:
- (a) before the Second Court Date, the variation is agreed to in writing by SOE; or
 - (b) on or after the Second Court Date, the variation is agreed to in writing by SOE and is approved by the Court,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Optionholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and each Scheme Optionholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and each Scheme Optionholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity.

Further assurances

- 8.9 Bidder will, at its own expense, execute all deeds and other documents and do all acts and things as may be necessary or desirable to give full effect to this Deed Poll.

Governing law and jurisdiction


- 8.10 This Deed Poll is governed by the laws of New South Wales, Australia.
- 8.11 Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Annexure G: Option Scheme Deed Poll

Execution

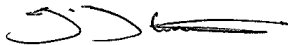
Executed as a deed poll.

Signed sealed and delivered
by **Washington H. Soul Pattinson and
Company Limited**



Signature of director

PETER R. ROBINSON.
Name of director (please print)



Signature of director/secretary

IAN O. BLOODWORTH
Name of director/secretary (please print)

Annexure H: Independent Expert's Report



KPMG Corporate Finance (Aust) Pty Ltd
Australian Financial Services Licence No. 246901
10 Shelley Street
Sydney NSW 2000

P O Box H67
Australia Square 1213
Australia

Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 8021
DX: 1056 Sydney
www.kpmg.com.au

The Independent Directors
Souls Private Equity Limited
Level 2, 160 Pitt Street
Sydney NSW 2011

26 October 2011

Dear Sirs

Independent expert report & Financial services guide

1 Introduction

On 19 September 2011 (Announcement Date), Souls Private Equity Limited (SPEL) announced a proposal from Washington H Soul Pattinson and Company Limited (WHSP) to acquire all of the issued shares and cancel all of the options in SPEL that it does not already own by way of separate scheme of arrangements (the Share Scheme and Option Scheme, collectively the Schemes). The Share Scheme offers SPEL shareholders \$0.163 per SPEL share (the Share Offer Price) through either a cash or scrip option. The Option Scheme offers the optionholders a cash consideration of \$0.01 per option.

The Independent Directors of SPEL have requested KPMG Corporate Finance (Aust) Pty Ltd (KPMG Corporate Finance) to provide an Independent Expert Report (IER) opining on whether:

- the Share Scheme is fair and reasonable and in the best interests of non-associated SPEL shareholders (Shareholders)
- the Option Scheme is fair and reasonable and in the best interests of non-associated SPEL optionholders (Optionholders)
- the Share Scheme and Option Scheme are each on arm's length terms.

This report outlines KPMG Corporate Finance's opinion as to the merits or otherwise of the Schemes. This report should be considered in conjunction with and not independently of the information set out in the attached report.

2 Parties to the Schemes

SPEL

SPEL is a public investment company listed on the Australian Stock Exchange (ASX). SPEL specialises in investments in unlisted and listed small and middle market companies (SME). It invests in companies

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

based in the Asia Pacific region with a focus on Australia and New Zealand. SPEL is managed by Pitt Capital Partners Limited (PCP), a business in which SPEL has a 25% interest. Certain of the directors of SPEL are also directors of WHSP. WHSP holds 13.4% of SPEL.

WHSP

WHSP is a public listed investment company on the ASX. Its principal activities include investments in listed and unlisted companies, coal mining, distribution and retail of pharmaceutical products and manufacture of building products. It also has a 13.4% interest in SPEL.

3 **Requirement for our report**

Given SPEL and WHSP share common directors, the Schemes are considered to involve related parties. As such, the Schemes trigger the application of Section 640 and Chapter 2E of the Corporations Act (the Act).

- Section 640 – An IER is required to be included in a target's statement, where the bidder is connected with the target. A bidder is regarded as being connected with the target whereby the bidder's voting power in the target is 30% or more, or the bidder and target have a common director.
- Chapter 2E – Whilst Section 208 of the Act requires the approval of members in the event a financial benefit is given to a related party, an exception applies under Section 210 whereby the financial benefit is either reasonable on an arm's length basis, or is less favourable to the related entity.

Regulatory Guide (RG) 76 "Related Party Transactions" issued by the Australian Securities and Investments Commission (ASIC) sets out a number of circumstances where, before undertaking a transaction with a related party, it encourages the provision of an IER to members. On this basis, the Independent Directors of SPEL have requested KPMG Corporate Finance to prepare a report in accordance with the guidance provided by ASIC under RG 76, including a determination of whether the Schemes are on "arm's length" terms.

In undertaking our work, we have had regard to the Regulatory Guides issued by ASIC. RG 111 states that the form of analysis undertaken by an expert where a scheme of arrangement is issued as an alternative to a takeover bid should be substantially the same as for a takeover bid, as well as those matters which it expects a person preparing an opinion on whether a related party transaction is on "arm's length" terms. This form of analysis considers whether the transaction is fair and reasonable (separate tests), and as such, incorporates issues as to value.

4 **Summary of the Share Scheme and Option Scheme**

The Share Scheme offers Shareholders the opportunity to receive cash or to receive shares in WHSP:

Cash Option: Shareholders choosing the cash option will receive \$0.163 per SPEL share held on the date of implementation of the Schemes (Implementation Date).

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Scrip Option: Under the scrip option, SPEL shareholders will receive WHSP shares to the equivalent cash amount per share based on WHSP's volume weighted average price (VWAP) in the ten trading days prior to the Implementation Date ¹.

The Option Scheme offers Optionholders the opportunity to receive cash of \$0.01 per option.

The Share Scheme and Option Scheme are also subject to a number of conditions which are more fully set out in Section 9 of this report and the Scheme Documents.

5 **Opinion on Share Scheme**

In the absence of a superior proposal, KPMG Corporate Finance considers the Share Scheme is:

- **fair and reasonable, and therefore in the best interests of Shareholders**
- **on arm's length terms.**

The principal matters we have taken into consideration in forming our opinion are summarised in the remainder of Section 5 below.

5.1 **Background and rationale for the Schemes**

In 2004, SPEL was formed as an investment vehicle with a focus on making long-term investments in unlisted SMEs with the aim of achieving returns in excess of those achieved on listed equities.

Shares were originally offered at \$0.25 each. SPEL began trading on 16 December 2004 with a public equity raising in the order of \$100 million.

The business was significantly impacted by financial markets during FY08 when a net loss after tax of \$29.2 million was incurred after allowing for impairments and fluctuations in the listed share portfolio. Underperformance continued ever since as SPEL was either impacted by the underperformance of its SME portfolio, or its listed investment portfolio, or both. This, combined with its inability to pay dividends, is perceived as the main reason why SPEL has traded at a significant discount to its net tangible assets (NTA).

In the current market, SPEL will continue to find it difficult to attract sufficient market support such that the discount to NTA is reduced, particularly given the on-going losses associated with Cromford Group Pty Ltd (Cromford) and the associated cash drain. SPEL has other stand alone alternatives available to reduce its discount such as divesting various unlisted investments or undertaking a managed wind-up. However these alternatives are subject to a number of risks and uncertainties concerning the outcomes that would be achieved, let alone the difficulty in divesting its unlisted investments.

¹ The scrip option is only available to shareholders in Australia and New Zealand.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

The Schemes represent the culmination of a process whereby SPEL considered a range of alternatives aimed at maximising long-term value for Shareholders and Optionholders.

Set out in the remainder of Section 5 is our assessment of the Share Scheme and its implications for Shareholders if the Share Scheme does not proceed. Our assessment of the Option Scheme is outlined in Section 6.

5.2 The Share Scheme is fair

Our fairness assessment has been based on comparing the consideration offered to the value of an SPEL share acquired by WHSP. Since WHSP is acquiring control of SPEL, our assessment of the value of SPEL incorporates a premium for 100% control. When assessing the control value of SPEL, we considered those synergies and benefits which would generally be available to a broad pool of hypothetical purchasers and excluded the value of synergies and benefits that may be unique to WHSP. Accordingly, our valuation of a shareholding in SPEL has been determined regardless of the acquirer. Further details of our valuation of a SPEL share can be found in Section 13.

The table below outlines a comparison of the consideration offered by WHSP under the Share Scheme and our assessed value of a SPEL share.

Table 1: Comparison of consideration offered to assessed fair value

	Cents per Share	
	Low	High
Offer price	16.3	16.3
Assessed value per SPEL share	14.0	16.1
Premium offered	2.3	0.2

Source: KPMG analysis

For the purposes of our assessment of 'fairness' we have valued the consideration at \$0.163 on the basis that:

- there is no restriction on Shareholders to accept the Cash Option and therefore, at a minimum, Shareholders will receive \$0.163 per SPEL share; and
- under the Scrip Option, Shareholders will receive WHSP scrip based on WHSP's ten trading day VWAP prior to the Implementation Date, implying there is no fixed ratio of the number of WHSP shares which Shareholders will receive for every SPEL share held. In the absence of any material market movements during the relevant ten day trading period, the value of scrip received on the Implementation Date would approximate an equivalent value of \$0.163 per SPEL share. Despite this we note, global financial markets are experiencing extreme volatility, predominantly as a result of the European sovereign debt crisis. If this volatility continues and share prices continue to decline,

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Shareholders who elect to receive their consideration in WHSP shares may be issued with WHSP shares that have a market value slightly below the consideration of \$0.163².

According to RG 111, the Proposal should be considered fair to Shareholders if the consideration offered to Shareholders is equal to or less than the value of a SPEL share. **Since the consideration offered by WHSP is marginally higher than our assessed value range for a SPEL share, we consider the Share Scheme to be fair.**

5.3 The Share Scheme is reasonable

5.3.1 Key considerations

In accordance with RG 111, an offer is reasonable if it is fair. This would imply that the Share Scheme is reasonable. However, irrespective of the statutory obligation to conclude the Share Scheme is reasonable simply because it is fair, we have also considered a range of factors which in our opinion supports a reasonableness conclusion in isolation of our fairness opinion.

The principal factors which underpin our reasonableness conclusion include:

- the Share Scheme represents the most superior option currently available for SPEL to maximise value for Shareholders
- the consideration allows Shareholders to realise their investment in SPEL at a material premium to share prices prior to the announced proposal
- the SPEL share price is likely to fall in the event the Share Scheme is not approved and in the absence of an alternative and superior offer emerging
- the Share Scheme provides certainty of outcome.

Other considerations, particularly in relation to the Scrip Option, had a lesser impact on our reasonableness conclusion as the Cash Option is uncapped, provides certainty of outcome and is available to all Shareholders. These other considerations are particularly relevant for those Shareholders considering the Scrip Option and are outlined in Section 5.3.2.

The principal factors which underpin our reasonableness conclusion are discussed in detail below.

² This will occur when the 10 trading day VWAP price used to determine the number of WHSP shares that are issued to each SPEL Shareholder is higher than the closing price of a WHSP share on the Implementation Date.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

The Share Scheme represents the most superior option currently available for SPEL to maximise value for Shareholders

For approximately three years, SPEL has experienced declining performance which has resulted in a significant difference between its trading price and NTA to arise. Going forward, we consider SPEL has two viable options in which to reduce this trading discount:

- **Divest assets and businesses.** SPEL could sell some of its assets to prove up values and possibly distribute surplus funds. However, any divestment of investments carries risk as to what prices will be achieved and the time that any process will take, particularly with respect to the unlisted investments. Further, the losses currently being incurred by its investment in Cromford would need to be reversed given its current cash drain on the entity.

In this regard, we note that SPEL has either not received sufficient interest from potential buyers or other existing owners to buy-out SPEL from the unlisted investees. Further, the nature of these investments, the level of ownership held by SPEL, the lack of specific shareholder rights entrenched in specific agreements in relation to cash investment, and dividend policy is likely to reduce the appeal of SPEL's investments to third party investors. As such, significant risk exists as to what ultimate sale price might be achieved.

- **A managed wind-up.** Under a managed wind-up scenario, there is no certainty that Shareholders will receive a return greater than the consideration offered under the Share Scheme. In this regard, we have considered the sensitivity of the value per share to a reduction in the sale value of the unlisted and listed investments on the balance sheet at 31 July 2011 which requires only a discount of 8%³ for the value to be greater under the Share Scheme. Based on our review of the valuations, we consider that there is a significant likelihood that the unlisted and listed investments could sell for a discount greater than 8% for the following reasons:

- there is a very limited number of buyers who would be interested in the unlisted and illiquid investments given the minority shareholder position and lack of entrenched shareholder rights
- a number of the investments are underperforming in the current economic environment
- the costs incurred to realise the investments.

The alternative would be to maintain the status quo, however we do not consider this will do anything to improve the current share price particularly given SPEL is materially impacted by the performance of Cromford. Further, Cromford is unlikely to return to profitability without significant time and capital resources being committed and an improvement in market conditions occurring. Consequently, on the basis of the above, we consider the Share Scheme to represent the most superior alternative currently available for SPEL to maximise value for Shareholders.

³ Equals discount of offer price of \$97.5 million to net asset value of \$106 million at 31 July 2011.

Annexure H: Independent Expert's Report

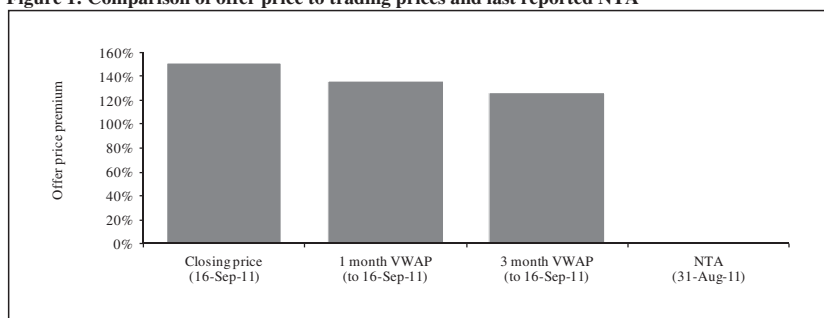


Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

The consideration allows Shareholders to realise their investment in SPEL at a material premium to recent share prices

The consideration offered represents a material premium to recent trading in SPEL shares prior to the announcement of the Share Scheme, as set out in the figure below.

Figure 1: Comparison of offer price to trading prices and last reported NTA



Source: KPMG analysis

In relation to the table above, we note:

- the cash offer price of \$0.163 equates to the reported NTA at 31 August 2011 and represents a premium of:
 - 151% over the closing price on 16 September 2011, being the last trading day prior to the Announcement Date
 - 135% based on the one month volume VWAP to 16 September 2011
 - 125% based on the three month VWAP to 16 September 2011
- whilst the trading prices represent the value of a minority interest, these premia are significantly superior to the average premia observed from empirical evidence which is in the range of 25% to 40% (refer Appendix 4).

The SPEL share price is likely to fall in the event the Share Scheme is not approved and in the absence of an alternative and superior offer emerging

SPEL shares have traded at a one month VWAP and three month VWAP of \$0.069 and \$0.072 respectively, prior to the announcement of the Schemes. Whilst it is not possible to accurately predict the prices at which SPEL shares might trade in the future in the absence of the Share Scheme or an alternative offer emerging, we consider it likely that the price of SPEL shares on the ASX will revert back to levels that existed prior to the Schemes being announced.

12972100_1

7

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

In addition, the Independent Directors of SPEL have advised that no alternative proposal has been received that is superior to the WHSP offer. Following the announcement of the Share Scheme, potential acquirers have had the opportunity to make competing offers for SPEL though none have been forthcoming. In this regard, we note that WHSP already owns 13.4% of SPEL which is likely to act as an impediment to any alternative offer. However, in the event an alternative offer emerges prior to the Shareholders' meeting which offers better terms, SPEL shareholders could elect to vote against the Share Scheme.

The Share Scheme provides certainty of outcome for Shareholders under the Cash Option

Certainty of outcome has the effect of lowering risk. Under the Share Scheme, Shareholders can elect to take cash and achieve certainty in relation to the pre-tax amount they will receive, as compared to an otherwise uncertain outcome if SPEL remains a listed entity. Further, the alternative options available to SPEL have significant execution risk and are unlikely to result in Shareholders realising value greater than the offer price of \$0.163.

5.3.2 Other considerations

We also considered a range of other factors in our reasonableness assessment, though note these factors are, in our view, less material to the overall conclusion.

Share Scheme participants electing WHSP scrip will be owners in a larger, more capitalised business with a different risk profile and will receive dividends

By choosing the Scrip Option, Shareholders will become investors in WHSP which is a much larger business than SPEL, with a market capitalisation of \$2,885 million as at 16 September 2011 compared to SPEL's of \$39 million. Its asset base is more liquid given its minimal exposure to unlisted or illiquid securities, it is well capitalised with a net cash position, it trades at a premium to NTA compared to a discount for SPEL and has a history of paying an increasing level of dividends over time compared to SPEL which has not paid dividends since 2007.

Further, WHSP will not materially change post the Schemes with SPEL comprising only 4% of WHSP's net assets given the relative current size of SPEL's net assets (\$106 million) to WHSP (\$2.8 billion). Therefore, the performance of WHSP is unlikely to change materially post the Schemes being implemented, and the performance of WHSP scrip held by Shareholders would unlikely differ materially from recent trading performance. Despite this, Shareholders who elect to receive WHSP shares should be aware that an investment in WHSP has a different risk profile to an investment in SPEL and any decision to hold WHSP shares beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements any decision to hold WHSP shares should be made by Shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Share Scheme participants electing WHSP scrip will hold an interest in WHSP which offers greater liquidity than SPEL

Based on the market capitalisations of SPEL and WHSP at 16 September 2011, Shareholders will receive approximately 1 WHSP share for every 74 SPEL shares under the Scrip Option⁴. Whilst a greater portion of SPEL shares (7.5%) traded in the six month period prior to the announcement of the Schemes than WHSP shares (3.1%), we note the conversion ratio implies that the portion of WHSP shares traded will be approximately 90% of WHSP scrip held by Shareholders⁵. Therefore, although WHSP's largest shareholder controls 42.9% of the equity, there should be sufficient liquidity in WHSP for Shareholders to sell down their WHSP interest in an orderly manner.

We also note that given WHSP is a much larger entity, it is likely to have smaller buy/sell spreads and greater trading depth compared to SPEL shares, have increased broker coverage and be included in the market indices.

Transferring risks associated with delivering shareholder value to WHSP

Following the approval of the Share Scheme, WHSP will have acquired control of SPEL. As a result, it will take on any risks, challenges and uncertainties associated with the ability to achieve future growth and/or deliver value to shareholders. These risks include, but are not limited to:

- the future profitability of the investments and/or sale value
- the ability to achieve adequate sale values for those businesses in the future
- the timing and quantum of any future distributions.

In deciding whether to select the Scrip Option, Shareholders should consider whether the risks of holding shares in WHSP are consistent with their investment objectives.

Shareholders will forgo any future appreciation in the value of a SPEL share

Whilst there is no certainty that SPEL's existing investments will appreciate in the future, Shareholders will no longer solely benefit from any future capital growth or distributions from SPEL. Conversely, they will not be subject to the risks associated with future performance. In addition, Shareholders wishing to maintain a similar portfolio risk profile for their investment may need to seek an alternate investment in the sectors in which SPEL operates and, in doing so, may find it difficult to find an investment with a

⁴ Closing price of \$12.09 per WHSP share divided by \$0.163 offer price per SPEL share equates to a conversion ratio of 74.

⁵ 592 million SPEL shares divided by conversion ratio of 74 equals approximately 8 million WHSP shares held by Shareholders assuming 100% acceptance of Scrip Option. 7.3 million WHSP shares traded in the six months prior to announcement, which equates to approximately 90% of WHSP shares held by Shareholders assuming 100% acceptance of Scrip Option.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

similar risk profile to that of SPEL. In addition, they will incur transaction costs in completing any new investment.

SPEL shareholders electing to receive WHSP shares will be highly diluted

Assuming 100% acceptance of the Scrip Option, Shareholders will only hold approximately 3% of WHSP⁶ under the Share Scheme, rather than 100% of SPEL which they currently hold. Whilst this implies Shareholders will have almost no collective influence over the WHSP, this is less meaningful when considering the limitation to which Shareholders can individually influence SPEL.

Tax consequences

Approval of the Share Scheme may result in tax consequences for Shareholders. Whilst tax implications will vary depending on the circumstances of each Shareholder, acceptance of the Share Scheme may result in a tax event occurring, potentially crystallising these tax consequences including capital gains. Shareholders should refer to the Scheme Booklet for more details of the tax consequences of accepting the Share Scheme.

Existing losses in SPEL are expected to be preserved. At 31 July 2011, SPEL had accumulated tax losses of \$64.4 million which may be utilised to offset future taxable income generated by SPEL. If the Share Scheme is approved, these accumulated losses are expected to remain available provided SPEL continues to satisfy the same business test. To the extent these losses are available, shareholders who elect to receive WHSP shares as consideration may still benefit from these accumulated losses in the future in proportion to their security holding.

Transaction costs

The costs of the Schemes include stamp duty, advisory costs, legal fees, independent expert fees and other costs. If the Schemes are approved, the costs to SPEL will total approximately \$0.4 million (excluding GST). We consider this immaterial having regard to the overall benefits achieved by SPEL. Furthermore, any alternative option would likely impose costs on SPEL to implement.

No guarantee of realising the Share Scheme consideration upon electing to receive WHSP shares

If a Shareholder elects to receive the consideration in WHSP shares, the number of shares issued by WHSP will be determined with reference to the ten trading days VWAP prior to the Implementation Date. Depending on the movement in the WHSP share price during this period, the value of the WHSP shares on the day of issue may be more or less than \$0.163.

Further these Shareholders will be exposed to a change in the price of WHSP shares post the Implementation Date. If the price of WHSP shares falls, the value of the WHSP shares received by

⁶ 8 million WHSP shares held by Shareholders divided by 247 million WHSP shares on issue post implementation of the Share Scheme (239 existing shares + 8 million newly issued shares under the Share Scheme).

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Shareholders as Share Scheme consideration will decline in value. Accordingly there is no guarantee that Shareholders will actually realise the implied value of the Share Scheme consideration, under the Scrip Option, at the time they sell their WHSP shares in the future.

5.3.3 **Implications if the Share Scheme is not approved**

In the event the Share Scheme is not approved, the following circumstances are likely to occur:

- SPEL will continue to operate in its current structure and continue to consider alternatives to reduce the discount at which SPEL's shares trade relative to NTA. Despite this, we note the alternatives considered in Section 5.3.1 above are unlikely to deliver a more superior outcome. Shareholders could hold out for the prospect of a more favourable proposal emerging, though we note no alternative proposal has emerged and the prospect of competing offers emerging may be impeded by WHSP's existing 13.4% interest
- The SPEL share price will likely decline to the levels at which it was trading prior to the announcement of the Share Scheme. Since the Announcement Date, SPEL shares have materially traded above \$0.065 which was the last trading price prior to the announcement of the Share Scheme
- SPEL will incur third party costs of the \$0.4 million (excluding GST), relating to advisors and other costs, without any material benefit being achieved.

5.4 **The Share Scheme is in the best interests of Shareholders**

RG 111 indicates that in considering whether a transaction is in "the best interests" of members, the expert is expected to apply the same analysis that applies to the "fair and reasonableness" test. Further, if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposal is in the best interests of the members of the company.

On the basis of our analysis above, we consider the Share Scheme to be in the best interests of Shareholders.

5.5 **The Share Scheme is on arm's length terms**

In determining whether the Share Scheme is on arm's length terms, we considered the guidance provided under RG 76.70 and the scope of Section 210 of the Act. In this regard, we note:

- at a minimum, the price offered by WHSP under the Share Scheme is within the range of fair values of the SPEL shares acquired. On this basis, the terms of the overall transaction are not inconsistent with those of comparable transactions between parties dealing on an arm's length basis in similar circumstances
- SPEL established a Board Committee comprising of Independent Directors for SPEL to ensure that decisions and recommendations made by SPEL were made independently.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

On the basis of the above, we consider the Share Scheme is on arm's length terms.

6 Opinion on Option Scheme

In the absence of a superior proposal, KPMG Corporate Finance considers the Option Scheme is:

- **fair and reasonable, and therefore in the best interests of Optionholders**
- **on arm's length terms.**

The principal matters we have taken into consideration in forming our opinion are summarised in the remainder of Section 6 below.

6.1 The Option Scheme is fair

Our fairness assessment has been based on comparing the consideration offered to the value of a SPEL option acquired by WHSP. Further details of our valuation of a SPEL option can be found in Section 14.

The table below outlines a comparison of the consideration offered by WHSP under the Option Scheme and our assessed value of a SPEL option.

Table 2: Comparison of consideration offered to assessed fair value

	Cents per Option
Offer price - Cash	1.000
Assessed value per SPEL option	0.487
Premium offered	0.513

Source: KPMG analysis

According to RG 111, the Option Scheme should be considered fair to Optionholders if the consideration offered to Optionholders is equal to or less than the value of a SPEL option. **Since the consideration offered by WHSP falls above our assessed value for a SPEL option, we consider the Option Scheme to be fair.**

6.2 The Option Scheme is reasonable

In accordance with RG 111, an offer is reasonable if it is fair. This would imply that the Option Scheme is reasonable. However, irrespective of the statutory obligation to conclude the Option Scheme is reasonable simply because it is fair, we have also considered a range of factors which in our opinion support a reasonableness conclusion in isolation of our fairness opinion.

The principal factors which underpin our reasonableness conclusion include the following:

- SPEL shares were trading in the order of \$0.065 in the six months prior to the Announcement Date. Given the exercise price of \$0.20, the options are materially out-of-the-money with the current option price reflecting time value only

12972100_1

12

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- SPEL's last reported NTA at 31 August 2011 of \$0.163 cents per SPEL share is lower than the exercise price. Whilst shares of listed investment companies do not typically trade at a premium to NTA given the deduction for capitalised corporate overheads, SPEL has the opportunity to trade at a premium to NTA on the back of a material improvement in performance in Cromford. However, this is unlikely in the short to medium term as Cromford is dependent on significant time and capital being invested, and market improvements to occur. Consequently, we consider the time value of the option to remain nominal for some time
- The Option Scheme provides certainty of outcome and allows Optionholders to realise a gain over the trading value of the options prior to the announcement of the Option Scheme. This gain will unlikely exist in the event the Schemes are not approved, and in the absence of an alternative and superior offer emerging.

6.3 **Implications if the Option Scheme is not approved**

In the event the Schemes are not approved, Optionholders will continue to hold options over SPEL shares. The option price will likely fall to pre-announcement levels in the absence of an alternative offer emerging.

However, if the Option Scheme is not approved but the Share Scheme is approved, SPEL will cease to be listed on the ASX and Optionholders will hold options over shares in an unlisted entity. In this situation, WHSP intends to compulsorily acquire the options, which would result in delayed consideration to Optionholders as the compulsory acquisition process may take several months to complete. Further, the consideration offered may be different to the \$0.01 per SPEL option offered under the Option Scheme.

6.4 **The Option Scheme is in the best interests of Optionholders**

RG 111 indicates that in considering whether a transaction is in "the best interests" of members, the expert is expected to apply the same analysis that applies to the "fair and reasonableness" test. Further, if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposal is in the best interests of the members of the company.

On the basis of our analysis above, we consider the Option Scheme to be in the best interests of Optionholders.

6.5 **The Option Scheme is on arm's length terms**

In determining whether the Option Scheme is on arm's length terms, we considered the guidance provided under RG 76.70 and the scope of Section 210 of the Act. In this regard, we note:

- at a minimum, the price offered by WHSP under the Option Scheme is higher than our assessed fair value of a SPEL option. We consider a premium should be offered to entice Optionholders to accept as they would forego any potential uplift in value. On this basis, the terms of the overall transaction are not inconsistent with those of comparable transactions between parties dealing on an arm's length basis in similar circumstances

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- SPEL established a Board Committee comprising of Independent Directors for SPEL to ensure that decisions and recommendations made by SPEL were made independently.

On the basis of the above, we consider the Option Scheme is on arm's length terms.

7 Other matters

In forming our opinion, we have considered the interests of the Shareholders and Optionholders as a whole. This advice does not consider the financial situation, objectives or needs of individual Shareholders and Optionholders. It is not practical or possible to assess the implications of the Share Scheme or Option Scheme on individual shareholders and Optionholders as we do not know their specific financial circumstances.

KPMG Corporate Finance's opinion should not be construed to represent a recommendation as to whether or not the Shareholders and Optionholders should approve the Share Scheme or Option Scheme. The decision of the Shareholders and Optionholders as to whether or not to accept the Share Scheme or Option Scheme is a matter for individual Shareholders and Optionholders based on their tax profile, liquidity preference, investment strategy and tax position. In particular, the taxation consequences will vary widely depending on the individual circumstances of each Shareholder and Optionholder. Individual Shareholders and Optionholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to accept or reject the Share Scheme or Option Scheme may be influenced by his or her particular circumstances, we recommend that individual Shareholders and Optionholders consult their financial and/or taxation adviser.

Our opinion is based solely on prevailing market, economic and other conditions and information available as at the date of this report as set out in Appendix 2. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information section set out in Section 10.3 of our report.

Our report has been prepared in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements. We recommend residents of foreign jurisdictions who are entitled to receive this report and who are uncertain as to the consequences of this seek their own independent professional advice.

This report has been prepared solely for the purpose of assisting the Shareholders and Optionholders in considering the Share Scheme and Option Scheme. We understand that the Independent Directors, solely in their capacity as directors of SPEL, will also take our opinion into account in determining whether to recommend the Share Scheme and Option Scheme to the Shareholders and Optionholders. Other than for the Shareholder's and Optionholder's consideration of the Share Scheme and Option Scheme, respectively, we do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

All currency amounts in this report are denominated in Australian dollars unless otherwise stated and may be subject to rounding.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Scheme Booklet to be sent to the Shareholders and Optionholders in relation to the Share Scheme and Option Scheme, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Scheme Booklet.

The above opinion as to the merits or otherwise of the Share Scheme and Option Scheme should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised representative

Diana D'Ambra
Authorised Representative

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Contents

8	Financial Services Guide	18
9	The Schemes	20
9.1	Share Scheme	20
9.2	Option Scheme	20
10	Scope of Report	21
10.1	Purpose	21
10.2	Basis of assessment	21
10.3	Limitations and reliance on information	23
10.4	Disclosure of information	24
11	Souls Private Equity Limited	25
11.1	Overview	25
11.2	SME investments	25
11.3	Listed share portfolio	30
11.4	Financials	31
11.5	Capital structure	37
12	Washington H Soul Pattinson and Company Limited	42
12.1	Overview	42
12.2	Financial metrics	45
12.3	Capital structure	46
12.4	The Merged Entity	49
13	Valuation of a SPEL share	50
13.1	General	50
13.2	SME investment - Ampcontrol	51
13.3	SME investment - Cromford	56
13.4	Unlisted SME investments (excluding Ampcontrol and Cromford)	57
13.5	Listed investments (including listed SMEs)	58
13.6	Other assets	59
13.7	Corporate costs	60
13.8	Number of securities on issue	60
13.9	Cross check of SPEL valuation	60
14	Valuation of a SPEL option	61
14.1	Valuation methodology	61
14.2	Assessment	61
15	Assessment of the Scrip Option	63
	Appendix 1 – KPMG Corporate Finance Disclosures	64
	12972100_1	16

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 2 – Sources of information	66
Appendix 3 – Overview of valuation methodologies	67
Appendix 4 – Minority discount considerations	69
Appendix 5 – Comparable companies (Ampcontrol)	72
Appendix 6 – Comparable transactions (Ampcontrol)	75

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Financial Services Guide

Dated 26 October 2011

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Corporate Finance (Aust) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (**KPMG Corporate Finance**), and Ian Jedlin (authorised representative number 404177) and Diana D'Ambra (authorised representative number 405745) as authorised representatives of KPMG Corporate Finance (**Authorised Representative**).

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.

This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes excluding investor directed portfolio services;
- securities; and
- superannuation,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged the independent directors of Souls Private Equity Limited (Client or SPEL) to provide general financial product advice in the form of a Report to be included in the Scheme Booklet (Document) prepared by SPEL in relation to the proposal from Washington H

Soul Pattinson and Company Limited to acquire all of the issued shares and options in SPEL that it does not already own (Transaction).

You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.

KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance \$165,000 (excluding GST and out of pocket

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

expenses) for preparing the Report. KPMG Corporate Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to the Client for which professional fees are received. Over the past two years no professional fees have been received from the Client.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to:

The Complaints Officer
KPMG
PO Box H67, Australia Square
Sydney NSW 1213

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:

KPMG Corporate Finance (Aust) Pty Ltd
10 Shelley St
Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Ian Jedlin
C/O KPMG
PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

9 The Schemes

On 19 September 2011, SPEL announced a proposal from WHSP to acquire all the issued shares and cancel of all the options in SPEL not already owned by WHSP by way of separate schemes of arrangement. The Schemes value SPEL at approximately \$97.5 million on a fully diluted basis, including options.

Details of the Share Scheme and Option Scheme are outlined in the remainder of Section 9 below.

9.1 Share Scheme

Under the Share Scheme, Shareholders will be entitled to a choice of consideration comprising either:

- cash of \$0.163 per SPEL share; or
- a scrip alternative comprising a number of WHSP shares equivalent to the cash amount per SPEL share, calculated with reference to WHSP's VWAP in the ten trading days prior to the Implementation Date. The scrip option is only available to Shareholders in Australia and New Zealand.

The Share Scheme is subject to the approval of Shareholders and certain regulatory and other conditions being satisfied. The Share Scheme contains a number of customary conditions, including:

- the Share Scheme being recommended by each of SPEL's newly appointed Independent Directors, in the absence of any superior proposal
- a fall by no more than 15% in the ASX300 Index for two consecutive days from 19 September 2011 up to the Scheme Implementation Date
- SPEL shareholder and Court approval
- no material transactions or commitments to be entered into outside the ordinary course of business without WHSP's consent
- execution of mutually satisfactory legal documentation appropriate for a transaction of this kind
- regulatory consents being obtained for the purposes of implementing the Share Scheme.

9.2 Option Scheme

Under the Option Scheme, all of the outstanding SPEL options not already owned by WHSP will be cancelled for a total of \$0.7 million or \$0.01 per option. The Option Scheme is conditional on the Share Scheme becoming effective but not vice versa.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

10 Scope of Report

10.1 Purpose

Given SPEL and WHSP share common directors, the Schemes are considered to involve related parties. As such, the Schemes trigger the application of Section 640 and Chapter 2E of the Act which have implications in relation to the provision of an IER aimed at assisting non-associated Shareholders and Optionholders in assessing the merits of the Share Scheme and Option Scheme respectively.

More specifically, the Independent Directors of SPEL have requested KPMG Corporate Finance to prepare an IER which opines on whether:

- the Share Scheme is fair and reasonable for Shareholders and therefore in their best interests, and is on arm's length terms
- the Option Scheme is fair and reasonable for Optionholders and therefore in their best interests, and is on arm's length terms.

In undertaking our work, we referred to guidance provided by ASIC under RG 111 and RG 76.

10.2 Basis of assessment

10.2.1 Fair and reasonable

RG 111 indicates the principles and matters which it expects a person preparing an IER to consider when providing an opinion on whether a related party transaction is 'fair and reasonable' from the perspective of non-associated members. RG 111 notes:

- in assessing whether a related party transaction is 'fair and reasonable' the assessment should not be applied as a composite test
- a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the valuation of the consideration being provided to the entity
- in relation to an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing
- in valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transactions
- a proposed related party transaction is 'reasonable' if it is 'fair'

21

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- an offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for members to vote for the proposal. In such cases, in accordance with RG 111.61, the expert must clearly explain the meaning of this opinion
- factors to be considered in deciding whether a proposed transaction is 'reasonable' might include:
 - the financial situation and solvency of the entity
 - opportunity costs
 - the alternative options available to the entity and the likelihood of those options occurring
 - the entity's bargaining position
 - whether there is selective treatment of any security holder, particularly the related party
 - any special value of the transaction to the purchaser, such as particular technology or the potential to write off outstanding loans from the target
 - the liquidity of the market in the entity's securities.

10.2.2 In the best interests

RG 111.19 indicates that in considering whether a transaction is in "the best interests" of members, the expert is expected to apply the same analysis that applies to the "fair and reasonableness" test.

According to RG 111.17 to 111.19:

- if an expert would conclude that a proposal was 'fair and reasonable', if it was in the form of a takeover bid, it will also be able to conclude that the proposal is in the best interests of the members of the company
- if an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid, it is still open to the expert to also conclude that the proposal is 'in the best interests of the members of the company'
- if an expert concludes that a proposal is 'not fair and not reasonable', then the expert would conclude that the proposal is not in the best interests of the members of the company.

10.2.3 Arm's length terms

RG 76.70 outlines the factors that should be considered at a minimum when determining whether a proposal can be deemed "arm's length" in nature, despite being negotiated between related parties. These include:

22

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- how the terms of the overall transaction compare with those of any comparable transactions between parties dealing on an arm's length basis in similar circumstances
- the nature and content of the bargaining process, including whether the entity followed robust protocols to ensure that conflicts of interest were appropriately managed in negotiating and structuring the transaction
- the impact of the proposal on the company (e.g. the impact of dealing on those terms on the financial position and performance of the company) and non-associated members
- any other options that may be available to the entity
- expert advice received by the entity on the transaction (if any).

10.3 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. Nothing in this report should be taken to imply that KPMG Corporate Finance has verified any information supplied to us, or has in any way carried out an audit of the books of account or other records of SPEL and WHSP for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of management. In addition, we have also had discussions with SPEL's management in relation to the nature of the Company's business operations, its specific risks and opportunities, its historical results and its prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (forward-looking financial information) prepared by the management of SPEL. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, SPEL remains responsible for all aspects of this forward-looking financial information. Achievement of forecast/projected results is not warranted or guaranteed by KPMG Corporate Finance. Forward-looking financial information is by its nature uncertain and is dependent on a number of future events that cannot be guaranteed. Actual results may vary significantly from the forecasts/projections relied on by KPMG Corporate Finance. Any variations from forecasts/projections may affect our valuation and opinion.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

10.4 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. SPEL has requested KPMG Corporate Finance limit the disclosure of some commercially sensitive information relating to SPEL and its subsidiaries. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising SPEL. As such the information in this report has been limited to the type of information that is regularly placed into the public domain by SPEL.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

11 Souls Private Equity Limited

11.1 Overview

SPEL listed on the ASX in December 2004 as an investment vehicle sponsored by WHSP. SPEL specialises in investments in unlisted and listed SME companies based in the Asia Pacific region with a particular focus on Australia and New Zealand. SPEL holds a 25% interest in its manager PCP, and as at 25 October 2011 had a market capitalisation of \$92.0 million.

SPEL's investment philosophy is to maximise returns through investing in a combination of SME investments and other investments (mainly comprising listed and interest bearing securities). SPEL's portfolio is divided into three segments:

- SME investments which comprise unlisted and listed investments
- a listed share portfolio
- investable cash.

Set out in the table below is a summary of SPEL's portfolio as at 31 July 2011.

Table 3: SPEL investment portfolio as at 31 July 2011

Segmented net assets	\$m
SME investments – Listed	3.2
SME investments – Unlisted	74.2
Listed share portfolio	23.2
Cash and equivalents	0.6
Other net assets and eliminations	4.8
Total	106.0

Source: SPEL Preliminary Financial Report, 31 July 2011

A summary of each of SPEL's key assets are outlined below.

11.2 SME investments

SPEL seeks to invest in established listed or unlisted SME companies in growing markets with proven profitability and experienced management teams. SPEL supports investee companies through assistance with organisational development, strategic planning, recruitment, mergers and acquisitions, fund raisings and exit strategies. SPEL invests over a term of three to seven years and targets a minimum investment level of \$10 million (and no greater than 25% of SPEL's net assets), a 50% equity interest and an internal rate of return (IRR) of 25%.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Set out in the table below is a summary and brief description of SPEL's investee companies.

Table 4: SME portfolio

Company			Description
Ampcontrol Pty Limited (Ampcontrol)	Date acquired	Dec 05	Ampcontrol provides electrical solutions to the mining, mineral processing, power generation, transmission, heavy industry, oil and gas and defence market segments.
	Investment cost	\$11.5m	
	Ownership interest	45%	
	FY11 Revenue	\$194.7m	
	FY11 EBITDA	\$27.8m	
	Book value ⁽¹⁾	\$30.3m	
Cromford Group Pty Ltd (Cromford)	Date acquired	Dec 04	Cromford manufactures and distributes polyethylene pipes and industrial plastics in Australia for applications such as residential construction, agriculture and dams.
	Investment cost	\$55.7m	
	Ownership interest	100%	
	FY11 Revenue	\$30.6m	
	FY11 EBITDA	\$(8.9)m	
	Book value ⁽¹⁾	\$24.1m	
Pitt Capital Partners (PCP)	Date acquired	Jul 07	PCP is a boutique merchant bank that specialises in corporate advisory services including mergers and acquisitions, strategic advice, equity capital markets, private equity, restructuring and debt advisory. PCP is 75% owned by WHSP and 25% owned by SPEL. PCP is the investment manager of SPEL, operating under a management agreement terminating in October 2014 with an extension option for a further 10 years.
	Initial investment	\$5.9m	
	Ownership interest	25%	
	FY11 Revenue	\$6.5m	
	FY11 EBITDA	\$2.3m	
	Book value ⁽¹⁾	\$5.7m	
CBD Energy Limited (CBD)	Date acquired	Dec 06	CBD is a renewable energy and energy storage company focused on providing sustainable solutions for fossil fuels and CO ₂ emissions reduction. CBD designs, builds, owns and operates renewable energy projects. CBD is listed on the ASX and has offices in Melbourne and Sydney.
	Initial investment	\$2.9m	
	Ownership interest	6%	
	Market capitalisation ⁽²⁾	\$41.3m	
	FY11 Revenue	\$164.7m	
	FY11 EBITDA	\$9.2m	
Book value ⁽¹⁾	\$2.8m		
Austgrains Pty Limited (Austgrains)	Date acquired	Dec 04	Austgrains is an Australian based niche supply chain manager of value added agricultural products such as seeds, grains and natural non-gmo ingredients to the global food processing industry. Austgrains was established in 1971 and is located in Moree, New South Wales.
	Initial investment	\$2.9	
	Ownership interest	48%	
	FY11 Revenue	\$14.2m	
	FY11 EBITDA	\$0.7m	
	Book value ⁽¹⁾	\$0.9m	

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

CMA Corporation Limited (CMA)	Date acquired	Jul 07	CMA is a leading integrated Australian based metal recycling group with operations in the sourcing, supply, processing, smelting and exporting of scrap metal. CMA operates a network of over 20 recycling facilities in Australia, Asia and North America, and employs around 450 staff. CMA is listed on the ASX.
	Initial investment	\$12.0m	
	Ownership interest	4%	
	Market capitalisation ⁽²⁾	\$53.4m	
	FY11 Revenue	\$337.9m	
	FY11 EBITDA	\$4.0m	
Supercorp Pty Limited (Supercorp)	Date acquired	Jul 07	Supercorp is a specialised superannuation software solutions company. It is one of the leading suppliers of integrated financial services and superannuation fund administration software within Australia. Its clients range from large institutions to small boutique funds. Supercorp was established in 1987 and employs around 40 staff.
	Initial investment	\$3.7m	
	Ownership interest	35%	
	FY11 Revenue	\$11.8m	
	FY11 EBITDA	\$(0.1)m	
	Book value ⁽¹⁾	\$2.8m	
Belaroma Coffee Pty Limited (Belaroma)	Date acquired	Feb 06	Belaroma is an industry leading brand of coffee, hot chocolate, tea and related products. Belaroma roasts coffee and supplies a range of coffee, tea and coffee machines to the food and beverage, and hospitality industries.
	Initial investment	\$3.0m	
	Ownership interest	40%	
	FY11 Revenue	\$14.2m	
	FY11 EBITDA	\$1.9m	
	Book value ⁽¹⁾	\$3.7m	
InterRisk Australia (InterRisk)	Date acquired	Dec 04	InterRisk provides corporate insurance broking and risk advisory services to medium to large companies. InterRisk was established in 2004 and has offices in Sydney, Melbourne and Brisbane. InterRisk specialises in the tourism and leisure, financial services and manufacturing industries.
	Initial investment	\$2.1m	
	Ownership interest	40%	
	FY11 Revenue	\$10.3m	
	FY11 EBITDA	\$1.4m	
	Book value ⁽¹⁾	\$3.5m	
Specialist Oncology Property Limited (SOP)	Date acquired	Dec 04	SOP was incorporated in May 1998 as a special purpose entity to invest in medical facilities which are on-leased to Specialist Oncology Services Pty Limited (SOS). SOS provides high quality multi-disciplinary healthcare in Australia. SOP owns three properties at Westmead Private Hospital, The Hills Private Hospital and Ashley Lane.
	Initial investment	\$1.6m	
	Ownership interest	26.5%	
	FY11 Revenue	\$7.4m	
	FY11 EBITDA	\$2.2m	
	Book value ⁽¹⁾	\$2.3m	

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Heritage Brands Limited (Heritage Brands)	Date acquired	Dec 04	Formerly known as Soda Brands (SODA), Heritage Brands has the worldwide intellectual property rights to the Innoxia Brands and distributes the Imedeen brand in Australia. In 2010, the company acquired Creative Brands, a distributor of cosmetic and beauty products, many of which are household names.
	Initial investment	\$7.4m	
	Ownership interest	25.1%	
	FY11 Revenue	\$29.1m	
	FY11 EBITDA	\$2.0m	
	Book value ⁽¹⁾	\$0.9m	

Source: SPEL Financial Report, 31 July 2011, SPEL website, Company websites, Capital IQ
Note 1: Book value as at 31 July 2011
Note 2: Market capitalisation as at 25 October 2011
Note 3: FY refers to financial year

SPEL's largest investments Ampcontrol (39% of total SME portfolio) and Cromford (31% of total SME portfolio) are discussed in the following sections.

11.2.1 Ampcontrol

Ampcontrol supplies electrical and electronic products to the power, energy and mining sectors. Founded in 1968 as a distributor of industrial electrical products in the Hunter region, New South Wales, Ampcontrol has grown to become an internationally recognised brand via a combination of organic growth and selective acquisitions. Ampcontrol is headquartered in Tomago, New South Wales and operates a number of sites across Australia as well as several international locations including China, Hong Kong, New Zealand, Russia, South Africa and the United Kingdom. Ampcontrol employs over 800 people.

The company operates three main divisions:

- Power – designs and manufactures high voltage, high current and hazardous area products to the mining, industrial, utility and mineral processing markets
- Electronics – provides service and products for electrical components and systems
- Service – provides workshop and field service as well as application assistance.

Ampcontrol has a strong presence in the mining sector, with a particular focus on underground longwall coal mining. It has been working to further expand its capabilities into other sectors including the defence and industrial sectors, as well as internationally where it is looking to expand its operations in Hong Kong for tunnelling projects in South East Asia.

Over recent years, Ampcontrol has completed a number of strategic acquisitions. These include:

- 2010 acquisition of Magnalec, a South African manufacturer of transformers, resistors, reactors, miniature substations and some motor starting equipment

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

- 2007 acquisition of Allenwest Wallacetown Limited, a Scotland based specialist designer and manufacturer of flameproof electrical distribution and motor equipment for hazardous areas
- 2007 acquisition of Burn Brite Lights, a designer and manufacturer of hazardous area and mine lighting, with operations in Australia and China.

Ampcontrol has a profitable trading history, as illustrated in the table below.

Table 5: Ampcontrol financial performance

\$'000	FY09	FY10	FY11
Revenue	170,572	158,074	194,702
EBITDA	17,366	20,915	27,781
EBIT	12,162	12,039	17,818
PBT	9,968	9,562	14,613
Operating NPAT	7,697	7,035	10,320
EBITDA margin	10.2%	13.2%	14.3%
EBIT margin	7.1%	7.6%	9.2%
NPAT margin	4.5%	4.5%	5.3%

Source: Ampcontrol Financial Report, 30 June 2011 and 30 June 2010

More specifically, we note:

- during FY10, revenue declined by 7% while EBITDA grew by 20% due to a strong focus on cost control. The FY10 result includes three months earnings of Magnalec which was acquired in March 2010
- in FY11, revenue increased by 23% and EBITDA increased 33% due to improved performance in all operating divisions including a large improvement in the United Kingdom business.

11.2.2 Cromford

Cromford was established in 1978 as a manufacturer of polyethylene film and dampcourse. In February 2007, the company diversified into pipe production with the acquisition of Australian Film and Pipe Manufacturers Pty Ltd (AFP). The company has manufacturing operations in Moss Vale and Western Sydney, and employs over 100 staff.

Cromford operates three divisions:

- Pipe – manufactures and distributes a large range of plastic pipes with a full array of fittings and accessories
- Film – manufactures a range of film and dampcourse plastic sheeting
- Recycling – stand-alone business unit established to expand and innovate Cromford's recycling and resource recovery ability.

29

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Cromford is well placed to service the east coast of Australia. Its polyethylene film and dampcourse are primarily used in residential construction, while polyethylene film also has applications in the agriculture sector and for dam construction. AFP is one of only two producers of larger diameter (500mm) plastic pipe and the only manufacturer of polypropylene random (PP-R) in Australia. AFP's pipes are used in a variety of applications including plumbing, water supply, irrigation and drainage, electrical supply, sewer and storm water, mining and gas.

Set out in the table below is a summary of the recent financial performance of Cromford.

Table 6: Cromford financial performance

\$'000	FY09	FY10	FY11
Revenue (excluding interest income)	19,359	26,503	30,674
EBITDA	(6,427)	(3,524)	(8,968)
EBIT	(7,769)	(5,019)	(10,306)
PBT	(9,239)	(6,394)	(10,291)
Operating NPAT	(6,489)	(7,101)	(10,291)

Source: Cromford Financial Report, 31 July 2010, SPEL Preliminary Financial Report, 31 July 2011, Management

Cromford has experienced heavy losses over the past few years as the building materials market in Australia has weakened and demand from the mining sector has been lower than expected. The business is currently sub-scale and requires significant time, capital resources and improved market conditions in order to deliver positive earnings. Without these, the only exit option for SPEL would be under a liquidation scenario.

Cromford's loss-making performance materially and adversely impacts SPEL financial performance as it is consolidated into SPEL.

11.3 Listed share portfolio

As at 31 July 2011, the market value of SPEL's listed share portfolio was \$23.2 million, as outlined in the table below.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Table 7: SPEL listed share portfolio at 31 July 2011

Company	Number of shares	Book value (\$m)
Australia and New Zealand Banking Group Limited	177,042	4.7
BHP Billiton Limited	50,000	2.1
Bravura Solutions Limited	2,324,175	0.3
Commonwealth Bank of Australia Limited	149,500	9.5
Coca-Cola Amatil Limited	150,000	1.7
Telstra Corporation Limited	455,000	2.8
Wesfarmers Limited	73,125	2.1
Total		23.2

Source: SPEL Preliminary Financial Report, 31 July 2011, Management

SPEL's listed portfolio decreased by 30.3% over FY11, which included divestments from Transurban Group, Telstra, Fairfax, Westfield Group and Suncorp-Metway. During FY11, SPEL received dividends and distributions of \$1.6 million.

Subsequent to 31 July 2011, SPEL divested part of its listed share portfolio to fund working capital requirements in Cromford (\$2.2 million) and to fund SPEL's entitlement under CMA's rights issue in August 2011 (\$3.0 million).

11.4 Financials

Since SPEL holds 100% of Cromford, its financial statements have been prepared on the basis of consolidating Cromford. In order to understand the performance of SPEL as an investment company, we have referred to its segment analysis as this enables us to isolate the performance of SPEL's key investment activities.

SPEL's segments comprise:

- Cromford
- SME Investments, which represent SPEL's non-controlling interests in unlisted companies as well as listed companies, CMA Corporation and CBD Energy, and subsidiaries which do not form reportable segments
- Other Investments which comprise SPEL's listed investments (excluding CMA Corporation and CBD Energy) and surplus cash, are treated as a "cash resource" to support future investments into SPEL's unlisted investments.

11.4.1 Income statement

Set out in the table below is the financial performance of SPEL, split by segment, for FY11.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Table 8: Income statement for FY11

\$'000	Segment			Total
	Cromford	SME Investments	Other Investments	
Sales revenue	30,674			30,674
Fully franked dividends		8	1,614	1,622
Trust distributions			79	79
Interest income - third parties	41		164	205
Revenue	30,715	8	1,857	32,580
Cost of sales	(31,724)			(31,724)
Inventory adjustment (non-cash)	1,300			1,300
Selling & marketing	(2,729)			(2,729)
Administration	(3,121)			(3,121)
Other income	-		20	20
Finance costs	(24)			(24)
Results before non-cash items	(5,583)	8	1,877	(3,698)
Non-cash items				
Equity accounted profits from unlisted investments		5,736		5,736
Unrealised revaluation on listed investments		(119)	(4,025)	(4,144)
Writedown of Cromford inventory	(1,300)			(1,300)
Impairment loss on Cromford assets	(1,166)			(1,166)
Reversal of impairment on Belaroma		1,033		1,033
Depreciation	(1,338)			(1,338)
Profit on sale of fixed assets	3			3
Loss on disposal of listed investments			(408)	(408)
Bad and doubtful debt expense	(907)			(907)
Segment operating profit / (loss)	(10,291)	6,658	(2,556)	(6,189)
Management fees				(2,138)
Corporate administration costs				(584)
Income tax benefit				608
Total operating loss				(8,303)
Ordinary shares on issue at 31 July 2011 - ('000)				593,719
Basic and diluted earnings per share (cents)				(1.40)

Source: SPEL preliminary financial report for the 12 months ended 31 July 2011, KPMG analysis, Management

In relation to the table above, we note:

- Cromford has been loss-making for some time, driven by weak demand and excess industry capacity
- equity accounted net profits comprise SPEL's share of the after-tax profits of the underlying SME investments, of which approximately 80% was generated from Ampcontrol (\$4.6 million)

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- the impairment loss on Cromford was based on a value-in-use calculation determined using a discounted cash flow approach (5 years + terminal value), annual growth of 5% and a 13% pre-tax discount rate
- impairment reversal for Belaroma was based on a value-in-use calculation determined by applying a 5.5 times multiple to the normalised earnings before interest, tax, depreciation and amortisation (EBITDA) for 2012, and a 25% liquidity discount
- portfolio management fees relate to fees paid to PCP as investment manager of SPEL. Fees are charged at 1.75% of SPEL's net asset value (excluding unrealised gains on unlisted investments). A performance fee of 15% of the gain in excess of a 10% pre-tax internal rate of return on unlisted investments is also payable to PCP, though no performance fee was payable for the 12 months ended 31 July 2011
- corporate administration costs comprise director fees, professional fees and administration expenses. Management have advised the sustainable level of corporate overheads (including management fees) to be in the order of \$2.7 million.

11.4.2 **Balance sheet**

Set out in the table below is the financial position of SPEL, split by segment, as at 31 July 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Table 9: Balance sheet as at 31 July 2011, split by segment

\$'000	Segment			Total
	Cromford	SME Investments	Other Investments	
Cash and cash equivalents	725	-	543	1,268
Trade and other receivables	6,651	-	218	6,869
Investments in listed securities	-	3,145	23,189	26,334
Inventories	5,252	-	-	5,252
Prepayments	71	-	42	113
Property, plant and equipment	17,997	-	-	17,997
Other long term receivables	-	1,197	-	1,197
Equity accounted investments	-	50,064	-	50,064
Total segment assets	30,696	54,406	23,992	109,094
Segment liabilities	(6,642)	(135)	(134)	(6,911)
Total segment net assets	24,054	54,271	23,858	102,183
Deferred tax assets				9,045
Deferred tax liabilities				(5,270)
Net assets				105,958
Issued capital				144,909
Reserves				63
Accumulated losses				(39,015)
Equity				105,957
Ordinary shares on issue at 31 July 2011 - ('000)				593,719
Net tangible assets per share (cents) ¹				16.32

Source: SPEL preliminary financial report for the 12 months ended 31 July 2011, KPMG analysis
Note 1: NTA assumes deferred tax assets are intangibles

In relation to the table above, we note:

- equity accounted investments comprise SPEL's interest in the net assets of its unlisted investee companies. Further information on SPEL's unlisted and listed investments are contained in Sections 11.2 and 11.3
- long term receivables comprise loans advanced to investee companies, the majority of which have been materially impaired
- whilst SPEL held no debt as at 31 July 2011, it acted as guarantor (on a joint and several basis with one other party) to a limit of \$6 million over a trade facility held by investee, Austgrains. The trade facility has been drawn down in excess of \$6 million, though all covenants have been complied with
- deferred tax assets comprise predominantly of the tax-effected carry forward tax losses. At the balance date, SPEL had tax losses of \$64.4 million for which no deferred tax asset had been recognised

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

- deferred tax liabilities comprise predominantly of the capital gains tax on unrealised gains on unlisted investments, in particular Ampcontrol.

The table below outlines the consolidated net assets of SPEL allocated across its underlying investments.

Table 10: Consolidated net assets allocated across individual assets

\$m	Total	% of total	Accounting method
Ampcontrol	30.3	28.6%	Equity accounted
Cromford Group	24.1	22.7%	Consolidated
Pitt Capital Partners	5.7	5.4%	Equity accounted
Belaroma Coffee	3.7	3.5%	Equity accounted
InterRisk Australia	3.5	3.3%	Equity accounted
Supercorp Australia	2.8	2.6%	Equity accounted
Specialist Oncology Property	2.3	2.2%	Equity accounted
Heritage Brands	0.9	0.8%	Equity accounted
Austgrains	0.9	0.8%	Equity accounted
Total SME investments (unlisted)	74.2	70.0%	
CBD Energy	2.8	2.6%	Marked to market
CMA Corporation	0.4	0.4%	Marked to market
Total SME investments (listed)	3.2	3.0%	
CBA	9.5	9.0%	Marked to market
ANZ	4.7	4.4%	Marked to market
Telstra	2.8	2.6%	Marked to market
Wesfarmers	2.1	2.0%	Marked to market
BHP Billiton	2.1	2.0%	Marked to market
Coca Cola Amatil	1.7	1.6%	Marked to market
Bravura Solutions	0.3	0.3%	Marked to market
Listed share portfolio (excluding SME)	23.2	21.9%	
Cash - Parent level	0.6	0.6%	Actual
Other net assets	4.8	4.5%	Actual
Total net assets	106.0	100.0%	

Source: SPEL preliminary financial report for the 12 months ended 31 July 2011, KPMG analysis

In relation to the table above, we note:

- approximately 51% of SPEL's net assets comprise the equity interest in two unlisted investments, Ampcontrol and Cromford
- approximately 26% of SPEL's net assets are liquid (either listed securities or cash) with the book value reflective of market value at the balance date
- approximately 47% of SPEL's net assets have been valued on an equity accounted basis

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

- other net assets predominantly comprise the net deferred tax assets.

11.4.3 Cash flow statement

Set out in the table below are the cash flows of SPEL, split by segment, for FY11.

Table 11: Cash flows for FY11, split by segment

\$'000	Segment			Total
	Cromford	SME Investments	Other Investments	
Cash flow from operating activities				
Receipts from customers	29,422	-	-	29,422
Payments to suppliers and employees	(38,076)	-	-	(38,076)
Proceeds from sale of listed investments	-	-	8,294	8,294
Dividends and distributions received	-	-	1,701	1,701
Interest received	-	-	205	205
Finance costs	(24)	-	-	(24)
Cash flow from operating activities (pre-tax)	(8,678)	-	10,200	1,522
Income tax refunded				381
Cash flow from operating activities (post-tax)				1,903
Cash flow from investing activities				
Payments for associated entities	-	(90)	-	(90)
Dividends received from associated entities	-	1,770	-	1,770
Payments for property, plant and equipment	(2,637)	-	-	(2,637)
Net loans repaid from / (paid to) other entities	-	(562)	-	(562)
Cash flow from investing activities	(2,637)	1,118	-	(1,519)
Cash flow from financing activities				
Net proceeds from share issuance				1
Cash flow from financing activities				1
Net cash inflow / (outflow)				385
Cash at beginning of year				883
Cash at end of year				1,268

Source: SPEL preliminary financial report for the 12 months ended 31 July 2011, KPMG analysis

In relation to the table above, we note:

- SPEL partially divested its listed security portfolio to offset the ungeared cash flow losses from Cromford
- dividend income received from its unlisted investees implied a 2.4% yield on the carrying value of SPEL's investment in these unlisted companies
- dividend and distribution income received from its listed investments implied a 6.4% yield on the carrying value of SPEL's investment in these listed companies.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

11.5 Capital structure

11.5.1 Share capital

As at 29 September 2011, SPEL had 593.7 million shares on issue. SPEL's top 10 shareholders are set out in the table below.

Table 12: Top 10 shareholders at 29 September 2011

Holder name	Balance at 29 Sept 2011	Percentage of total
WHSP	79,339,419	13.36%
Cogent Nominees Pty Limited	64,536,552	10.87%
RBC Dexia Investor Services Australia Nominees Pty Limited	46,682,228	7.86%
UBS Nominees Pty Ltd	15,736,675	2.65%
HSBC Custody Nominees (Australia) Limited	12,863,491	2.17%
UBS Wealth Management Australia Nominees Pty Ltd	10,493,919	1.77%
RBC Dexia Investor Services Australia Nominees Pty Limited	10,028,374	1.69%
Richvale Pty Limited	8,300,000	1.40%
Luton Pty Ltd	7,280,246	1.23%
Mr Alastair Galloway	6,699,128	1.13%
Total top 10 shareholders	261,960,032	44.12%
Total shares on issue	593,719,107	100.00%

Source: Management

At 6 October 2011, the substantial shareholders in SPEL were WHSP (13.4%), Select Asset Management (8.2%), Perpetual Limited (6.0%) and Australian Foundation Investment Company Limited (5.2%).

11.5.2 Options

At 29 September 2011, SPEL had 74.0 million listed options on issue. SPEL's top 10 option holders are set out in the table below.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Table 13: Top 10 option holders at 29 September 2011

Holder name	Balance at 29 Sept 2011	Percentage of total
Farjoy Pty Ltd	11,029,144	14.90%
WHSP	9,917,428	13.40%
Mr Timothy Frank Robertson	1,203,970	1.63%
Luton Pty Ltd	1,097,531	1.48%
EDM Transport Pty Ltd	1,060,639	1.43%
Richvale Pty Limited	1,037,500	1.40%
Mr Milton Yannis	799,999	1.08%
Jenkest Pty Ltd	756,850	1.02%
A S Vallner Consulting	711,914	0.96%
Mr Phillip Thuaux	699,323	0.94%
Total top 10 option holders	28,314,298	38.25%
Total options on issue	74,024,813	100.00%

Source: SPEL Annual Report, 31 July 2010

SPEL options were issued 1 March 2010 with a strike price of \$0.20 and an expiry on 2 February 2015.

11.5.3 Directors interests

The table below outlines the director's holdings in SPEL at 29 September 2011.

Table 14: Directors' holdings

Name	Shares		Options	
	Number held	% of total on issue	Number held	% of total on issue
R D Millner	1,725,193	0.29%	153,151	0.21%
D J Fairfull	8,700,001	1.47%	1,087,501	1.47%
D E Wills	623,277	0.10%	52,910	0.07%
R G Westphal	370,000	0.06%	46,250	0.06%
G Crampton (Independent)	44,014	0.01%	1,955	0.00%
R Strang (Independent)	nil	nil	nil	nil
Total directors' securities	11,462,485	1.93%	1,341,767	1.81%
Total securities on issue	593,719,107	100.00%	74,024,813	100.00%

Source: Management

Messrs Millner, Fairfull, Wills and Westphal are also directors of WHSP.

11.5.4 Share price performance and implied discount to NTA

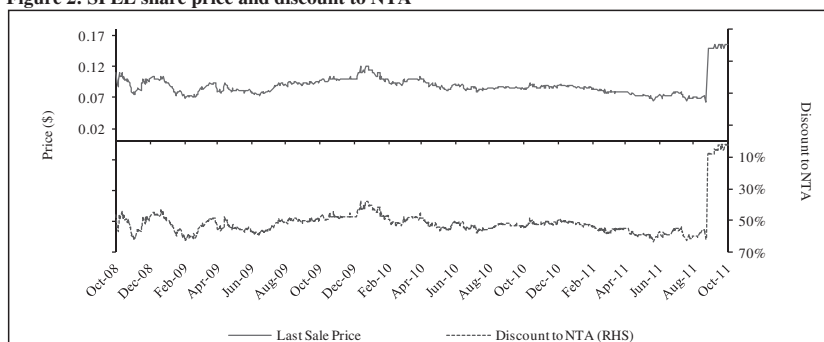
The figure below illustrates SPEL's daily closing share price and its traded discount to reported NTA over the three years to 26 October 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Figure 2: SPEL share price and discount to NTA



Source: SPEL announcements, Capital IQ
 Note: NTA reported monthly

In relation to the figure above, we note that the over three-year period SPEL's share price has traded between \$0.065 and \$0.16. SPEL traded at a minimum discount to NTA of 2.5% (post Announcement Date) and a maximum discount of 63.1% (31 May 2011) over the period. NTA per share has ranged from \$0.217 per share (31 August 2008) to \$0.163 per share (31 August 2011).

On the last trading day prior to Announcement Date, SPEL shares closed at \$0.065, representing a 60.1% discount to NTA. On the Announcement Date, SPEL shares closed at \$0.15 and have remained at this level to the date of this report.

11.5.5 Relative share price performance

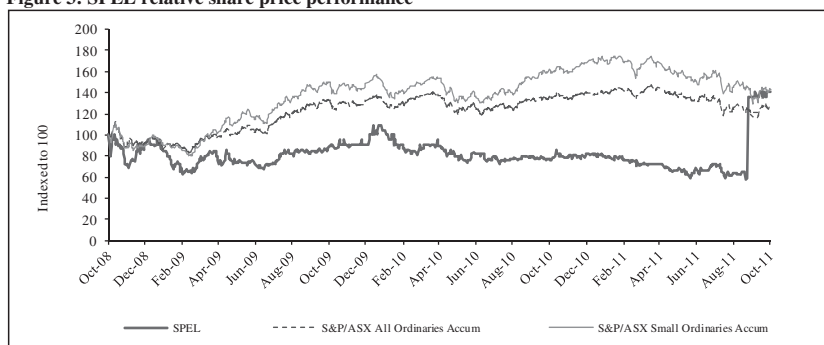
The figure below compares SPEL's share price performance to the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index for the three years to 26 October 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Figure 3: SPEL relative share price performance



Source: Capital IQ

In relation to the figure above, we note that SPEL has underperformed both indices since late 2008. SPEL's underperformance can be explained by a number of factors including large write-downs in the SME and listed share portfolios in FY08 and FY09, the performance of the underlying companies in the SME portfolio, the absence of dividends, and SPEL's limited ability to realise the investments in the SME portfolio which can be attributed to market conditions and in some cases, the size of the investment interest and restrictions under the Shareholder's Agreement.

11.5.6 Volume weighted average price and liquidity analysis

On the last trading day prior to Announcement Date SPEL closed at \$0.065, with the offer price representing a 150.8% premium to this price. Set out in the table below is an analysis of the VWAP and historical liquidity of SPEL for the 12 months prior to Announcement Date.

Table 15: SPEL VWAP – 12 months to Announcement Date

Period	Price (low) \$	Price (high) \$	Price VWAP \$	Cumulative value \$'000	Cumulative volume '000	Issued capital %
1 week	0.063	0.072	0.069	126.0	1,822.8	0.3
1 month	0.063	0.072	0.069	302.1	4,352.8	0.7
3 months	0.060	0.082	0.072	1,722.4	23,770.2	4.0
6 months	0.060	0.084	0.074	3,305.1	44,670.4	7.5
12 months	0.060	0.094	0.079	6,338.9	79,771.8	13.4

Source: Capital IQ

In relation to the table above, we note that 7.5% of SPEL shares on issue traded in the six months prior to Announcement Date, and 13.4% traded in the 12 months prior to Announcement Date. Given the low trading volumes of SPEL, it is reasonable to conclude that SPEL shares are illiquid and hence caution needs to be taken in considering the traded share price as a proxy for value.

Annexure H: Independent Expert's Report



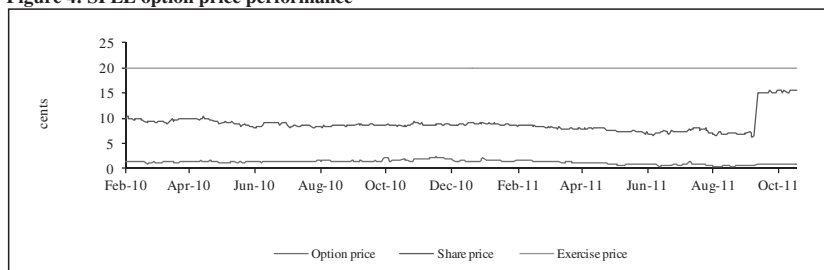
Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

The Share Offer Price represents a premium of 134.9% to the one month VWAP of \$0.069 per SPEL share.

11.5.7 Option price performance

The figure below illustrates the SPEL option price compared to the share price and option exercise price since they were granted to 26 October 2011.

Figure 4: SPEL option price performance



Source: IRESS

In relation to the figure above, we note:

- option price has fallen to reflect the fall in the share price relative to the exercise price. Therefore, the options remain materially out-of-the-money and therefore are likely to only have time value
- on the last trading day prior to Announcement Date, the SPEL options closed at \$0.006 with the option offer price representing a 66.7% premium to this price.

11.5.8 Distributions

No distributions have been paid or declared during FY10 and FY11. SPEL's capacity to pay distributions has been adversely impacted by Cromford, to the extent that SPEL has had to partially divest its listed security portfolio (\$8.3 million in FY11) to offset ungeared cash flow losses from Cromford (\$11.3 million) in order to maintain a positive cash balance.

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

12 Washington H Soul Pattinson and Company Limited

12.1 Overview

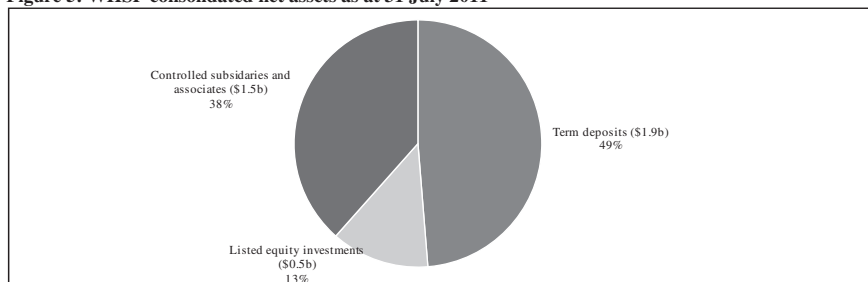
Under the Share Scheme, Shareholders have the option to elect scrip in WHSP. Detailed below is an overview of the operations of WHSP.

Established as a single pharmacy in 1872, WHSP listed on the ASX (then known as the Sydney Stock Exchange) in 1903 and as at 25 October 2011 had a market capitalisation of \$3,233.6 million. WHSP operates three divisions:

- Investing Activities – investments in cash, term deposits and equity investments
- Coal Mining – through its subsidiary New Hope Corporation Limited (New Hope), engages in coal mining activities including exploration, development, production, processing, associated transport infrastructure and ancillary activities
- Consulting – through its subsidiary PCP, engages in the provision of corporate advisory services.

The figure below illustrates the components of the consolidated net assets of WHSP to its underlying investments as at 31 July 2011.

Figure 5: WHSP consolidated net assets as at 31 July 2011



Source: KPMG analysis

12.1.1 Controlled and associated companies

Set out in the table below are details of WHSP's main operating subsidiaries, New Hope and PCP, and its associated companies.

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

Table 16: WHSP's subsidiaries and associated companies

Company		Description
Controlled entities		
New Hope	Market capitalisation ⁽¹⁾	\$4,856.8m
	Ownership interest	59.7%
	FY11 Revenue	\$662.4m
	FY11 NPAT	\$503.1m
Pitt Capital Partners (PCP)	Ownership interest	75.0%
	FY11 Revenue	\$6.5m
	FY11 EBITDA	\$2.3m
	FY11 NPAT	\$1.8m
CopperChem Limited (CopperChem)	Ownership interest	52.4%

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Associated companies			
Australian Pharmaceutical Industries (API)	Market capitalisation ⁽¹⁾	\$156.2m	API is a leading service provider to the Australian pharmacy industry. API provides wholesale product delivery, retail services, marketing programs and business advisory services to over 4000 independent pharmacies. API owns and operates the Priceline retail store brand and the Priceline Pharmacy franchise. API also has manufacturing operations and is a niche player in over-the-counter pharmaceuticals and toiletries market in Australia and New Zealand.
	Ownership interest	24.6%	
	FY11 Revenue	\$3.7bn	
	FY11 NPAT	\$0.02bn	
Brickworks Limited (Brickworks)	Market capitalisation ⁽¹⁾	\$1,654.2m	Brickworks manufacture and distribute clay and concrete building products in Australia and New Zealand. It offers a range of products including bricks, blocks, pavers, roof tiles, floor tiles, precast walling and flooring panels, and timber products. Brickworks is also involved in property development and realisation activities, as well as invests in the Australian share market.
	Ownership interest	44.5%	
	FY11 Revenue	\$635.6m	
	FY11 NPAT	\$100.8m ⁽³⁾	
BKI Investment Company Limited (BKI)	Market capitalisation ⁽¹⁾	\$491.5m	BKI was formed in 2003 to manage the investment portfolio of Brickworks. The BKI portfolio was valued at \$599 million at 30 June 2011.
	Ownership interest	13.7%	
	FY11 Revenue	\$32.1m	
	FY11 NPAT	\$25.3m ⁽⁴⁾	
Clover Corporation Limited (Clover)	Market capitalisation ⁽¹⁾	\$51.2m	Clover provides nutritional and functional ingredients for use in infant and children's products, foods, supplements and pharmaceuticals. Clover primarily engages in the manufacture and provision of HiDHA omega-3 tuna oil/powders, omega-3 and/or omega-6 marine and algal oil encapsulated powders, which are sold in Australia, the United States and Europe.
	Ownership interest	28.6%	
	FY11 Revenue	\$35.6m	
	FY11 NPAT	\$4.6m	

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

Ruralco Holdings Limited (Ruralco)	Market capitalisation ⁽¹⁾	\$184.3m	Ruralco engages in selling and marketing various products to rural and related industries in Australia. Ruralco operates through a number of national businesses that specialise in rural merchandise, wool and livestock agency, real estate agency, fertilizer manufacture, stock feed and grain storage, handling and distribution and financial services.
	Ownership interest	23.5%	
	FY10 Revenue	\$902.7m	
	FY10 NPAT	\$14.7m	
TPG Telecom Limited (TPG)	Market capitalisation ⁽¹⁾	\$1,081.8m	TPG provides various retail and wholesale telecommunication products and services in Australia. TPG operates as a licensed telecommunications carrier and offers voice, internet and data solutions. In 2008, TPG (then, SP Telemedia) merged with the Soul brand, and in 2010, TPG acquired Pipe Networks.
	Ownership interest	26.7%	
	FY11 Revenue	\$574.5m	
	FY11 EBITDA	\$234.0m	
Apex Healthcare Berhad (Apex)	Market capitalisation ⁽¹⁾⁽²⁾	\$78.9m	Apex engages in the manufacture, wholesale, distribution, marketing and retailing of pharmaceutical products and consumer healthcare products in Malaysia, Singapore, China and Indonesia. Apex also engages in property rental and management, and the licensing of Apex Pharmacy trademark. Apex is listed on the Kula Lumpur Stock Exchange.
	Ownership interest	30.3%	
KH Roberts Group Pte Ltd (KH Roberts)	Ownership interest	49.0%	KH Roberts manufactures quality food flavours and specialty ingredients. Its products include beverages, baked goods, confectioneries, savouries and food flavouring. KH Roberts is headquartered in Singapore.

Source: Company websites, WHSP website, Capital IQ

Note 1: Market capitalisation as at 25 October 2011

Note 2: Market capitalisation translated into AUD at an exchange rate of 0.306201055 AUD/MYR

Note 3: Normalised NPAT

Note 4: Pre special dividend

12.1.2 Listed investment portfolio

WHSP's listed equity investments (excluding subsidiaries and associates) were valued at \$499 million at 31 July 2011. WHSP received dividend income of \$23.1 million and interest revenue of \$21.3 million for FY11.

12.2 Financial metrics

Set out in the table below are the headline financial metrics attributable to the equity holders of WHSP.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Table 17: WHSP financial metrics

\$'000	
Net profit after tax (FY11)	363,871
Net assets (at 31 July 2011)	2,812,749
Ordinary shares on issue at 22 September 2011 - ('000)	238,641
Earnings per share (\$)	1.52
Earnings yield (based on market capitalisation)	12.3%
Dividends per share (excluding special dividend) (FY11) – (\$)	0.40
Dividend yield (FY11)	3.2%
Net tangible asset backing per share (\$) ¹	11.55
Current share price (\$) (as at 22 September 2011)	12.35
Premium / (discount) to NTA	6.9%

Source: WHSP financial reports, KPMG analysis

Note 1: Based on a net tangible asset value equivalent to net assets of \$2,813 million less intangible assets of \$56 million. Excludes any adjustment for the value of intangible assets attributable to minority interests

WHSP is not impacted by underperforming investments to the same extent that SPEL is, and therefore is able generate positive earnings and pay distributions. Furthermore, WHSP trades at a premium to NTA which is due to a number of factors including:

- its largest investment (New Hope) which trades at a material premium to its net assets, and is consolidated by WHSP. Consolidation is based on book value, which does not include any upward valuation in the mark-to-market share price of New Hope shares. At 22 September 2011, New Hope traded at approximately a 90% premium to NTA
- the majority of its assets which are valued on a mark-to-market basis.

12.3 Capital structure

12.3.1 Share capital

At 22 September 2011, WHSP had 238.6 million shares on issue. In relation to WHSP share capital, we note:

- at 22 September 2011, the substantial shareholders in WHSP were Brickworks holding 42.9% of the total issued capital and RBC Dexia Investor Services Australia Nominees Pty Limited with 6.7%
- WHSP Directors held 16.1% of issued capital as at 22 September 2011, with the common directors of SPEL and WHSP holding approximately 8.2% of WHSP's issued capital.

12.3.2 Share price performance

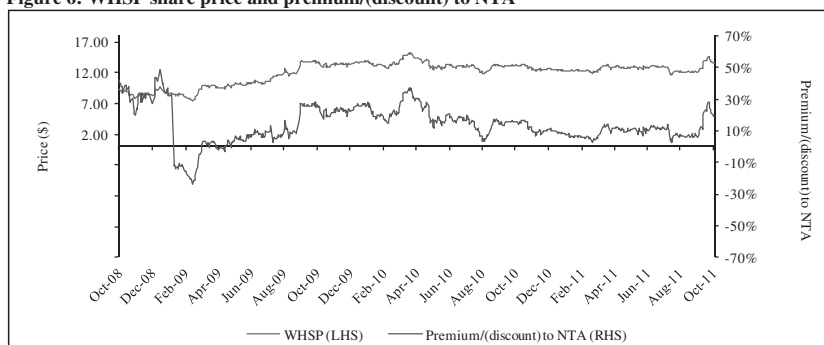
The figure below illustrates WHSP's daily closing share price and its traded premium/ (discount) to reported NTA over the three years to 26 October 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Figure 6: WHSP share price and premium/(discount) to NTA



Source: Capital IQ
 Note: NTA reported semi-annually

In relation to the figure above, we note:

- WHSP's share price has traded between \$7.40 and \$15.20 the over three and half-year period
- with the exception of the beginning of 2009 when it traded at a discount to NTA, due to the combination of an increase in NTA and declining share price, WHSP has consistently traded at a premium to NTA. This can be attributed to its large interest in New Hope (which trades at a premium to NTA) and the majority of its assets which are valued on a mark-to-market basis.

12.3.3 Relative share price performance

Given WHSP's exposure to the coal industry via New Hope, we have compared WHSP's performance to the S&P/ASX 200 Resources Accumulation Index as well as the S&P/ASX All Ordinaries Accumulation Index.

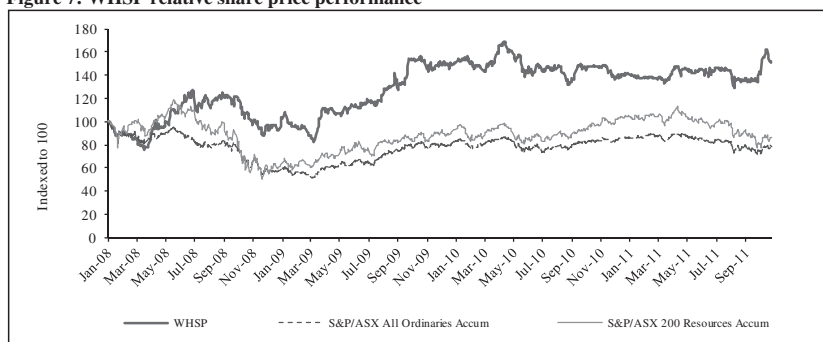
The figure below compares WHSP's share price performance relative to the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX 200 Resources Accumulation Index from 1 January 2008 to 26 October 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Figure 7: WHSP relative share price performance



Source: Capital IQ

In relation to the figure above, we note that WHSP has outperformed both indices since mid-2008 which is largely due to the performance of its subsidiaries and associated companies, in particular TPG, New Hope and more recently Clover.

12.3.4 Volume weighted average price and liquidity analysis

Set out in the table below is an analysis of the VWAP and historical liquidity of WHSP for the 12 months prior to Announcement Date.

Table 18: WHSP VWAP – 12 months to Announcement Date

Period	Price (low) \$	Price (high) \$	Price VWAP \$	Cumulative value \$m	Cumulative volume (million)	Issued capital %
1 week	11.85	12.35	12.14	2.1	0.2	0.1
1 month	11.80	12.35	12.09	12.7	1.1	0.4
3 months	11.16	13.21	12.61	46.1	3.7	1.5
6 months	11.16	13.40	12.70	92.5	7.3	3.1
12 months	11.16	13.50	12.67	172.4	13.6	5.7

Source: Capital IQ

In relation to the table above, we note that WHSP is relatively illiquid with only 3.1% of WHSP shares on issue traded in the six months prior to Announcement Date, and 5.7% in the 12 months prior to Announcement Date. This lack of liquidity can be partly explained by the reduced free float from Brickwork's 43% shareholding.

12.3.5 Distributions

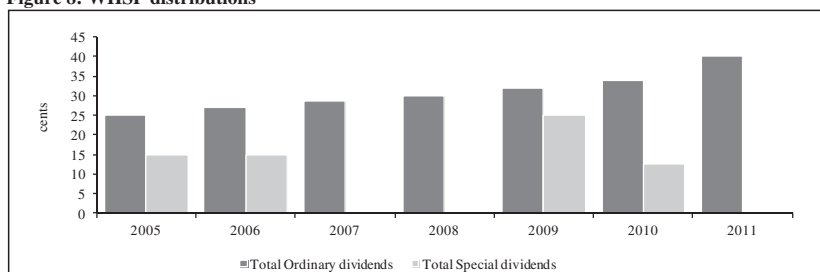
WHSP has paid a sustainable and increasing level of distributions for some time, even through the global financial crisis (GFC) as illustrated in the figure below.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Figure 8: WHSP distributions



Source: WHSP Annual Report, 31 July 2008 to 31 July 2011

WHSP has paid a dividend yield of 3.2% for FY11.

12.4 The Merged Entity

Given the relative size of SPEL's net assets (\$106 million) to WHSP (\$2.8 billion), the Schemes will have a minimal impact on the operations of WHSP with SPEL representing only 3.8% of total net assets. Therefore, the performance of WHSP is unlikely to change materially post the Schemes being implemented, and the performance of WHSP scrip held by SPEL Shareholders would unlikely differ materially from recent trading performance.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

13 Valuation of a SPEL share

13.1 General

This section sets out our assessment of the underlying value of SPEL shareholdings inclusive of a premium for control. When assessing the value of 100% of SPEL, we have considered those synergies and benefits which would generally be available to a broad pool of hypothetical purchasers. We have not included the value of synergies and benefits that may be unique to WHSP. Accordingly, our valuation of a SPEL share has been determined regardless of the acquirer. We note in this regard that we have not identified any synergies that may be unique to WHSP.

In determining the value of a SPEL share, KPMG Corporate Finance has applied a sum-of-the-parts approach whereby each of SPEL's investments/assets are individually valued using a valuation methodology that is appropriate for that investment/asset. We have applied this approach as SPEL's investments/assets are too varied for the application of a single valuation method. Outlined in Appendix 3 are the valuation methodologies commonly adopted and the circumstances in which they would apply.

For SPEL's profitable investments, a capitalised earnings or discounted cash flow (DCF) methodology has been adopted depending on the maturity of the business and the availability of information. Where the investee represents a loss-making company, the net asset methodology was applied to value these investee companies. SPEL's listed investments have been valued considering the last traded price.

In this regard, we note:

- SPEL has a SME investment portfolio consisting of unlisted and listed investments. We have valued SPEL's material investments (Ampcontrol and Cromford) separately using an appropriate methodology, with the less material SME investments being assessed having regard to the appropriateness of recent valuations adopted by SPEL management for impairment testing purposes.
- SPEL has a listed share portfolio. The value of these investments is the market value of the shareholdings based on the last traded price.
- SPEL has cash and other net assets which will be valued separately.
- SPEL incurs corporate costs that are not allocated to specific investments/assets. To account for these costs, a valuer must either incorporate them into a discounted cash flow or earnings capitalisation approach. KPMG Corporate Finance has selected to value these costs using a capitalisation of earnings as there are limited long term forecasts in relation to these costs.

Based on our sum-of-the-parts approach outlined above, we have valued 100% of the equity in SPEL to lie in the range of \$83.2 million to \$95.6 million on a control basis. This equates to an underlying value per SPEL share of between 14.0 cents and 16.1 cents, as outlined in the table below.

50

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. KPMG and the KPMG logo are registered trademarks of KPMG International.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
 26 October 2011

Table 19: Summary of equity value of SPEL

\$ million	Valuation Methodology	Assessed value	
		Low	High
SME investment - Ampcontrol	Earnings capitalisation	40.2	49.5
SME investment - Cromford	Book value as adjusted	13.5	16.5
SME investment - Other Unlisted	Book value as adjusted	19.8	19.8
SME investment - Listed	Mark-to-Market	5.1	5.1
Listed share portfolio	Mark-to-market	17.6	17.6
Other assets	Book value	0.6	0.6
Less: Corporate costs	Earnings capitalisation	(13.5)	(13.5)
Total SPEL equity value		83.2	95.6
Number of shares on issue (million)		593.7	593.7
Value per SPEL share (control basis) - cents		14.0	16.1

Source: KPMG analysis

As a cross-check of our valuation of SPEL, we have compared the implied multiple to NTA of our valuation to the implied NTA multiples of comparable listed investment vehicles (refer to Section 13.9).

Our assessment of each investment/asset category, including our cross-check, is discussed in the remainder of Section 13.

13.2 SME investment - Ampcontrol

KPMG Corporate Finance has valued SPEL's interest in Ampcontrol having regard to the enterprise valuation of Ampcontrol which was derived using a capitalised earnings methodology. A discount was applied to reflect the rights of SPEL as a minority investor in Ampcontrol.

KPMG Corporate Finance considers SPEL's equity interest in Ampcontrol to be in the range of \$40.2 million and \$49.5 million, as outlined in the table below.

Table 20: Valuation of Ampcontrol

\$'m	Assessed value	
	Low value	High value
Normalised EBITDA	27.8	27.8
EBITDA multiple	5.5x	6.5x
Enterprise Value	152.9	180.7
Less: Net Debt	(33.9)	(33.9)
Equity Value -100%	119.0	146.8
Minority Discount -25%	25%	25%
Equity Value – minority basis	89.3	110.1
SPEL's 45% shareholding	40.2	49.5

Source: KPMG analysis

Outlined below is the methodology adopted and inputs applied in our valuation.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Methodology

KPMG Corporate Finance considers the most appropriate methodology to be adopted in valuing Ampcontrol is the capitalisation of earnings methodology. This methodology is preferred as:

- Ampcontrol generates a positive and sustainable level of earnings
- there are no board approved long term forecasts from which to adopt a DCF methodology
- there are sufficient comparable companies available to determine an appropriate earnings multiple
- the business has existed for a sufficient amount of time to understand the trend of earnings.

The capitalised earnings methodology involves the application of an earnings multiple (which reflects the underlying risks of a business) to a proxy for maintainable earnings. Our assessment of these inputs are outlined below.

Maintainable earnings

We have selected earnings before interest, tax, depreciation and amortisation (EBITDA) as the earnings base for our primary valuation methodology after considering the following factors:

- participants in the supply of mining services have varying levels of gearing
- participants are from varying tax jurisdictions and therefore tax incurred is specific to each participant and should be excluded to maintain comparability
- participants have varying degrees of tangible and intangible assets and as a result different levels of depreciation and amortisation charges.

Set out in the table below is the historic EBITDA performance of Ampcontrol.

Table 21: Maintainable EBITDA calculation

\$'m	FY09	FY10	FY11
	Actual	Actual	Actual
Underlying EBITDA	17.4	20.9	27.8

Source: Annual reports, SPEL management, KPMG analysis

It is common to have regard to a maintainable level of earnings when applying the capitalised earnings methodology. A maintainable level of earnings is considered to be the level of earnings below which, in the absence of unforeseen and exceptional circumstances, the income stream is unlikely to fall. The level of maintainable earnings is influenced by a number of factors including the trend and consistency of historical performance, the stage of development of the business and the extent to which one-off or non-recurring transactions are reflected in the financial statements.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

In determining an appropriate level of maintainable earnings for Ampcontrol, we have had primary regard to:

- the historical financial performance since FY09
- appropriate normalisation adjustments
- discussions with SPEL management.

In this regard, we note:

- Ampcontrol's performance in FY11 showed improvement in earnings from its United Kingdom business following the tough economic environment in FY10
- FY11 results incorporate full year contributions from businesses acquired in previous years
- SPEL management have advised that there are no normalisation adjustments required for the periods under review.

On the basis of the factors outlined above, we have adopted Ampcontrol's EBITDA for FY11 of \$27.8 million as a proxy for maintainable earnings.

EBITDA multiple

The multiple applied in a capitalisation of earnings methodology should reflect the return expected by an investor in the business. In determining the appropriate multiple to apply to the maintainable EBITDA above, KPMG Corporate Finance has considered:

- historical and forecast EBITDA trading multiples of potentially comparable listed companies
- acquisition multiples implied by recent transactions involving potentially comparable companies.

Set out below is an analysis of these multiples.

Trading multiples of potentially comparable listed companies

In selecting an appropriate multiple for Ampcontrol, we have considered potentially comparable listed companies in the following sectors:

- suppliers of electrical and electronic products
- support services for industrial businesses.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Set out in the table is a summary of the average trading EBITDA multiples for comparable companies in the support services industry. Refer to Appendix 3 for further detail.

Table 22: Potentially comparable trading multiples

Potentially comparable trading multiples	EBITDA LTM
Support services companies – Tier 1 mean	6.3x
Support services companies – Tier 1 median	6.2x

Source: KPMG analysis

Our selection of comparable companies included mostly support services companies in engineering and mining services and are split into Tier 1, as the most comparable, and other companies. We consider these companies to be comparable as the business operations are similar in nature and the companies provide a support service to the mining and infrastructure sectors.

The share price of a listed company represents the market value of a minority interest in that company and does not include a premium for control. As we are valuing the whole of Ampcontrol, the multiple applied must include a control premium. On average, based on empirical evidence, control premiums are between 25% to 40% based on equity.

Transaction multiples of potentially comparable companies

In Appendix 4, we analysed transactions involving support services companies. These transactions occurred at EBITDA multiples in the range of 1.7 times to 64.8 times, with an average of 6.0 times and median of 4.4 times.

Conclusion on applied multiple

In determining an appropriate multiple for Ampcontrol, we considered:

- the size of Ampcontrol in relation to the comparable companies
- the growth opportunities in the market place and the competitive nature of the service offering with minimal barriers to entry
- the availability of forecast information and benchmarking data.

Considering the above factors, we believe an appropriate multiple to be applied in valuing Ampcontrol is in the range of 5.5 times to 6.5 times.

Net debt

The net debt of Ampcontrol is \$33.9 million based on its financial statements at 30 June 2011.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Ampcontrol has contingent liabilities of \$24.8 million which comprise guarantees, working capital facilities and borrowings by controlled entities. SPEL management have advised that it does not expect this liability will crystallise and the majority of these contingent liabilities are cross guarantees which eliminate on consolidation.

Minority discount

As SPEL's interest in Ampcontrol represents a non-controlling interest in an unlisted entity, consideration should be given to minority interest and marketability discounts (refer Appendix 4). Minority and marketability discounts are separate concepts and are typically applied to different valuation bases. A minority interest discount is applied to a controlling interest valuation base to eliminate the value attributed to elements of control. The marketability discount is applied to a liquid minority interest valuation base to account for the comparative lack of liquidity of the investment under review. We have considered a minority interest and marketability discount collectively when determining the appropriate level of discount to apply.

In the absence of an agreement to the contrary, the value of a minority interest in a company is generally worth proportionally less than the equivalent pro-rata value based on the value of a 100% interest. In most cases, a minority interest discount needs to be applied to reflect the fact that a minority shareholder lacks certain rights and is unable to control the company or significantly influence decision making in the business. The size of the minority interest discount to be applied is determined by the relative size of the shareholding and its ability to influence decisions taken by the company.

As well as any discount for lack of control, investors also prefer investments that have access to a liquid secondary market that allow the investor to readily converted their investment into cash. Equity interests without such liquidity would normally sell at a discount in order to compensate investors for the inherent liquidity risks associated with owning such an interest.

In the case of SPEL's 45% shareholding in Ampcontrol, we note:

- SPEL's inability to exert positive control over the strategy of the company and dividend policy
- the limited number of shareholders and the relative ease at which the other shareholders can collectively exert control
- the lack of a market for the 45% shareholding
- the low dividend yield relative to alternative listed investments.

Determining an appropriate discount to apply is a complex and inherently subjective process. Based on the circumstances of SPEL's investment in Ampcontrol and empirical evidence, we have applied an overall discount of 25% to the control valuation of Ampcontrol in determining the value of SPEL's investment in Ampcontrol.

55

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Cross check of Ampcontrol valuation

As a cross check of our valuation of Ampcontrol, we have compared the implied price to earnings (PE) multiples of our valuation with the PE multiples of the comparable listed companies and transactions.

The valuation of Ampcontrol implies a PE multiple of 11.5 times to 14.2 times. After comparing these multiples to those of comparable listed companies and transactions, we do not consider the valuation of Ampcontrol to be unreasonable.

13.3 **SME investment – Cromford**

KPMG Corporate Finance has valued Cromford to be in the range of \$13.5 million to \$16.5 million, using the net assets methodology. Outlined below is the methodology adopted and inputs applied in our valuation.

Methodology

In determining the appropriate methodology to be adopted in valuing Cromford, we have considered the nature of the business operated by Cromford and the performance of the business over time. On this basis, we have selected the net asset approach as our primary valuation methodology for the following reasons:

- Cromford has been loss-making for a considerable period of time and is unlikely to achieve profitability in the short term given the excess capacity in the industry and lower than expected demand. This undermines the application of the DCF and capitalised earnings methodologies as a primary methodology, which are typically adopted when valuing companies with positive earnings potential. This is not to say that the business does not have potential in the future, but rather that at this point, such value has considerable risk
- Net assets is the preferred methodology when a company is loss-making as its inherent value is typically in its underlying assets.

In this regard, we have assessed the value of Cromford by reviewing the expected realisable values of the assets and liabilities at 31 July 2011.

Assessment of net assets

In determining the realisable net assets for Cromford, we assessed the business on the basis of its value under an orderly realisation. We referred to the preliminary financial position of Cromford at 31 July 2011 (refer Section 11.4.2) for Cromford's underlying assets and applied an appropriate discount to reflect their realisable values, as outlined in the table below.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Table 23: Value of assets of Cromford under an orderly realisation

\$m	Book value 31-Jul-11	Discount		Realisable value	
		Low	High	Low	High
Cash and cash equivalents	0.5	0%	0%	0.5	0.5
Trade and other receivables	6.9	10%	0%	6.2	6.9
Inventories	5.3	50%	40%	2.6	3.2
Prepayments	0.1	60%	50%	0.0	0.1
Property, plant and equipment	18.0	40%	30%	10.8	12.6
Liabilities	(6.6)	0%	0%	(6.6)	(6.6)
Net assets (excluding tax assets)	24.1			13.5	16.5

Source: KPMG analysis
Note: Tables may not cast due to rounding

Our assessed value of Cromford has been based on the following key assumptions:

- Non-cash assets were revised downward to reflect management's view of the discount to book values expected under an orderly sale of assets to third parties. These discounts are material and reflect the excess capacity in the industry
- No discount was adopted for Cromford's liabilities which predominantly comprise creditors, with the remainder being employee entitlements
- We did not attribute any value to deferred tax assets on the basis that these would not be available to any acquirer under an orderly sale of assets.

Cross check of Cromford valuation

As a cross check, we referred to an indicative DCF analysis performed by SPEL for impairment testing purposes at 31 July 2011. Management expect a turnaround of the business to eventually occur, which given the recent operating history of Cromford, would imply a higher level of risk than what a typical hurdle rate for a business of this nature would imply. After adjusting for this increased risk, the net present value was consistent with our assessed value determined using our primary methodology.

13.4 Unlisted SME investments (excluding Ampcontrol and Cromford)

Excluding Ampcontrol and Cromford, SPEL holds the following unlisted SME investments as outlined in the table below (Other Unlisted Investments) and in further detail in Section 11.2.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Table 24: Other Unlisted Investments (excluding Ampcontrol and Cromford)

\$m	Book value 31 July 2011	% of consol net assets
Pitt Capital Partners	5.7	5.4%
Belaroma Coffee	3.7	3.5%
InterRisk Australia	3.5	3.3%
Supercorp Australia	2.8	2.6%
Specialist Oncology Property	2.3	2.2%
Heritage Brands	0.9	0.8%
Austgrains	0.9	0.8%
SME unlisted investments (excluding Ampcontrol and Cromford)	19.8	18.7%
SPEL consolidated net assets	106.0	

Source: KPMG analysis

Given the materiality of each individual investment, we considered the value of the Other Unlisted Investments in their entirety.

The book values adopted by SPEL were derived on an equity accounted basis, whereby the original investment value was adjusted for SPEL's share of movements in the equity of the underlying business. As such, these values may not be reflective of fair value.

In determining the extent to which the book value of the Other Unlisted Investments differed from fair value, we have:

- reviewed the impairment testing calculations undertaken by SPEL at 31 July 2011 for each investment, and where relevant, made adjustments to the underlying methodologies and/or assumptions to reflect a fair value approach
- applied a discount where appropriate to reflect SPEL's rights as a minority investor in the underlying businesses.

Based on our high-level assessment, the book value of the Other Unlisted Investments in its entirety is not inconsistent with fair value. Furthermore, a 10% adjustment to the values would have an immaterial impact on the value of SPEL. On this basis, we have adopted \$19.8 million as a proxy for the fair value of the Other Unlisted Investments for the purposes of our analysis.

13.5 Listed investments (including listed SMEs)

KPMG Corporate Finance has valued the listed investments (including listed SMEs) at \$17.6 million at the Valuation Date, as outlined in the table below.

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

Table 25: Listed investments (including listed SMEs)

Listed security	Number of securities ('000)	Security price¹ (\$)	Investment value (\$m)
CBD Energy	23,071.4	0.10	2.2
CMA Corporation	8,437.5	0.34	2.9
Total SME investments (listed)			5.1
Commonwealth Bank of Australia	149.5	45.58	6.8
Australia & New Zealand Banking Group	177.0	19.80	3.5
Telstra Corporation	325.0	3.06	1.0
Wesfarmers	73.1	30.73	2.2
BHP Billiton	50.0	39.61	2.0
Coca Cola Amatil	150.0	11.78	1.8
Bravura Solutions	2,324.2	0.14	0.3
Listed share portfolio (excluding listed SME)			17.6

Source: Management, Capital IQ, KPMG analysis
Note 1: Security prices downloaded on 16 September 2011

The assessed valuation is based on closing share prices on 16 September 2011 and implies a total loss of approximately \$12.7 million on the acquisition cost of the listed investments. We note that at the date of this report, there has not been a material change in the value of SPEL's listed investment portfolio.

13.6 Other assets

SPEL held cash assets of \$0.6 million and no debt at 30 June 2011.

Other material assets held by SPEL include net deferred tax assets which were valued at \$4.8 million at 31 July 2011. In determining the realisable value of these tax assets, we note:

- deferred tax assets of approximately \$9.0 million predominantly comprise carried forward tax losses from Cromford. Given the relative size of the companies of WHSP and SPEL, the available fraction for the tax losses will imply an utilisation rate which would materially reduce the present value of these tax losses. Furthermore, Cromford is unlikely to become profitable for some time, further reducing the value of these tax losses
- deferred tax liabilities of approximately \$5.3 million predominantly relates to the capital gains tax liability on the unrealised gain of SPEL's investment in Ampcontrol.

Given the low utilisation of carried forward tax losses, we consider the deferred tax liability would largely offset the deferred tax assets available, and on this basis, we have not attributed any value to the net deferred tax assets of SPEL for the purposes of our analysis.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

13.7 Corporate costs

SPEL's unallocated corporate costs are budgeted to be approximately \$2.7 million per annum.

The valuation of SPEL's assets do not reflect these corporate costs and therefore a separate allowance has been made to account for this additional cost which would be incurred assuming that the business continues as a going concern. KPMG Corporate Finance has applied a capitalisation rate of 5.0 times to the budgeted annual costs to incorporate a capitalised value in the sum-of-the-parts valuation. In this regard, we have considered the likelihood that this cost base will reduce over time.

13.8 Number of securities on issue

At 16 September 2011, SPEL had 593.7 million fully paid shares and 74.0 million options on issue which were materially out-of-the-money. On this basis, we considered the fully diluted number of shares on issue to be 593.7 million.

13.9 Cross check of SPEL valuation

In order to assess the reasonableness of our assessed value per SPEL share derived from our analysis, we have compared the implied multiple to NTA of our valuation to the NTA multiples at which comparable listed private equity-type companies have recently traded to their last reported NTA, as outlined in the table below.

Table 26: Comparable company trading discounts to NTA

	Prevailing NTA per security	VWAP 3 month	Implied NTA multiple
CVC Limited	1.26	0.90	0.71x
Oceania Capital Partners Limited	2.64	2.19	0.83x

Source: Capital IQ (VWAP as at 16 Sep 11), Company announcements, KPMG analysis

The multiples of listed companies reflect the value of portfolio interests and therefore do not typically include a premium for control, which is generally in the range of 25% to 40% based on an equity value. Adjusting these multiples for a control premium would result in these multiples being higher.

The implied NTA multiple of our valuation of SPEL of 0.86 times to 0.99 times⁷ is not inconsistent with the multiples of comparables companies when considering the impact of a control premium. On this basis, our cross-check supports our valuation of a SPEL share derived using our primary methodology.

⁷ Based on the valuation of a SPEL share of 14.0 cents to 16.1 cents divided by the last reported NTA at 31 August 2011 of 16.3 cents per share.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

14 Valuation of a SPEL option

14.1 Valuation methodology

There are a number of accepted valuation methodologies available with which to value options over shares in a company. The two most commonly used of these models are the Black-Scholes option valuation model and the Binomial option pricing model. These models value an option based on a model (log normal variation) of the behaviour of the value of the asset (shares) over which options are held. The value of an option is then calculated as an output of the following fundamental determinants of option value:

- the market value of the share
- the exercise price of the option
- the time to expiry of the option
- the risk free interest rate
- the expected volatility of the value of the share over the period until the expiry of the option
- the level of dividends expected to be paid on the share in the period until the expiry of the option.

Given there are no dividends nor vesting conditions on the SPEL options, KPMG Corporate Finance considered the Black-Scholes option valuation model to be appropriate and have valued the options using this methodology.

14.2 Assessment

In applying the Black Scholes methodology, KPMG Corporate Finance adopted the following assumptions:

- **Valuation date:** 16 September 2011, being the last trading day prior to the announcement of the Option Scheme
- **Market value of the share:** \$0.065, which was the closing price on 16 September 2011
- **Exercise price:** \$0.20 per option
- **Time to maturity:** 3.38 years, based on a maturity date of 2 February 2015
- **Risk free rate:** 3.71%, based on the interpolated yield on Australian Government bonds at 16 September 2011 for the relevant time to expiry of 3.38 years

61

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. KPMG and the KPMG logo are registered trademarks of KPMG International.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- **Volatility:** 46%, based on three years of historical trading data of SPEL shares up to the valuation date
- **Dividend yield:** Nil, consistent with recent dividend history of SPEL.

On the basis of the assumptions above, **KPMG Corporate Finance assessed the fair value of a SPEL option to be \$0.00487 as at 16 September 2011.**

We also performed a sensitivity analysis on our option valuation based on a change in the volatility assumption. In this regard, we note that an increase in the volatility assumption by 10% (to 56%) results in the option valuation remaining lower than the offer price of \$0.01.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

15 **Assessment of the Scrip Option**

If the Share Scheme is approved, Shareholders will receive \$0.163 per SPEL share which can either be received in cash or WHSP shares. If the Shareholder⁸ elects the Scrip Option, WHSP shares will be issued to the Shareholder at the VWAP of WHSP shares in the ten trading days prior to the Implementation Date, implying there is no fixed ratio of the number of WHSP shares which Shareholders will receive for every SPEL share held.

Given the fixed offer of \$0.163 per SPEL share, this implies that the number of WHSP shares will change relative to the change in the relevant ten trading days VWAP of WHSP. Therefore, assuming the VWAP equals the closing price of WHSP shares on the Implementation Date the value of the Scrip Option will be equivalent to the value of the Cash Option on the Implementation Date. The extent to which the VWAP may be lower/higher than the closing price on the Implementation Date will result in the value of the Scrip Option being higher/lower than the value of \$0.163 received under the Cash Option.

On the basis of the above, and in the absence of material market volatility in the ten trading days prior to the Implementation Date, we consider the value of the Scrip Option to be \$0.163. However, we recommend that Shareholders consider the volatility and trend of the WHSP share price immediately prior to electing whether to elect the Cash Option or the Scrip Option. Shareholders who elect to take the Scrip Option should also note that any decision to hold WHSP shares beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements any decision to hold WHSP shares should be made by Shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

⁸ We note the Scrip Option is only available to shareholders in Australia and New Zealand

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin and Diana D'Ambra.

Ian is a Partner of the KPMG Partnership, an Executive Director of KPMG and is an Authorised Representative of KPMG Corporate Finance. Ian is an Associate of the Institute of Chartered Accountants in Australia, a Fellow of the Financial Services Institute of Australasia and holds a Master of Commerce from the University of New South Wales. Ian has had in excess of 20 years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Diana is an Executive Director of KPMG and an Authorised Representative of KPMG Corporate Finance. Diana holds a Master of Commerce from the University of New South Wales and is a Fellow of the Institute of Chartered Accountants in Australia. Diana has had in excess of 20 years' experience in the preparation of independent reports on the valuation of shares and businesses including for the purposes of mergers, acquisitions and divestments as well as the preparation of expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Share Scheme and Option Scheme is fair and reasonable and in the best interest of Shareholders and Optionholders, respectively. KPMG Corporate Finance expressly disclaims any liability to any SPEL Shareholder and Optionholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Scheme Booklet or any other document prepared in respect of the Share Scheme and Option Scheme. Accordingly, we take no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Share Scheme and Option Scheme.

Independence

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of SPEL for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Scheme Booklet to be issued to the Shareholders and Optionholders of SPEL. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Indemnity

SPEL has agreed to indemnify and hold harmless KPMG Corporate Finance, the KPMG Partnership and/or KPMG entities related to the KPMG Partnership against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings, whatsoever incurred by KPMG Corporate Finance, the KPMG Partnership and/or KPMG entities related to the KPMG Partnership in respect of any claim by a third party arising from or connected to any breach by you of your obligations.

SPEL has also agreed that KPMG Corporate Finance, the KPMG Partnership and/or KPMG entities related to the KPMG Partnership shall not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of reliance on any information provided by you or any of your representatives, which is false, misleading or incomplete. SPEL has agreed to indemnify and hold harmless KPMG Corporate Finance, the KPMG Partnership and/or KPMG entities related to the KPMG Partnership from any such liabilities we may have to you or any third party as a result of reliance by KPMG Corporate Finance, the KPMG Partnership and/or KPMG entities related to the KPMG Partnership on any information provided by you or any of your representatives, which is false, misleading or incomplete.

Professional standards

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). KPMG and the individuals responsible for preparing this report have acted independently. KPMG Corporate Finance was remunerated via a fixed fee amount, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, KPMG Corporate Finance has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

- the Draft Scheme Booklet provided on 26 October 2011
- financial reports and presentations of SPEL for FY09, FY10 and FY11
- financial reports of SME portfolio investments for FY09, FY10 and FY11
- SPEL Prospectus dated 28 October 2004
- financial reports and presentations of WHSP for FY09, FY10 and FY11
- financial reports of WHSP's subsidiaries and associated companies
- various ASX company announcements
- various broker and analyst reports
- various press and media articles
- various reports published by IBISWorld Pty Ltd
- financial information from Capital IQ

In addition, we have had discussions with Pitt Capital Partners.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 3 – Overview of valuation methodologies

Net assets or cost based

Under a net assets or cost based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

Net asset value is determined by marking every asset and liability on (and off) the company's balance sheet to current market values.

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies or unprofitable businesses). A net asset approach is also useful as a cross check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Capitalisation of earnings

An earnings based approach estimates a sustainable level of future earnings for a business ('maintainable earnings') and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue, EBITDA, EBIT and PAT.

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

With regard to the multiples applied in an earnings based valuation, they are generally based on data from listed companies and recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on share prices reflective of the trades of small parcels of shares. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

67

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.
KPMG and the KPMG logo are registered trademarks of KPMG International.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

An earnings approach is typically used to provide a market cross-check to the conclusions reached under a theoretical DCF approach or where the entity subject to valuation operates a mature business in a mature industry or where there is insufficient forecast data to utilise the DCF methodology.

Discounted cash flow

Under a DCF approach, forecast cash flows are discounted back to the Valuation Date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation Date to give an overall value for the business.

In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operational cycle for more cyclical industries. Typically a forecast period of at least five years is required, although this can vary by industry and by sector within a given industry.

The rate at which the future cash flows are discounted ('the Discount Rate') should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a sensible valuation figure, the importance of the quality of the underlying cash flow forecasts is fundamental.

The Discount Rate most generally employed is the WACC, reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an Enterprise Value for the business. Alternatively, for some sectors it is more appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

In calculating the terminal value, consideration must be given to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Enterprise or equity value

Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrues to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt servicing.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 4 – Minority discount considerations

In general, a minority interest in an entity is typically worth less than the pro-rata proportion of the value of 100% of an entity. There are two types of valuation discounts that are typically considered when assessing the market value of a less than 100% shareholding in a company:

- a discount for lack of control (a “minority interest” discount); and/or
- a discount for lack of marketability.

The level of any applicable discount (in this regard we refer to the discount for minority interest and lack of marketability jointly) is a complex and inherently subjective process, which is typically dependent on specific circumstances and may vary significantly depending on factors such as:

- the size of the stake held in the entity
- the nature and terms of any shareholder agreement
- the historic liquidity in the entity’s shares and any mechanism available to facilitate this liquidity
- the level of dividends historically paid and expected.

Minority interest discount

For the same reasons that a premium for control exists, a discount for lack of control is recognised to account for the minority shareholders inability to control the board, resulting in an inability to make decisions about the strategic direction of the entity, a lack of control over the application of the cash flows of the entity and the dividend policy adopted. In addition, minority shareholders may also have limited access to information.

The level of control a shareholder has over a company will affect the value of that shareholding. In the absence of a specific agreement between shareholders, we note interests of:

- <25% generally convey minimal control or influence over the financial performance and/or levels of return that can be expected from the company. A minority shareholder is typically reliant on the controlling shareholder to make decisions regarding the reinvestment of profits into the business or the payment of dividends in order to receive any yield on their investment
- between 25% to 49% convey a significant influence and blocking rights in relation to special resolutions
- between 50% to 75% represent a controlling interest but not absolute control as certain special resolutions require 100%

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- >75% (majority stakes) confer more freedom on the holder to operate in their best interests without having to consider the position of other shareholders.

Empirical data for quantifying minority interest discounts has been obtained from studies of the premiums paid for control of publicly traded minority shares. The minority interest discount is considered to be the inverse of the premium paid to obtain control when compared with previous minority interest trading prices. The following formula is used to convert a control premium to its implied minority discount:

$$1 - [1 / (1 + \text{Control Premium})]$$

We note that while control premiums can be observed in takeover transactions, they are an outcome of rather than an input into the takeover process. In this regard, the level of premium will vary significantly according to the specific circumstances of each transaction, and are also affected by a wide range of factors including, but not limited to market speculation prior to the official announcement of a takeover, the level of pre-existing ownership by the offeror, the level of operating synergies and/or special benefits that may exist to an offeror, the impact of contested/hostile takeovers, the liquidity of the stock prior to the offer, etc. Accordingly, empirical data which is generally portrayed in the form of average and median premiums needs to be reviewed in this context.

Empirical evidence suggests that minority interest discounts are likely to fall in the range of 25% to 40%.

Marketability discount

The concept of marketability deals with the liquidity of an investment or how quickly and with what degree of certainty can it be converted to cash. The terms marketability, liquidity and negotiability are often used interchangeably.

In general, investors value marketability and would typically pay more for an asset that is readily marketable than for an otherwise identical asset that is not readily marketable or able to be liquidated. The lack of marketability is reflected in a discount to the estimated value of a minority interest.

Factors to be considered when determining a marketability discount include the following:

- the size of the shareholding and whether it provides a strategic interest
- the number and spread of shareholdings in the company
- any shareholder agreements which include restrictive transfer provisions or pre-emptive rights attaching to the shares
- the length of time required to liquidate
- any foreseeable liquidity event or ready market on which to trade the shares

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

- the existence of potential buyers
- the level of dividends historically paid and expected to be paid in the future
- historic liquidity of the shares and any mechanism available to facilitate this liquidity.

Empirical data for quantifying marketability discounts are typically based on either restricted share studies or private transactions before public offerings.

- Restricted share studies estimate the price differential between two shares in the same company, except that one of the shares cannot be traded on the open market (referred to as letter shares in the USA) for a certain period of time (typically for a period of between two and three years). The owner of the letter shares can generally sell them provided that the transaction is completed off-market.
- Private transactions before public offerings estimates the price differential between what a share was transacted at prior to a public offering and the offer price of the share at the time of the public offering. The pre-IPO transaction is typically adjusted for movements in relevant price indices.

Empirical evidence suggests that marketability discounts are likely to fall in the range of 30% to 40%.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 5 – Comparable companies (Ampcontrol)

Comparable company	Market cap	Enterprise value	EBITDA margin	EBITDA multiple	EBITDA multiple	Dividend yield	Dividend yield	Normalised PE multiple	Normalised PE multiple
	A\$m	A\$m	LTM %	LTM times	NTM times	LTM %	NTM %	LTM times	NTM times
Tier 1									
Ausenco Limited	306	338	5.7%	10.7	6.5	1.3%	4.5%	25.6	10.7
Austin Engineering Ltd	264	294	20.4%	8.5	6.1	2.9%	3.5%	12.2	8.8
Bradken Limited	1,105	1,339	15.9%	7.3	5.4	5.8%	6.6%	15.6	9.7
Cardno Limited	521	544	12.6%	5.2	5.2	7.2%	7.5%	8.4	7.9
Industree Limited	447	587	34.3%	4.9	3.9	3.3%	4.7%	10.5	6.5
Norfolk Group Ltd	170	160	4.4%	4.0	3.6	1.9%	3.4%	8.4	7.2
Sedgman Limited	393	379	12.3%	6.1	5.4	3.8%	4.9%	14.8	10.0
Sihm Cross Electrical Engineering Ltd	119	127	5.3%	22.8	n/a	6.1%	n/a	51.5	n/a
WDS Limited	109	114	8.7%	3.5	3.1	2.6%	4.1%	16.8	9.3
Mean (excluding outliers)			13.3%	6.3	4.9	3.9%	4.9%	14.0	8.8
Median (excluding outliers)			12.3%	5.7	5.3	3.3%	4.6%	13.5	9.1
Tier 2									
Boart Longyear Limited	1,245	1,496	16.9%	5.0	3.9	3.1%	4.5%	9.2	7.1
Coffey International Ltd.	68	199	3.6%	8.3	4.4	0.0%	n/a	nmf	4.3
GWA Group Limited	579	777	17.2%	6.2	6.4	9.4%	9.4%	8.8	9.4
Hills Holdings Limited	248	341	6.8%	4.5	4.6	11.1%	10.9%	7.5	7.7
Index Ltd.	353	370	28.6%	6.3	5.2	2.6%	3.4%	12.2	9.0
Lycopodium Ltd.	233	211	18.9%	7.5	7.3	5.3%	5.3%	12.8	n/a
Swick Mining Services Limited	78	100	18.7%	5.4	3.1	0.0%	9.1%	nmf	7.4
Mean (excluding outliers)			15.8%	6.2	5.0	4.5%	7.1%	10.1	7.5
Median (excluding outliers)			17.2%	6.2	4.6	3.1%	7.2%	9.2	7.6
Total									
Mean (excluding outliers)			14.4%	6.2	4.9	4.2%	5.8%	12.5	8.2
Median (excluding outliers)			14.3%	6.1	5.2	3.2%	4.8%	12.2	8.4

Source: Capital IQ (data as at 23 September 2011)
Note: LTM = Last Twelve Months, NTM = Next Twelve Months, nmf = not meaningful
Outliers have been shaded and excluded from the calculation of mean (where specified)

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.
KPMG and the KPMG logo are registered trademarks of KPMG International.

72

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

A brief description of each of the comparable companies is set out below.

Tier 1

Ausenco Limited

Ausenco provides engineering, project management, consulting and operations solutions to the minerals, infrastructure, energy, oil and gas, and consulting and environmental sectors. Ausenco has operations in Australia, New Zealand, Africa, the Americas, Asia, the Middle East and Europe. The company was founded in 1991 and is headquartered in Brisbane, Australia.

Austin Engineering Limited

Austin Engineering engages in the manufacture, repair, overhaul and supply of mining attachment products and general steelwork structures. The company also provides associated products and services to the industrial and resources sectors in Australia and North America. Austin Engineering was founded in 1982 and is headquartered in Carole Park, Australia.

Bradken Limited

Bradken engages in the design, manufacture and supply of consumable and capital products. Bradken operates five segments: Industrial, Mining Products, Rail, Power and Cement, and Engineered Products. Bradken was incorporated in 1922 and is headquartered in Mayfield West, Australia.

Cardno Limited

Cardno provides integrated professional services in the areas of physical and social infrastructure worldwide. It offers planning and designing services for buildings, remedial engineering, bridges, structural engineering, engineering analysis, geotechnical and environmental engineering, and coastal, ocean and marine infrastructures. The company also provides environmental engineering and landscape architectural services. Cardno was founded in 1919 and is headquartered in Fortitude Valley, Australia.

Industrea Limited

Industrea provides mining products and services. It operates in four divisions: Mining Equipment, Mining Technology, Mining Services and Gas Management. The company is headquartered in Brisbane, Australia.

Norfolk Group Limited

Norfolk provides integrated engineering solutions in Australia, New Zealand and Asia. The company is headquartered in North Sydney, Australia.

Sedgman Limited

Sedgman offers engineering and operational services to the resources industry in Africa, the Americas, Asia and Australia. The company operates the two segments; Engineering Services and Operations. The company was founded in 1979 and is headquartered in Milton, Australia.

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

Southern Cross Electrical Engineering Limited

Southern Cross provides large scale specialized electrical, control and instrumentation installation and testing services for the mining, oil and gas, infrastructure and heavy industrial sectors in Australia, South America and Africa. Southern Cross Electrical was founded in 1978 and is based in Perth, Australia.

WDS Limited

WDS provides design, engineering, development, construction, fabrication and maintenance related services to the energy, mining and infrastructure sectors in Australia and the Middle East. It operates in two divisions, Mining and Energy and Infrastructure. WDS is headquartered in North Sydney, Australia.

Tier 2

Boart Longyear Limited

Boart Longyear provides integrated drilling services, capital equipment and consumable products for customers in mining and minerals exploration, environmental and infrastructure and energy industries worldwide. Boart Longyear was founded in 1890.

Coffey International Limited

Coffey provides professional consulting services in geosciences, international development and project management. Coffey was founded in 1959 and is based in Chatswood, Australia.

GWA Group Limited

GWA engages in the research, design, manufacture, import and marketing of building fixtures and fittings to households and commercial premises in Australia and internationally. The company is based in Fortitude Valley, Australia.

Hills Holdings Limited

Hills engages in lifestyle and sustainability, electronics and communications, and building and industrial business activities in Australia and internationally. The company, formerly known as Hills Industries Limited, is based in Edwardstown, Australia.

Imdex Limited

Imdex, through its subsidiaries, manufactures and sells various drilling fluids and chemicals to the oil and gas, mining, water well, horizontal directional drilling and civil industries worldwide. Imdex was incorporated in 1980 and is headquartered in Osborne Park, Australia.

Lycopodium Limited

Lycopodium, through its subsidiaries, provides engineering consulting services to the mining, metallurgical, and manufacturing industries primarily in Australia and Africa. The company is based in East Perth, Australia.

Swick Mining Services Limited

Swick operates as a mineral drilling contractor in Australia. It also manufactures drilling consumables and parts, and other engineered products. The company is headquartered in South Guildford, Australia.

74

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.
KPMG and the KPMG logo are registered trademarks of KPMG International.

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

Appendix 6 – Comparable transactions (Ampcontrol)

Date completed	Target	Acquirer	Country	Percentage acquired	Transaction value A\$m	Implied EV A\$m	EBITDA A\$m	EV/ EBITDA times	P/E times
25-Feb-11	Essa Australia Limited	FLSmith Pty Ltd.	Australia	100.0%	39.3	29.4	4.6	6.4	13.4
11-May-10	Forge Group Limited	Clough Operations Pty Ltd.	Australia	18.3%	30.2	119.6	39.5	3.0	6.0
26-Feb-10	Oceanic Industries Pty. Ltd.	Southern Cross Electrical Engineering Limited	Australia	100.0%	12.7	12.7	3.0	4.2	n/a
14-Dec-09	PearlStreet Limited	Australian Laboratory Services Pty. Ltd.	Australia	100.0%	102.3	102.1	10.7	9.5	18.8
4-Dec-09	Brandrill Limited	Ausdrill Ltd.	Australia	100.0%	103.7	102.4	23.4	4.4	22.8
17-Nov-09	GRD Limited	AMEC plc	Australia	100.0%	165.6	156.0	20.1	7.7	13.6
8-Jul-09	Resource Equipment Rentals Pty Ltd.	Repcol Ltd.	Australia	100.0%	8.9	8.9	5.4	1.7	n/a
5-May-09	Proteus Global Solutions Pty Ltd.	John Wood Group Plc	Australia	100.0%	27.4	27.4	4.0	6.9	10.6
31-Dec-08	Norfolk Group Ltd	Mau Capital Limited	Australia	17.6%	15.0	139.7	47.1	3.0	3.4
1-Jul-08	SWG Holdings Pty Ltd.	Programmed Maintenance Services Ltd.	Australia	100.0%	42.7	42.7	0.7	64.8	71.9
19-Feb-08	i.Power Solutions Pty Ltd.	Bilfinger Berger AG	Australia	100.0%	53.8	53.8	3.4	15.7	26.9
17-Jan-08	Central Exploration Drilling Limited	Every Day Mine Services Limited	Australia	100.0%	6.5	6.5	2.0	3.3	n/a
Mean (excluding outliers)								6.0	14.4
Median (excluding outliers)								4.4	13.5
Min								1.7	3.4
Max								64.8	71.9

Source: Capital IQ, MergerMarket

© 2011 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. KPMG and the KPMG logo are registered trademarks of KPMG International.

75

Annexure H: Independent Expert's Report



Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011

FLSmith acquires Essa

On 25 February 2011, FLSmith Pty Ltd acquired Essa Australia Limited from Perpetual Limited and others for AUD 38.7 million, or AUD 0.73 per Essa share. Essa engages in the design and manufacture of sampling and sample preparation equipment for the minerals and mining industries.

Clough acquires a 18.3% interest in Forge

On 11 May 2010 Clough Operations Pty Ltd completed the acquisition of a 18.28% stake in Forge Group Limited for AUD 30.2 million. Clough acquired 14.38 million shares under the offer.

Southern Cross acquires Oceanic Industries

On 26 February 2010, Southern Cross Electrical Engineering Limited acquired Oceanic Industries Pty Ltd for AUD 12.7 million. The total consideration was made up of AUD 8.6 million in cash and AUD 2.8 million in shares. Oceanic Industries provides electrical and instrumentation services for oil and gas markets in Australia.

Australian Laboratory Services acquires PearlStreet

On 14 December 2009, Australian Laboratory Services Pty Ltd completed the acquisition of PearlStreet Ltd from Anthony Wooles and other shareholders for AUD 56.3 million in cash, or AUD 0.75 per PearlStreet share. PearlStreet provides asset management, inspection, testing and asset care services to the energy, resources and infrastructure sectors in Australia.

Ausdrill acquires Brandrill

On 4 December 2009, Ausdrill Ltd acquired Brandrill Ltd for AUD 45.2 million in stock. Under the deal, eligible Brandrill shareholders received one Ausdrill share for every 14.5 Brandrill shares held at the record date for the merger. On completion of the transaction Brandrill became wholly-subsiary of Ausdrill and was delisted from the ASX. Brandrill is a mining services company that provides drilling and blasting services to the open cut mining and civil construction industry in Australia.

AMEC acquires GRD

On 17 November 2009, AMEC plc acquired GRD Limited for approximately AUD 110 million in cash, or AUD 0.55 per GRD share. GRD, through its subsidiaries, operates as an engineering and development company in Australia.

Repol acquires Resource Equipment Rentals

On 8 July 2009, Repcol Ltd acquired Resource Equipment Rentals Pty Ltd for AUD 22.7 million. Repcol will also pay an earnout amount of AUD 3 million (AUD 1.5 million in cash and AUD 1.5 million in stock) on achievement of an EBITDA of AUD 8.9 million for FY09. Resource Equipment Rentals, through its subsidiaries, manufactures, assembles, sells and supports specialist rental equipment products for the mining, oil and gas, and heavy industries primarily in Australia.

Annexure H: Independent Expert's Report



*Souls Private Equity Limited
Independent expert report & Financial services guide
26 October 2011*

John Wood Group acquires Proteus

On 5 May 2009, John Wood Group Plc acquired Proteus Global Solutions Pty Ltd, the Australia based provider of engineering services, IT systems and application consulting services, for AUD 27 million.

Maui Capital acquires a 17.6% interest in Norfolk

On 31 December 2008, Maui Capital Limited through its fund Maui Capital Indigo Fund acquired 17.6% stake in Norfolk Group Ltd for AUD 15 million. Norfolk provides integrated engineering solutions in Australia, New Zealand and Asia, and is listed on the ASX.

Programmed Maintenance Services acquires SWG

On 1 July 2008, Programmed Maintenance Services Ltd acquired SWG Holdings for AUD 40 million, payable in Programmed Maintenance shares which will be kept in escrow. Additional consideration will be paid in shares based on the average earnings performance of SWG over the first three years. SWG provides engineering, construction and maintenance services to the resources and energy sectors in Australia, South East Asia and Africa.

Bilfinger Berger acquires iPower

On 19 February 2008, Bilfinger Berger acquired iPower Solutions. iPower engages in the design and manufacture of low and medium voltage switchgear products, surface and underground mining substations, switchrooms and transportable switchgear products in Australia.

Every Day Mine acquires Central Exploration Drilling

On 17 January 2008, Every Day Mine Services Ltd completed the acquisition of assets of Central Exploration Drilling for AUD 6.5 million in cash. Central Exploration Drilling provides drilling services in Australia.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Contact Details

Souls Private Equity Limited

Registered Office

Level 2
160 Pitt St Mall
Sydney NSW 2000 AUSTRALIA
Tel: +61 2 9210 7000
Fax: +61 2 9210 7099

SPEL corporate website

www.spel.com.au

SPEL Registry

Advanced Share Registry Limited
150 Stirling Highway
Nedlands, WA 6009 AUSTRALIA
Tel: +61 8 9389 8033
Fax: +61 8 9389 7871

Investment Manager

Pitt Capital Partners

Level 2
160 Pitt St Mall
Sydney NSW 2000 AUSTRALIA
Tel: +61 2 9210 7000
Fax: +61 2 9240 7099

Legal adviser

Baker & McKenzie

Level 27
AMP Centre
50 Bridge Street
Sydney NSW 2000 AUSTRALIA
Tel: +61 2 9225 0200
Fax: +61 2 9225 1595

Independent Expert

KPMG Corporate Finance (Aust) Pty Ltd

10 Shelley Street
Sydney NSW 2000 AUSTRALIA
Tel: +61 2 9335 7000
Fax: +61 2 9335 8021

