

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme DICK SMITH HOLDINGS LIMITED (Company)

ACN/ARSN 166 237 841

1. Details of substantial holder (1)

Name LMA Investments Pty Limited (LMA) as trustee for the NL Abboud Trust. LMA is controlled by Mr Nicholas Abboud, the Company's Managing Director and CEO.

ACN/ARSN (if applicable) 161 250 719

The holder became a substantial holder on 09/12/2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary	15,330,639	15,330,639	6.5% ¹

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
LMA	By virtue of section 608(1)(a), (b) and (c) of the <i>Corporations Act 2001</i> (Cth). The shares referred to in this Form 603 were issued pursuant to the attached share sale deed poll dated 13 November 2013 (see Annexure 1) and are subject to certain restrictions on disposal pursuant to the attached escrow deeds of the same date (see Annexure 2).	15,330,639 fully paid ordinary

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
LMA	LMA	LMA. LMA is controlled by Mr Nicholas Abboud, MD and CEO of the Company.	15,330,639 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	

¹ Based on a total number of 236,511,364 fully paid ordinary shares on issue as at the date of this notice.

LMA	9 December 2013	Nil	2,000,000 ordinary shares and 5,000,000 A class preference shares in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925).	15,330,639 fully paid ordinary shares
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6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Not applicable

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
LMA	239 Beach Road, Black Rock VIC 3193

Signature

print name NICK ABBOUD

capacity DIRECTOR

sign here



date

10/12/13

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Dick Smith Holdings Limited ACN 166 237 841

This is Annexure 1 of 49 pages referred to in Form 603 – Notice of initial substantial holder for Dick Smith Holdings Limited ACN 166 237 841

Execution version

Escrow deed – LMA ordinary shares

Project Yellow

Dick Smith Holdings Limited (**Company**)

LMA Investments Pty Limited as trustee of the NL Abboud
Trust (**Escrowed Party**)

Nick Abboud

Lisa Abboud

(Each a **Controller** and together the **Controllers**)

MinterEllison

L A W Y E E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
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Escrow deed – LMA ordinary shares

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Details

Date

5 December 2013

Parties

Name **Dick Smith Holdings Limited** ACN 166 237 841
Short form name **Company**
Notice Details 2 Davidson St, Chullora NSW 2190

Name **LMA Investments Pty Limited** ACN 161 250 719 as trustee of the **NL Abboud Trust**
Short form name **Escrowed Party**
Notice Details 239 Beach Road, Black Rock VIC 3193
Attention: Nick Abboud

Name **Nick Abboud**
Notice Details 239 Beach Road, Black Rock VIC 3193

Name **Lisa Abboud**
Notice Details 239 Beach Road, Black Rock VIC 3193

(Each a **Controller** and together the **Controllers**)

Background

- A The Company intends to list on ASX and conduct the Offer.
- B The Company has entered into a Deed Poll in favour of the holders of equity securities in Dick Smith Sub, which provides, among other things, that the Company offers to purchase all of the Ordinary Shares held by the Escrowed Party in consideration for cash or the issue of Shares in the Company.
- C The Shares that are issued to the Escrowed Party pursuant to the Deed Poll in consideration for the sale of its Ordinary Shares will be held by the Escrowed Party as Restricted Securities for the Escrow Period on the terms and conditions set out in this deed.
- D The Escrowed Party is controlled by the Controllers.
- E The Escrowed Party agrees to escrow all of the Restricted Securities for the Escrow Period pursuant to, and the Controllers agree to be bound by, the terms of this deed on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

Admission Date means the date of admission of the Company to the official list of ASX or any other recognised stock exchange approved by the Board.

ASX means ASX Limited.

Board means the board of directors of the Company from time to time.

Controller Interests means the securities, substantial economic interest or other interests in the Restricted Securities of the Controllers.

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

Deed Poll means the 'Share sale deed poll relating to shares in Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925' executed by the Company in favour of all holders of equity securities in Dick Smith Sub.

Deal means:

- (a) dispose of, or agree or offer to dispose of;
- (b) create, or agree or offer to create, any Security Interest in; or
- (c) do, or omit to do, or agree to do, or agree to omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of, or an economic interest in,

any Restricted Security or Controller Interest.

Dick Smith Sub means Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925).

Escrow Period means the period from the Admission Date to and including the Release Date.

Group means the Company and any of its Subsidiaries from time to time and **Group Company** means any one of them.

Holding Lock has the meaning given to that term in the ASX Settlement Rules.

Immediate Family Member means a spouse or child over 18 years old of a Controller.

Issuer Sponsored Subregister has the meaning given to that term in the ASX Settlement Rules.

Notice means a notice which is:

- (a) legible and in English;
- (b) addressed to the party to whom that notice is being given;
- (c) marked to the attention of the individual who is specified in the address of that party; and
- (d) delivered to that party by being left at, or sent by security post to, the postal address, or transmitted by facsimile number, which is specified in the address of that party.

Offer means the initial public offering of Shares pursuant to the Prospectus.

Ordinary Shares means the ordinary shares in Dick Smith Sub owned by the Escrowed Party at the date of the Deed Poll.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Prospectus means the prospectus to be issued by the Company dated on or about 14 November 2013 and lodged with ASIC on that date.

Release Date means the date on which the Company announces its annual results for the year ending 30 June 2014 to the market.

Restricted Securities means the Shares to be issued to the Escrowed Party under the Deed Poll in consideration for the Escrowed Party's Ordinary Shares only.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any security including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any security under a bill of sale, mortgage, charge, lien, pledge, trust or power;
- (c) an interest of the kind referred to in section 12 of the PPSA; or
- (d) or any agreement to grant or create any such interest or power.

Share means a fully paid ordinary share in the Company.

Subsidiary mean a subsidiary of the Company from time to time (if any) as that term is defined in the *Corporations Act 2001* (Cth).

Transferee has the meaning given in clause 2.4(c).

1.2 Interpretation

In this deed including the recitals, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney time;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) for so long as the Company is listed on the official list of ASX, words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules (as applicable).

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Compliance with Listing Rules

For so long as the Company is listed on the official list of ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not done, authority is given for that act to be done or not done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow restrictions

2.1 Restrictions during the Escrow Period

Subject to clause 2.4, the Escrowed Party must not Deal with its Restricted Securities during the Escrow Period.

2.2 Controller Interests

Subject to clause 2.5 below, during the Escrow Period, the Controllers must not Deal with the Controller Interests.

2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue of the Restricted Securities to the Escrowed Party, the Restricted Securities will be registered and held for the Escrowed Party on the Issuer Sponsored Subregister;

- (b) the Company will apply a Holding Lock to the Restricted Securities as soon as practicable after registration of the Restricted Securities on the Issuer Sponsored Subregister and the Escrowed Party and Controllers hereby agree to the application of the Holding Lock; and
- (c) the Company will do all things necessary or desirable to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit disposals of Restricted Securities permitted by this deed; and
 - (ii) in full at 4.00pm on the Release Date.

2.4 Exceptions - Escrowed Party

During the Escrow Period, the Escrowed Party may Deal in any of its Restricted Securities if the Dealing constitutes:

- (a) acceptance of a bona fide takeover bid for all the Shares provided all of the conditions in Listing Rule 9.18 applicable to a takeover are met and the Restricted Securities continue to be held on the terms of this deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (b) the transfer or cancellation of Shares as part of a scheme of arrangement relating to the Company under section 411 of the Corporations Act provided all of the conditions in Listing Rule 9.18 applicable to a scheme of arrangement are met and the Restricted Securities continue to be held on the terms of this deed if the relevant scheme does not take effect;
- (c) a disposal of, but not the creation of a Security Interest in, some or all of the Restricted Securities to a beneficiary, provided that such person is an Immediate Family Member (each a **Transferee**), under the trust for which it is a trustee, where the Transferee also enters into an escrow arrangement with the Company in respect of those securities on substantially the same terms as this deed for the remainder of the Escrow Period; or
- (d) a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.5 Exception - Controllers

During the Escrow Period, the Controllers may deal in any of their Restricted Securities if the dealing constitutes a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.6 Notice

If the Escrowed Party or Controller becomes aware:

- (a) that a Dealing in any of its Restricted Securities or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any of its Restricted Securities or Controller Interests during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

3. Release of annual report

The Company agrees to use its reasonable endeavours to ensure that ASX is given the Company's annual results for the year ending 30 June 2014 for release to the market by no later than is required under the Corporations Act and Listing Rules.

4. Warranties and acknowledgment

4.1 Giving of warranties

Each of the warranties and representations in clause 4 are given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until and including the Release Date.

The warranties and representations given in this clause 4 are given in respect of any and all Restricted Securities which the Escrowed Party holds and in respect of which the Controller has Controller Interests in from time to time during the Escrow Period.

4.2 Representations and warranties

The Escrowed Party and the Controllers jointly and severally warrants and represents the following:

- (a) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it breaching clause 2 of this deed if it were an act or omission which would take effect during the Escrow Period;
- (b) Either:
 - (i) the Escrowed Party has the controllers (as defined in the ASX Listing Rules) set out in the 'Details' section; or
 - (ii) any such controller not set out in the 'Details' section, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the ASX Listing Rules;
- (c) following completion of the Offer, the Escrowed Party holds the Shares issued to them pursuant to the Deed Poll and the Controllers hold the Controller Interests and:
 - (i) in the case of the Escrowed Party, those Shares will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests that the Escrowed Party directly or indirectly has in the Company; and
 - (ii) in the case of the Controllers, those Controller Interests will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests in the Escrowed Party or the Restricted Securities in which the Controllers have a direct or indirect interest;
- (d) the Restricted Securities of the Escrowed Party and the Controller Interests of the Controllers are free from all Security Interests and other third party interests or rights (other than under the Company's constitution);
- (e) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (f) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (g) LMA Investments Pty Limited, as trustee (**Trustee**), has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed and under the trust deed for the NL Abboud Trust (**Trust**);
- (h) the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust;
- (i) the Trustee has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been

modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Trustee has not released or disposed of its equitable lien over that Trust;

- (j) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust;
- (k) the execution, delivery and performance by the Escrowed Party of this deed does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or trust deed of the Trust; or
 - (iii) any agreement, undertaking, Security Interest or document which is binding on the Escrowed Party.

4.3 Survival of warranties and representations

The warranties and representations in this clause 4 survive the termination of this deed.

5. Consequences of breaching this deed

- (a) If the Escrowed Party breaches this deed (including a breach of clause 4.2), each of the following applies:
 - (i) the Company may take the steps necessary to enforce this deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
 - (ii) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of any of the Restricted Securities (this is in addition to other rights and remedies of the Company).
- (b) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and the Escrowed Party agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Escrowed Party's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

6. Amendment and waiver

This deed may not be amended or waived without the prior written consent of all parties.

7. Capacity

The Trustee has entered into this deed as trustee of the Trust:

- (a) notwithstanding any other provision of this deed including any provision expressed to prevail over this clause 7 but subject to clause 7(c), the Trustee enters into this deed only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with this deed can be enforced against the Trustee only to the extent that it can be satisfied out of the property of the Trust for which the Trustee is actually indemnified for the liability. The Trustee will exercise its rights of indemnification in order to satisfy its obligations under this deed;
- (b) subject to paragraph 7(c) a party to this deed may not sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment to the Trustee of a receiver

(except in relation to property of the Trust), liquidator, administrator or any similar person; and

- (c) the provisions of this clause 7(c) will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction to the extent, or elimination of, the Trustee's right of indemnification out of the assets of the Trust, or the right does not exist at all, as a result of the Trustee's fraud, negligence, improper performance of duties or breach of trust.

8. General

8.1 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

8.2 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile other than during Business Hours, in which case that notice is regarded as given by that party at the beginning of the next Business Hour.

8.3 Time of essence

Time is of the essence to this deed.

8.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument.

8.5 Governing law and jurisdiction

This deed is governed by the laws of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

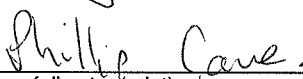
Signing page

EXECUTED as a deed.

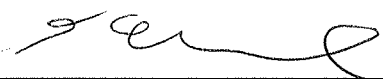
Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001




Signature of director



Name of director (print)



Signature of director/company secretary
(Please delete as applicable)



Name of director/company secretary (print)

**Executed by LMA Investments Pty
Limited as trustee of the NL Abboud
Trust** in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Name of director (print)


Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

**Signed sealed and delivered by Nick
Abboud** in the presence of

Signature of witness

Name of witness (print)



Nick Abboud

**Signed sealed and delivered by Lisa
Abboud** in the presence of

Signature of witness

Name of witness (print)



Lisa Abboud

Signing page

EXECUTED as a deed.

Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001


Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)


Name of director/company secretary (print)

**Executed by LMA Investments Pty
Limited as trustee of the NL Abboud
Trust** in accordance with Section 127 of the
Corporations Act 2001




Signature of director

Nick Abboud
Name of director (print)

←  ←
Signature of director/company secretary
(Please delete as applicable)


Nick Abboud
Name of director/company secretary (print)

**Signed sealed and delivered by Nick
Abboud** in the presence of

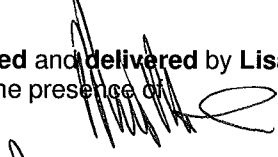


Signature of witness

Amelia Luccini
Name of witness (print)

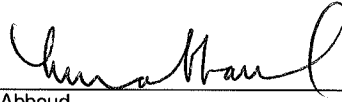
←  ←
Nick Abboud

**Signed sealed and delivered by Lisa
Abboud** in the presence of



Signature of witness

Nick Abboud
Name of witness (print)

←  ←
Lisa Abboud

Escrow deed – preference shares

Project Yellow

Dick Smith Holdings Limited (**Company**)

The parties specified in Column 1 of the Schedule

The parties specified in Column 3 of the Schedule

MinterEllison

L A W Y E E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
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Escrow deed – preference shares

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Details

Date

5 December 2013

Parties

Name **Dick Smith Holdings Limited** ACN 166 237 841
Short form name **Company**
Notice Details 2 Davidson St, Chullora NSW 2190

Name **The parties specified in Column 1 of the Schedule**
Short form name Each a **Holder** and together the **Holder**s
Notice Details As described in Column 2 of the Schedule

Name **The parties specified in Column 3 of the Schedule**
Short form name Each a **Controller** and together the **Controller**s
Notice Details As described in Column 2 of the Schedule

Background

- A The Company intends to list on ASX and conduct the Offer.
- B The Company has entered into a Deed Poll in favour of each holder of equity securities in Dick Smith Sub, which provides, among other things, that the Company offers to purchase all of the Preference Shares held by the Holders in consideration for the issue of Shares in the Company.
- C The Shares that are issued to the Holders pursuant to the Deed Poll as consideration for the sale of their Preference Shares will be held by the Holders as Restricted Securities for the Escrow Period on the terms and conditions set out in this deed.
- D The Holders are controlled by the Controllers (if any).
- E The Holders agree to escrow all of the Restricted Securities for the Escrow Period pursuant to, and the Controllers agree to be bound by, the terms of this deed on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

Admission Date means the date of admission of the Company to the official list of ASX or any other recognised stock exchange approved by the Board.

ASX means ASX Limited.

Board means the board of directors of the Company from time to time.

Controller Interests means the securities, substantial economic interest or other interests in the Restricted Securities full particulars of which are set out in Column 3 of the Schedule, if any.

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

Deed Poll means the 'Share sale deed poll relating to shares in Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925)' executed by the Company in favour of all holders of equity securities in Dick Smith Sub.

Deal means:

- (a) dispose of, or agree or offer to dispose of;
- (b) create, or agree or offer to create, any Security Interest in; or
- (c) do, or omit to do, or agree to do, or agree to omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of, or an economic interest in,

any Restricted Security or Controller Interest..

Dick Smith Sub means Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925).

Escrow Period means, for a Holder, where:

- (a) paragraph (a) of the definition of 'Restricted Securities' applies, the period from the Admission Date to and including the First Release Date; and
- (b) paragraph (b) of the definition of 'Restricted Securities' applies, the period from the Admission Date to and including the Final Release Date.

Final Release Date means the later of:

- (a) the date on which the Company announces its annual results for the year ending 30 June 2015 to the market; and
- (b) if applicable, in respect of the relevant Holder, the date on which the Outstanding Loan Amount (as defined in the Loan Agreement) under that Holder's Loan Agreement has been paid in full.

First Release Date means the date on which the Company announces its annual results for the year ending 30 June 2014 to the market.

Group means the Company and any of its Subsidiaries from time to time and **Group Company** means any one of them.

Holding Lock has the meaning given to that term in the ASX Settlement Rules.

Immediate Family Member of a Controller means a spouse or child over 18 years of age of the Controller.

Immediate Family Member of a Holder (where the Holder is an individual) means a spouse or child over 18 years of age of the Holder.

Issuer Sponsored Subregister has the meaning given to that term in the ASX Settlement Rules.

Loan Agreement means the loan agreement between the Holder and the Company relating to the funding of the exercise price of the options over A Class Preference Shares in Dick Smith Sub previously held by the Holder.

Notice means a notice which is:

- (a) legible and in English;
- (b) addressed to the party to whom that notice is being given;
- (c) marked to the attention of the individual who is specified in the address of that party; and
- (d) delivered to that party by being left at, or sent by security post to, the postal address, or transmitted by facsimile number, which is specified in the address of that party.

Offer means the initial public offering of Shares pursuant to the Prospectus.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Preference Shares means, in respect of a Holder, the A class preference shares in Dick Smith Sub owned by the Holder at the date of the Deed Poll.

Prospectus means the prospectus to be issued by the Company dated on or about 14 November 2013 and lodged with ASIC on that date.

Restricted Securities means, in relation to a Holder:

- (a) at any time before and including the First Release Date, the Shares to be issued to the Holder under the Deed Poll in consideration for that Holder's Preference Shares only; and
- (b) at any time after the First Release Date, 50% of the Shares referred to in paragraph (a) above.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any security including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any security under a bill of sale, mortgage, charge, lien, pledge, trust or power;
- (c) an interest of the kind referred to in section 12 of the PPSA; or
- (d) or any agreement to grant or create any such interest or power.

Share means a fully paid ordinary share in the Company.

Subsidiary mean a subsidiary of the Company from time to time (if any) as that term is defined in the *Corporations Act 2001* (Cth).

Transferee has the meaning given in clause 2.4(c).

1.2 Interpretation

In this deed including the recitals, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney time;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) for so long as the Company is listed on the official list of ASX, words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules (as applicable).

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Compliance with Listing Rules

For so long as the Company is listed on the official list of ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not done, authority is given for that act to be done or not done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;

- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow restrictions

2.1 Holder restrictions during the Escrow Period

Subject to clause 2.4 below, each Holder must not Deal with its Restricted Securities during the Escrow Period.

2.2 Controller Interests

Subject to clause 2.5 below, during the Escrow Period, a Controller (if any) must not Deal with the Controller Interests.

2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue of the Restricted Securities to each Holder, the Restricted Securities will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Securities as soon as practicable after registration of the Restricted Securities on the Issuer Sponsored Subregister and each Holder and Controller hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary or desirable to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit disposals of Restricted Securities permitted by this deed; and
 - (ii) in full at 4.00pm on the Final Release Date.

2.4 Exceptions - Holders

During the Escrow Period, each Holder may Deal in any of its Restricted Securities if the Dealing constitutes:

- (a) acceptance of a bona fide takeover bid for all the Shares provided all of the conditions in Listing Rule 9.18 applicable to a takeover are met and the Restricted Securities continue to be held on the terms of this deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (b) the transfer or cancellation of Shares as part of a scheme of arrangement relating to the Company under section 411 of the Corporations Act provided all of the conditions in Listing Rule 9.18 applicable to a scheme of arrangement are met and the Restricted Securities continue to be held on the terms of this deed if the relevant scheme does not take effect;
- (c) a disposal of, but not the creation of a Security Interest in, some or all of the Restricted Securities to:
 - (i) in the case of a Holder that is an individual:
 - (A) any Immediate Family Member;
 - (B) a company wholly-owned by the Holder; or

- (C) a trust in relation to which the Holder or, in the case of a Holder that is an individual, their Immediate Family Member is the beneficiary; or
- (ii) in the case of a Holder that is a trustee, to a beneficiary that is an Immediate Family Member of the Controller under the trust for which it is a trustee, (each, a **Transferee**), where the Transferee also enters into an escrow arrangement with the Company in respect of those securities on substantially the same terms as this deed for the remainder of the Escrow Period;
- (d) a transfer of Restricted Securities necessitated by the death of the Holder; or
- (e) a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.5 Exception - Controllers

During the Escrow Period, each Controller may deal in any of its Restricted Securities if the dealing constitutes a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.6 Notice

If a Holder or a Controller (if any) becomes aware:

- (a) that a Dealing in any of its Restricted Securities or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any of its Restricted Securities or Controller Interests during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

3. Release of annual report

The Company agrees to use its reasonable endeavours to ensure that ASX is given the Company's annual results for the years ending 30 June 2014 and 30 June 2015 for release to the market by no later than is required under the Corporations Act and Listing Rules.

4. Warranties and acknowledgment

4.1 Giving of warranties

Each of the warranties and representations in clause 4 are given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until and including the Final Release Date.

The warranties and representations given in this clause 4 are given in respect of any and all Restricted Securities which the Holder holds and in respect of which the Controller (if any) has Controller Interests (if any) in from time to time during the Escrow Period.

4.2 Representations and warranties

Each Holder and the Controller (if any) jointly and severally warrants and represents the following:

- (a) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it breaching clause 2 of this deed if it were an act or omission which would take effect during the Escrow Period;

- (b) Either:
 - (i) the Holder has the controllers (as defined in the ASX Listing Rules) set out in Column 3 of the Schedule; or
 - (ii) any such controller not set out in Column 3 of the Schedule, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the ASX Listing Rules;
- (c) following completion of the Offer, the Holder holds the Shares issued to them pursuant to the Deed Poll and the Controller holds the Controller Interests set out in Column 3 of the Schedule and:
 - (i) in the case of the Holder, those Shares will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests that the in the case of the Holder, directly or indirectly has in the Company; and
 - (ii) in the case of the Controller, those Controller Interests will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests in the Holder or the Restricted Securities in which that the Controller has a direct or indirect interest;
- (d) the Restricted Securities of the Holder and the Controller Interests of the Controller are free from all Security Interests and other third party interests or rights (other than under the Company's constitution);
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (d) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (e) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder has entered into this deed as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**));
- (f) if the Holder is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust;
- (g) if the Holder is a Trustee:
 - (i) that Holder has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and that Holder has not released or disposed of its equitable lien over that Trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust;
- (h) the execution, delivery and performance by the Holder of this deed does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, Security Interest or document which is binding on that Holder.

4.3 Survival of warranties and representations

The warranties and representations in this clause 4 survive the termination of this deed.

5. Consequences of breaching this deed

- (a) If a Holder breaches this deed (including a breach of clause 4.2), each of the following applies:
 - (i) the Company may take the steps necessary to enforce this deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
 - (ii) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of any of that Holder's Restricted Securities (this is in addition to other rights and remedies of the Company).
- (b) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each Holder agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the breaching Holder's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

6. Amendment and waiver

This deed may not be amended or waived without the prior written consent of all parties.

7. Capacity

If a Holder has entered into this deed as Trustee:

- (a) notwithstanding any other provision of this deed including any provision expressed to prevail over this clause 7 but subject to clause 7(c), that Holder enters into this deed only in its capacity as Trustee of the Trust and in no other capacity. A liability arising under or in connection with this deed can be enforced against that Holder only to the extent that it can be satisfied out of the property of the Trust for which the Holder is actually indemnified for the liability. That Holder will exercise its rights of indemnification in order to satisfy its obligations under this deed;
- (b) subject to paragraph 7(c) a party to this deed may not sue that Holder in any capacity other than as Trustee in respect of the Trust, including seeking the appointment to that Holder of a receiver (except in relation to property of the Trust), liquidator, administrator or any similar person; and
- (c) the provisions of this clause 7(c) will not apply to any obligation or liability of that Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction to the extent, or elimination of, that Holder's right of indemnification out of the assets of the Trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

8. General

8.1 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

8.2 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile other than during Business Hours, in which case that notice is regarded as given by that party at the beginning of the next Business Hour.

8.3 Time of essence

Time is of the essence to this deed.

8.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument.

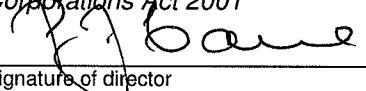
8.5 Governing law and jurisdiction

This deed is governed by the laws of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

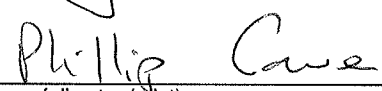
Signing page

EXECUTED as a deed.

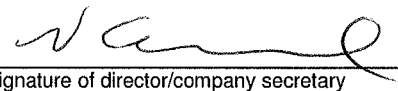
Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001



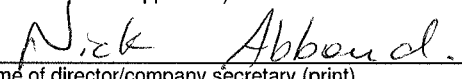
Signature of director



Name of director (print)

←  ←

Signature of director/company secretary
(Please delete as applicable)



Name of director/company secretary (print)

Executed by LMA Investments Pty Ltd as trustee of the NL Abboud Trust in accordance with Section 127 of the *Corporations Act 2001*

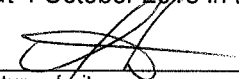
Signature of director

Name of director (print)

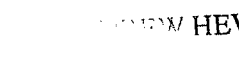
← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

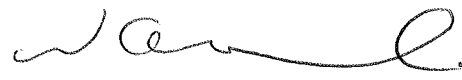
Signed, sealed and delivered by each Holder and Controller listed in rows 2 – 34 (inclusive) in Column 1 and Column 3 of the Schedule by their attorney Nick Abboud under power of attorney dated on or about 4 October 2013 in the presence of:



Signature of witness

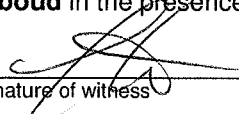


Name of witness (print)

←  ←

Nick Abboud


Signed sealed and delivered by Nick Abboud in the presence of



Signature of witness



Name of witness (print)

←  ←

Nick Abboud

Signing page

EXECUTED as a deed.

Executed by **Dick Smith Holdings Limited**
in accordance with Section 127 of the
Corporations Act 2001

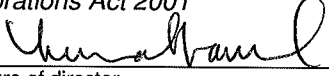
Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)


Name of director/company secretary (print)

Executed by **LMA Investments Pty Ltd as trustee of the NL Abboud Trust** in accordance with Section 127 of the *Corporations Act 2001*



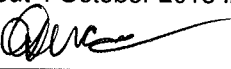
Signature of director

Nick Abboud
Name of director (print)

←  ←
Signature of director/company secretary
(Please delete as applicable)

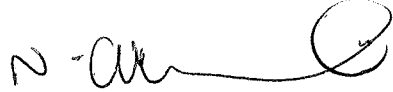
Nick Abboud
Name of director/company secretary (print)

Signed, sealed and delivered by each Holder and Controller listed in rows 2 – 34 (inclusive) in Column 1 and Column 3 of the Schedule by their attorney Nick Abboud under power of attorney dated on or about 4 October 2013 in the presence of:

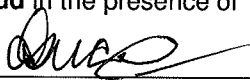


Signature of witness

Amelia Luccitti
Name of witness (print)


←  ←
Nick Abboud

Signed sealed and delivered by Nick Abboud in the presence of


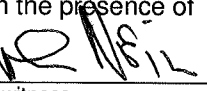
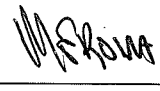


Signature of witness

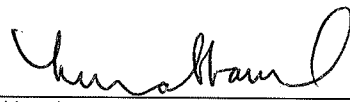
Amelia Luccitti
Name of witness (print)

←  ←
Nick Abboud


Signed sealed and delivered by Lisa
Abboud in the presence of

Signature of witness

←  ←

Lisa Abboud



Name of witness (print)

Execution version

Share sale deed poll

relating to shares in Dick Smith Sub-
Holdings Pty Ltd ACN 160 162 925

by Dick Smith Holdings Limited (**Purchaser**)

in favour of the holders of shares in Dick Smith Sub-
Holdings Pty Ltd (formerly Dick Smith Holdings Pty Ltd)
(**Vendors**)

MinterEllison

L A W Y E E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
www.minterellison.com

Share sale deed poll

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Details

Date 13 November 2013

By

Name **Dick Smith Holdings Limited** ACN 166 237 841
Short form name **Purchaser**
Notice details 2 Davidson Street, Chullora NSW 2190
Attention: The Directors

In favour of

Name **The holders of Ordinary Shares, A Class Preference Shares and B Class Preference Shares in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925) from time to time who, at the date of this deed poll, are expected to be those persons set out in Schedule 1**
Short form name Each a **Vendor** and together the **Vendors**

Background

A The Purchaser offers to purchase from the Vendors all of the Shares on the terms and conditions set out in this deed poll.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed poll:

A Class Preference Shares means A Class Preference Shares in the capital of the Company having the rights set out in clause 6 of the constitution of the Company.

A Class Proceeds Amount means that part of the Purchase Price to be allocated to the holders of A Class Preference Shares in accordance with clause 8(b) of the constitution of the Company being the amount calculated under clause 4.2.

Acceptance Notice means a notice substantially in the form set out in Schedule 2.

Anchorage Escrow Deed means the escrow deed annexed as Annexure A to this deed poll.

ASIC means the Australian Securities and Investments Commission.

ASX means, as the case requires, ASX Limited or the Australian Securities Exchange.

B Class Preference Shares means B Class Preference Shares in the capital of the Company having the rights set out in clause 7 of the constitution of the Company.

B Class Proceeds Amount means that part of the Purchase Price to be allocated to the holders of B Class Preference Shares in accordance with clause 8(c) of the constitution of the Company being the amount calculated under clause 4.3.

Business means the specialty consumer electronics retail business operated by the Group Companies in Australia and New Zealand known as 'Dick Smith', 'Dick Smith Powerhouse', 'Dick Smith Electronics', 'David Jones Powered by Dick Smith' or 'Move'.

Business Day means:

- (a) for receiving a notice under clause 8, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is received; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in New South Wales, Australia.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Claim includes a claim, notice, demand, action, proceeding, litigation, investigation or judgment, however arising, and (where applicable) whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this deed poll.

Company means Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925.

Completion means completion of the sale and purchase of the Shares contemplated by this deed poll.

Completion Date means the date on which both of the Conditions have been satisfied with the intent that Completion will immediately follow the satisfaction of the last Condition.

Conditions means the conditions precedent set out in clause 2.1.

Consideration Shares means FloatCo Shares issued to any Vendor pursuant to clause 4.5 or 5.7.

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

Election Notice means an election notice in substantially the form set out in Schedule 4.

Escrow Deed means the escrow deed annexed as Annexure A to the Shareholders Deed.

Encumbrance includes a 'security interest' as defined in the *Personal Properties Securities Act 2009* (Cth) and a mortgage, charge, lien, pledge, claim, restriction against transfer, encumbrance and other third party interest and **Encumber** has a corresponding meaning.

Excess Cash Amount means \$15,000,000 being the agreed amount of excess cash available to the Company following Completion after payment of the Woolworths Payment and the Transaction Costs.

Final Price means the final price for each FloatCo Share as determined in accordance with the Offer, which price shall be set by the Purchaser having obtained the prior agreement of Anchorage Capital Partners Pty Limited.

FloatCo Shares means fully paid ordinary shares in the capital of the Purchaser.

Group means the Company and its subsidiaries and **Group Company** means any of them.

Law includes any law, regulation, statute or enforceable proclamation in Australia (but, for the avoidance of doubt, does not include foreign laws).

Listing means the listing of the Purchaser on ASX.

LMA Escrow Deed means the escrow deed annexed as Annexure B to this deed poll.

Offer means the initial public offering of FloatCo Shares being made to institutional investors and the public pursuant to a prospectus proposed to be lodged with ASIC on or about the date of this deed poll.

Ordinaries Proceeds Amount means that part of the Purchase Price to be allocated to the holders of Ordinary Shares in accordance with clause 8(b) of the constitution of the Company being the amount calculated under clause 4.4.

Ordinary Shares means ordinary shares in the capital of the Company.

Preference Shares means A Class Preference Shares and B Class Preference Shares.

Purchase Price means the amount calculated pursuant to clause 4.1.

Relevant Shares means, in respect of each Vendor, the Shares registered in its name.

Share Transfer Form means a share transfer form substantially in the form set out in Schedule 3.

Shareholders Deed means the '*Shareholders Deed relating to the Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925)*' dated 26 November 2012 between the Company and Vendors, as amended from time to time.

Shares means all of the shares in the capital of the Company (including Ordinary Shares and Preference Shares) on issue on the Completion Date.

Sunset Date means 5.00pm on 31 December 2013 or such other date that the Purchaser and the Vendor Representatives agree in writing.

Transaction Costs means the estimate of the maximum amount of all of the costs and expenses paid or payable by the Group in connection with the Offer, including:

- (a) investment banking advisory and offer management fees and any additional brokerage payable;

- (b) registry costs;
- (c) all professional advisory costs, including legal and accounting fees and expenses;
- (d) design, and printing costs;
- (e) marketing and roadshow costs and expenses including prospectus liability insurance;
- (f) establishment board costs and expenses;
- (g) out of pocket costs and expenses of Company executives involved in the offer preparation and marketing;
- (h) regulatory and Listing and other associated fees and charges;
- (i) closing out costs associated with the existing interest rate hedges, and legal costs of negotiating new bank facilities; and
- (j) management transaction bonuses.

Vendor Representatives means Anchorage Capital Partners Pty Limited and Nick Abboud.

Warranties means each of the warranties in clause 7.1(a).

Woolworths Termination Payment means the total amount owing by the Group to Woolworths Limited at Completion pursuant to clause 7 of the Anchorage Exit Payment Termination Deed between the Company and Woolworths Limited, which is expected to be \$14 million at Completion.

1.2 Interpretation

In this deed poll, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has, when capitalised, a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed poll, and a reference to this deed poll includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this deed poll, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other Law includes regulations and other enforceable instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (j) a word or expression from the following list has the meaning given to it in the Corporations Act:
 - (i) body corporate;

- (ii) entity (which has the meaning given by section 64A, in particular);
- (iii) holding company;
- (iv) subsidiary;
- (v) related body corporate;
- (k) the meaning of general words is not limited by specific examples that follow them or precede them;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed poll or any part of it or benefits from the relevant provision; and
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Conditions precedent

2.1 Conditions

Completion of the sale and purchase of the Shares under this deed poll is subject to the following conditions precedent being satisfied or waived (in accordance with clause 2.2):

Condition
1. Settlement of the Offer.
2. Each holder of Shares delivering to the Purchaser a duly executed original Acceptance Notice enclosing a duly executed original Share Transfer Form and a duly executed Election Notice (if applicable).

2.2 Waiver of Conditions

A Condition may be waived by the Purchaser and will be effective only to the extent specifically set out in that waiver.

2.3 Failure of Condition

This deed poll will terminate, and cease to have any effect, if any Condition is not fulfilled by the Sunset Date.

3. Sale and purchase

3.1 Agreement to purchase

The Purchaser offers and agrees to buy from each Vendor all of the Shares held by it as at the Completion Date:

- (a) for, in respect of each Vendor, the consideration determined in accordance with clause 4;
- (b) free from Encumbrances;
- (c) with all rights, including dividend and voting rights, attached or accrued to them on or after the Completion Date; and
- (d) subject to this deed poll.

3.2 Agreement to sell

By delivering to the Purchaser a duly executed original Acceptance Notice, each Vendor agrees to sell to the Purchaser all of the Shares held by it as at the Completion Date:

- (a) for, in respect of that Vendor, the consideration determined in accordance with clause 4;
- (b) free from Encumbrances;
- (c) with all rights, including dividend and voting rights, attached or accrued to them on or after the Completion Date; and
- (d) subject to this deed poll.

3.3 Waiver of pre-emptive rights

By delivering to the Purchaser a duly executed original Acceptance Notice, each Vendor hereby waives, in favour of the Purchaser, any pre-emption or other similar rights which it has now or might otherwise have in respect of any of the Shares held by each other Vendor, whether granted pursuant to any statute, a shareholders agreement, the constitution of the Company or otherwise.

3.4 Title and risk

Legal and beneficial ownership and risk in the Shares will pass from the Vendors to the Purchaser on Completion.

4. Purchase Price

4.1 Amount

The Purchase Price for the Shares is calculated as follows:

$$PP = \text{Market Capitalisation} + EC$$

Where:

Market Capitalisation = The market capitalisation of the Purchaser following completion of the Offer being the aggregate number of FloatCo Shares immediately following completion of the Offer and the issue of the Consideration Shares, being 236,511,364, multiplied by the Final Price.

EC = Excess Cash Amount.

4.2 A Class Proceeds Amount

The Purchase Price for the A Class Shares (being the **A Class Proceeds Amount**) is calculated as follows:

$$ACPP = \text{Net Purchase Price} \times ACP$$

Where:

ACPP = The aggregate purchase price for the A Class Preference Shares.

Net Purchase Price = The Purchase Price calculated pursuant to clause 4.1, less the Incentive Hurdle Amount (as defined in the Constitution) being \$50,000,000.

ACP = The proportion of the Net Purchase Price to be allocated to holders of A Class Preference Shares under clause 8(b) of the Constitution which at the date of this deed is 10.33%.

4.3 B Class Proceeds Amount

The Purchase Price for the B Class Shares (being the **B Class Proceeds Amount**) is calculated as follows:

$$BCPP = \text{Net Purchase Price} \times BCP$$

Where:

BCPP = The aggregate purchase price for the B Class Preference Shares.

Net Purchase Price = The Purchase Price calculated pursuant to clause 4.1, less the Incentive Hurdle Amount (as defined in the Constitution) being \$50,000,000.

BCP = The proportion of the Net Purchase Price to be allocated to holders of B Class Preference Shares under clause 8(b) of the Constitution which, assuming all options over B Class Shares are validly exercised before Completion, is 2.5%.

4.4 Ordinaries Proceeds Amount

The Purchase Price for the Ordinary Shares (being the **Ordinaries Proceeds Amount**) is calculated as follows:

$$OSPP = PP - APA - BPA$$

Where:

OSPP = The aggregate purchase price for the Ordinary Shares.

PP = The Purchase Price.

APA = The A Class Proceeds Amount.

BPA = The B Class Proceeds Amount.

4.5 Holders of Ordinary Shares may elect to receive Consideration Shares

- (a) Each holder of Ordinary Shares may elect to receive all or part of the Ordinaries Proceeds Amount payable to it under clause 4.4 as Consideration Shares by delivering to the Purchaser the Election Notice at the same time as it delivers its Acceptance Notice.
- (b) If any holder of Ordinary Shares exercises its election under clause 4.5(a), the number of Consideration Shares issued to that holder will be equal in value to the Ordinaries Proceeds Amount that would have been otherwise payable to it under clause 4.4 and each Consideration Share shall be deemed to be issued at the Final Price.
- (c) Consideration Shares issued to any holder of Ordinary Shares under clause 4.5(b) is in full and final satisfaction of the portion of the Ordinaries Proceeds Amount that is otherwise payable to that holder under clause 4.4 had those Consideration Shares not been issued.

5. Completion

5.1 Time and place

If all the Conditions have been fulfilled or waived under clause 2.2, Completion will take place at 11.00am on the Completion Date at the offices of Minter Ellison, Level 19, 88 Philip Street, Sydney NSW 2000.

5.2 Obligations of the Vendors

At Completion:

- (a) each Vendor must, in respect of its Relevant Shares, deliver to the Company for cancellation, the share certificate relating to those Shares;
- (b) each Vendor who is selling A Class Preference Shares must deliver to the Purchaser a duly executed original Escrow Deed; and
- (c) each Vendor who is selling Ordinary Shares must deliver to the Purchaser a duly executed original Anchorage Escrow Deed or LMA Escrow Deed (as applicable).

5.3 Obligations of the Purchaser

On Completion, the Purchaser must pay:

- (a) the Ordinaries Proceeds Amount to the holders of Ordinary Shares (and in respect of any Ordinary Shares held by them only):
 - (i) to the extent any portion of the Ordinaries Proceeds Amount is payable in cash, by way of cash; and
 - (ii) to the extent any portion of the Ordinaries Proceeds Amount is payable in Consideration Shares, by way of an issue of such number of Consideration Shares as calculated pursuant to clause 5.7;
- (b) the A Class Proceeds Amount to the holders of A Class Preference Shares (and in respect of any A Class Preference Shares held by them only), by way of an issue of such number of Consideration Shares as calculated pursuant to clause 5.7; and
- (c) the B Class Proceeds Amount to the holders of B Class Preference Shares (and in respect of any B Class Preference Shares held by them only), by way of an issue of such number of Consideration Shares as calculated pursuant to clause 5.7.

5.4 Simultaneous actions at Completion

- (a) In respect of Completion:
 - (i) the Purchaser need not complete the purchase of any of the Shares unless the sale and purchase of all the Shares is completed simultaneously; and
 - (ii) all actions required to be performed and documents required to be delivered will be taken to have occurred and been delivered simultaneously on the Completion Date.
- (b) If an action in clause 5.2 or 5.3 does not take place, then without prejudice to any rights available to any other party as a consequence:
 - (i) there is no obligation on any other party to undertake or perform any of the other actions;
 - (ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
 - (iii) the parties must each return to the other all documents delivered to them under this agreement and must each repay to the other parties all payments received by them under this agreement, without prejudice to any other rights any party may have in respect of that failure.

5.5 Specific Performance

Nothing in this deed poll is intended to exclude a party from seeking the remedy of specific performance in relation to Completion.

5.6 Application for Consideration Shares

By delivering to the Purchaser a duly executed original Acceptance Notice, each Vendor agrees that on Completion it:

- (a) makes an irrevocable application for the Consideration Shares to be issued to it at Completion pursuant to this deed poll;
- (b) consents to being named in the register of members of the Purchaser in respect of those Consideration Shares; and
- (c) consents to being bound by the constitution of the Purchaser.

5.7 Issue of Consideration Shares

- (a) In satisfaction of and to discharge the Purchaser's obligations in respect of the payment of the A Class Proceeds Amount with respect to the A Class Preference Shares, the Purchaser must on Completion, issue to each holder of A Class Preference Shares (in respect of the A Class Preference Shares held by it only), the number of Consideration Shares calculated as follows:

$$\frac{APA}{FP} \times \frac{AS}{TAS}$$

Where:

APA = The A Class Proceeds Amount.

FP = The Final Price.

AS = The number of A Class Preference Shares held by that Vendor.

TAS = The total number of A Class Preference Shares on issue.

- (b) In satisfaction of and to discharge the Purchaser's obligations in respect of the payment of the B Class Proceeds Amount with respect to the B Class Preference Shares, the Purchaser must on Completion, issue to each holder of B Class Preference Shares (in respect of the B Class Preference Shares held by it only), the number of Consideration Shares calculated as follows:

$$\frac{BPA}{FP} \times \frac{BS}{TBS}$$

Where:

BPA = The B Class Proceeds Amount.

FP = The Final Price.

BS = The number of B Class Preference Shares held by that Vendor.

TBS = The total number of B Class Preference Shares on issue.

- (c) In satisfaction of and to discharge the Purchaser's obligations in respect of the payment of any portion of the Ordinaries Proceeds Amount in Consideration Shares with respect to

the Ordinary Shares, the Purchaser must on Completion, issue to the relevant holders of Ordinary Shares (in respect of the Ordinary Shares held by it only), the number of Consideration Shares calculated as follows:

$$\frac{(OPA - OCA)}{FP}$$

FP

Where:

OPA = The Ordinaries Proceeds Amount.

OCA = The portion of the Ordinaries Proceeds Amount payable in cash.

FP = The Final Price.

- (d) If the calculation in clause 5.7(a), 5.7(b) or 5.7(c) results in a number of Consideration Shares that is not a whole number, such number shall be rounded up to the nearest whole number.

5.8 Cleared funds

All cash payments under this deed poll must be paid by bank cheque or telegraphic transfer to an account or accounts nominated by the holders of Ordinary Shares (or as otherwise directed by any holder of Ordinary Shares) or otherwise in cleared funds. Where a payment is paid by telegraphic transfer it shall only be considered to have been paid for the purposes of this deed poll when the funds are received into the recipient's account.

6. Listing

6.1 Acknowledgement of Listing

The parties acknowledge that the Purchaser will lodge a prospectus with ASIC on or about 14 November 2013 and that the Consideration Shares are to be issued with disclosure to the Vendors under Part 6D.2 of the Corporations Act.

6.2 Consent to issuing of FloatCo Shares

The Purchaser agrees to procure that the Purchaser approves for all purposes, including without limitation ASX Listing Rule 7.1:

- (a) the issue of the Consideration Shares; and
- (b) the issue of FloatCo Shares under the Offer.

7. Warranties by the Vendors

7.1 Warranties

- (a) By delivering to the Purchaser a duly executed original Acceptance Notice, each Vendor represents and warrants to the Purchaser, in respect of itself and the Relevant Shares held by it only, that:
 - (i) the Vendor is the legal owner of the Relevant Shares; and
 - (ii) the Relevant Shares will pass to the Purchaser on the Completion Date free of all Encumbrances.
- (b) Each of the Warranties is given at the date of receipt of the relevant Vendor's Acceptance Notice and will be true and accurate as at Completion.

7.2 Application of warranties

Each of the Warranties:

- (a) remains in full force and effect after Completion; and
- (b) is separate and independent and is not limited by reference to any other warranty.

7.3 Acknowledgments

The Purchaser acknowledges and agrees with the Vendors that:

- (a) it has had the opportunity to, and has, conducted due diligence investigations in relation to the Group and the Business before the date of this deed poll and has had the opportunity to raise such enquiries as it considered necessary with the Company in relation to the Group and the Business;
- (b) the Warranties are the only warranties that the Purchaser requires, and on which the Purchaser has relied, in entering into this deed poll;
- (c) no warranty or representation, expressed or implied, is given in relation to any expression or statement of intention, opinion, belief or expectation nor any forecast, forward looking statement, budget, projection or any fiscal or economic matters;
- (d) to the extent permitted by law, all warranties, representations and undertakings (whether express or implied and whether oral or in writing) made or given by the Vendors (except as expressly set out in this deed poll) are expressly excluded; and
- (e) despite any other provision of this deed poll, no Vendor will have any liability for a breach of this deed poll (including a breach of warranty) by another Vendor.

7.4 No reliance

- (a) The Purchaser acknowledges, represents and warrants to the Vendors, that:
 - (i) at no time:
 - (A) have the Vendors or any person on their behalf made or given; or
 - (B) has the Purchaser relied on,
any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of the Group or otherwise (including in connection with any financial analysis or modelling conducted by the Purchaser except those expressly set out in this deed poll (including in the Warranties);
 - (ii) no representations, warranties, promises, undertakings, statements or conduct:
 - (A) have induced or influenced the Purchaser to enter into, or agree to any terms or conditions of, this deed poll;
 - (B) have been relied on in any way as being accurate by the Purchaser;
 - (C) have been warranted to the Purchaser as being true; or
 - (D) have been taken into account by the Purchaser as being important to its decision to enter into, or agree to any or all of the terms of, this deed poll,
except those expressly set out in this deed poll (including in the Warranties); and
 - (iii) it has made, and it relies upon, its own reasonable searches, enquiries and evaluations in respect of the Business (including in connection with any financial analysis or modelling conducted by the Purchaser), except to the extent expressly set out in this deed poll (including in the Warranties).

7.5 Time limits on Claims

The Vendors have no liability in relation to the Warranties unless the Purchaser has given written notice of the Claim (**Subject Claim**) to the Vendors on or before the date that is 12 months after the Completion Date and unless the Subject Claim has been settled or legal proceedings in a court of competent jurisdiction in respect of the Subject Claim have been properly issued and served on the Vendors (or the relevant Vendor) within six months of the Subject Claim being notified in writing by the Purchaser to the Vendors.

7.6 Maximum aggregate liability for Claims

The maximum aggregate liability of each Vendor (including legal costs and expenses incurred in defending a Claim from a third party) as a result of Subject Claims is limited to an amount equal to amount of the Purchase Price received by that Vendor and under no circumstances can the Purchaser recover from any Vendor more than that amount.

7.7 Subject Claim payments

Any payment made in respect of a Subject Claim is deemed to be a reduction in the Purchase Price.

7.8 Statutory actions

To the maximum extent permitted by Law, the Purchaser agrees not to make, and waives any right it may have to make, any Claim against the Vendors or any Associate of a Vendor or any of their respective Representatives under:

- (a) Part 7.10 of the Corporations Act;
- (b) the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to a breach of section 12DA to 12DN of that Act; and
- (c) the Australian Consumer Law (Schedule 2 to the *Competition and Consumer Act 2010* (Cth)) or the corresponding provision of any State or Territory enactment,

and indemnifies the Vendors, each Associate of a Vendor and each of their respective Representatives against all Liabilities incurred in connection with any such Claim.

7.9 Remedies of the Purchaser

Despite any other provision of this deed poll, the sole remedy of the Purchaser for a breach of Warranty is damages (and the Purchaser is the only person entitled to make a Claim for breach of Warranty) and in no event is the Purchaser entitled to terminate this deed poll as a consequence of a breach of Warranty and subject to clause 2.3, the Purchaser may not terminate or rescind this deed poll between the date of this deed poll and Completion.

7.10 Independent limitations

Each qualification and limitation in this clause 7 is to be construed independently of the others and is not limited by any other qualification or limitation.

7.11 Representations

The Purchaser represents and warrants to each Vendor that each of the following statements is true and accurate at the date of this deed poll and will be true and accurate on the Completion Date:

- (a) it is validly existing under the Laws of its place of incorporation or registration;
- (b) it has the 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 action to authorise its entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

- (d) its obligations under this deed poll are valid and binding and enforceable against it in accordance with their terms;
- (e) neither it nor any party related to it has taken any action under which any person is or may be entitled to a commission, brokerage or finder's fee in connection with the sale and purchase of the Shares;
- (f) no:
 - (i) meeting has been convened, resolution proposed, petition presented or order made for its winding up and there are no circumstances justifying commencement of any such action;
 - (ii) receiver, receiver and manager, provisional liquidator, liquidator, administrator or other officer of the court has been appointed in relation to all or any of its assets; or
 - (iii) mortgagee has taken, attempted to take or indicated an intention to exercise its rights under any security of which it is the mortgagor or chargor;
- (g) it has not entered into or taken steps or proposed to enter into any arrangement or composition or compromise with all or a class of its creditors;
- (h) it is able to pay its debts as and when they fall due and it is not taken under applicable Laws to be unable to pay its debts and has not stopped or suspended, or threatened to stop or suspend, payment of all or a class of its debts;
- (i) it is a newly incorporated special purpose vehicle formed for the purpose of acquiring from the Vendors the Shares;
- (j) it has never traded and it has no liabilities except as created under this document; and
- (k) on Completion the Consideration Shares will, on issue, rank equally with all other shares of the same class in the capital of the Purchaser.

7.12 Application of representations

- (a) Each of the representations and warranties made by the Purchaser under clause 7.11 must be construed independently and is not limited by reference to another such representation and warranty.
- (b) Each of the representations and warranties made by the Purchaser under clause 7.11 remains in full force and effect on and after Completion.

8. Trustee limitation of liability

The Purchaser and each Vendor agrees (by delivering to the Purchaser a duly executed original Acceptance Notice) that:

- (a) Anchorage Capital Partners Pty Limited enters into this deed only in its capacity as trustee of Trust A and Australian Executor Trustees Limited enters into this deed only in its capacity as trustee of Trust B (each a **Trustee**);
- (b) a liability arising under or in connection with this deed is limited to and can be enforced against a Trustee only to the extent to which it can be satisfied out of assets of the relevant trust out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of this deed or any other document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed;

- (c) the parties other than a Trustee may not sue a Trustee in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver (except in relation to property of the relevant Trust), a liquidator, an administrator or any similar person to that Trustee or prove in the liquidation, administration or arrangement of or affecting that Trustee (except in relation to property of the relevant Trust);
- (d) no attorney, agent, receiver or receiver and manager appointed in accordance with this deed has authority to act on behalf of a Trustee in a way which exposes that Trustee to any personal liability; and
- (e) a Trustee is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in clauses 8(a) to (d).

9. Custodian limitation of liability

- (a) Subject to clause 9(e), Australian Executor Trustees Limited (the **Custodian**) enters into and is bound by this deed only in its capacity as custodian for Anchorage Capital Partners Pty Limited (as trustee for Trust A) and in no other capacity.
- (b) Subject to clause 9(e), the rights of any other party under or in respect of this deed (whether express or implied by law or otherwise) are not exercisable against the Custodian other than as custodian for Anchorage Capital Partners Pty Limited (as trustee for Trust A).
- (c) Subject to clause 9(e), the Custodian is not liable to pay or satisfy, and no other party will be entitled to enforce against the Custodian, any damages suffered by or amounts owing to the other party, which result from a breach, non-performance or non-fulfilment of a duty, obligation, representation or warranty (whether express, implied by law or otherwise) of the Custodian under this deed except to the extent the Custodian is entitled to be indemnified as custodian for Anchorage Capital Partners Pty Limited (as trustee for Trust A) in respect of that duty, obligation, representation or warranty and those damages and amounts are recoverable by the Custodian under that indemnity.
- (d) Subject to clause 9(e), if any other party does not recover all damages suffered by and amounts owing to it as a result of a breach, non-performance or non-fulfilment of a duty, obligation, representation or warranty of the Custodian under or in respect of this deed (whether express, implied by law or otherwise), the other party may not seek to recover the shortfall by applying to have the Custodian wound up.
- (e) Clauses 9(a) to 9(d) do not apply to any damages suffered by or amounts owing to any other party which result from a breach, non-performance or non-fulfilment of a duty, obligation, representation or warranty of the Custodian to the extent that those damages or amounts owing are not satisfied because the entitlement of the Custodian to be indemnified as custodian for Anchorage Capital Partners Pty Limited (as trustee for Trust A) as applicable is reduced as a result of any negligence, wilful default or fraud by the Custodian under or in respect of the terms of appointment of the Custodian as custodian for Anchorage Capital Partners Pty Limited (as trustee for Trust A).

10. Notices and other communications

10.1 Service of notices

A notice, demand, consent, approval or communication under this deed poll (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and

- (b) hand delivered or sent by prepaid post, facsimile or email to the recipient's address for Notices specified in the Details or the Acceptance Notice, as varied by any Notice given by the recipient to the sender.

10.2 Effective on receipt

A Notice given in accordance with clause 10.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice; and
- (d) if sent by email, when sent by the sender unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

11. Miscellaneous

11.1 Stamp duty

Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this deed poll or any transaction contemplated by this deed poll, must be paid by the Purchaser.

11.2 No merger

The rights and obligations of the parties under this deed poll do not merge on completion of any transaction contemplated by this deed poll.

11.3 Entire agreement

This deed poll, together with each Acceptance Notice, constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

11.4 Governing law and jurisdiction

This deed poll is governed by the law of New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Schedule 2 – Acceptance Notice

To: Dick Smith Holdings Limited (ACN 166 237 841) (**Purchaser**)
2 Davidson Street, Chullora NSW 2190
Attention: Directors

I/We, being the holder(s) of [*insert number*] of [*insert Ordinary/A Class Preference/B Class Preference*] shares (**Shares**) in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925) (**Company**) hereby confirm and agree as follows:

1. I/We have received and reviewed the 'Share Sale Deed Poll relating to shares in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925)' (**Sale Deed Poll**).
2. I/We irrevocably agree to sell all my/our Shares in the Company to the Purchaser on the terms and conditions set out in the Sale Deed Poll.
3. I/We enclose a duly executed original Share Transfer Form in respect of my/our Relevant Shares.
4. [I/We, as a holder of A Class Preference Shares, will deliver at Completion a duly executed original Escrow Deed.] [*Note: delete if you are not a holder of Preference Shares*]
5. [I/We, as a holder of Ordinary Shares, have elected to receive all/part of my/our Ordinaries Proceeds Amount as Consideration Shares and I/we enclose a duly executed Election Notice.] [*Note: delete if you are not a holder of Ordinary Shares*]
6. For the purposes of clause 9 of the Sale Deed Poll, I/we confirm that my/our address for the receipt of Notices is as set out in Schedule 1 of the Sale Deed Poll, unless otherwise notified by me/us below:

[*insert new address if different to address set out in Schedule 1*]

Unless otherwise defined, capitalised terms used in this Acceptance Notice have the meanings given to them in the Sale Deed Poll.

Executed as a deed

Dated:

[*Insert signature block*]

Schedule 3 – Share Transfer Form

STANDARD TRANSFER FORM

For Non-Market Transactions

Affix stamp or similar duty here

Marking stamp

FULL NAME OF COMPANY OR CORPORATION	Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925		
STATE/TERRITORY OF REGISTRATION	Victoria		
DESCRIPTION OF SECURITIES	Class	Amount paid Fully Paid	Amount unpaid Register
QUANTITY	Words	Figures	
FULL NAME OF TRANSFEROR(S)			Broker's Transfer Identification Number
CONSIDERATION			Date of Purchase
FULL NAME OF TRANSFEREE(S)	Dick Smith Holdings Limited ACN 166 237 841		
FULL ADDRESS OF TRANSFEREE(S)	2 Davidson Street, Chullora NSW 2190		
REMOVAL REQUEST	Please enter the above securities on the		REGISTER
BENEFICIAL INTEREST	Upon registration of this transfer, the transferee will hold the above shares beneficially.		

I, the registered holder and transferor ('Transferor') named above, for the consideration specified above transfer to the transferee named above ('Transferee') the securities specified above ('Securities') registered in my name in the books of the above company ('Company') subject to the conditions on which I hold them at the time of signing this form. I, the Transferee agree to accept the transfer of the Securities and the registration of the Securities in my name in the books of the Company subject to the same conditions and agree to be bound by the constitution of the Company as amended from time to time.

SIGNATURE OF TRANSFEROR(S)		FOR REGISTRAR USE
SIGN HERE *		
DATE SIGNED	/ /	
SIGNATURE OF TRANSFEREE(S)		
SIGN HERE *		
DATE SIGNED	/ /	

Schedule 4 – Election Notice

To:

Dick Smith Holdings Limited (ACN 166 237 841)
2 Davidson Street, Chullora NSW 2190
Attention: Directors

I/We, being the holder(s) of [insert number] of ordinary shares (**Shares**) in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925) (**Company**) hereby irrevocably elect for the purpose of clause 4.5 of the '*Share Sale Deed Poll relating to shares in Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925)*' (**Sale Deed Poll**) to receive [●]% of the Purchase Price payable to me/us in the form of Consideration Shares.

Unless otherwise defined, capitalised terms used in this Election Notice have the meanings given to them in the Sale Deed Poll.

Executed as a deed


Dated:

[Insert signature block]

Signing page

EXECUTED as a **DEED POLL**.

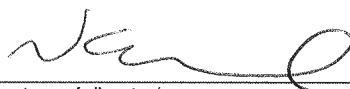
Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001



Signature of director

Phillip Cave

Name of director (print)

←  ←

Signature of director/company secretary
(Please delete as applicable)

Nick Abboud

Name of director/company secretary (print)

Annexure A – Anchorage Escrow Deed

The remainder of this page is left blank intentionally.

Execution version

Escrow deed – Anchorage ordinary shares

Project Yellow

Dick Smith Holdings Limited (**Company**)

Anchorage Capital Partners Pty Limited (ACN 127 136 341) in its capacity as trustee for Anchorage Capital Partners Trust A

Australian Executor Trustees Limited (ACN 007 869 794) in its capacity as trustee for Anchorage Capital Partners Trust B

(each an **Escrowed Party** and together the **Escrowed Parties**)

MinterEllison

L A W Y E E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
www.minterellison.com

Escrow deed – Anchorage ordinary shares

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Details

Date

Parties

Name **Dick Smith Holdings Limited** ACN 166 237 841
Short form name **Company**
Notice Details 2 Davidson St, Chullora NSW 2190

Name **Anchorage Capital Partners Pty Limited** (ACN 127 136 341) **as trustee for Anchorage Capital Partners Trust A**
Notice Details C/- Level 39, 259 George Street, Sydney NSW 2000
Attention: Phil Cave/Michael Briggs

Name **Australian Executor Trustees Limited** (ACN 007 869 794) **as trustee for Anchorage Capital Partners Trust B**
Notice Details C/- Level 39, 259 George Street, Sydney NSW 2000
Attention: Phil Cave/Michael Briggs

(each an **Escrowed Party** and together the **Escrowed Parties**)

Background

- A The Company intends to list on ASX and conduct the Offer.
- B The Company has entered into a Deed Poll in favour of the holders of equity securities in Dick Smith Sub, which provides, among other things, that the Company offers to purchase all of the Ordinary Shares held by the Escrowed Parties in consideration for cash or the issue of Shares in the Company.
- C The Shares that are issued to the Escrowed Parties pursuant to the Deed Poll in consideration for the sale of their Ordinary Shares will be held by the Escrowed Parties as Restricted Securities for the Escrow Period on the terms and conditions set out in this deed.
- D The Escrowed Parties agree to escrow all of the Restricted Securities for the Escrow Period pursuant to the terms of this deed on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

Admission Date means the date of admission of the Company to the official list of ASX or any other recognised stock exchange approved by the Board.

ASX means ASX Limited.

Board means the board of directors of the Company from time to time.

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

Deed Poll means the 'Share sale deed poll relating to shares in Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925' executed by the Company in favour of all holders of equity securities in Dick Smith Sub.

Deal means:

- (a) dispose of, or agree or offer to dispose of;
- (b) create, or agree or offer to create, any Security Interest in; or
- (c) do, or omit to do, or agree to do, or agree to omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of, or an economic interest in,

any Restricted Security.

Dick Smith Sub means Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925).

Escrow Period means the period from the Admission Date to and including the Release Date.

Group means the Company and any of its Subsidiaries from time to time and **Group Company** means any one of them.

Holding Lock has the meaning given to that term in the ASX Settlement Rules.

Issuer Sponsored Subregister has the meaning given to that term in the ASX Settlement Rules.

Notice means a notice which is:

- (a) legible and in English;
- (b) addressed to the party to whom that notice is being given;
- (c) marked to the attention of the individual who is specified in the address of that party; and
- (d) delivered to that party by being left at, or sent by security post to, the postal address, or transmitted by facsimile number, which is specified in the address of that party.

Offer means the initial public offering of Shares pursuant to the Prospectus.

Ordinary Shares means, in respect of an Escrowed Party, the ordinary shares in Dick Smith Sub owned by that Escrowed Party at the date of the Deed Poll.

Prospectus means the prospectus to be issued by the Company dated on or about 14 November 2013 and lodged with ASIC on that date.

Release Date means the date on which the Company announces its annual results for the year ending 30 June 2014 to the market.

Restricted Securities means, in respect of an Escrowed Party, the Shares to be issued to that Escrowed Party under the Deed Poll in consideration for that Escrowed Party's Ordinary Shares only.

Share means a fully paid ordinary share in the Company.

Subsidiary mean a subsidiary of the Company from time to time (if any) as that term is defined in the *Corporations Act 2001* (Cth).

1.2 Interpretation

In this deed including the recitals, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney time;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) for so long as the Company is listed on the official list of ASX, words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules (as applicable).

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Compliance with Listing Rules

For so long as the Company is listed on the official list of ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not done, authority is given for that act to be done or not done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow restrictions

2.1 Restrictions during the Escrow Period

Subject to clause 2.3, each Escrowed Party must not Deal with its Restricted Securities during the Escrow Period.

2.2 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue of the Restricted Securities to each Escrowed Party, the Restricted Securities will be registered and held for the relevant Escrowed Party on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Securities as soon as practicable after registration of the Restricted Securities on the Issuer Sponsored Subregister and each Escrowed Party hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary or desirable to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit disposals of Restricted Securities permitted by this deed; and
 - (ii) in full at 4.00pm on the Release Date.

2.3 Exceptions

During the Escrow Period, an Escrowed Party may Deal in any of its Restricted Securities if the Dealing constitutes:

- (a) acceptance of a bona fide takeover bid for all the Shares provided all of the conditions in Listing Rule 9.18 applicable to a takeover are met and the Restricted Securities continue to be held on the terms of this deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (b) the transfer or cancellation of Shares as part of a scheme of arrangement relating to the Company under section 411 of the Corporations Act provided all of the conditions in Listing Rule 9.18 applicable to a scheme of arrangement are met and the Restricted

Securities continue to be held on the terms of this deed if the relevant scheme does not take effect; or

- (c) a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.4 Notice

If an Escrowed Party becomes aware:

- (a) that a Dealing in any of its Restricted Securities has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any of its Restricted Securities during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

3. Release of annual report

The Company agrees to use its reasonable endeavours to ensure that ASX is given the Company's annual results for the year ending 30 June 2014 for release to the market by no later than is required under the Corporations Act and Listing Rules.

4. Warranties and acknowledgment

4.1 Giving of warranties

Each of the warranties and representations in clause 4 are given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until and including the Release Date.

The warranties and representations given in this clause 4 are given in respect of any and all Restricted Securities which an Escrowed Party holds from time to time during the Escrow Period.

4.2 Representations and warranties

Each Escrowed Party severally warrants and represents the following:

- (a) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it breaching clause 2 of this deed if it were an act or omission which would take effect during the Escrow Period;
- (b) following completion of the Offer, each Escrowed Party holds the Shares specified in Column 1 of the Schedule to the Deed Poll and those Shares will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests that the Escrowed Party directly or indirectly has in the Company;
- (c) the Restricted Securities of each Escrowed Party are free from all Security Interests and other third party interests or rights (other than under the Company's constitution);
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (d) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (e) each of Anchorage Capital Partners Pty Limited as trustee for Anchorage Capital Partners Trust A and Australian Executor Trustees Limited as trustee for Anchorage Capital

Partners Trust B, each as trustee (together the **Trustees**), has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed and under the trust deeds for Anchorage Capital Partners Trust A and Anchorage Capital Partners Trust B respectively (together the **Trusts**);

- (f) each Trustee is the trustee of the relevant Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust;
- (g) each Trustee has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and neither Trustee has released or disposed of its equitable lien over that Trust;
- (h) no Trust has been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle either Trust;
- (i) the execution, delivery and performance by each Escrowed Party of this deed does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or trust deed of the relevant Trust; or
 - (iii) any agreement, undertaking, Security Interest or document which is binding on an Escrowed Party.

4.3 Survival of warranties and representations

The warranties and representations in this clause 4 survive the termination of this deed.

5. Consequences of breaching this deed

- (a) If an Escrowed Party breaches this deed (including a breach of clause 4.2), each of the following applies:
 - (i) the Company may take the steps necessary to enforce this deed, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (ii) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of any of the Restricted Securities (this is in addition to other rights and remedies of the Company); and
 - (iii) that Escrowed Party will cease to be entitled to any dividends, distribution or voting rights attaching to its Restricted Securities while the breach continues.
- (b) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each Escrowed Party agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce that Escrowed Party's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

6. Amendment and waiver

This deed may not be amended or waived without the prior written consent of all parties.

7. Capacity

Each Trustee enters into this deed only in its capacity as trustee of the relevant Trust and:

- (a) subject to clause 7(e), a liability arising under or in connection with this deed is limited to and can be enforced against a Trustee only to the extent to which it can be satisfied out of assets of the relevant trust out of which the Trustee is actually indemnified for the liability. Subject to clause 7(e), this limitation of the Trustee's liability applies despite any other provision of this deed or any other document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed;
- (b) subject to clause 7(e), the Company may not sue a Trustee in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver (except in relation to property of the relevant Trust), a liquidator, an administrator or any similar person to that Trustee or prove in the liquidation, administration or arrangement of or affecting that Trustee (except in relation to property of the relevant Trust);
- (c) subject to clause 7(e), no attorney, agent, receiver or receiver and manager appointed in accordance with this deed has authority to act on behalf of a Trustee in a way which exposes that Trustee to any personal liability; and
- (d) subject to clause 7(e), a Trustee is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in clauses 7(a) to 7(c);
- (e) clauses 7(a) to (d) inclusive will not apply to any obligation or liability of a Trustee to the extent that it is not satisfied because under the relevant Trust's constituent documents or by operation of law there is a reduction in the extent of the Trustee's indemnification, or extinguishment of the Trustee's right to indemnification, out of the assets of the relevant Trust, as a result of the Trustee's fraud, negligence, breach of trust or wilful misconduct.

8. General

8.1 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

8.2 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (f) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (g) that other party gives Notice within the next Business Day to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (h) that Notice is delivered or transmitted by facsimile other than during Business Hours, in which case that notice is regarded as given by that party at the beginning of the next Business Hour.

8.3 Time of essence

Time is of the essence to this deed.

8.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument.

8.5 Governing law and jurisdiction

This deed is governed by the laws of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

Signing page

EXECUTED as a deed.

Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

**Executed by Anchorage Capital Partners
Pty Limited ACN 127 136 341 as trustee for
Anchorage Capital Partners Trust A**

Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

**Executed by Australian Executor
Trustees Limited ACN 007 869 794 as
trustee for Anchorage Capital Partners
Trust B**

Signature of Authorised Representative

Name of Authorised Representative

← _____ ←
Signature of Authorised Representative

Name of Authorised Representative

Annexure B – LMA Escrow Deed

The remainder of this page is left blank intentionally.

Execution version

Escrow deed – LMA ordinary shares

Project Yellow

Dick Smith Holdings Limited (**Company**)

LMA Investments Pty Limited as trustee of the NL Abboud
Trust (**Escrowed Party**)

Nick Abboud

Lisa Abboud

(Each a **Controller** and together the **Controllers**)

MinterEllison

L A W Y E E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
www.minterellison.com

Escrow deed – LMA ordinary shares

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Details

Date

Parties

Name **Dick Smith Holdings Limited** ACN 166 237 841
Short form name **Company**
Notice Details 2 Davidson St, Chullora NSW 2190

Name **LMA Investments Pty Limited** ACN 161 250 719 as trustee of the **NL Abboud Trust**
Short form name **Escrowed Party**
Notice Details 239 Beach Road, Black Rock VIC 3193
Attention: Nick Abboud

Name **Nick Abboud**
Notice Details 239 Beach Road, Black Rock VIC 3193

Name **Lisa Abboud**
Notice Details 239 Beach Road, Black Rock VIC 3193

(Each a **Controller** and together the **Controllers**)

Background

- A The Company intends to list on ASX and conduct the Offer.
- B The Company has entered into a Deed Poll in favour of the holders of equity securities in Dick Smith Sub, which provides, among other things, that the Company offers to purchase all of the Ordinary Shares held by the Escrowed Party in consideration for cash or the issue of Shares in the Company.
- C The Shares that are issued to the Escrowed Party pursuant to the Deed Poll in consideration for the sale of its Ordinary Shares will be held by the Escrowed Party as Restricted Securities for the Escrow Period on the terms and conditions set out in this deed.
- D The Escrowed Party is controlled by the Controllers.
- E The Escrowed Party agrees to escrow all of the Restricted Securities for the Escrow Period pursuant to, and the Controllers agree to be bound by, the terms of this deed on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

Admission Date means the date of admission of the Company to the official list of ASX or any other recognised stock exchange approved by the Board.

ASX means ASX Limited.

Board means the board of directors of the Company from time to time.

Controller Interests means the securities, substantial economic interest or other interests in the Restricted Securities of the Controllers.

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

Deed Poll means the '*Share sale deed poll relating to shares in Dick Smith Sub-Holdings Pty Ltd ACN 160 162 925*' executed by the Company in favour of all holders of equity securities in Dick Smith Sub.

Deal means:

- (a) dispose of, or agree or offer to dispose of;
- (b) create, or agree or offer to create, any Security Interest in; or
- (c) do, or omit to do, or agree to do, or agree to omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of, or an economic interest in,

any Restricted Security or Controller Interest.

Dick Smith Sub means Dick Smith Sub-Holdings Pty Ltd (ACN 160 162 925).

Escrow Period means the period from the Admission Date to and including the Release Date.

Group means the Company and any of its Subsidiaries from time to time and **Group Company** means any one of them.

Holding Lock has the meaning given to that term in the ASX Settlement Rules.

Immediate Family Member means a spouse or child over 18 years old of a Controller.

Issuer Sponsored Subregister has the meaning given to that term in the ASX Settlement Rules.

Notice means a notice which is:

- (a) legible and in English;
- (b) addressed to the party to whom that notice is being given;
- (c) marked to the attention of the individual who is specified in the address of that party; and
- (d) delivered to that party by being left at, or sent by security post to, the postal address, or transmitted by facsimile number, which is specified in the address of that party.

Offer means the initial public offering of Shares pursuant to the Prospectus.

Ordinary Shares means the ordinary shares in Dick Smith Sub owned by the Escrowed Party at the date of the Deed Poll.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Prospectus means the prospectus to be issued by the Company dated on or about 14 November 2013 and lodged with ASIC on that date.

Release Date means the date on which the Company announces its annual results for the year ending 30 June 2014 to the market.

Restricted Securities means the Shares to be issued to the Escrowed Party under the Deed Poll in consideration for the Escrowed Party's Ordinary Shares only.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any security including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any security under a bill of sale, mortgage, charge, lien, pledge, trust or power;
- (c) an interest of the kind referred to in section 12 of the PPSA; or
- (d) or any agreement to grant or create any such interest or power.

Share means a fully paid ordinary share in the Company.

Subsidiary mean a subsidiary of the Company from time to time (if any) as that term is defined in the *Corporations Act 2001* (Cth).

Transferee has the meaning given in clause 2.4(c).

1.2 Interpretation

In this deed including the recitals, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney time;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) for so long as the Company is listed on the official list of ASX, words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules (as applicable).

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Compliance with Listing Rules

For so long as the Company is listed on the official list of ASX:

- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not done, authority is given for that act to be done or not done (as the case may be);
- (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow restrictions

2.1 Restrictions during the Escrow Period

Subject to clause 2.4, the Escrowed Party must not Deal with its Restricted Securities during the Escrow Period.

2.2 Controller Interests

Subject to clause 2.5 below, during the Escrow Period, the Controllers must not Deal with the Controller Interests.

2.3 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue of the Restricted Securities to the Escrowed Party, the Restricted Securities will be registered and held for the Escrowed Party on the Issuer Sponsored Subregister;

- (b) the Company will apply a Holding Lock to the Restricted Securities as soon as practicable after registration of the Restricted Securities on the Issuer Sponsored Subregister and the Escrowed Party and Controllers hereby agree to the application of the Holding Lock; and
- (c) the Company will do all things necessary or desirable to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit disposals of Restricted Securities permitted by this deed; and
 - (ii) in full at 4.00pm on the Release Date.

2.4 Exceptions - Escrowed Party

During the Escrow Period, the Escrowed Party may Deal in any of its Restricted Securities if the Dealing constitutes:

- (a) acceptance of a bona fide takeover bid for all the Shares provided all of the conditions in Listing Rule 9.18 applicable to a takeover are met and the Restricted Securities continue to be held on the terms of this deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (b) the transfer or cancellation of Shares as part of a scheme of arrangement relating to the Company under section 411 of the Corporations Act provided all of the conditions in Listing Rule 9.18 applicable to a scheme of arrangement are met and the Restricted Securities continue to be held on the terms of this deed if the relevant scheme does not take effect;
- (c) a disposal of, but not the creation of a Security Interest in, some or all of the Restricted Securities to a beneficiary, provided that such person is an Immediate Family Member (each a **Transferee**), under the trust for which it is a trustee, where the Transferee also enters into an escrow arrangement with the Company in respect of those securities on substantially the same terms as this deed for the remainder of the Escrow Period; or
- (d) a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.5 Exception - Controllers

During the Escrow Period, the Controllers may deal in any of their Restricted Securities if the dealing constitutes a Dealing that is required by applicable law (including an order of a court of competent jurisdiction).

2.6 Notice

If the Escrowed Party or Controller becomes aware:

- (a) that a Dealing in any of its Restricted Securities or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any of its Restricted Securities or Controller Interests during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

3. Release of annual report

The Company agrees to use its reasonable endeavours to ensure that ASX is given the Company's annual results for the year ending 30 June 2014 for release to the market by no later than is required under the Corporations Act and Listing Rules.

4. Warranties and acknowledgment

4.1 Giving of warranties

Each of the warranties and representations in clause 4 are given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until and including the Release Date.

The warranties and representations given in this clause 4 are given in respect of any and all Restricted Securities which the Escrowed Party holds and in respect of which the Controller has Controller Interests in from time to time during the Escrow Period.

4.2 Representations and warranties

The Escrowed Party and the Controllers jointly and severally warrants and represents the following:

- (a) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it breaching clause 2 of this deed if it were an act or omission which would take effect during the Escrow Period;
- (b) Either:
 - (i) the Escrowed Party has the controllers (as defined in the ASX Listing Rules) set out in the 'Details' section; or
 - (ii) any such controller not set out in the 'Details' section, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the ASX Listing Rules;
- (c) following completion of the Offer, the Escrowed Party holds the Shares issued to them pursuant to the Deed Poll and the Controllers hold the Controller Interests and:
 - (i) in the case of the Escrowed Party, those Shares will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests that the Escrowed Party directly or indirectly has in the Company; and
 - (ii) in the case of the Controllers, those Controller Interests will, as at the time of completion of the Offer, be all the securities, substantial economic interests or other interests in the Escrowed Party or the Restricted Securities in which the Controllers have a direct or indirect interest;
- (d) the Restricted Securities of the Escrowed Party and the Controller Interests of the Controllers are free from all Security Interests and other third party interests or rights (other than under the Company's constitution);
- (e) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (f) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (g) LMA Investments Pty Limited, as trustee (**Trustee**), has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed and under the trust deed for the NL Abboud Trust (**Trust**);
- (h) the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust;
- (i) the Trustee has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been

modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Trustee has not released or disposed of its equitable lien over that Trust;

- (j) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust;
- (k) the execution, delivery and performance by the Escrowed Party of this deed does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or trust deed of the Trust; or
 - (iii) any agreement, undertaking, Security Interest or document which is binding on the Escrowed Party.

4.3 Survival of warranties and representations

The warranties and representations in this clause 4 survive the termination of this deed.

5. Consequences of breaching this deed

- (a) If the Escrowed Party breaches this deed (including a breach of clause 4.2), each of the following applies:
 - (i) the Company may take the steps necessary to enforce this deed, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (ii) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of any of the Restricted Securities (this is in addition to other rights and remedies of the Company); and
 - (iii) the Escrowed Party will cease to be entitled to any dividends, distribution or voting rights attaching to its Restricted Securities while the breach continues.
- (b) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and the Escrowed Party agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Escrowed Party's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

6. Amendment and waiver

This deed may not be amended or waived without the prior written consent of all parties.

7. Capacity

The Trustee has entered into this deed as trustee of the Trust:

- (a) notwithstanding any other provision of this deed including any provision expressed to prevail over this clause 7 but subject to clause 7(c), the Trustee enters into this deed only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with this deed can be enforced against the Trustee only to the extent that it can be satisfied out of the property of the Trust for which the Trustee is actually indemnified for the liability. The Trustee will exercise its rights of indemnification in order to satisfy its obligations under this deed;

- (b) subject to paragraph 7(c) a party to this deed may not sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment to the Trustee of a receiver (except in relation to property of the Trust), liquidator, administrator or any similar person; and
- (c) the provisions of this clause 7(c) will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction to the extent, or elimination of, the Trustee's right of indemnification out of the assets of the Trust, or the right does not exist at all, as a result of the Trustee's fraud, negligence, improper performance of duties or breach of trust.

8. General

8.1 Further assurances

Each party must do all things and execute all further documents required to give full effect to this deed.

8.2 Notices

A Notice is regarded as given by a party to another party, at the time of delivery of that Notice to the address, or transmission of that Notice by facsimile to the facsimile number, which is specified in the address of that other party, unless in the case of a transmission by facsimile:

- (a) the machine from which that Notice is transmitted indicates a malfunction in that transmission;
- (b) that other party gives Notice within the next Business Day to the first-mentioned party of an incomplete transmission to that other party of the Notice of the first-mentioned party; or
- (c) that Notice is delivered or transmitted by facsimile other than during Business Hours, in which case that notice is regarded as given by that party at the beginning of the next Business Hour.

8.3 Time of essence

Time is of the essence to this deed.

8.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument.

8.5 Governing law and jurisdiction

This deed is governed by the laws of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

Signing page

EXECUTED as a deed.

Executed by Dick Smith Holdings Limited
in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

**Executed by LMA Investments Pty
Limited as trustee of the NL Abboud
Trust** in accordance with Section 127 of the
Corporations Act 2001

Signature of director

Name of director (print)

← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

**Signed sealed and delivered by Nick
Abboud** in the presence of

Signature of witness

Name of witness (print)

← _____ ←
Nick Abboud

**Signed sealed and delivered by Lisa
Abboud** in the presence of

Signature of witness

Name of witness (print)

← _____ ←
Lisa Abboud