

Via ASX Online

ASX ANNOUNCEMENT – 19 March 2014

ASX Market Announcements Office
ASX Limited

ASX Code: EAS

Hayes Knight NSW Transaction Completed

The Directors of Easton Investments Limited (**Easton or the Company**) are pleased to advise that the Hayes Knight NSW Transaction, announced to the ASX on 28 November 2013, approved by Easton Shareholders on 30 January 2014, and amended as detailed in the Appendix 4D and Interim Report dated 21 February 2014, has been completed.

The effective date of this transaction is 1 February 2014 and, as previously disclosed, involves the issue of 8,194,444 ordinary, fully paid shares in Easton (Appendix 3B – New Issue Announcement is attached).

Pursuant to this transaction, Mr Greg Hayes has today been appointed a Director of Easton and will take on the role of joint Managing Director of Easton in conjunction with Mr Kevin White with immediate effect. The details of Mr Hayes' remuneration arrangements are set out in Annexure A hereto and his Initial Director's Interest Notice (Appendix 3X) is also attached.

Mr Hayes is well known in the accounting profession. In addition to his role of CEO of Hayes Knight NSW, he is also Chairman of the Hayes Knight group, a specialist business valuer, author of CCH's *A Practical Guide to Business Valuations for SMEs*, and a recognised practice management specialist.

Mr Hayes said "This transaction allows us to be a part of the growth and development of what we expect to be a significant player in the accounting profession and professional services sector. As a major shareholder in and joint Managing Director of Easton, I will be active in its growth and development."

Mr White stated, "The Hayes Knight NSW transaction is an important strategic move by Easton. It is our first step toward delivering on our strategy of creating a significant distribution capability in the Australian accounting and financial services sector".

"The Hayes Knight NSW businesses represent an exceptional platform for future strong growth."

Easton's strategic intent is to selectively build a national network of compatible accounting firms in accordance with Easton's differentiated business model of partial ownership.

Mark Licciardo
Company Secretary



Annexure A

DETAILS OF REMUNERATION ARRANGEMENTS FOR MR GREG HAYES

Mr Hayes will continue to be employed by Hayes Knight (NSW) Pty Ltd (**HKNSW**) and will continue to provide professional services to the operating businesses acquired in full by Easton, namely Knowledge Shop, Merit Wealth and Hayes Knight Referral Services (together **the Easton Entities**) under a service agreement between these entities and HKNSW (**Service Agreement**).

The Service Agreement covers the provision of a range of on-going services, including administration, sales, professional, technical and IT support.

The intention is that Mr Hayes will spend up to 65% of his working time on affairs relating to the Easton Entities, with the balance devoted to HKNSW.

Under Mr Hayes' employment agreement with HKNSW, he will receive an annual salary (including superannuation) of \$250,000.

Part of this cost will be re-charged to the Easton Entities pursuant to the Service Agreement which specifically includes a fixed monthly management fee of \$8,000 plus a variable component based on activity in relation to services provided to the Easton Entities by Mr Hayes.

Other key terms of Mr Hayes' employment contract with HKNSW include standard provisions relating to confidentiality, non-competition restraints and termination.

In terms of the Service Agreement, fees and charges have been determined on a basis consistent with and substantially the same as the fees and charges applying immediately prior to the acquisition of the Easton Entities so as to maintain underlying profitability.

Other key terms of the Service Agreement include standard provisions relating to confidentiality, non-competition and termination, together with:

- term of 5 years, subject to early termination
- scope of services
- service level standards.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Easton Investments Limited

ABN

48 111 695 357

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 8,194,444 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid |

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>90 cents per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares issued as consideration for the Acquisition Businesses, as described below, as part of the Transaction as defined in the Explanatory Statement of the Notice of Extraordinary General Meeting dated 23 December 2013 and amended as detailed in the Appendix 4D and Interim Report dated 21 February 2014.</p> <p>Acquisition Businesses:</p> <ul style="list-style-type: none"> • 30% of the issued shares in: <ul style="list-style-type: none"> ○ Hayes Knight (NSW) Pty Ltd; and ○ Hayes Knight Services (NSW) Pty Ltd; • 100% of the issued shares in: <ul style="list-style-type: none"> ○ Knowledge Shop Professional Consulting Pty Ltd; ○ HK Financial Services Pty Ltd which includes its wholly-owned subsidiaries Merit Wealth Pty Ltd and Merit Planning Pty Ltd; and ○ Hayes Knight Referral Services Pty Ltd

+ See chapter 19 for defined terms.

6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?	No
	If Yes, complete sections 6b . 6h <i>in relation to the *securities the subject of this Appendix 3B</i> , and comply with section 6i	
6b	The date the security holder resolution under rule 7.1A was passed	Not Applicable
6c	Number of *securities issued without security holder approval under rule 7.1	Not Applicable
6d	Number of *securities issued with security holder approval under rule 7.1A	Not Applicable
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	8,194,444 . approved by Shareholders at the Extraordinary General Meeting of the Company held 30 January 2014.
6f	Number of *securities issued under an exception in rule 7.2	Not Applicable
6g	If *securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the *issue date and both values. Include the source of the VWAP calculation.	Not Applicable
6h	If *securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A . complete Annexure 1 and release to ASX Market Announcements	Not Applicable

Appendix 3B
New issue announcement

7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Tuesday 11 March 2014</p>					
8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">27,400,329</td> <td>Ordinary Shares (reflecting the 1 to 5 share consolidation as announced on 10 December 2013.)</td> </tr> </tbody> </table>	Number	+Class	27,400,329	Ordinary Shares (reflecting the 1 to 5 share consolidation as announced on 10 December 2013.)	
Number	+Class						
27,400,329	Ordinary Shares (reflecting the 1 to 5 share consolidation as announced on 10 December 2013.)						
9	<p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,040,000</td> <td>Performance rights granted under the Easton Investments Employee Share Ownership Plan 2011</td> </tr> </tbody> </table>	Number	+Class	1,040,000	Performance rights granted under the Easton Investments Employee Share Ownership Plan 2011	
Number	+Class						
1,040,000	Performance rights granted under the Easton Investments Employee Share Ownership Plan 2011						
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>No change</p>					

Part 2 - Pro rata issue

11	<p>Is security holder approval required?</p>	<p>Not Applicable</p>
12	<p>Is the issue renounceable or non-renounceable?</p>	<p>Not Applicable</p>
13	<p>Ratio in which the +securities will be offered</p>	<p>Not Applicable</p>
14	<p>+Class of +securities to which the offer relates</p>	<p>Not Applicable</p>
15	<p>+Record date to determine entitlements</p>	<p>Not Applicable</p>
16	<p>Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</p>	<p>Not Applicable</p>
17	<p>Policy for deciding entitlements in relation to fractions</p>	<p>Not Applicable</p>

+ See chapter 19 for defined terms.

- 18 Names of countries in which the entity has security holders who will not be sent new offer documents
Not Applicable
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
Not Applicable
- 20 Names of any underwriters
Not Applicable
- 21 Amount of any underwriting fee or commission
Not Applicable
- 22 Names of any brokers to the issue
Not Applicable
- 23 Fee or commission payable to the broker to the issue
Not Applicable
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
Not Applicable
- 25 If the issue is contingent on security holders approval, the date of the meeting
Not Applicable
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
Not Applicable
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
Not Applicable
- 28 Date rights trading will begin (if applicable)
Not Applicable
- 29 Date rights trading will end (if applicable)
Not Applicable
- 30 How do security holders sell their entitlements *in full* through a broker?
Not Applicable

Appendix 3B
New issue announcement

- | | | |
|----|---|----------------|
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not Applicable |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | Not Applicable |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A					
39	+Class of +securities for which quotation is sought	N/A					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="803 1354 1079 1386">Number</th> <th data-bbox="1079 1354 1351 1386">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 1386 1079 1591">N/A</td> <td data-bbox="1079 1386 1351 1591">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A	
Number	+Class						
N/A	N/A						

Appendix 3B
New issue announcement

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Director/Company secretary)

Date: 19/03/14

Print name: Mark Licciardo

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	N/A
<p>Add the following:</p> <ul style="list-style-type: none"> ~ Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 ~ Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval ~ Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply %A+ by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> “ Under an exception in rule 7.2 “ Under rule 7.1A “ With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
%A+x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract %C+ <i>Note: number must be same as shown in Step 3</i>	
Total [%A+x 0.15] . %C+	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
$\%A+x 0.10$ <i>Note: number must be same as shown in Step 2</i>	
Subtract $\%E+$ <i>Note: number must be same as shown in Step 3</i>	
Total $[\%A+x 0.10] . \%E+$	<i>Nil</i> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity: Easton Investments Limited
ABN: 48 111 695 357

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mr John Greg Hayes
Date of appointment	19 March 2014

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities 996,904 Ordinary Shares 967,584 ORD ESCROW 01/02/15 967,584 ORD ESCROW 01/02/16
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+ See chapter 19 for defined terms.

Appendix 3X
Initial Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
<p>Note: Provide details of the circumstances giving rise to the relevant interest.</p>	
<p>Hayes Knight Limited – of which Mr Hayes is the sole shareholder</p>	<p>831,111 Ordinary Shares 806,667 ORD ESCROW 01/02/15 806,666 ORD ESCROW 01/02/16</p>

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Not Applicable
Nature of interest	Not Applicable
Name of registered holder (if issued securities)	Not Applicable
No. and class of securities to which interest relates	Not Applicable

+ See chapter 19 for defined terms.