



31 October 2022

TAKEOVER UPDATE

Nitro Software Limited (ASX:NTO) ('Nitro' or the 'Company') provides the following update on change-of-control proposals received by the Company.

Potentia Takeover Bid

Nitro notes the unsolicited announcement on Friday, 28 October 2022 made by Technology Growth Capital, LLC – a special purpose vehicle managed by Potentia Capital Management Pty Ltd (**Potentia**) – of its intention to make an off-market takeover offer to acquire all the fully paid ordinary shares in Nitro on issue it does not already own at A\$1.80 cash per share (**Potentia Takeover Bid**). Potentia lodged a copy of its Bidder's Statement with the Australian Securities and Investments Commission and a copy has now been delivered to Nitro.

Following careful consideration, including advice from its external advisers, the Nitro Board has concluded the Potentia Takeover Bid undervalues Nitro and unanimously rejects the Potentia Takeover Bid as not being in the best interests of shareholders.

Potentia has indicated that offers under the Potentia Takeover Bid are expected to be open for acceptance by Nitro shareholders in approximately two weeks. Nitro will consider Potentia's Bidder's Statement and prepare a formal response to the Potentia Takeover Bid in the form of a Target's Statement in accordance with its legal requirements.

Alludo Proposal

Cascade Parent Limited trading as Alludo has made a proposal through one of its subsidiaries to acquire 100% of Nitro by way of Scheme of Arrangement (**Scheme**) at A\$2.00 cash per share. Alludo has also indicated it is willing to proceed with an off-market takeover bid with a 50.1% minimum acceptance condition, offering A\$2.00 cash per share (**Alternative Transaction**) (together with the Scheme, the **Alludo Proposal**).

North American-headquartered Alludo is a provider of virtualisation, productivity and professional-calibre graphic solutions for digital remote workforces. Alludo enables individuals and teams to ideate, create and share on any device, anywhere. Alludo's portfolio of software solutions, which includes Parallels, CorelDRAW, MindManager and WinZip, complements Nitro's offerings.

Under the Alludo Proposal, the Scheme and the Alternative Transaction would proceed simultaneously if the Alternative Transaction is required to facilitate a change-of-control, with the Alternative Transaction being subject to Alludo acquiring 50.1% of Nitro's shares and the Scheme being unsuccessful.

The Alludo Proposal represents a premium of:

- 11% to the Potentia Takeover Bid;
- 77% to the undisturbed Nitro share price of A\$1.13 per share¹; and
- 69% to Nitro's 1-month VWAP to 29 August 2022 of A\$1.18 per share.

Alludo has conducted a significant amount of financial and other valuation-critical due diligence, and remaining due diligence is expected to be confirmatory in nature. In order to explore whether a definitive transaction can be agreed, Nitro and Alludo have entered into a Process Deed, pursuant to which Nitro has granted Alludo a 21-day period of exclusivity for the purposes of confirmatory due diligence and negotiation of definitive agreements (**Exclusivity Period**). The Exclusivity Period remains subject to customary fiduciary carve-outs. The Process Deed is attached to this announcement.

The Alludo Proposal is non-binding and is subject to the following key conditions:

- Satisfactory completion of confirmatory due diligence on Nitro and its business;
- The unanimous recommendation of Nitro's Board of Directors;
- Relevant internal approvals;
- Entering into an Implementation Deed (and related agreements); and
- Customary regulatory approvals.

¹ The closing share price on 29 August 2022, being the day prior to disclosure of the initial Potentia Consortium proposal of A\$1.58 per share.

Subject to Nitro and Alludo agreeing an Implementation Deed on terms acceptable to Nitro, it is the Nitro Board's intention to unanimously recommend that shareholders vote in favour of the Scheme and accept the Alternative Transaction if the consideration per Nitro share is at least A\$2.00, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme and the Alternative Transaction is in the best interests of Nitro's shareholders or fair and reasonable, as applicable.

There is no certainty that the Alludo Proposal will result in a binding transaction being put forward to shareholders for their consideration. The announcement does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act. Any takeover offer as part of the Alludo Proposal will only be made when, and if, an Implementation Deed is entered into which commits Alludo to make a takeover offer.

Alludo has indicated that funding for the Alludo Proposal will be obtained primarily from equity sources and will be fully committed at the time of signing an Implementation Deed.

Nitro shareholders should take no action at this time. The Company will continue to keep shareholders and the market informed of developments.

Nitro has appointed UBS Securities Australia Limited and Allens as financial and legal advisers, respectively, and Cadence Advisory as independent adviser to the Board.

Ends

Authorised for release to the ASX by the Board.

ENQUIRIES

Investors

Nitro

Investor Relations

+1 650 507 4777

InvestorRelations@gonitro.com

Media

Cato & Clive

Clive Mathieson

+61 411 888 425

clive@catoandclive.com

Registered Office

Level 7, 330 Collins Street

Melbourne

Victoria 3000

Australia

Corporate Office

150 Spear Street, Suite 1850

San Francisco

California 94105

United States of America

ABOUT NITRO

Nitro is a global SaaS leader in PDF software, document management and electronic signatures. Nitro's Productivity Platform includes powerful PDF tools, digital workflows, highly secure eSigning and identity verification capabilities. Its industry-leading business intelligence and analytics product measures ROI and quantifies sustainability efforts, all supported by a best-in-class customer success and change management support team. With more than 3 million licensed users and 13,000+ business customers across 157 countries, Nitro serves 68% of the Fortune 500.

For more information on Nitro, please visit:

- Nitro: <https://www.gonitro.com>
- Connective: <https://connective.eu>
- PDFpen: <https://pdfpen.com/pdfpenpro/>
- Investors: <https://ir.gonitro.com/Investor-Centre/>

Nitro Software Limited
and
Corel Corporation, an Alludo company

Process Deed

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

© Allens Australia 2022

Contents

1	Definitions and Interpretation	
1.1	Definitions	1
1.2	Interpretation	3
1.3	Consents and approvals	4
2	Confidentiality Deed	4
3	Due diligence	4
3.1	Confirmatory due diligence	4
4	Negotiation of Potential Transaction	5
4.1	Negotiation of Potential Transactions	5
4.2	Fundamental obligations	5
4.3	Intention to recommend	5
5	Exclusivity	5
5.1	No current discussions regarding a Competing Proposal	5
5.2	No shop	5
5.3	No talk	6
5.4	No due diligence	6
5.5	Limitation to no-talk and no-due diligence	6
5.6	Notification by the Company of a Competing Proposal	6
5.7	Matching right	7
5.8	Exclusivity exceptions	8
5.9	Company legal advice	8
6	Term and Termination	8
7	General	8
7.1	Valuable consideration	8
7.2	Amendment	9
7.3	Assignment	9
7.4	Notices	9
7.5	Public announcements	10
7.6	Entire Agreement	10
7.7	Further assurances	10
7.8	Governing law and jurisdiction	11
7.9	Severability of provisions	11
7.10	No waiver	11
7.11	No merger	11
7.12	Costs and duty	11
7.13	Execution and counterparts	11

This Deed is made on

30 October 2022

Parties

- 1 **Nitro Software Limited** ACN 079 215 419 of Level 7, 330 Collins Street, Melbourne VIC 3000 (the **Company**); and
- 2 **Corel Corporation** Registration No. BC1214880 of Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 (the **Bidder**).

Recitals

A Each party has agreed to progress the Potential Transaction on the terms of this Deed.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply (including in the Recitals) unless the context requires otherwise.

Affiliate means:

- (a) in respect of an individual, a spouse, parent, child or sibling of that individual, or any body corporate, trust or entity which is directly or indirectly controlled by that individual or any spouse, parent, child or sibling of that individual; and
- (b) in respect of a body corporate, trust or other entity, another body corporate, trust or other entity that directly or indirectly controls, or is directly or indirectly controlled by, or is directly or indirectly under common control with, the first-mentioned body corporate, trust or other entity (as applicable).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691), or the financial market known as the Australian Securities Exchange that it operates, as the context requires.

Bidder Counter Proposal has the meaning given in clause 5.7(a)(iv).

Board means the board of the Company.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

Company Group means the Company and its Related Entities.

Competing Proposal means a transaction or arrangement, or any proposal, offer or expression of interest in relation to a transaction or arrangement:

- (a) pursuant to which a Third Party will, if the transaction or arrangement is entered into or completed:
 - (i) acquire (whether directly or indirectly) or become the holder of a legal, beneficial and/or economic interest in, all or a substantial part of the business or assets of the Company Group taken as a whole;

- (ii) acquire a relevant interest in, or otherwise acquire or have a right to acquire a legal, beneficial and/or economic interest in, 20% or more of the shares or other securities of the Company or any other member of the Company Group; or
 - (iii) acquire control of the Company or any other member of the Company Group within the meaning of section 50AA of the Corporations Act or otherwise acquire or merge with any member of the Company Group; or
- (b) which would cause the Company or the Bidder not to proceed with the Potential Transaction or as a result of which the Potential Transaction otherwise would not proceed,

whether by way of takeover bid, scheme of arrangement, shareholder approved transaction, capital reduction or buy-back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.

Confidentiality Deed means the Confidentiality Deed between the Company and the Bidder.

Controlled Entity means, in relation to an entity, another entity that is a subsidiary of it, or that is controlled by it, in each case within the meaning of Part 1.2, Division 6 of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Exclusivity Period means the period commencing on 31 October 2022 and ending at 5.00pm (Sydney time) on the date that falls 21 calendar days thereafter.

Government Agency means any Australian or foreign government or governmental, semi-governmental or judicial entity or authority. It also includes any government minister (and their delegate), any self-regulatory organisation established under statute or any securities exchange and, for the avoidance of doubt, includes ASIC, ASX, the Australian Competition and Consumer Commission, the Foreign Investment Review Board and equivalent bodies in jurisdictions outside Australia.

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

Implementation Deed means the implementation deed (and related agreements) to be entered into by the Bidder or any of its Related Entities (including via one or more special purpose vehicles established by the Bidder or any of its Related Entities) and the Company in relation to the implementation of the Potential Transaction.

KKR means Kohlberg Kravis Roberts & Co. L.P..

Matching Date means the date that is 5 Business Days after the date of the provision of the information referred to in clause 5.6(b).

Potential Transaction means a potential transaction whereby the Bidder or any of its Related Entities (including via one or more special purpose vehicles established by the Bidder or any of its Related Entities) would acquire from 50.1% to 100% of the fully diluted share capital in the Company as follows:

- (a) under a Board recommended scheme of arrangement and a simultaneous takeover bid;
- (b) at an offer price of not less than \$2.00 per share;
- (c) on the basis that the fully diluted share capital of Nitro is 253,910,944 shares; and
- (d) on terms and conditions that are customary for a transaction of this nature.

Related Entity means, in relation to an entity (the **first entity**):

- (a) a Controlled Entity of the first entity;
- (b) an entity of which the first entity is a Controlled Entity; or
- (c) a Controlled Entity of another entity of which the first entity is also a Controlled Entity, provided that, in respect of the Bidder only:
- (d) no such persons shall be deemed a Related Entity, and nor shall the Bidder have any liability for such person, unless such person is considered a Related Entity under the Confidentiality Deed; and
- (e) no portfolio company of the Bidder or its Related Entities shall be deemed a Related Entity under this Deed unless such portfolio company is considered a Related Entity under the Confidentiality Deed.

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

Representative of a party means:

- (a) any Related Entity of the party; and
- (b) any:
 - (i) director, other officer or employee;
 - (ii) professional adviser (including financial adviser, legal adviser or accountant); or
 - (iii) current or prospective financing source (equity, debt or otherwise),of the party or any of its Related Entities.

Shareholder means a person who is identified on the register of members of the Company maintained by, or on behalf of, the Company in accordance with section 168(1) of the Corporations Act as a holder of ordinary shares in the Company from time to time.

Superior Proposal means a bona fide, written Competing Proposal in relation to the acquisition of more than 50% of issued securities of the Company which is received by the Company and which the Board determines, acting in good faith and in order to satisfy what the Board considers to be its fiduciary or statutory duties (after having obtained written advice from the Company's external legal adviser and financial advisers):

- (a) is reasonably capable of being valued and implemented taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and all other relevant legal, regulatory and financial matters; and
- (b) would, if completed in accordance with its terms, be more favourable to Shareholders than the latest proposal provided by the Bidder or any of its Related Entities, taking into account all aspects of the Competing Proposal and the latest proposal provided by the Bidder or its Related Entity to the Company, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

Third Party means any person other than the Bidder or any of its Related Entities.

Virtual Data Room means the virtual data room established by the Company for the purposes of providing information to the Bidder for the purposes of the Bidder and its Representatives conducting due diligence on the Company Group in connection with the Potential Transaction.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this Deed is to be interpreted against a party solely on the ground that the party put forward this Deed or a relevant part of it.
- (d) The following rules of interpretation apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause, Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Deed.
 - (vi) A reference to a party to this Deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (vii) A reference to an agreement or document (including a reference to this Deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
 - (viii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form (and includes a communication by electronic mail).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to *conduct* includes an omission, statement or undertaking, whether or not in writing.
 - (xi) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
 - (xii) Unless defined in this Deed or the context requires otherwise, a word defined in the Corporations Act has the same meaning in this Deed.

1.3 Consents and approvals

If the doing of any act, matter or thing under this Deed is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion.

2 Confidentiality

- (a) Nothing in this Deed limits or affects the operation of the Confidentiality Deed in accordance with its terms. The parties acknowledge that all information provided pursuant to clause 3 will be provided subject to the terms of the Confidentiality Deed.
- (b) Subject to clause 2(c), the Company agrees and undertakes in favour of the Bidder that it will keep confidential and not disclose to any person:
 - (i) any information or materials provided by or on behalf of the Bidder or any of its Representatives (including any offer, proposal, expression of interest or similar); or
 - (ii) the nature or content of any discussions or negotiations with or involving the Bidder or any of its Representatives,

(Bidder Confidential Information).
- (c) The Company may disclose the Bidder Confidential Information:
 - (i) with the prior written consent of the Bidder;
 - (ii) to Representatives of the Company having a need to know the Bidder Confidential Information for the purposes of the Potential Transaction, provided that the Company must ensure that any Representatives to whom the Bidder Confidential Information is disclosed keep such information confidential as though they were bound by clauses 2(b) and 2(c); and
 - (iii) to the extent required by law or by any order, notice, written request, regulation, rule or published policy of any Government Agency that is binding upon or applies to the Company, provided that:
 - (A) to the extent reasonably practicable and legally permissible, the Company must consult with the Bidder in good faith in relation to the need for, and the form of, the proposed disclosure before such disclosure is made;
 - (B) where the consultation contemplated in clause 2(c)(iii)(A) is not reasonably practicable and legally permissible, the Company must notify the Bidder of the disclosure promptly after it is made (to the extent legally permissible); and
 - (C) the Company must ensure that only so much of the Bidder Confidential Information is disclosed as is legally compelled to be disclosed.

3 Due diligence

The Company agrees to use reasonable endeavours to facilitate the Bidder and its Representatives conducting confirmatory due diligence in relation to the Potential Transaction, including by responding to requests for information in a timely and fulsome manner.

4 Negotiation of Potential Transaction

4.1 Negotiation of Potential Transaction

- (a) The Bidder and the Company agree that, during the Exclusivity Period, they will negotiate in good faith an Implementation Deed and any other transaction documents required to implement the Potential Transaction.

- (b) The Bidder and the Company each acknowledge and agree that:
 - (i) the Potential Transaction remains indicative and incomplete and subject to due diligence, investment committee and board approvals (as applicable) and negotiations between the parties;
 - (ii) this Deed is not intended to, and does not, impose any binding obligations on the parties to give effect to the Potential Transaction; and
 - (iii) the Potential Transaction will not become binding on the parties until such time as the Implementation Deed (and any other transaction documents required to implement the Potential Transaction) are approved by the Board and the board of the Bidder or its Related Entity (as applicable) and is duly executed by the parties.

4.2 Fundamental obligations

- (a) The parties agree during the Exclusivity Period to commit all reasonably necessary resources (including management, financial, legal and other professional advisory resources) at their own cost to enable:
 - (i) the Bidder to complete its due diligence investigations; and
 - (ii) the preparation, negotiation and finalisation of the Implementation Deed (and any other transaction documents required to implement the Potential Transaction),as expeditiously as possible.
- (b) The Company must provide a first draft of the Implementation Deed as soon as practicable and in any event within two Business Days of the date of this Deed.

4.3 Intention to recommend

The Company represents and warrants that as at the date of this Deed, each of its directors has confirmed that he or she intends, upon entry into the Implementation Deed:

- (a) in respect of the scheme of arrangement component of the Potential Transaction to:
 - (i) unanimously recommend to Shareholders to vote; and
 - (ii) vote or procure that any ordinary shares in the Company in which they have a relevant interest are voted,in favour of any scheme of arrangement in respect of which the consideration per ordinary share in the Company is equal to or greater than \$2.00 per share, in the absence of a Superior Proposal and subject to an independent expert concluding (and continuing to conclude) that the scheme of arrangement is in the best interests of Shareholders; and
- (b) in respect of the takeover bid component of the Potential Transaction to:
 - (i) unanimously recommend to Shareholders to accept the offer; and
 - (ii) cause or procure that any ordinary shares in the Company in which they have a relevant interest are accepted into the offer,

to be made to them under any takeover bid in respect of which the consideration per ordinary share in the Company is equal to or greater than \$2.00 per share, in the absence of a Superior Proposal and subject to an independent expert concluding (and continuing to conclude) that the takeover bid is fair and reasonable.

5 Exclusivity

5.1 No current discussions regarding a Competing Proposal

The Company represents and warrants that, as at the date of this Deed neither the Company, nor any of the Company's Representatives, is in negotiations or discussions in respect of any Competing Proposal with any person (other than, for the avoidance of doubt, the discussions with the Bidder and its Representatives in respect of the Potential Transaction).

5.2 No shop

During the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) solicits, invites, encourages or initiates any enquiries, expressions of interest, offers, proposals, negotiations or discussions by any person in relation to a Competing Proposal; or
- (b) communicates to any person any intention to do any of those things referred to in clause 5.2(a).

5.3 No talk

Subject to clause 5.5, during the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any Third Party regarding, a Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if that Third Party's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by the Company or any of its Representatives or the Third Party has publicly announced the Competing Proposal.

5.4 No due diligence

Subject to clause 5.5, during the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) enables any Third Party other than the Bidder or any of its Representatives to undertake due diligence investigations on any member of the Company Group, any of the operations or assets of the Company Group's businesses or any part thereof;
- (b) makes available to any Third Party, or permits any Third Party to receive, other than the Bidder or any of its Representatives (in the course of due diligence investigations or otherwise) any non-public information relating to any member of the Company Group, any of the operations or assets of the Company Group's businesses or any part thereof; or
- (c) makes available to any Third Party, or permits any Third Party to have access to, other than the Bidder or any of its Representatives (in the course of due diligence investigations or otherwise) any officers or employees of, or premises used, leased, licenced or owned by, any member of the Company Group.

5.5 Limitation to no-talk and no-due diligence

Each of clauses 5.3 and 5.4 do not apply to the extent that the relevant clause restricts the Company or the Board from taking or refusing to take any action in relation to a genuine written

Competing Proposal (which was not solicited, invited, encouraged or initiated in contravention of clause 5.2) provided that the Board has determined, acting in good faith that:

- (a) after consultation with its financial advisors, such a genuine written Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, failing to respond to such a genuine written Competing Proposal would be reasonably likely to constitute a breach of the Board's fiduciary or statutory obligations.

5.6 Notification by the Company of a Competing Proposal

- (a) During the Exclusivity Period, the Company must as soon as practicable and in any case within one Business Day notify the Bidder in writing if:
 - (i) it or any of its Representatives is approached by any Third Party requesting or proposing that it take any action of a kind referred to in clauses 5.3 or 5.4; or
 - (ii) it or any of its Representatives proposes to take any action of a kind referred to in clauses 5.3 or 5.4,in which case the Company must give the Bidder all material details of the proposed action.
- (b) During the Exclusivity Period, as soon as practicable and in any case within one Business Day after the Company receives any Competing Proposal, the Company must give the Bidder notice in writing of:
 - (i) the existence of the Competing Proposal; and
 - (ii) the name and identity of the Third Party who has made the applicable Competing Proposal (and any other Third Party involved in the Competing Proposal) and all other material terms of the applicable Competing Proposal (including details of the proposed price or implied value (including details of the consideration if not cash alone), conditions, timing and break fee (if any)), together with a copy of any material confidential information concerning the operations of the Company Group provided to any person associated with the Competing Proposal not previously provided to the Bidder.

5.7 Matching right

- (a) If during the Exclusivity Period any Competing Proposal is made, announced, or received, the Company must:
 - (i) not, and must ensure that no member of the Company Group enters into any legally binding agreement to give effect to or implement any Competing Proposal; and
 - (ii) ensure that no member of the Board publicly recommends a Competing Proposal or a proposed or potential Competing Proposal,unless:
 - (iii) the Board, acting in good faith in order to satisfy what the Board considers to be its statutory and fiduciary duties (having received written advice from its external legal advisers), determines that the Competing Proposal is a Superior Proposal;
 - (iv) the Company has given the Bidder (or any of its Related Entities) until the Matching Date the ability to provide a matching or superior proposal to the terms of the Competing Proposal (**Bidder Counter Proposal**); and

- (v) either:
 - (A) the Bidder has not announced or provided to the Company a Bidder Counter Proposal by the end of the Matching Date; or
 - (B) the Bidder has, by the end of the Matching Date, announced or provided to the Company a Bidder Counter Proposal and:
 - (1) the Board has reviewed the Bidder Counter Proposal in good faith and concluded that the Bidder Counter Proposal does not provide an equivalent or superior outcome for Shareholders compared with the Competing Proposal; and
 - (2) the Company has notified the Bidder of that conclusion in writing stating reasons for the conclusion.
- (b) The Board agrees that each successive modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under clauses 5.6 and 5.7.
- (c) If, by the end of the Matching Date, the Bidder has announced or provided to the Company a Bidder Counter Proposal, the Company must procure that the Board reviews the Bidder Counter Proposal in good faith. If the Board, acting in good faith, determines that the Bidder Counter Proposal provides an equivalent or superior outcome for Shareholders compared with the applicable Competing Proposal, then the Company and the Bidder must use their best endeavours to agree the amendments to this Deed and any other transaction documentation that is reasonably necessary to reflect the Bidder Counter Proposal.

5.8 Exclusivity exceptions

Nothing in this clause 5 prevents the Company from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) engaging with its Shareholders (in their capacity as a shareholder), in the ordinary course and consistent with past practice and provided that such engagement does not relate to the Company soliciting, inviting, encouraging or initiating an actual, proposed or potential Competing Proposal;
- (e) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Government Agency; or
- (f) making presentations to brokers, portfolio investors, analysts and other Third Parties in the ordinary course of business.

5.9 Company legal advice

- (a) The Company acknowledges that it has received legal advice on this document and the operation of clause 5.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination in relation to clause 5.

6 Term and Termination

- (a) This document, and the parties' obligations under it, will terminate on the occurrence of the earlier of:
 - (i) the expiry of the Exclusivity Period;
 - (ii) the parties executing an Implementation Deed; and
 - (iii) the Company giving the Bidder written notice of termination with immediate effect if:
 - (A) the Company has received a Competing Proposal and after following the procedure under clause 5.7, the Board has determined that such Competing Proposal is a Superior Proposal; or
 - (B) the Bidder or any of its Related Entities breach any of their material obligations under this Deed or the Confidentiality Deed.
- (b) No party may terminate or rescind this Deed except as permitted under this clause 6.

7 General

7.1 Valuable consideration

Each party acknowledges entering into this Deed and incurring obligations and giving rights under this document for valuable consideration received from each other party.

7.2 Amendment

No amendment or variation of this Deed is valid or binding on a party unless made in writing and executed by all parties.

7.3 Assignment

- (a) The Bidder may not assign any of its rights or obligations under this Deed, or attempt or purport to do so, without the prior written consent of the Company (acting reasonably).
- (b) The Company may not assign, charge, create a security interest over, encumber or otherwise deal with any of its rights or obligations under this Deed, or attempt or purport to do so, without the prior written consent of the Bidder (acting reasonably).

7.4 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);
- (b) subject to paragraph (c), must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:
 - (i) to the Company: Address: Level 7, 330 Collins Street, Melbourne VIC 3000
Email: Kurt.Johnson@gonitro.com
Attention: Kurt Johnson

With copy to (which by itself does not constitute a Notice):

Tom.Story@allens.com.au;

Noah.Obradovic@allens.com.au

- (ii) to the Bidder: Address: 1600 Carling Avenue, Ottawa, Canada K1Z 8R7
Email: connie.chen@alludo.com
Attention: Chief Legal Officer
- With copy to (which by itself does not constitute a Notice):
akauye@gtlaw.com.au
ravi.agarwal@kirkland.com

- (c) will be deemed to satisfy the obligations in paragraph (b) if:
- (i) where a party changes its address and fails to formally notify the other parties of the new address, the Notice is delivered to the intended recipient at that new address; and
 - (ii) where an individual named in paragraph (b) ceases to work in the relevant role or ceases to work for the relevant party and the relevant party fails to formally notify the other parties of an alternative individual to whom Notices should be marked to the attention of (and, if relevant, an alternative email address to which Notices should be sent), the Notice is marked to the attention of (and, if relevant, delivered to the email address of) an individual in the same or equivalent role at the intended recipient; and
- (d) will be conclusively taken to be duly given or made:
- (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
 - (iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country); and
 - (iv) in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the intended recipient confirms receipt of the email by reply email; and
 - (C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three-hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

- (v) on a day that is not a business day, or at a time that is later than 5:00pm, in the place specified by the intended recipient as its postal address under paragraph (b), then it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place; or

- (vi) before 9:00am on a business day in the place specified by the intended recipient as its postal address under paragraph (b), it will be conclusively taken to have been duly given or made at 9:00am on that business day in that place.

7.5 Entire Agreement

This Deed contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersedes all earlier Conduct by or between the parties in connection with its subject matter. No party has relied on or is relying on any other Conduct in entering into this Deed and completing the transactions contemplated by it.

7.6 Governing law and jurisdiction

This Deed is governed by the laws of New South Wales, Australia. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

7.7 Severability of provisions

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Deed nor affect the validity or enforceability of that provision in any other jurisdiction.

7.8 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this Deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

7.9 No merger

The rights and obligations of the parties will not merge on completion of any transaction contemplated by this Deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

7.10 Costs and duty

- (a) Each party must bear its own costs arising out of the negotiation, preparation and execution of this Deed.
- (b) All duty (including stamp duty and any fines, penalties and interests) payable on or in connection with this Deed and any instrument executed under or any transaction evidenced by this Deed must be borne by the Bidder.
- (c) Unless expressly stated otherwise in this document, all amounts payable or consideration to be provided under this document are exclusive of GST.

7.11 Execution and counterparts

This Deed may be executed electronically and in any number of counterparts.

7.12 No commitment

Nothing in this Deed constitutes an obligation or commitment on the part of either party to proceed with the Potential Transaction, it being acknowledged and agreed that neither party will

be obliged or committed to proceed with the Potential Transaction until and unless an Implementation Deed is executed.

7.13 KKR-specific limitations

Notwithstanding anything that may be expressed or implied in this Deed:

- (a) none of the provisions of this Deed will in any way limit the activities of KKR or its Related Entities (other than the Bidder); and
- (b) no recourse will be had against:
 - (i) KKR or any current or future Affiliate of KKR (other than the Bidder) or any portfolio company of KKR or any such Affiliate;
 - (ii) any current or future direct or indirect shareholder, member, partner, controlling person or other beneficial owner of KKR or any Affiliate or portfolio company referred to in clause 7.13(b)(i); or
 - (iii) any of the respective representatives, successors or assigns of any person referred to in clauses 7.13(b)(i) or 7.13(b)(ii),

it being expressly agreed and acknowledged that no liability whatsoever will attach to, be imposed on or otherwise be incurred by any person referred to in clauses 7.13(b)(i), 7.13(b)(ii) or 7.13(b)(iii) for any obligation of any party under this Deed or for any claim based on, in respect of, by reason of or arising out of or in connection with any such obligation.

Signing page

Company

Signed sealed and delivered by

Nitro Software Limited

by

sign
here ►



Company Secretary/Director

sign
here ►



Director

print
name

Kurt Johnson

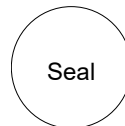
print
name

Sarah Morgan

Bidder

Signed sealed and delivered by

Corel Corporation in the presence
of



sign
here ►



Authorised signatory

sign
here ►



Witness

print
name

Christa Quarles

print
name

Connie Chen