



**Manager Companies**  
**Company Announcements Office**  
**ASX Limited**

Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**DWS Limited**  
**ACN 085 656 088**

**Dear Sir / Madam**

30 October 2020

## **DWS Scheme Booklet registered with ASIC**

DWS Limited (**DWS**) (ASX:DWS) today announced that the Australian Securities and Investments Commission (**ASIC**) has registered the Scheme Booklet in relation to the proposed acquisition of DWS by HCL Australia Services Pty. Limited (**HCL**), via a scheme of arrangement (**Scheme**).

A copy of the Scheme Booklet, which includes the Independent Expert's Report, a notice of Scheme Meeting and a copy of the proxy form for the Scheme Meeting, is attached to this announcement. Copies of the Scheme Booklet will be sent to DWS Shareholders on or about Monday, 2 November 2020. DWS Shareholders who have an email address recorded on the register will be sent an email with a link to where they can download the Scheme Booklet and lodge their proxy vote online. The Scheme Booklet will also be available for download from DWS' website at <https://www.dws.com.au/investors>.

The Directors of DWS continue to unanimously recommend that DWS Shareholders vote in favour of the Scheme at the Scheme Meeting to be held on Thursday, 3 December 2020, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders. Subject to those same qualifications, each of your Directors intends to vote any DWS Shares in their control in favour of the Scheme.

In addition, DWS' largest shareholder, Danny Wallis, who holds or controls DWS shares which represent 42.7% of the total shares on issue at the date of this Scheme Booklet, has previously advised DWS that he intends to vote in favour of the resolutions to be put to DWS' shareholders to implement the Scheme in respect of all DWS shares controlled or held by or on behalf of him in the absence of a Superior Proposal that remains a Superior Proposal even after giving effect to any matching rights available to HCL under the Scheme Implementation Agreement, and subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interests of DWS Shareholders and not changing or qualifying that conclusion.

## **Meeting Details**

As a result of the health risks created by the COVID-19 pandemic, the upcoming Scheme Meeting for eligible DWS Shareholders will be held electronically at 10.00am on Thursday, 3 December 2020 via the link:

<https://web.lumiagm.com/395712511>; or using the Lumi AGM application, which is available by downloading the application from the Apple App Store or Google Play Store. Should you have any questions in relation to the Scheme, or the Scheme Booklet, please contact the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

## **Special Dividend**

The Scheme Implementation Agreement was prepared so as to afford DWS the flexibility to declare and pay a special dividend (with the Scheme Consideration of \$1.20 per DWS Share to be reduced by the cash value of any such special dividend). As the Company announced to the ASX on 13 October 2020, the DWS Board has determined that it will not declare or pay any such special dividend (and no such special dividend was declared or paid prior to that announcement). Accordingly, the Scheme Consideration is a fixed \$1.20 per DWS Share.

**For further information, please contact:**

**Danny Wallis,**  
Chief Executive Officer

 [Danny@dws.com.au](mailto:Danny@dws.com.au)

**Level 4, 500 Collins Street,**  
**Melbourne, VIC 3000**

 **+61 3 9650 9777**  
 [www.dws.com.au](http://www.dws.com.au)

**Stuart Whipp,**  
Chief Financial Officer

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**DWS Ltd**  
**ABN 83 085 656 088**



**DWS**  
Excellence

**DWS Limited**  
**ACN 085 656 088**

# SCHEME BOOKLET

In relation to a proposal from **HCL Australia Services Pty. Limited** ACN 081 196 983 (**HCL**) to acquire all the ordinary shares in **DWS Limited** ACN 085 656 088 (**DWS**) by way of Scheme of Arrangement.

Your Directors unanimously recommend that you

## VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interest of DWS Shareholders.

Financial Adviser



**LOFTUSLANE**  
CAPITAL PARTNERS

Legal Adviser



**SBALAW**

This is an important document and requires your immediate attention. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to what you should do, you should consult your broker, financial adviser or legal adviser immediately.

# IMPORTANT NOTICES

## GENERAL

This Scheme Booklet provides DWS Shareholders with information about the proposed acquisition of DWS by HCL by way of a scheme of arrangement under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out at Annexure B. This Scheme Booklet is important and requires your immediate attention.

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position or particular needs.

**You should read this Scheme Booklet in its entirety before making any voting decision and seek your own financial, legal, taxation or other professional advice.**

## NATURE OF THIS SCHEME BOOKLET

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to DWS Shareholders, or a solicitation of an offer from DWS Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act.

Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not require disclosure to investors under Part 6D.2 of the Corporations Act in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, DWS Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

## ASIC AND ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

## IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SUBSECTION 411(1) OF THE CORPORATIONS ACT

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened by DWS for DWS Shareholders to consider and vote on the Scheme and directed that an explanatory statement accompany the Notice of Scheme

Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how DWS Shareholders should vote (on this matter Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

## NOTICE OF SCHEME MEETING

The Notice of Scheme Meeting is set out in Annexure D.

## NOTICE OF SECOND COURT HEARING

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any DWS Shareholder may appear, by way of teleconference, at the Second Court Hearing, currently expected to be held on Friday, 4 December 2020.

Any DWS Shareholder who wishes to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court, and serving on DWS, a notice of appearance in the prescribed form together with any affidavit that the DWS Shareholder proposes to rely upon. Details for the Second Court Hearing will be made available to any DWS Shareholder who indicates an intention to appear in this matter.

The address for service is: DWS Limited, Level 4, 500 Collins Street, Melbourne VIC 3000, Attention: Company Secretary.

## DEFINED TERMS

Capitalised terms used in this Scheme Booklet are defined in Section 12.1 of this Scheme Booklet. Section 12.2 also sets out some rules of interpretation which apply to this Scheme Booklet. Some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 12.1.

## NO INVESTMENT ADVICE

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of each DWS Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The DWS Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not become Effective, as set out in Section 6.7, the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure A and the risks associated with the Scheme set out in Section 10. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser.

## FORWARD LOOKING STATEMENTS

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be forward looking in nature. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of HCL are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to DWS and HCL and/or the industry in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of DWS or HCL or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, DWS and HCL, and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

## RESPONSIBILITY STATEMENT

DWS has prepared, and is responsible for, the DWS Information. Neither HCL nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

HCL has prepared, and is responsible for, the HCL Information. Neither DWS nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

BDO has prepared the Independent Expert's Report (as set out in Annexure A) and takes responsibility for that report. EY has prepared the "Tax Considerations" in Section 9 and takes responsibility for the information contained in that Section. None of DWS or HCL or any of their respective Subsidiaries, directors, officers, employees or advisors assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report or the "Tax Considerations" in Section 9, except in relation to any information which DWS or HCL (as the case may be) has provided to the Independent Expert.

Each of BDO and EY has consented to being named in this Scheme Booklet in the context in which they are mentioned. No consenting

party has withdrawn their consent to be named before the date of this Scheme Booklet.

## FOREIGN JURISDICTIONS

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia, which are different from those of any other jurisdiction, and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

## TAX IMPLICATIONS OF THE SCHEME

If the Scheme becomes Effective, there will be Tax consequences for Scheme Shareholders which may include Tax being payable on any gain or disposal of DWS Shares. For further detail regarding general Australian Tax consequences of the Transaction, refer to Section 9. Section 9 is not exhaustive Tax advice but only a guidance for DWS Shareholders. The Tax treatment may vary depending on the nature and characteristics of each DWS Shareholder and their specific circumstances. Accordingly, DWS Shareholders should seek professional Tax advice in relation to their particular circumstances.

## CHARTS AND DIAGRAMS

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

## TIMETABLE AND DATES

All times and dates referred to in this Scheme Booklet are times and dates in Melbourne, Victoria, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Regulatory Authorities.

## FINANCIAL AMOUNTS

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

## PRIVACY

DWS may collect Personal Information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in DWS and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of Personal Information is to assist DWS to conduct the Scheme Meeting and implement the Scheme. Without this information, DWS may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal Information of the type described above may be disclosed to the DWS Share Registry, HCL, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of DWS, Regulatory Authority, and also where disclosure is otherwise required or allowed by law. DWS Shareholders who are individuals and the other individuals in respect of whom Personal Information is collected as outlined above have certain rights to access the Personal Information collected in relation to them. If you would like to obtain details of the information about you held by the DWS Share Registry in connection with DWS Shares, please contact the DWS Share Registry. DWS Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above.

## DATE OF SCHEME BOOKLET

**This Scheme Booklet is dated 30 October 2020.**

## IMPORTANT MATTERS RELATING TO COVID-19

### Scheme Meeting

In order to minimise health risks created by the COVID-19 pandemic, and in accordance with Federal and State Government directions and restrictions with respect to non-essential gatherings of people and the Treasurer's determination regarding electronic shareholder meetings, the Scheme Meeting is scheduled to be held electronically.

### **DWS Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting.**

DWS Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform via the link:

<https://web.lumiagm.com/395712511>; or using the Lumi AGM application. The online platform enables participants to view the relevant Scheme Meeting live, vote on the relevant Scheme Resolution in real time and ask questions online.

This Scheme Booklet has been prepared in accordance with the laws of Australia, which are different from those of any other jurisdiction, and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if

this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Further details with respect to the conduct of the Scheme Meeting, including how to join the electronic Scheme Meeting, raise questions during the Scheme Meeting and vote on the Scheme Resolution are set out in the Notice of Scheme Meeting in Annexure D and summarised in Section 5.3 of this Scheme Booklet. DWS strongly encourages shareholders to consider lodging a directed proxy in the event they are not able to participate in the electronic Scheme Meeting.

## Changes to Scheme Timetable and Conduct of Meeting

DWS Shareholders and their proxies, attorneys or corporate representatives should be aware that important dates in this Scheme Booklet (including the date of the electronic Scheme Meeting and court hearings) and instructions with respect to the conduct of the Scheme Meeting and Court hearings may change at short notice in light of developments arising from the continually evolving COVID-19 pandemic.

All changes to the dates and the conduct of the Scheme Meeting and Court hearings set out in this Scheme Booklet will be announced to the ASX and will be available under DWS' profile on the ASX at [www.asx.com.au](http://www.asx.com.au).

## Risks Associated with COVID-19

Section 10.3(i) sets out certain risks relating to the DWS business that relate specifically to the COVID-19 pandemic. In considering the Scheme, DWS Shareholders should be aware of these risk factors which (in addition to the other risk factors set out in Section 10) could materially adversely affect the future operating and financial performance of DWS.



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Corporate Directory



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# LETTER FROM THE CHAIRMAN OF DWS

# LETTER FROM THE CHAIRMAN OF DWS

## Dear DWS Shareholder,

30 October 2020

On behalf of the DWS Board, I am pleased to provide you with this Scheme Booklet which contains details of the proposed acquisition of DWS by HCL by way of a scheme of arrangement and important matters relevant to your vote in relation to the Scheme.

## THE SCHEME

On 21 September 2020, DWS announced that it had entered into a Scheme Implementation Agreement with HCL under which it was proposed that HCL will acquire 100% of the issued share capital of DWS by way of a scheme of arrangement.

The Scheme Consideration is a cash payment of \$1.20 per DWS Share less the cash value per DWS Share of any special dividend declared and paid by the Company after the execution of the Scheme Implementation Agreement but prior to the implementation of the Scheme. Whilst the Scheme Implementation Agreement was prepared so as to afford DWS the flexibility to declare and pay such a special dividend, as the Company announced to the ASX on 13 October 2020, the DWS Board has determined that it will not declare or pay any such special dividend (and no such special dividend was declared or paid prior to that announcement). Accordingly, the Scheme Consideration is a fixed \$1.20 per DWS Share.

DWS Directors consider that the Scheme is in the best interests of DWS Shareholders and unanimously recommend that DWS Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and the Independent Expert not changing its recommendation that the Scheme is in the best interests of DWS Shareholders.

## VALUE OF THE SCHEME CONSIDERATION

The Scheme Consideration of \$1.20 per DWS Share represents:

- ▶ a 33.3% premium to the closing price of DWS shares of A\$0.90 per share on 18 September 2020<sup>1</sup>;
- ▶ a 30.4% premium to the 30-day VWAP of DWS shares of A\$0.92 per share to 18 September 2020<sup>2</sup>;
- ▶ a 34.8% premium to the 60-day VWAP of DWS shares of A\$0.89 per share to 18 September 2020<sup>3</sup>;
- ▶ a 39.5% premium to the 90-day VWAP of DWS shares of A\$0.86 per share to 18 September 2020<sup>4</sup>; and
- ▶ a 46.3% premium to the 120-day VWAP of DWS shares of A\$0.82 per share to 18 September 2020<sup>5</sup>.

This Scheme Consideration values DWS' fully diluted equity at approximately \$158.2 million.

## INDEPENDENT EXPERT

DWS appointed BDO as the Independent Expert to prepare an Independent Expert Report that assesses the merits of the Scheme and provides an opinion as to whether the Scheme is in the best interests of DWS Shareholders.

**The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of DWS Shareholders in the absence of a Superior Proposal. The Independent Expert assessed the underlying value of DWS to be in the range of \$1.12 to \$1.33 per DWS Share. The value of the Scheme Consideration is \$1.20 per DWS Share, which is within this range. The DWS Board encourages you to read and consider the Independent Expert's Report, which is set out in Annexure A of this Scheme Booklet, in full.**

## BOARD RECOMMENDATION

The DWS Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders. In addition, each of your Directors intends to vote all the DWS shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion.

The DWS Board has made its recommendation that the Scheme is in the best interests of DWS Shareholders on the basis that:

- ▶ the Scheme Consideration represents a significant premium to the Last Undisturbed Share Price;
- ▶ the Scheme Consideration represents an attractive valuation for the Company, particularly in the context of the structural changes to the IT services industry reflected in intensified competition, emerging technology trends and changing buying patterns. These structural changes have impacted the performance of parts of the DWS Group business in recent years;
- ▶ the Scheme Consideration provides immediate and certain value through the all cash consideration;

<sup>1</sup>18 September 2020, being the last trading day prior to the announcement of the Scheme Implementation Agreement.

<sup>2</sup>Being on cumulative trading volume from 10 August 2020 to 18 September 2020 (inclusive), being the 30-day period immediately prior to the Last Undisturbed Share Price on 18 September 2020

<sup>3</sup>Being on cumulative trading volume from 29 June 2020 to 18 September 2020 (inclusive), being the 60-day period immediately prior to the Last Undisturbed Share Price on 18 September 2020

<sup>4</sup>Being on cumulative trading volume from 15 May 2020 to 18 September 2020 (inclusive), being the 90-day period immediately prior to the Last Undisturbed Share Price on 18 September 2020

<sup>5</sup>Being on cumulative trading volume from 01 April 2020 to 18 September 2020 (inclusive), being the 120-day period immediately prior to the Last Undisturbed Share Price on 18 September 2020



- ▶ if the Scheme is not implemented, DWS Shareholders will remain exposed to the significant business and market risks currently impacting DWS, including those associated with COVID-19;
- ▶ the Scheme Consideration is within the valuation range for DWS Shares as assessed by the Independent Expert in its report dated 27 October 2020 prepared in connection with the Scheme;
- ▶ no Superior Proposal has emerged as at the date of this Scheme Booklet; and
- ▶ it is likely that the price of DWS Shares will trade below the Scheme Consideration if the Scheme is unsuccessful and no alternative or Superior Proposal emerges.

The full reasons for your Board's recommendation to vote in favour of the Scheme, as well as a list of reasons that you may choose to vote against the Scheme, are presented in Section 3.

In considering the Scheme, the DWS Directors have also carefully considered the risks and uncertainties of delivering value to DWS Shareholders that is equal to, or superior to, the Scheme Consideration. The risks are set out in detail in Section 10.

Section 6.11 of the Scheme Booklet identifies certain warranties that are deemed to be given by Scheme Shareholders. In relation to the Tax withholding declaration, DWS has been advised that although any DWS Shares held by a foreign resident for Tax purposes do not constitute indirect Australian real property interests, it is nevertheless advisable for Tax purposes for DWS Shareholders to make such a declaration.

## NEXT STEPS

For the Scheme to be approved by DWS Shareholders, votes in favour of the Scheme must be received from a majority in number (more than 50%) of DWS Shareholders present and voting (either in person or by proxy or representative) at the Scheme Meeting (unless the Court orders otherwise) and at least 75% of the total number of votes cast on the Scheme Resolution by DWS Shareholders (either in person or by proxy or representative). The Scheme can only be implemented if it is subsequently approved by the Court and all of the other conditions to implementation of the Scheme have been satisfied or waived (see Section 11.1(b)).

Therefore, your vote is extremely important and on behalf of the DWS Board, I strongly encourage you to vote on this significant transaction by following voting instructions as outlined in Section 5.3.

Due to the COVID-19 pandemic and restrictions on public gatherings imposed by the Australian Federal and State Governments and consistent with the Treasurer's determination regarding electronic shareholder meetings, the Scheme Meeting will be held electronically (and there will be no physical meeting). Please refer to Section 5 for information setting out how to participate in and vote at the Scheme Meeting. The Scheme Meeting is being arranged to ensure all DWS Shareholders can participate, question the Board and have their voices heard on this important decision for DWS Shareholders. The Scheme Meeting is to be held electronically at 10.00am on Thursday, 3 December 2020 via the link: <https://web.lumiagm.com/395712511>; or using the Lumi AGM application.

I encourage you to read this Scheme Booklet (including the report of the Independent Expert) carefully and in its entirety to assist you in making an informed decision on how to vote. If you require any further information, please contact the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time). You should seek your own legal, financial or other

professional advice before making any decision in relation to your DWS Shares.

On behalf of the DWS Board, I thank you for your ongoing support of DWS and look forward to your participation in the Scheme Meeting.

Yours sincerely,



**Martin Ralston**

**Chairman and  
Independent  
Non-Executive Director  
DWS Limited**

The background features a large, stylized number '2' in a light blue outline on the left side. To the right of the '2' is a vertical light blue line. The background is a dark blue gradient with a low-poly, geometric pattern of triangles. A series of thin, light blue wavy lines flow from the top left towards the center, passing behind the '2'.

# 2

## **KEY DATES RELATING TO THE TRANSACTION**

# KEY UPCOMING DATES RELATING TO THE TRANSACTION

EVENT	TIME AND DATE
<b>Scheme Meeting proxy forms</b> Latest time and date by which the Scheme Meeting proxy form must be received by the DWS Share Registry	10.00am on 01 December 2020
<b>Scheme Meeting Record Date</b> Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on 01 December 2020
<b>Scheme Meeting</b> To be held electronically. There will not be a physical meeting. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting set out at Annexure D to this Scheme Booklet	10.00am on 03 December 2020
<b>IF THE SCHEME IS APPROVED BY DWS SHAREHOLDERS AT THE SCHEME MEETING</b>	
<b>Second Court Date</b> For approval of the Scheme	04 December 2020
<b>Effective Date</b> The date on which the Scheme becomes Effective and is binding on DWS Shareholders The date on which the Court orders will be lodged with ASIC and announced to the ASX	07 December 2020
<b>Target Suspension Date</b> Expected last day of trading in DWS shares	Close of Trade on ASX on 07 December 2020
<b>Scheme Record Date</b> All DWS Shareholders who hold DWS shares on this date will be entitled to receive the Scheme Consideration	7.00pm on 09 December 2020
<b>Implementation Date</b> Date on which HCL becomes the holder of 100% of the Scheme Shares Date on which the Scheme Consideration will be sent to Scheme Shareholders	11 December 2020

All times and dates in the above timetable are references to the time and date in Melbourne, Victoria, Australia, and all such times and dates are subject to change. DWS may vary any or all of these dates and times and will provide reasonable notice of any such variation. Certain times and dates are conditional on the approval of the Scheme by DWS Shareholders and by the Court. Any changes will be announced by DWS to the ASX. DWS Shareholders who have elected to receive communications electronically will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet, and to lodge their proxy vote online. The Scheme Booklet will also be available for viewing and downloading on the DWS website at [www.dws.com.au/investors](http://www.dws.com.au/investors). DWS Shareholders who wish to receive a printed copy of the Scheme Booklet may request one by calling the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).



# 3

## **KEY CONSIDERATIONS RELEVANT TO YOUR VOTE**

# KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

## 3.1 | SUMMARY OF REASONS WHY YOU MIGHT VOTE FOR OR AGAINST THE SCHEME

### Reasons to vote in favour of the Scheme

- ✓ The DWS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders.
- ✓ The Independent Expert has concluded that the Scheme is both fair and reasonable and, therefore, is in the best interests of DWS Shareholders.
- ✓ The value of the Scheme Consideration represents a significant premium to the Last Undisturbed Share Price of \$0.90.
- ✓ You will receive certain value for your investment in DWS.
- ✓ No Superior Proposal has emerged as at the date of this Scheme Booklet.
- ✓ If the Scheme does not proceed you will continue to be subject to the risks and uncertainties associated with the DWS Group business and general market risks, including the risks associated with COVID-19.
- ✓ If the Scheme does not proceed, and no Superior Proposal emerges, the DWS share price may fall.
- ✓ No brokerage or stamp duty will be payable by you on the transfer of your Scheme Shares.

**The reasons to vote in favour of the Scheme are discussed in more detail in Section 3.2.**

### Reasons to vote against the Scheme

- ✗ You may disagree with the DWS Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual interest.
- ✗ You may prefer to participate in the future financial performance of the DWS Group business.
- ✗ You may wish to maintain your investment profile.
- ✗ The tax consequences of the Scheme may not suit your financial position.
- ✗ You may consider that there is potential for a Superior Proposal to emerge.

**The reasons to vote against the Scheme are discussed in more detail in Section 3.3.**

## 3.2 | REASONS TO VOTE IN FAVOUR OF THE SCHEME

This Section sets out the reasons you may want to vote in favour of the Scheme. This Section should be read in conjunction with the 'Reasons to vote against the Scheme' set out in Section 3.3.

*(a) The DWS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders*

DWS Directors consider that the Scheme represents an attractive opportunity for DWS Shareholders as it provides DWS Shareholders with a significant premium and certain value through the all cash consideration (subject to the Scheme becoming Effective). On this basis, the DWS Directors unanimously recommend that DWS Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders.

The DWS Board has reached this recommendation through a thorough process of consideration and review. After carefully reflecting on the proposal, in conjunction with DWS' advisers and their own review of the Independent Expert's Report, the DWS Directors have determined to make their unanimous recommendation.

In making their unanimous recommendation, the DWS Directors have considered the advantages and disadvantages of the Scheme, including the information contained in:

- ▶ Section 3 (Key Considerations Relevant to Your Vote);
- ▶ the SIA;
- ▶ Section 10 (Risk Factors); and
- ▶ Annexure A of this Scheme Booklet (Independent Expert's Report).

Details of the interests of the DWS Directors are contained in Section 7.4.

*(b) The Independent Expert has concluded that the Scheme is both fair and reasonable and, therefore, is in the best interests of DWS Shareholders*

DWS appointed BDO to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of DWS Shareholders.

The Independent Expert concluded that the Scheme is in the best interests of DWS Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, has concluded that the Scheme is both fair and reasonable to DWS Shareholders. The basis for this conclusion is that the value of the Scheme Consideration of \$1.20 is within the preferred value of DWS which the Independent Expert assessed to be in the range of \$1.12 to \$1.33 per DWS Share.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure A. DWS Shareholders should carefully review the Independent Expert's Report in its entirety.



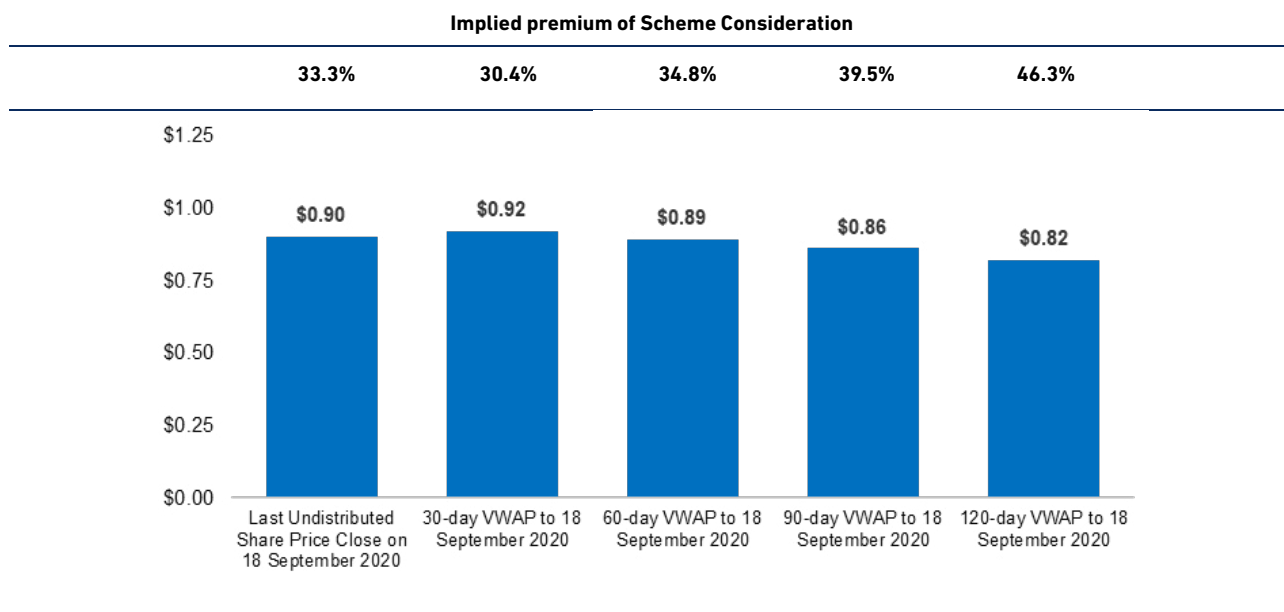
(c) The value of the Scheme Consideration represents a significant premium to the Last Undisturbed Share Price of \$0.90 per DWS Share

The value of the Scheme Consideration is \$1.20 cash per DWS Share.

The value of the Scheme Consideration represents a significant premium to the DWS share price prior to the announcement of the SIA, including:

- ▶ 33.3% premium to the Last Undisturbed Share Price on 18 September 2020 of \$0.90;
- ▶ 30.4% premium to 30-day VWAP to share price close on 18 September 2020 of \$0.92;
- ▶ 34.8% premium to 60-day VWAP to share price close on 18 September 2020 of \$0.89;
- ▶ 39.5% premium to 90-day VWAP to share price close on 18 September 2020 of \$0.86; and
- ▶ 46.3% premium to 120-day VWAP to share price close on 18 September 2020 of \$0.82.

The graph immediately below illustrates the implied premium of the Scheme Consideration to various VWAPs as identified.



(d) The all cash Consideration provides certainty of value

The proposed cash payment of \$1.20 per DWS Share provides you with certainty of value for your DWS Shares (subject to the Scheme becoming Effective). This certainty should be compared against the risks and uncertainties of remaining a DWS Shareholder which include, but are not limited to, the risks set out in Section 10.

(e) No Superior Proposal has emerged as at the date of this Scheme Booklet

From the announcement of the entry into the Scheme Implementation Agreement to the ASX on 21 September 2020 to the date of this Scheme Booklet, no Superior Proposal has emerged, and your Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

(f) If the Scheme does not proceed you will continue to be subject to the risks and uncertainties associated with the DWS Group business and general market risks

If the Scheme does not become Effective, DWS Shares will remain listed on the ASX and continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions, market demand for listed securities, the future performance of the DWS Group business and potential equity or debt capital raisings to support DWS. In contrast, if the Scheme is implemented, DWS Shareholders will receive \$1.20 per DWS Share in cash. In addition, DWS Shareholders should consider the current global outbreak of COVID-19 and its associated risks as outlined in Section 10.3(i). Figure 3.2 (f) shows the cumulative daily share price percentage change of the All Ordinaries and DWS Shares from 19 September 2019 to 27 October 2020, including the change to both after the announcement of the proposed Scheme.

**Figure 3.2 (f): Cumulative daily share price % change - All Ordinaries vs DWS Shares**



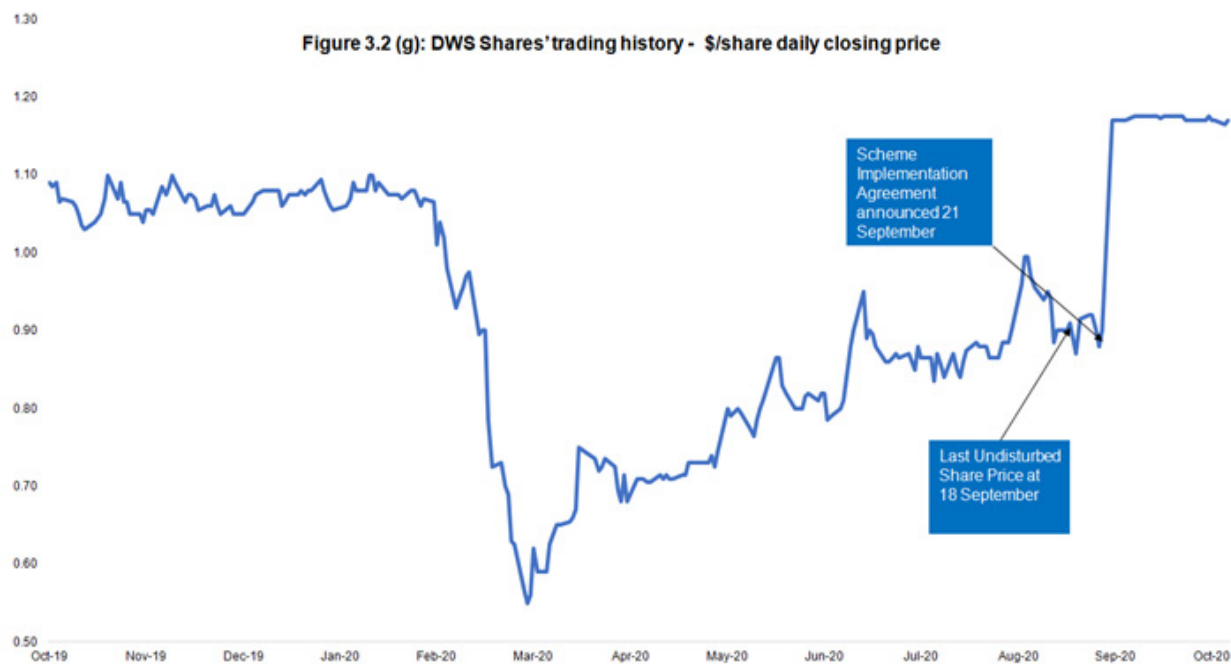
Source: Capital IQ

(g) If the Scheme does not proceed, and no Superior Proposal emerges, the DWS share price may fall

DWS' Last Undisturbed Share Price was \$0.90. The DWS share price at the Last Practicable Date represents a 30.0% premium to DWS' Last Undisturbed Share Price.

The DWS Directors are unable to predict the price at which DWS Shares will trade in the future, but consider that, in the absence of implementation of the Scheme, and in the absence of a Superior Proposal, the price of DWS Shares may fall. DWS shares have traded materially below the Scheme Consideration in the recent past. DWS' recent trading history is summarised in the Figure 3.2 (g) below.

**Figure 3.2 (g): DWS Shares' trading history - \$/share daily closing price**



Source: Capital IQ

(h) No brokerage or stamp duty will be payable by you on the transfer of your Scheme Shares

You will not incur any brokerage or stamp duty on the transfer of your Scheme Shares to HCL under the Scheme. If you sell your DWS Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges.

### 3.3 | REASONS TO VOTE AGAINST THE SCHEME

This Section summarises the reasons identified by the DWS Directors as to why you may want to vote against the Scheme. The DWS Directors believe that the reasons to vote in favour of the Scheme outweigh the reasons you may want to vote against the Scheme and that the Scheme is in the best interests of DWS Shareholders, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion. However, DWS Shareholders should take into consideration these reasons when deciding whether or not to vote in favour of the Scheme. These reasons are not meant to be a full and exhaustive list of reasons to vote against the Scheme.

This Section should be read in conjunction with the 'Reasons to vote in favour of the Scheme' in Section 3.2 and the Risk Factors set out in Section 10.

(a) You may disagree with the DWS Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual interest

Notwithstanding the unanimous recommendation of the DWS Directors and the conclusions of the Independent Expert, you may believe that the Scheme is not in the best interests of DWS Shareholders or not in your individual interest.

There is no obligation to follow the recommendation of the DWS Directors or to agree with the opinion of the Independent Expert.

(b) You may prefer to participate in the future financial performance of the DWS Group business

If the Scheme is implemented, you will no longer be a DWS Shareholder. This will mean that you will not participate in the future performance of DWS, including any potential benefits that may result from being a DWS Shareholder and will not retain any exposure to the assets of the DWS Group or have the potential to share in the value that could be generated by DWS in the future.

(c) You may wish to maintain your investment profile

You may wish to maintain your investment in DWS in order to have an investment in a publicly listed company with the specific characteristics of DWS in terms of industry, operational profile, size, capital structure and potential future dividend stream. DWS Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to DWS and may incur transaction costs in undertaking any new investment.

(d) The tax consequences of the Scheme may not suit your financial position.

Implementation of the Scheme may trigger taxation consequences for DWS Shareholders. A general guide to the taxation implications of the Scheme is set out in Section 9. This guide is expressed in general terms only and DWS Shareholders should seek professional tax advice regarding the tax consequences that are applicable to their own circumstances.

(e) You may consider that there is potential for a Superior Proposal to emerge

It is possible that a more attractive proposal for DWS Shareholders could materialise in the future, such as a takeover bid or rival scheme proposal with a higher offer price than the Scheme Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged and DWS Directors are not aware of any Superior Proposal or any alternative that is likely to emerge.

The SIA contains exclusivity arrangements which, amongst other things, prohibit DWS from soliciting Third Party Proposals. These exclusivity arrangements are summarised in Section 11.1(c).



# 4

## **FREQUENTLY ASKED QUESTIONS**

# FREQUENTLY ASKED QUESTIONS

This Section answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for DWS Shareholders. This Section should be read together with all other parts of this Scheme Booklet.

QUESTION	ANSWER	MORE INFORMATION
<b>The Scheme and the Scheme Consideration</b>		
<b>Why have I received or why am I eligible to receive or access this Scheme Booklet?</b>	<p>You have received or are eligible to receive or access this Scheme Booklet because you are shown in the DWS Share Register as a DWS Shareholder and DWS Shareholders are being asked to vote on the Scheme which, if approved, will result in HCL acquiring all DWS Shares.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed to be implemented.</p> <p>If you have sold all your DWS Shares, please disregard this Scheme Booklet as you will not be entitled to vote at the Scheme Meeting.</p>	
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between DWS and DWS Shareholders at the Scheme Record Date. The Scheme will effect the acquisition of DWS by HCL.</p> <p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company.</p> <p>If the Scheme is approved and implemented, DWS Shareholders on the Register at the Scheme Record Date will receive the Scheme Consideration on the Implementation Date.</p>	A copy of the Scheme is contained in Annexure B
<b>What is the Scheme Consideration?</b>	<p>The Scheme Consideration is the consideration to be provided by HCL to each Scheme Shareholder for the transfer to HCL of each Scheme Share.</p> <p>The Scheme Consideration is a cash payment of \$1.20 per DWS Share less the cash value of any special dividend declared and paid by DWS after the execution of the Scheme Implementation Agreement but prior to the implementation of the Scheme. As the Company announced to the ASX on 13 October 2020, the DWS Board has determined that it will not declare or pay any such special dividend (and no such special dividend was declared or paid prior to that announcement). Accordingly, the Scheme Consideration is a fixed \$1.20 per DWS Share.</p>	
<b>When and how will I receive my Scheme Consideration?</b>	<p>Payment of the Scheme Consideration will be made on the Implementation Date (currently expected to be Friday 11 December 2020).</p> <p>The Scheme Consideration will be paid in Australian currency either by direct payment to your nominated bank account (if you have validly registered bank account details with Boardroom by the Scheme Record Date) or otherwise by cheque dispatched to your registered address on the Implementation Date.</p>	
<b>Who is HCL?</b>	HCL is a wholly owned subsidiary of HCL Technologies, which is listed on the National Stock Exchange of India and BSE (formerly Bombay Stock Exchange). Further details about HCL are provided in Section 8.	
<b>Voting recommendations and considerations</b>		
<b>What do the DWS Directors recommend?</b>	The DWS Board unanimously recommends that, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders, DWS Shareholders should vote in favour of the Scheme at the Scheme Meeting.	
<b>What is the Independent Expert's conclusion?</b>	The Independent Expert has concluded that the Scheme is in the best interests of DWS Shareholders on the basis that it is both fair and reasonable, in the absence of a Superior Proposal.	Annexure A of this Scheme Booklet contains the Independent Expert's Report
<b>Why should I vote in favour of the Scheme?</b>	Reasons why you should vote in favour of the Scheme are detailed in Section 3.2.	
<b>Why might I consider voting against the Scheme?</b>	Reasons why you may consider voting against the Scheme are detailed in Section 3.3.	



QUESTION	ANSWER	MORE INFORMATION
<b>Conditions to the scheme and approval of the Scheme</b>		
<b>Are there any conditions to the Scheme?</b>	As outlined in Sections 6.6 and 11.1(b), the implementation of the Scheme is subject to a number of Conditions Precedent. The Conditions Precedent relating to "DWS Shareholder approval", "Court approval of the Scheme" cannot be waived as they are required to be satisfied under the Corporations Act in order for the Scheme to be implemented. The Conditions Precedent relating to "FIRB Approval" and "OIO Approval" also cannot be waived as they are required to be satisfied under the foreign investment laws of, respectively, Australia and New Zealand. All of the other Conditions Precedent may be waived. The Scheme will not be implemented unless all of the Conditions Precedent are satisfied or waived (where capable of being waived) by 8:00am on the Second Court Date.	Sections 6.6 and 11.1(b)
<b>When and where will the Scheme Meeting be held?</b>	The Scheme Meeting will be held at 10.00am on Thursday 3 December 2020 electronically via the link: <a href="https://web.lumiagm.com/395712511">https://web.lumiagm.com/395712511</a> ; or using the Lumi AGM application.  In order to minimise health risks created by the COVID-19 pandemic, and in accordance with the Federal and State Government restrictions with respect to non-essential gatherings of people and the Treasurer's determination regarding electronic shareholder meetings, the Scheme Meeting is scheduled to be held electronically.  DWS Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical Scheme Meeting. DWS strongly encourages DWS Shareholders to consider lodging a directed proxy in the event they are not be able to participate in the electronic Scheme Meeting	The Notice of Scheme Meeting contained in Annexure D contains further information on the Scheme Meeting
<b>What will DWS Shareholders be asked to vote on at the Scheme Meeting?</b>	At the Scheme Meeting, DWS Shareholders will be asked to vote on whether they approve the Scheme to complete the Transaction between HCL and DWS.	The Scheme Resolution is set out in the Notice of Scheme Meeting contained in Annexure D
<b>What is the DWS Shareholder approval threshold for the Scheme?</b>	In order to become Effective, the Scheme must be approved by: <ul style="list-style-type: none"> <li>▶ unless the Court orders otherwise, a majority in number (more than 50%) of DWS Shareholders present online or by proxy and voting at the Scheme Meeting at 10.00am on Thursday 3 December 2020 electronically via the link: <a href="https://web.lumiagm.com/395712511">https://web.lumiagm.com/395712511</a>; or using the Lumi AGM application; and</li> <li>▶ at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by DWS Shareholders present online or by proxy and voting at the Scheme Meeting at 10.00am on Thursday 3 December 2020 electronically via the link: <a href="https://web.lumiagm.com/395712511">https://web.lumiagm.com/395712511</a>; or using the Lumi AGM application.</li> </ul> Even if the Scheme is agreed to by DWS Shareholders at the Scheme Meeting at 10.00am on Thursday 3 December 2020, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in Sections 6.6 and 11.1(b)).	Section 6.9 and the Notice of Scheme Meeting contained in Annexure D set out further information on the Scheme approval requirements  Section 6.9(a)
<b>What is an electronic meeting and how does it work?</b>	The Scheme Meeting will be conducted virtually via an online platform at link: <a href="https://web.lumiagm.com/395712511">https://web.lumiagm.com/395712511</a> ; or using the Lumi AGM application, which can be accessed from desktops, laptops and tablets (but is not recommended for smartphones). The online platform enables participants to view the relevant Scheme Meeting live, vote on the relevant Scheme Resolution in real time and ask questions online.  For more information, please refer to Section 5.3.	Section 5 and see Annexure D
<b>Am I entitled to vote at the Scheme Meeting?</b>	Each DWS Shareholder who is registered on the DWS Share Register at 7:00pm (Melbourne time) on Tuesday 1 December 2020 is entitled to attend and vote at the Scheme Meeting.	The Notice of Scheme Meeting contained in Annexure D sets out further information on your entitlement to vote
<b>How can I vote?</b>	You may vote on the relevant Scheme Resolution by joining the Scheme Meeting electronically, or by appointing a proxy, corporate representative or attorney to vote on the Scheme Resolution on your behalf.  If you do not wish to, or are unable to, participate in the electronic Scheme Meeting, you may vote on the relevant Scheme Resolution by lodging your proxy online at <a href="https://www.votingonline.com.au/dwssch2020">https://www.votingonline.com.au/dwssch2020</a> , or if you received a hardcopy proxy form, by following the instructions on the proxy form.  Please refer to Section 5.3 for detailed voting instructions.	Section 5.3 and see Annexure D
<b>How can I vote if I can't attend the Scheme Meeting or do not have a working internet connection?</b>	If you are unable to attend the Scheme Meeting you are able to vote by proxy, by completing and returning to the DWS Share Registry the enclosed proxy form for the Scheme Meeting. The proxy form must be received by the DWS Share Registry by no later than 10:00am on Tuesday 1 December 2020. You can also lodge your proxy online at <a href="https://www.votingonline.com.au/dwssch2020">https://www.votingonline.com.au/dwssch2020</a> by no later than 10:00am on Tuesday 1 December 2020	The Notice of Scheme Meeting contained in Annexure D sets out further details on how to vote at the Scheme Meeting.

<b>When will the results of the Scheme Meeting be known?</b>	The results of the Scheme Meeting will be available during or shortly after the conclusion of the meeting and will be announced to the ASX once available. Even if the Scheme is passed by the Scheme Meeting, the Scheme is subject to approval of the Court (as well as other Conditions Precedent outlined in Sections 6.6 and 11.1(b)).	
<b>What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?</b>	If the Scheme is not approved at the Scheme Meeting, or another Condition Precedent to the Scheme is not satisfied or waived (where capable of waiver) or the Court does not approve the Scheme, then the Scheme will not be implemented. If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration but will retain their DWS Shares. In these circumstances, DWS will, in the absence of another proposal, continue to operate as a stand-alone company listed on ASX which is the case currently.	
<b>What happens to my DWS Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?</b>	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective, any DWS Shares held by you on the Scheme Record Date (currently expected to be 7:00pm on Wednesday 09 December 2020) will be transferred to HCL and you will receive the Scheme Consideration, notwithstanding that you did not vote or voted against the Scheme.	
<b>When will the Scheme be implemented?</b>	If the Scheme becomes Effective, the Scheme will be implemented on the Implementation Date which is currently expected to be Friday 11 December 2020.	
<b>Other questions</b>		
<b>What happens if a Superior Proposal is received?</b>	If a Superior Proposal is received this will be announced to the ASX and the DWS Board will carefully consider the proposal and advise you of its recommendation.  In accordance with the Scheme Implementation Agreement, HCL has a right to match any such proposal.  Please disregard this Scheme Booklet in its entirety if the SIA is terminated due to a Superior Proposal.	
<b>Can I sell my DWS Shares now?</b>	You can sell your DWS Shares on market at any time before close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the value of the Scheme Consideration). If the Scheme becomes Effective, DWS intends to apply to the ASX for DWS Shares to be suspended from official quotation on the ASX from close of trading on the Effective Date (which is currently expected to be Monday 07 December 2020). You will not be able to sell your DWS Shares on market after this time.	Section 6.8
<b>Will I receive any more dividends from DWS?</b>	No, you will not receive any further special or ordinary dividends from DWS if the Scheme becomes Effective.  With respect to special dividends, although the SIA was prepared so as to afford DWS the flexibility to declare and pay a special dividend before implementation of the Scheme (with the Scheme Consideration to be reduced by the cash value of any such special dividend), as the Company announced to the ASX on 13 October 2020, the DWS Board has determined that it will not declare or pay any such special dividend (and no such special dividend was declared or paid prior to that announcement). Accordingly, the Scheme Consideration is a fixed \$1.20 per DWS Share.	
<b>Will I have to pay brokerage or stamp duty?</b>	No, you will not have to pay brokerage or stamp duty if your DWS Shares are acquired under the Scheme.	
<b>What are the taxation implications of the Scheme?</b>	The Tax implications for Scheme Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Shareholder.  General information about the likely Australian Tax consequences of the Scheme is set out in Section 9. You should not rely on those descriptions as advice for your own affairs.  For information about your individual financial or taxation circumstances please consult your financial, legal, taxation or other professional adviser.	Section 9
<b>Where can I get further information?</b>	For further information, you can call the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).	



# 5

## HOW TO VOTE

# HOW TO VOTE

## 5.1 | WHAT SHOULD I DO?

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme (as set out in Section 3), before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Transaction are set out in Section 4. If you have any additional questions about this Scheme Booklet, the Scheme or the Transaction, please contact the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time), or contact your broker or legal, financial, taxation or other professional adviser.

## 5.2 | AM I ENTITLED TO VOTE?

If you are registered as a DWS Shareholder on the DWS Share Register at 7.00pm on Tuesday 1 December 2020, you will be entitled to attend and vote at the Scheme Meeting to be held on Thursday 3 December 2020 at 10.00am via the link: <https://web.lumiagm.com/395712511>; or using the Lumi AGM application.

### Watch and participate online

Scheme Shareholders can watch and participate in the Scheme Meeting virtually online via the online platform by using:

- a web-browser using your laptop or computer at: <https://web.lumiagm.com/395712511>; or
- if on your smartphone, tablet or a compatible smart device by using the Lumi AGM application, which is available by downloading the application from the Apple App Store or Google Play Store.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

If you choose to participate in the Scheme Meeting virtually, you can log in to join and participate in the meeting by entering:

1. Your username, which is your Voting Access Code (VAC), which can be located on the first page of your proxy form or Notice of Scheme Meeting email.

## 5.3 | HOW DO I VOTE ON THE SCHEME?

Due to the coronavirus (COVID-19) pandemic and the restrictions on public gatherings imposed by the Australian Federal and State Governments, consistent with the Treasurer's determination regarding electronic shareholder meetings, the DWS Board has decided to hold the Scheme Meeting electronically. Please refer to Annexure D of this Scheme Booklet for information setting out how to participate in and vote at the Scheme Meeting. The Scheme Meeting is being arranged to ensure all DWS Shareholders can participate, question the Board and have their voices heard on this important decision for DWS Shareholders.

The Scheme Meeting is to be held at 10.00am on Thursday 3 December 2020 electronically via the link: <https://web.lumiagm.com/395712511>; or using the Lumi AGM application. It is important that you vote in favour of the Scheme if you want the Scheme to proceed.

2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Lumi User Guide (which is available at <http://www.reportsonline.net.au/?documentid=7DBF9666CF884FC6AEC8D20DE34B2E43>) for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760 or via [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) to obtain your proxy number which must be obtained no later than 24 hours prior to the Scheme Meeting.

If you have any additional questions in relation to how to vote at this Scheme Meeting, call the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

### (a) Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of DWS Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, DWS Shareholders are encouraged to lodge a Scheme Meeting Proxy Form that accompanies this Scheme Booklet by no later than 10:00am (Melbourne time) on 1 December 2020, even if they plan to attend the Scheme Meeting virtually.

### (b) Voting and proxy instructions

You are entitled to vote at the Scheme Meeting only if you are registered as a shareholder of the Company at 7.00pm (Melbourne time) on Tuesday, 1 December 2020.

If you are unable to attend the Scheme Meeting, you may appoint a proxy to attend and vote on your behalf by completing the Scheme Meeting Proxy Form that accompanies this Scheme Booklet. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

Proxy Forms must be lodged in accordance with the instructions set out in the Proxy Form accompanying the Notice of Scheme Meeting.

- |            |   |
|------------|---|
| 1) Online  | <a href="https://www.votingonline.com.au/dwssch2020">https://www.votingonline.com.au/dwssch2020</a> |
| 2) By Fax  | + 61 2 9290 9655  |
| 3) By Mail | Boardroom Pty Limited<br>GPO Box 3993,<br>Sydney NSW 2001 Australia                                 |

Additional or replacement Scheme Meeting Proxy Forms can be obtained from the DWS Share Registry.

**Please refer to Annexure D for further instructions regarding details of how to vote, appointing a proxy, directing a proxy or any other Scheme Meeting related queries.**





# 6

## **OVERVIEW OF THE SCHEME FOR DWS SHAREHOLDERS**



# OVERVIEW OF THE SCHEME FOR DWS SHAREHOLDERS

## 6.1 | BACKGROUND

There are a range of issues which form part of, or are related to, the Scheme. DWS Shareholders should consider the issues outlined below as part of their overall assessment of the Scheme.

## 6.2 | WHAT YOU WILL RECEIVE – SCHEME CONSIDERATION

If the Scheme becomes Effective, Scheme Shareholders (being DWS Shareholders as at the Scheme Record Date) will receive the Scheme Consideration of \$1.20 cash per DWS Share. Although the SIA was prepared so as to afford DWS the flexibility to declare and pay the Target Permitted Special Dividend (with the Scheme Consideration to be reduced by the cash value of any such special dividend), as the Company announced to the ASX on 13 October 2020, the DWS Board has determined that it will not declare or pay any such special dividend (and no such special dividend was declared or paid prior to that announcement). Accordingly, the Scheme Consideration is a fixed \$1.20 per DWS Share.

Payment will be made by:

- ▶ dispatching, or procuring the dispatch, to each Scheme Shareholder of a pre-printed cheque in the name of that Scheme Shareholder for the relevant amount (denominated in Australian currency) with such dispatch to be made by pre-paid post to that Scheme Shareholder's registered address (as at the Scheme Record Date); or
- ▶ making, or procuring the making of, a deposit for the relevant amount (denominated in Australian currency) in an account with any Australian authorised deposit-taking institution in Australia notified by the relevant Scheme Shareholder to Boardroom for the purposes of receiving dividends and recorded in or for the purposes of the DWS Share Register as at the Scheme Record Date.

## 6.3 | DWS DIRECTORS' RECOMMENDATION

DWS Directors unanimously recommend that DWS Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders.

In making their recommendation, DWS Directors have considered the following:

- ▶ the reasons for DWS Shareholders to vote in favour of the Scheme outlined in Section 3.2;
- ▶ the reasons DWS Shareholders may vote against the Scheme, outlined in Section 3.3;
- ▶ the risks related to DWS, which are outlined in Section 10; and
- ▶ the Independent Expert's Report which is included in Annexure A.

The DWS Directors concluded the reasons for DWS Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme.

In considering whether to vote in favour of the Scheme, DWS

Directors encourage you to:

- ▶ carefully read all of this Scheme Booklet (including the Independent Expert's Report);
- ▶ consider the choices available to you as outlined in Section 6.8;
- ▶ have regard to your individual risk profile, portfolio strategy, taxation position and financial circumstances; and
- ▶ obtain financial advice from your broker or financial adviser on the Scheme and obtain taxation advice on the effect on you of the Scheme becoming Effective.

## 6.4 | VOTING INTENTIONS OF DWS DIRECTORS

Each DWS Director intends to vote in favour of the Scheme at the Scheme Meeting to be held at 10.00am on Thursday 3 December 2020 via the link: <https://web.lumiagm.com/395712511>; or using the Lumi AGM application in relation to the DWS Shares held or controlled by them, in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders.

Details of the Relevant Interests of each DWS Director are set out in Section 7.4.

## 6.5 | INDEPENDENT EXPERT'S CONCLUSION

The DWS Directors note that the Independent Expert has concluded that the Scheme is in the best interests of DWS Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, concluded that the Scheme was both fair and reasonable to DWS Shareholders. The basis for this conclusion is that the Scheme Consideration of \$1.20 is within the underlying value range for DWS which the Independent Expert assessed to be in the range of \$1.12 to \$1.33 per DWS Share. The reasons why the Independent Expert reached this conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure A.

## 6.6 | CONDITIONS OF THE SCHEME

Implementation of the Scheme is subject to a number of Conditions Precedent being satisfied or waived in accordance with the SIA. These conditions are summarised in Section 11.1(b) and set out in full in clause 3.1 of the SIA.

As at the Last Practicable Date, the DWS Directors are not aware of any circumstances which would cause any of those circumstances to not be satisfied in accordance with the SIA.

## 6.7 | IF THE SCHEME DOES NOT BECOME EFFECTIVE

If the Scheme is not implemented:

- ▶ Scheme Shareholders will not receive the Scheme Consideration;
- ▶ DWS will continue to be listed on the ASX and DWS Shareholders will continue to be exposed to movements in the DWS share price on ASX;
- ▶ DWS Shares will not be transferred to HCL and will be retained by DWS Shareholders; and
- ▶ DWS Shareholders will continue to be exposed to the benefits and risks associated with an investment in DWS as a stand-alone entity listed on the ASX (see Section 10).

If the Scheme is not implemented and in the absence of an alternative proposal which is similar or superior to the Scheme, the price at which DWS Shares trade may fall.

Depending on the reason why the Scheme does not proceed, DWS may be liable to pay the DWS Break Fee. Information on the DWS Break Fee is contained in Section 11.1(e).

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by DWS in relation to the Scheme. Those transaction costs have either already been paid, or will be payable, by DWS regardless of whether or not the Scheme is implemented. If the Scheme proceeds additional costs will be incurred.

## 6.8 | YOUR CHOICES AS A DWS SHAREHOLDER

As a DWS Shareholder, you have three choices currently available to you, which are as follows:

<b>Option 1 – Vote at the Scheme Meeting</b>	<p>You can vote at the Scheme Meeting online or by proxy, power of attorney or (in the case of corporations who are DWS Shareholders) corporate representative, in respect of some or all of your DWS Shares. Details of how to vote at the Scheme Meeting are set out in Section 5.3. The voting link is available at: <a href="https://web.lumiagm.com/395712511">https://web.lumiagm.com/395712511</a>; or using the Lumi AGM application.</p> <p>You may vote in favour of, or against, the Scheme Resolution. You may also abstain from voting on the Scheme Resolution. If you abstain from voting, your votes will not be counted in calculating the required majority.</p> <p>If you vote against the Scheme Resolution or abstain from voting on the Scheme Resolution and the Scheme is approved and becomes Effective, then any DWS Shares you hold on the Scheme Record Date will be transferred to HCL and you will receive the Scheme Consideration for each of your DWS Shares.</p>
<b>Option 2 – Sell your DWS Shares on ASX</b>	<p>You can sell your DWS Shares on ASX at any time before close of trading on the Effective Date. If you sell your DWS Shares on ASX, you may incur brokerage costs. If you sell your DWS Shares before the Scheme Record Date, you will not receive the Scheme Consideration.</p> <p>If you sell your DWS Shares off-market after the Effective Date but before the Scheme Record Date, you will not receive the Scheme Consideration.</p> <p>If the Scheme becomes Effective, it is expected that DWS Shares will be suspended from trading on ASX at the close of trading on the Effective Date.</p>
<b>Option 3 – Do nothing</b>	<p>If you do not wish to vote for or against the Scheme, or sell your DWS Shares on ASX, you may choose to do nothing.</p> <p>If you do nothing and the Scheme is approved by DWS Shareholders and becomes Effective, then your Scheme Shares will be transferred to HCL and you will be paid the Scheme Consideration.</p> <p>If you do nothing and the Scheme is not approved, DWS will continue to be listed on the ASX and DWS Shareholders will continue to be exposed to movements in the DWS share price on ASX.</p>

## 6.9 | TRANSACTION PROCEDURE

### (a) Scheme approval requirements

The Scheme will only become Effective and be implemented if:

- ▶ it is approved by the Requisite Majorities of DWS Shareholders at the Scheme Meeting to be held at 10.00am on Thursday 3 December 2020;
- ▶ it is approved by the Court at the Second Court Hearing; and
- ▶ the Conditions Precedent in relation to the Scheme outlined in Section 11.1(b) are satisfied or waived (as appropriate).

The Conditions Precedent (other than that relating to Court approval) must be satisfied by 8.00am on the Second Court Date.

The Requisite Majorities of DWS Shareholders to approve the Scheme are:

- ▶ unless the Court orders otherwise, a majority in number (more than 50%) of DWS Shareholders present and voting at the Scheme Meeting (either in person or by proxy); and

- ▶ at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by DWS Shareholders present and voting at the Scheme Meeting (either in person or by proxy).

### (b) Scheme Meeting and how to vote

The Court has ordered DWS to convene the Scheme Meeting at which DWS Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure D.

The fact that the Court has ordered that the Scheme Meeting be convened by DWS for DWS Shareholders to consider and vote on the Scheme and directed that an explanatory statement accompany the Notice of Scheme Meeting does not mean that the Court has prepared, or is responsible for the content of, this Scheme Booklet or has formed any view as to the merits of the Scheme or as to how DWS Shareholders should vote. On these matters DWS Shareholders must reach their own decision.

### (c) Attendance at Scheme Meeting

The entitlement of DWS Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting in Annexure D.

Instructions on how to attend and vote online at the Scheme Meeting to be held at 10:00am on Thursday 3 December 2020 (in person, by proxy, or through an attorney or corporate representative) are set out in the Notice of Scheme Meeting.

Voting is not compulsory. However, the DWS Directors unanimously recommend that DWS Shareholders vote in favour of the Scheme in the absence of a Superior Proposal or the Independent Expert changing or qualifying its conclusion that the Scheme is in the best interests of DWS Shareholders.

The results of the Scheme Meeting will be available during or shortly after the conclusion of the Scheme Meeting and will be announced to the ASX ([www.asx.com.au](http://www.asx.com.au)) once available.

### (d) Court approval of the Scheme

In the event that:

- ▶ the Scheme is approved by the Requisite Majorities of DWS Shareholders at the Scheme Meeting (see Section 6.9(a) for the Scheme approval requirements); and
- ▶ all Conditions Precedent (except Court approval of the Scheme) have been satisfied or waived (if they are capable of being waived),

then DWS will apply to the Court for orders approving the Scheme.

You may appear at the Second Court Hearing. If you wish to oppose the approval of the Scheme at the Second Court Hearing, you may do so by filing with the Court, and serving on DWS, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. Dial in details for the Second Court Hearing will be made available to any DWS Shareholder who indicates an intention to appear in this matter. The notice of appearance and affidavit must be served on DWS at its address for service at least one day before the Second Court Date.

The address for service is: DWS Limited, Level 4, 500 Collins Street, Melbourne VIC 3000, Attention: Company Secretary

### (e) Effective Date

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. DWS will, on the Scheme becoming Effective, give notice of that event to the ASX.

DWS intends to apply to the ASX for DWS Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

### (f) Scheme Record Date and dealings in DWS Shares

Those DWS Shareholders on the DWS Share Register on the Scheme Record Date (currently expected to be 7.00pm on Wednesday 09 December 2020) will be entitled to receive the Scheme Consideration in respect of the DWS Shares they hold at that time.

For the purpose of determining which DWS Shareholders are eligible to participate in the Scheme, dealings in DWS Shares will be recognised only if:

- ▶ in the case of dealings of the type to be effected using CHESS, the transferee is registered on the DWS Share Register as the holder of the relevant DWS Shares as at the Scheme Record Date; and
- ▶ in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received by Boardroom at or before 5.00pm on the day on which the Scheme Record Date occurs.

DWS will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of DWS Shares received after 5.00pm on the day on which the Scheme Record Date occurs or received prior to that time, but not in registrable form, other than a transfer to HCL in accordance with the Scheme and any subsequent transfer by HCL, or its successors in title.

If the Scheme becomes Effective, a holder of DWS Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any DWS Shares or any interest in them after the Scheme Record Date other than in accordance with the Scheme, and any such disposal will be void and of no legal effect whatsoever.

For the purpose of determining entitlements to the Scheme Consideration, DWS will, until the Scheme Consideration has been provided, maintain the DWS Share Register in accordance with the Scheme and the DWS Share Register in this form will solely determine entitlements to the Scheme Consideration.

All certificates and holding statements for Scheme Shares (other than holding statements in favour of HCL and its successors in title after the Implementation Date) will cease to have any effect from the Scheme Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by HCL and registration of the transfer to HCL of the Scheme Shares, after the Scheme Record Date, each entry current at that date on the DWS Share Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

### (g) Implementation Date

Scheme Shareholders will be sent or issued (as relevant) the Scheme Consideration on the Implementation Date (currently expected to be Friday 11 December 2020). Subject to HCL providing the Scheme Consideration in accordance with the Scheme, the Scheme Shares will be transferred to HCL.

### (h) Deed Poll

A Deed Poll has been executed by HCL, under which HCL undertakes in favour of each Scheme Shareholder, to:

- ▶ provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- ▶ undertake all other actions attributed to HCL under the Scheme.

A copy of the Deed Poll is contained in Annexure C.

## 6.10 | TAX IMPLICATIONS

A general guide to the taxation consequences for DWS Shareholders who dispose of their DWS Shares to HCL in accordance with the Scheme is set out in Section 9. This guide has been prepared by EY. This guide is expressed in general terms only and does not purport to be a complete analysis or to identify all the potential Tax consequences of the Scheme. DWS Shareholders should seek professional taxation advice regarding the Tax consequences applicable to their own circumstances.

## 6.11 | WARRANTY BY SCHEME SHAREHOLDERS

The Scheme provides that each Scheme Shareholder is deemed to have warranted to DWS, in its own right and for the benefit of HCL, that:

- (a) all of the Scheme Shares held by that Scheme Shareholder (including any rights and entitlements attaching to those shares) which are to be transferred to HCL under the Scheme will be transferred to HCL fully paid and free from all mortgages, pledges, charges, liens, encumbrances, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and transfer their Scheme Shares to HCL (including any rights and entitlements attaching to those shares); and
- (c) as at the Scheme Record Date, it has no existing right to be issued any other DWS Shares or any other form of securities in DWS.

## 6.12 | DELISTING OF DWS

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

If the Court approves the Scheme and the Scheme is implemented, DWS will apply for termination of the official quotation of DWS Shares on the ASX and the removal of DWS from the ASX's Official List after the Implementation Date.



7

## PROFILE OF DWS



# PROFILE OF DWS

## 7.1 | BACKGROUND

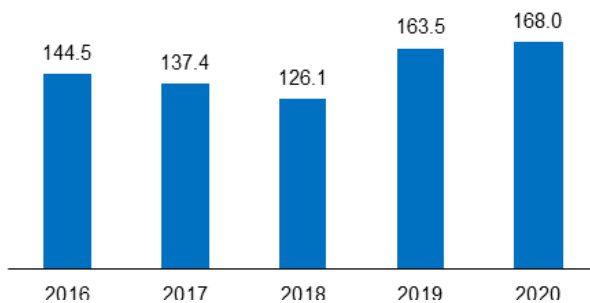
DWS is an ASX-listed Australian-based IT, business and management consulting services group that provides a suite of integrated solutions, including consulting services, such as custom application development and project management and digital solutions, data automation and design services.

DWS was established in 1991 by current CEO, Danny Wallis, and was listed on the ASX in June 2006.

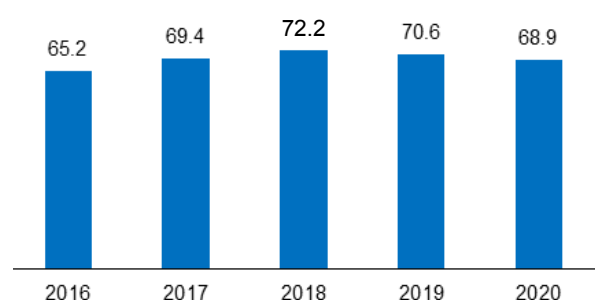
DWS is headquartered in Melbourne with Australian-based offices located in Sydney, Brisbane, Adelaide and Canberra. As at 30 September 2020, DWS had approximately 715 full time equivalent staff.

DWS has an established customer base diversified across a range of sectors as shown in Figure 7.1(c) below.

**Figure 7.1(a): DWS Group's historical revenue (\$ millions)**



**Figure 7.1(b): DWS Group's historical total equity (\$ millions)**



**Figure 7.1 (c) DWS Group's revenue by industry FY20**

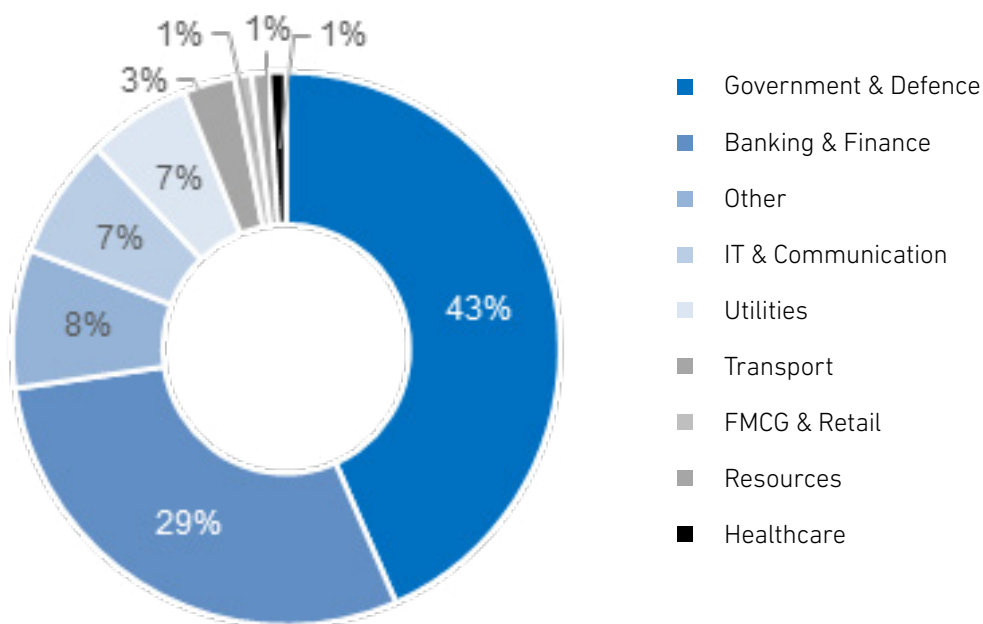


Figure 7.1(d) Staff by Geography

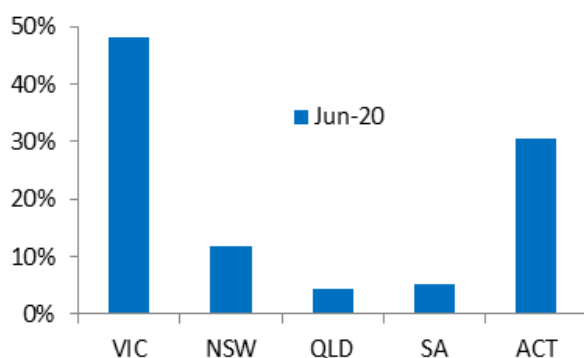
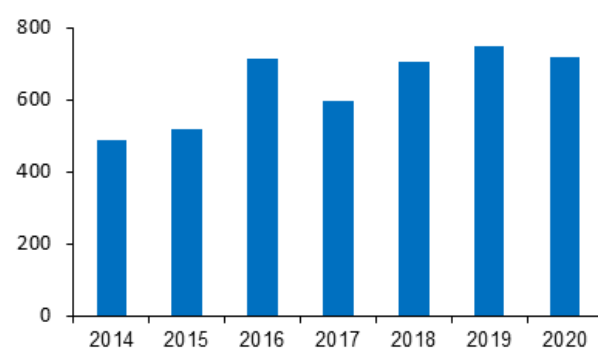


Figure 7.1(e) Billable Headcount



## 7.2 | OVERVIEW OF OPERATIONS

The DWS Group provides a wide ranging and flexible suite of services to a broad range of corporate clients and State and Commonwealth Government agencies including IT, Business and Management Consulting Services, Human Centred Design and Digital Transformation, Business Analytics, Customer driven innovation, Strategic Advisory and Productivity Services, Managed Application Services and Robotic Process Automation.

The DWS Group combines a people-driven culture with an effective delivery methodology and service engagement model, striving to be its client's premier innovation and technology partner by bringing together the best minds in Customer Experience, Technology and Strategy and by delivering high quality, timely outcomes.

The following paragraphs summarise each of the DWS Group businesses.

### DWS

DWS offers a suite of integrated solutions spanning IT Consulting Services, Business Analytics, Digital Solutions, Managed Application Services and Robotic Process Automation to both corporate clients and Government agencies across Australia and New Zealand. Those services include:

- ▶ Technology design & delivery;
- ▶ Program & project management;
- ▶ Experience design, customer experience & user experience;
- ▶ Automation & intelligence;
- ▶ Strategy & business improvement;
- ▶ Data & analytics;
- ▶ Government services;
- ▶ Digital transformation; and
- ▶ Cloud services.

### Projects Assured

Projects Assured is a management consulting firm based in Canberra, with a proven reputation for solving its clients' most challenging business problems.

Projects Assured vision is to be Canberra's premier management consultancy and Canberra's best place to work.

As a local firm, Projects Assured is focused on delivering consulting services to the Canberra market.

Projects Assured was acquired by DWS in July 2018.

Projects Assured's services include:

- ▶ Strategy & Business Improvement;
- ▶ Project & Program Management;
- ▶ Enterprise Architecture & Technology; and
- ▶ Capability Development.

### Symplicit

Founded in 2003, Symplicit is a digital design consultancy with a team of over 30 practitioners who work with over 150 clients and with offices in Sydney, Melbourne, Brisbane and Adelaide.

Symplicit provides end to end services from initial user-led research, prototyping, testing and design delivery. Its experience and capabilities cover behavioural research and insights, digital and built environments, service design, experience design, training, customer strategy and innovation

Symplicit was acquired by DWS in June 2015.

Symplicit's services include:

- ▶ Experience design;
- ▶ Behavioural research and insight;
- ▶ Service design;
- ▶ Customer strategy and innovation;
- ▶ Built environments; and
- ▶ Training and capability building.

## 7.3 | BOARD AND SENIOR MANAGEMENT

### (a) DWS Board

The DWS Board comprises the following directors:

NAME	POSITION
Danny Wallis	Managing Director and CEO
Martin Ralston	Chair and Independent Non-Executive Director
Hayden Kelly	Independent Non-Executive Director
Danny Gorog	Independent Non-Executive Director

### (b) DWS senior management

The senior management comprises the following members:

NAME	POSITION
Danny Wallis	CEO and Managing Director
Stuart Whipp	CFO and Company Secretary
Campbell Johnston	National Sales Manager
Malcolm Sheehan	National Operations Manager
Christopher Lewandowski	National IT Manager
Mark Thomas	General Manager New South Wales
Jason Dreimanis	General Manager South Australia
Sally Cullinane	General Manager Human Resources
Gerard Murphy	National General Manager - Symplicit
David O'Rourke	Executive General Manager - Projects Assured
Greg Sly	Executive General Manager - Projects Assured

## 7.4 | INTERESTS OF DWS DIRECTORS IN DWS SECURITIES

### (a) Relevant Interests of DWS Directors in DWS securities

As at the Last Practicable Date, the DWS Directors had the following Relevant Interests in DWS securities:

DWS DIRECTOR	NUMBER OF DWS SHARES
Danny Wallis	56,305,283
Martin Ralston	18,000
Hayden Kelly	20,000
Danny Gorog	10,000

DWS Directors who hold DWS Shares will be entitled to vote at the Scheme Meeting in respect of the DWS Shares they hold and receive the Scheme Consideration along with other Scheme Shareholders.

Each DWS Director intends to vote, or cause to be voted, all DWS Shares held or controlled by them (being the DWS Shares in which they have a Relevant Interest) in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of DWS Shareholders.

### (b) Dealings of DWS Directors in DWS securities

No DWS Director acquired or disposed of a Relevant Interest in any DWS securities in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

## 7.5 | CAPITAL STRUCTURE

As at the Last Practicable Date, the capital structure of DWS is as follows:

TYPE OF SECURITY	NUMBER ON ISSUE
DWS Shares	131,831,328

## 7.6 | TOP 20 DWS SHAREHOLDERS

Based on DWS' Share Register as at 21 September 2020, the top 20 DWS Shareholders held approximately 57.19% of the DWS Shares, as set out in the following table.

DWS SHAREHOLDER	NUMBER OF DWS SHARES	NUMBER OF DWS SHARES
Mr Danny Wallis	56,305,283	42.71%
Citicorp Nominees Pty Limited	4,105,202	3.11%
Mutual Trust Pty Ltd	2,632,493	2.00%
J P Morgan Nominees Australia Pty Limited	1,650,741	1.25%
HSBC Custody Nominees (Australia) Limited	1,447,887	1.10%
Sargon Ct Pty Ltd	1,445,097	1.10%
Neweconomy Com Au Nominees Pty Limited	1,350,321	1.02%
Morgan Stanley Australia Securities (Nominee) Pty Limited	890,754	0.68%
G Harvey Nominees Pty Limited	740,000	0.56%
Mr Peter John Stirling & Mrs Rosalind Verena Stirling	650,000	0.49%
Mr David Patrick John Mulroney & Mrs Elisabeth Suzanne Mulroney	625,000	0.47%
ACN 106966401 Pty Ltd	504,003	0.38%
Mr Glenn Mafodda	479,186	0.36%
Fielding Johnstone Pty Ltd	450,000	0.34%
BNP Paribas Nominees Pty Ltd	392,244	0.30%
Dr Andrew Richard Conway & Dr Vanessa Joy Teague	372,384	0.28%
Luton Pty Ltd	350,000	0.27%
Jack Miriklis Nominees Pty Ltd	340,000	0.26%
JE & FJ Cunningham Superannuation Pty Ltd	335,894	0.26%
Mr Peter Biven & Mrs Kirsten Bach Biven	334,988	0.25%

## 7.7 | RECENT DWS SHARE PRICE PERFORMANCE

The closing price of DWS Shares on 18 September 2020, being the last closing price prior to the announcement of the SIA on 21 September 2020 was \$0.90. The closing price of DWS Shares on 27 October 2020 being the last practicable trading date before the date of this Scheme Booklet was \$1.17.

During the six months ending 27 October 2020:

- ▶ The highest recorded daily closing price of DWS Shares was \$1.18; and
- ▶ The lowest recorded daily closing price of DWS Shares was \$0.71

During the three months ending 27 October 2020:

- ▶ The highest recorded daily closing price of DWS Shares was \$1.18; and
- ▶ The lowest recorded daily closing price of DWS Shares was \$0.84

The chart below highlights the DWS share price performance and volume of trades over the last 12 months to 27 October 2020, being the last practicable trading date before the date of this Scheme Booklet.

**Figure 7.7: DWS trading history - closing price (\$/share) and volume**



Source: Capital IQ

## 7.8 | HISTORICAL FINANCIAL INFORMATION

This Section contains historical financial information relating to DWS extracted from DWS' audited financial statements for the financial years ended 30 June 2019 (FY19) and 30 June 2020 (FY20).

DWS' financial accounts, including all notes to those accounts, can be found in:

- ▶ the DWS FY19 Annual Report (released to the ASX on 19 September 2019) and FY19 Appendix 4E (released to the ASX on 13 August 2019); and
- ▶ the DWS FY20 Annual Report (released to the ASX on 30 September 2020) and FY20 Appendix 4E (released to the ASX on 24 August 2020).

Copies of these reports are available within the Investors section of the DWS website <https://www.dws.com.au/investors>.

Alternatively, DWS Shareholders may obtain copies of these documents free of charge by calling the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).

The financial information in this Section is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet.

### (a) Basis of preparation

The historical financial information of DWS is presented in an abbreviated form and does not contain all the disclosures, presentations, statements or comparative information required to be provided in an annual report prepared in accordance with the Corporations Act. The DWS Directors believe that the abbreviated historical financial information format presented in this Section is useful to assist DWS Shareholders in their understanding of the historical financial performance and historical financial position of DWS, however, should be read in conjunction with the full financial statements, including the accounting policies and notes to those financial statements.

The historical financial information of DWS has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act. The historical information in this Scheme Booklet is presented in Australian dollars, which is DWS' functional currency. The historical financial information in this Scheme Booklet is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.



## (b) Historical consolidated statements of profit or loss

The following table presents the DWS Group's consolidated statements of profit or loss for the years ended 30 June 2019 and 30 June 2020:

	<b>FY19</b>	<b>FY20</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from continuing operations</b>	163,496	167,948
Other income	719	807
Employee benefits expense	(135,518)	(143,426)
Depreciation and amortisation expense	(1,943)	(3,797)
Other expenses	(6,460)	(4,687)
Financing expense	(3,094)	(2,286)
Share of profit/(loss) from equity accounted investments	(813)	(701)
<b>Profit before tax</b>	16,387	13,858
Income tax expense	(6,089)	(6,348)
<b>Profit from continuing operations</b>	10,298	7,510
<b>Profit for the year</b>	10,298	7,510
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	10,298	7,510
Basic earnings per share	\$0.08	\$0.06
Diluted earnings per share	\$0.08	\$0.06

### (c) Historical consolidated statement of financial position

The following table presents the DWS Group's consolidated statement of financial position as at 30 June 2019 and 30 June 2020:

	<b>FY19 \$'000</b>	<b>FY20 \$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	8,880	14,358
Trade and other receivables	30,575	24,254
Other	1,133	686
<b>Total current assets</b>	<b>40,588</b>	<b>39,298</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,701	2,609
Right of use asset	-	5,425
Intangible assets	96,995	98,859
Investments in associates	187	-
Other financial assets	-	511
Deferred tax assets	3,673	5,299
<b>Total non-current assets</b>	<b>103,556</b>	<b>112,703</b>
<b>Total assets</b>	<b>144,144</b>	<b>152,001</b>
<b>Current liabilities</b>		
Trade and other payables	17,150	20,898
Current tax liabilities	3,270	3,083
Provisions	7,261	8,542
Lease liabilities	-	1,404
Contract liabilities	2,472	2,717
<b>Total current liabilities</b>	<b>30,153</b>	<b>36,644</b>
<b>Non-current liabilities</b>		
Interest bearing liability	42,000	39,000
Lease liabilities	-	4,448
Provisions	1,413	3,049
<b>Total non-current liabilities</b>	<b>43,413</b>	<b>46,497</b>
<b>Total liabilities</b>	<b>73,566</b>	<b>83,141</b>
<b>Net-assets</b>	<b>70,578</b>	<b>68,860</b>
<b>Equity</b>		
Issued capital	34,187	34,187
Retained earnings	36,391	34,673
<b>Total equity</b>	<b>70,578</b>	<b>68,860</b>

## (d) Historical consolidated statements of cash flows

The following table presents the DWS Group's consolidated statements of cash flows for the years ended 30 June 2019 and 30 June 2020

	FY19 \$'000	FY20 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	175,978	192,855
Cash payments to suppliers and employees	(152,951)	(159,214)
Income taxes paid	(6,320)	(7,922)
Interest received	86	52
Interest and financing expenses	(1,816)	(1,792)
<b>Net cash provided by operating activities</b>	<b>14,977</b>	<b>23,979</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(911)	(202)
Payments for intangibles	(236)	(129)
Payments for acquisitions	(33,000)	(3,318)
Cash acquired within business acquisitions	787	-
Payment for investment in associates	(1,000)	(1,025)
<b>Net cash used in investing activities</b>	<b>(34,360)</b>	<b>(4,674)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(11,865)	(9,228)
Payment of principal portion of lease liabilities	-	(1,419)
Payment of interest portion of lease liabilities	-	(180)
Repayment of external financing	(5,000)	(9,000)
Receipt of external financing	37,000	6,000
<b>Net cash used in financing activities</b>	<b>20,135</b>	<b>(13,827)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>752</b>	<b>5,478</b>
Cash at the beginning of the financial year	8,128	8,880
<b>Cash at the end of the financial year</b>	<b>8,880</b>	<b>14,358</b>

## (e) Material changes in DWS' financial position since 30 June 2020

To the knowledge of the DWS Directors as at the date of this Scheme Booklet, the financial position of DWS has not materially changed since 30 June 2020, as reported in its full-year results announcement for the twelve months ended 30 June 2020 other than:

- ▶ the accumulation of earnings and payment of outgoings in the ordinary course of trading since 30 June 2020;
- ▶ the payment of the Target Permitted Ordinary Dividend on 2 October 2020; and
- ▶ as otherwise disclosed to the ASX by DWS.

## 7.9 | STATEMENT OF DWS DIRECTORS' INTENTIONS

If the Scheme is not implemented, DWS Directors intend to continue to operate the DWS Group in the ordinary course of business and for DWS to remain listed on ASX.

## 7.10 | RISKS RELATING TO DWS' BUSINESS AND OPERATIONS

There are existing risks that relate to DWS' business and operations that will continue to be relevant to DWS Shareholders if the Scheme is not implemented. A summary of these key risks relating to DWS' business and operations is set out in Section 10.

## 7.11 | PUBLICLY AVAILABLE INFORMATION ABOUT DWS

DWS is a disclosing entity as defined by the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these require DWS to disclose to the market any information that a reasonable person would expect to have a material effect on the price of DWS Shares as soon as it becomes aware of the information.

Pursuant to the Corporations Act, DWS is required to prepare and lodge with both the ASX and ASIC, both annual and half-yearly financial statements, accompanied by a declaration and report from the DWS Directors and an audit or review report respectively.

The ASX maintains files containing publicly disclosed information about all companies listed on the ASX. Information disclosed to the ASX by DWS is available on the ASX's website at <https://www.asx.com.au/asx/share-price-research/company/DWS>. Copies of the documents lodged with ASIC in relation to DWS may be obtained from, or inspected at, an ASIC office.

DWS Shareholders may obtain a copy of:

- ▶ DWS' 2020 Annual Report, which includes DWS' audited financial statements for the financial year ended 30 June 2020; and
- ▶ all continuous disclosure notices given by DWS after the lodgement of its annual financial report for the year ended 30 June 2020 with ASIC and before the date of this Scheme Booklet,

free of charge, from ASX's website [www.asx.com.au](http://www.asx.com.au) or DWS' website <https://www.dws.com.au/investors>.

Copies of DWS' constitution, corporate governance policies and charters, and other relevant documents, can be accessed via DWS' website <https://www.dws.com.au/investors>.

Copies of documents lodged with ASIC in relation to DWS may be obtained from or inspected at an ASIC office or online at ASIC's online registry portal [asicconnect.asic.gov.au](http://asicconnect.asic.gov.au). Please note that ASIC may charge a fee for such services.

## 7.12 | INTERESTS AND DEALINGS OF DWS DIRECTORS IN HCL SECURITIES

### (a) Relevant Interests of DWS Directors in HCL securities

As at the Last Practicable Date, no securities of HCL or HCL Technologies are held by, or on behalf of, any DWS Director.

### (b) Dealings of DWS Directors in HCL securities

No DWS Director acquired or disposed of a Relevant Interest in securities of HCL or HCL Technologies in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

### (c) Interests of DWS Directors in contracts with HCL

No DWS Director has any interest in any contract entered into by HCL, other than as referred to in Section 7.13(b) below.

## 7.13 | BENEFITS AND AGREEMENTS

### (a) DWS Directors


Under the Scheme Implementation Agreement, DWS must ensure that all DWS Directors resign as directors, and that Danny Wallis resigns as CEO of DWS, subject to and with effect from implementation of the Scheme.

### (b) DBW Constructions Pty Ltd consultancy

DWS has, solely at the request of HCL, entered into a consultancy agreement with Danny Wallis and DBW Constructions Pty Ltd (ACN 167 756 934), a company Controlled by Danny Wallis, pursuant to which integration and transitional consulting services will be provided to DWS subject to and from implementation of the Scheme. The term of the consultancy is up to 6 months after implementation of the Scheme (or as varied by the agreement of the parties) provided that DWS may terminate the consultancy at any time with 30 days prior written notice and the consultant may terminate the consultancy at any time with 60 days prior written notice. Consultancy fees of \$30,000 per month plus GST are payable during the term of the consultancy.

### (c) Other benefits and agreements

No payment or other benefit is proposed to be made or given to any director of DWS (or any of its Related Bodies Corporate) as compensation for loss of, or as consideration for or in connection with their retirement from, office as a director as a result of the Scheme. Except for the arrangement disclosed in this Section 7.13, no payment or other benefit is otherwise proposed to be made or given to any director of DWS (or any of its Related Bodies Corporate) as a result of the Scheme (other than in respect of the Scheme Consideration in the director's capacity as a DWS Shareholder) and no director of DWS is a party to any agreement with another person in connection with or conditional upon the outcome of the Scheme.



8

## PROFILE OF HCL



# PROFILE OF HCL

The information concerning HCL contained in this Section 8 has been provided by and is the responsibility of HCL. Although HCL believes that the views reflected in this Section 8 have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. DWS, its officers and its advisers do not assume any responsibility for the accuracy or completeness of this information.

## 8.1 | BACKGROUND

HCL is a fully-owned subsidiary of HCL Technologies. HCL Technologies is listed on the National Stock Exchange of India and BSE (formerly Bombay Stock Exchange) with a market cap in excess of US\$29 billion as of the date of this Scheme Booklet. It has annual sales revenue of over US\$9.9 billion. The HCL Group delivers services across industry verticals to leading enterprises around the world.

## 8.2 | OVERVIEW OF HCL TECHNOLOGIES

HCL Group is a global technology company that helps enterprises reimagine their businesses for the digital age. With a worldwide network of R&D, innovation labs and global delivery centres, and 153,000+ employees working in 46 countries, HCL Group serves leading enterprises across key industries, including 250 of the Fortune 500 and 650 of the Global 2000.

### Business Segments:

HCL Technologies offers an integrated portfolio of products and services in three business segments. These are IT and Business Services (ITBS), Engineering and Research & Development Services (ERS), and Products and Platforms (P&P).

### (a) IT and Business Services:

ITBS enables global enterprises to transform their businesses via:

- ▶ Digital Foundation, HCL Group's modernized infrastructure stack built around hybrid cloud, software-defined networks, the digital workplace, and other elements;
- ▶ Digital Business, a combination of HCL Group's application services and consulting capabilities; and
- ▶ Digital Operations, a three-pronged setup for modernized and efficient operations at enterprise level.

The key digital offerings in this segment include digital workplace services, platform transformation, data-driven transformation, hybrid cloud services, cyber security, digital process operations and network services.

### (b) Engineering and Research & Development Services:

ERS offers engineering services and solutions in all aspects of product development and platform engineering. Services include product engineering, platform engineering, operations technology, embedded software engineering, hardware engineering, prototyping, mechanical engineering, verification & validation, plant automation and software engineering

### (c) Products and Platforms:

Under P&P, HCL Group provides modernized software products to global clients for their technological and industry-specific requirements. Key product offerings include customer experience, digital solutions, security & automation, banking and platform engineering.

#### Business Model:

Mode 1-2-3 is HCL Group's blueprint to navigate swiftly in the digital age. HCL Group's unique blend of services and products enables clients to achieve this transformation guided by the framework of HCL Group's Mode 1-2-3 Strategy. The three modes can together play a role in a client's overall strategy, or individually contribute to an independent growth strategy.

**(a) Mode 1:** Core Services – offers core services in the areas of Application Services, Infrastructure Services, Engineering and Research & Development, and Digital Process Operations. These Mode 1 offerings enable its clients to become much more efficient and agile and, therefore, more competitive in their industries. This is achieved through extreme automation, efficient delivery, and operational agility.

**(b) Mode 2:** Next-generation Services – help enterprises take the next digital leap through insight-based, experience-centric, and outcome-driven integrated services that leverage next-generation technologies. HCL Group's Mode 2 offerings—Digital & Analytics, IoT WoRKST<sup>™</sup> (Internet of Things), Cloud Native services, and Cybersecurity and GRC services—help its clients reimagine their businesses to remain relevant and take advantage of opportunities in the digital age.

**(c) Mode 3:** Products and Platforms – delivers innovative software solutions that help clients target specific next-generation opportunities. Drawing on IP created both internally and through an ecosystem of strategic acquisitions and partnerships, HCL Group's scalable and ready-to-deploy software products and platforms reduce the time for clients to become future-ready.

#### Industry Focus, Customers and Revenue Stream:

HCL Group's industry focused services, solutions and approaches enable outcomes for leading organizations across major verticals. The below table summarizes and estimates HCL Group's industry categorization, strengths and revenue shares\*:

Vertical Mix	30-Sep-19	30-Jun-20	30-Sep-20
Financial Services	22.4%	22.4%	22.1%
Manufacturing	19.8%	18.1%	17.7%
Technology & Services	15.4%	17.2%	17.3%
Retail & CPG	10.0%	10.0%	10.4%
Telecommunications, Media, Publishing & Entertainment	8.4%	7.6%	7.7%
Lifesciences & Healthcare	12.9%	13.7%	14.1%
Public Services*	11.0%	11.0%	10.7%

\* Note: Public Services Includes Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government

More information about HCL Group's business can be found at: <https://www.hcltech.com/investors/results-reports>.

## (d) Directors and senior management

The current members of the board of HCL Technologies are:

NAME	POSITION
Roshni Nadar Malhotra	Chairperson
Shiv Nadar	Director & Chief Strategy Officer
Shikhar Malhotra	Non-Executive Non-Independent Director
Robin Abrams	Independent Non-Executive Director
R. Srinivasan	Independent Non-Executive Director
Sosale Shankara Sastry	Independent Non-Executive Director
Subramanian Madhavan	Independent Non-Executive Director
Thomas Sieber	Independent Non-Executive Director
Nishi Vasudeva	Independent Non-Executive Director
Deepak Kapoor	Independent Non-Executive Director
Dr. Mohan Chellappa	Independent Non-Executive Director
Simon England	Independent Non-Executive Director

The current key members of the executive management of HCL Technologies are:

NAME	POSITION
C. Vijayakumar	President & CEO
Prateek Aggarwal	CFO
Manish Anand	Company Secretary

Copies of HCL Technologies' corporate governance policies, board committees, and other relevant information can be accessed via HCL's website <https://www.hcltech.com/investors>.

## (e) Historical Financial Information

HCL Technologies has been the fastest growing large technology company globally, with over 59% growth in the past 4 years and has a best-in-class Client Experience index of 71.3. HCL Technologies generated consolidated revenues of USD 9.95 billion for 12 months ended 30th September 2020.

This Section contains historical financial information relating to HCL Technologies extracted from HCL Technologies' audited consolidated financial statements for the financial years ended 31 March 2018 (FY18), 31 March 2019 (FY19) and 31 March 2020 (FY20).

HCL Technologies' financial accounts, including all notes to those accounts, as well as other financial information can be found in:

- ▶ HCL Technologies Limited and Subsidiaries: Consolidated Financial Statements Years Ended March 31, 2018, 2019 and 2020
- ▶ HCL Technologies Limited Annual Report 2020
- ▶ HCL Technologies Limited Annual Report 2019
- ▶ HCL Technologies Limited Annual Report 2018

Copies of all reports are available on the HCL Technologies Ltd. website <https://www.hcltech.com/investors>.

## Basis of preparation

The historical financial information of HCL Technologies is presented in an abbreviated form and does not contain all the disclosures, presentations, statements or comparative information required to be provided in an annual report. HCL's Directors believe that the abbreviated historical financial information format presented in this Section is useful to assist DWS Shareholders in their understanding of the historical financial performance and historical financial position of HCL Technologies, however should be read in conjunction with the full financial statements, including the accounting policies and notes to those financial statements.

The historical financial information of HCL Technologies has been prepared in accordance with the recognition and measurement requirements of the U.S. generally accepted accounting principles. The historical information in this Section is presented in US\$. The historical financial information in this Section is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.

## Historical consolidated statements of income

The following table presents the HCL Technologies' consolidated statements of income for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

<b>HCL Technologies Limited and Subsidiaries</b> <b>Consolidated Statements of Income</b> <i>Amount in thousands, except share and per share data</i>			
	Year ended March 31,		
	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020
<b>Revenues</b>	<b>\$7,837,692</b>	<b>\$8,632,425</b>	<b>\$9,935,959</b>
Cost of revenues (exclusive of depreciation and amortization) <sup>(1)</sup>	5,128,214	5,478,026	6,188,123
<b>Gross profit</b>	<b>2,709,478</b>	<b>3,154,399</b>	<b>3,747,836</b>
Research and development <sup>(1)</sup>	19,494	132,074	180,981
Selling, general and administrative expenses <sup>(1)</sup>	912,743	1,027,677	1,222,089
Depreciation and amortization	225,153	306,673	399,233
Other (income) expenses, net	(182,540)	(135,059)	(76,567)
Finance cost <sup>(1)</sup>	15,114	24,893	51,293
<b>Income before income taxes</b>	<b>1,719,514</b>	<b>1,798,141</b>	<b>1,970,807</b>
Provision for income taxes	359,043	354,332	412,663
<b>Net income</b>	<b>1,360,471</b>	<b>1,443,809</b>	<b>1,558,144</b>
Net (loss) income attributable to redeemable non-controlling interest/ non-controlling interest	223	3,057	4,437
<b>Net income attributable to HCL Technologies Limited shareholders</b>	<b>\$1,360,248</b>	<b>\$1,440,752</b>	<b>\$1,553,707</b>
<b>Earnings per equity share (See note 23)</b>			
Basic	\$0.49	\$0.52	\$0.57
Diluted	\$0.49	\$0.52	\$0.57
<b>Weighted average number of equity shares used in computing earnings per equity share</b>			
Basic	2,802,699,471	2,750,726,403	2,713,085,729
Diluted	2,804,419,115	2,751,714,943	2,713,665,096
<p>(1) Cost of revenues, research and development, selling, general and administrative expenses, finance cost for the year ended March 31, 2018 and 2019 have been restated pursuant to adoption of ASU No. 2017-07 "Compensation - Retirement Benefits (Topic 715)". The impact of such restatement is not material to the Group's consolidated financial statements.</p> <p>See accompanying notes to the consolidated financial statements.</p>			

## Historical consolidated statement of financial position

The following table presents the HCL Technologies consolidated statement of financial position as at 31 March 2019 and 31 March 2020:

<b>HCL Technologies Limited and Subsidiaries</b> <b>Consolidated Balance Sheets</b> <i>Amount in thousands, except share and per share data</i>		
	<b>As of March 31,</b>	
	<b>2019</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$857,771	\$640,138
Term deposits with banks	279,689	16,255
Deposit with corporations	189,477	451,924
Investment securities, available for sale	321,174	923,591
Accounts receivable, net	1,693,513	1,867,997
Unbilled receivable	420,102	480,752
Inventories	13,142	12,080
Other current assets	524,492	685,676
<b>Total current assets</b>	<b>4,299,360</b>	<b>5,078,413</b>
Deferred income taxes, net	349,597	300,894
Deposit with corporations	51,366	-
Investments in affiliates	5,009	5,022
Other investments	7,217	5,145
Property and equipment, net	839,317	825,204
Operating lease right-of-use assets	-	346,938
Intangible assets, net	1,223,008	1,732,052
Goodwill	1,337,331	2,156,195
Other assets	408,965	548,305
<b>Total assets (a)</b>	<b>\$8,521,170</b>	<b>\$10,998,168</b>
See accompanying notes to the consolidated financial statements.		

## HCL Technologies Limited and Subsidiaries

### Consolidated Balance Sheets

*Amount in thousands, except share and per share data*

	As of March 31,	
	2019	2020
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY</b>		
<b>Current liabilities</b>		
Current portion of finance lease liabilities	\$15,245	\$23,034
Current portion of operating lease liabilities	-	71,537
Accounts payable	257,548	222,341
Short term borrowings	104,676	243,770
Current portion of long term debt	56,209	52,795
Accrued employee costs	399,041	420,767
Contract liabilities	152,337	356,753
Income taxes payable	133,955	141,835
Other current liabilities	654,699	1,596,113
<b>Total current liabilities</b>	<b>1,773,710</b>	<b>3,128,945</b>
Long term debt	415,835	376,382
Deferred income taxes, net	32,242	11,586
Operating lease liabilities, net of current portion	-	255,231
Finance lease liabilities, net of current portion	14,844	32,837
Accrued employee costs	113,121	149,927
Contract liabilities	30,953	49,250
Other liabilities	31,346	93,294
<b>Total liabilities (a)</b>	<b>\$2,412,051</b>	<b>\$4,097,452</b>
<b>Commitments and contingencies (Note 27)</b>		
<b>Redeemable non-controlling interests</b>	65,695	69,784
<b>HCL Technologies Limited Shareholders' Equity</b>		
Equity shares, ₹ 2 par value, authorized 1,500,000,000 and 3,000,000,000 shares as of March 31, 2019 and March 31, 2020, respectively		
Issued and outstanding 1,356,278,868 and 2,713,665,096 shares as of March 31, 2019 and March 31, 2020, respectively	55,743	93,788
Additional paid-in capital	412,327	412,327
Share application money pending allotment	1	-
Retained earnings	6,462,718	7,746,112
Accumulated other comprehensive loss	(887,365)	(1,426,694)
<b>HCL Technologies Limited Shareholders' Equity</b>	<b>6,043,424</b>	<b>6,825,533</b>
<b>Non-controlling interest</b>	-	5,399
<b>Total equity</b>	<b>6,043,424</b>	<b>6,830,932</b>
<b>Total liabilities, redeemable non-controlling interests and equity</b>	<b>\$8,521,170</b>	<b>\$10,998,168</b>

a) Consolidated assets at March 31, 2019 and March 31, 2020 include assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs. Consolidated liabilities at March 31, 2019 and March 31, 2020, include liabilities of certain VIEs for which the VIEs' creditors do not have recourse to HCL Technologies Limited and Subsidiaries (See Note 10).

See accompanying notes to the consolidated financial statements.



## 8.3 | AUSTRALIAN OPERATIONS

HCL is HCL Technologies' subsidiary which has proposed the Scheme to DWS Shareholders. Two decades ago, HCL started its operations in Sydney, Australia, and currently services multiple Australian enterprises across various sectors such as financial, retail, telecommunications, utilities and others. HCL collaborates with three of the top four banks and with the top three retailers in Australia.

HCL has nine offices across Australia and New Zealand - Adelaide, Brisbane, Canberra, Melbourne, Perth, and Sydney in Australia; and Auckland Hamilton and Wellington in New Zealand. HCL's most recent delivery centres were opened in Adelaide and Hamilton.

HCL's Core Competency include digital, data & analytics, cloud, cyber security, artificial intelligence, and IT operations.



### Business model:

HCL has successfully adopted and implemented its global Mode 1-2-3 strategy within the ANZ region to help its customers identify and achieve increased value. HCL offers an integrated portfolio of products, solutions, services, and IP through its Mode 1-2-3 strategy built around Digital, IoT, Cloud, Automation, Cybersecurity, Analytics, Infrastructure Management, Application Management and Engineering Services, amongst others, to help enterprises reimagine their businesses for the digital age.

#### Industry Focus, Customers and Revenue Stream:

HCL is currently implementing a super-regional strategy to become uniquely differentiated as a leading global technology company. The aim is to put HCL firmly in pole position to lead this decade's societal and tech revolution and enable organisations across Australia and New Zealand to take advantage of the opportunities that will arise. To do so, HCL has leveraged its diverse range of partnerships, released competitive technology solutions, pushed out next-gen products and support services. This has created a strong local proposition while also developing brand recognition for HCL in the ANZ region.

With over 60+ customers in ANZ, HCL's revenues from ANZ were USD 250+ Million for FY 2018 and USD 290+ Million for FY 2019 with latest global industry revenue mix\* as estimated below:

- ▶ Financial Services: 21.1 %
- ▶ Manufacturing: 20.7 %
- ▶ Technology & Services: 16.2 %
- ▶ Retail & CPG: 10.2 %
- ▶ Telecommunications, Media, Publishing & Entertainment: 8.3 %
- ▶ Lifesciences & Healthcare: 12.5 %
- ▶ Public Sector: 11.1 % \*\*

\* Note: Estimates only

\*\* Note: Public Sector include Local, State and Federal Government, Oil & Gas, Utilities, Travel, Transportation and Logistics.

### Ecosystem and Partnerships

HCL has built a diverse ecosystem of partners and alliances across domains and technology areas to address the ever-changing needs of the market:

▶ **Technology Partnerships:** HCL works with a broad spectrum of technology partners that enable unbiased utilisation of the right technology or solution for a customer's business needs. HCL leverages its global partner capabilities and coverage in ANZ to deliver best-in-class services to its customers. HCL has dedicated business units with enterprises such as Microsoft and Google and has certified and well recognised partnerships with leading technology players such as SAP, Oracle, Mulesoft, Adobe, Pega, AWS, Redhat, Temenos and IBM.

▶ **Analyst and Advisor Relations:** Since 2015, HCL has run a dedicated program engaging with industry analysts and sourcing advisors who are focused on the Australian & New Zealand market. The goal of this program is to raise awareness and knowledge of HCL's solutions and capabilities and how they are implemented for clients – both in ANZ and globally. This engagement is executed via a program of planned briefings and events, participation in industry studies and initiatives as well as maintaining a regular dialogue between this community and HCL Management and subject matter experts (SMEs).

### Talent, Skill and People

"Think global, act local" drives HCL's strategy for serving customers and partners in every region. HCL actively works to address the challenges of the communities and economies in which it operates.

HCL's 1,700+ employees in the region — mainly Australians, Indians, Britons, Malaysians, and New Zealanders — provide professional services across Australia and New Zealand, onshore and offshore. HCL strongly endeavours to partner with local universities to hire campus graduates as part of its strategy.

- ▶ HCL continuously invests in training and talent development programs to build the skills needed for the digital age. It was the finalist in the **Australian HR Institute (AHRI)** award in talent management.
- ▶ In the past two years, HCL expanded its local delivery capability, opening delivery centres in Adelaide and Hamilton, and expanding the current operations in Perth and Melbourne.
- ▶ HCL Technologies recently earned a prestigious designation in **Forbes'** fourth-annual list of the '**World's Best Employers 2020**', ranking #30 globally and making it to a top-ranked company among multinationals headquartered in India.
- ▶ Recruiting talent through its **TechBee** program HCL focuses on entry level hiring, allowing its more experienced people opportunity to share their knowledge and passion by mentoring younger cohorts at work. HCL provides these entry level hires (usually high school graduates) develop clear career pathways in Science, Technology, Engineering and Mathematics (STEM) through apprenticeship and career in HCL whilst pursuing a university degree in parallel thereby adding to the pool of skilled workers being made available in the local economy over a 5 year period. Globally, HCL's TechBee program creates customer and community goodwill through training and employing of these young people.

The current directors of HCL are:

NAME	POSITION
Sundaram Sridharan	Director
Glenn Thomas Merchant	Director
Prateek Aggarwal	Director
Subramanian Gopalakrishnan	Director

The current key members of the executive management of HCL are:

NAME	POSITION
Michael George Horton	Executive Vice President & Country Manager (Australia & New Zealand)
Kamal Chauhan	Associate Director, Human Resource

## 8.4 | RATIONALE FOR THE ACQUISITION OF DWS

The proposed acquisition of DWS supports HCL's objective of being desirable to its clients and users. The acquisition will help drive one of HCL's central strategies to leverage technology, consulting and services to help clients achieve efficiency, and growth.

The rationale for the Scheme includes:

- ▶ Further accelerate the digital transformation journeys of clients and innovations for end customers;
- ▶ The opportunity to leverage complementary relationships and expand into key verticals such as government and banking industries while also cross selling DWS services in HCL's current portfolio of clients.
- ▶ Become formidable technology player that will offer superior technology offering for Australian clients;
- ▶ Accelerate HCL's strategy in becoming a successful global IT player in the Australia market by increasing HCL's local presence in Australia and improving the customer mix;
- ▶ The opportunity to increase revenue synergies between each businesses

## 8.5 | FUNDING ARRANGEMENTS

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll and conditional upon the Scheme becoming Effective, HCL has undertaken in favour of each Scheme Shareholder to pay the aggregate Scheme Consideration into

an Australian dollar denominated trust account operated by Boardroom or any other Third Party as trustee for the Scheme Shareholders by no later than one Business Day before the Implementation Date.

Upon the Scheme becoming Effective, each Scheme Shareholder will be entitled to receive the Scheme Consideration of \$1.20 cash per DWS Share.

HCL estimates that the maximum aggregate Scheme Consideration payable by HCL under the Scheme will be \$158,197,593.60 assuming there are 131,831,328 Scheme Shares on issue on the Implementation Date. HCL estimates approximately \$160,000,000 to be their funding requirement in relation to the Scheme.

HCL has sufficient cash, cash equivalents and bank facilities to fund the Scheme Consideration. HCL intends to fund the amount of the Scheme Consideration via a combination of equity and debts infused from HCL Group in a proportion to be determined closer to the time of implementation of the Scheme. As at the date of this Scheme Booklet, HCL has access to cash and cash equivalents and available debt commitments in excess of the maximum aggregate Scheme Consideration. As at 30 September 2020, HCL Technologies reported a cash and cash like items, deposits and investment securities of US\$2.14 billion. This amount significantly exceeds the maximum total Scheme Consideration payable by HCL.

On the basis of the arrangements described above, HCL believes it has reasonable grounds for holding the view, and does hold the view, that it will be able to satisfy its obligation to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

## 8.6 | HCL'S INTENTIONS FOLLOWING IMPLEMENTATION OF THE SCHEME

The intentions of HCL as set out in this Section 8.6, are solely based on the available information concerning DWS that is known to HCL at the time of this Scheme Booklet's preparation. This information is limited to publicly available information and additional confirmatory due diligence information provided by DWS.

HCL does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, Tax and financial implications of its current intentions. Final decisions regarding these matters will only be made by HCL considering the material information and circumstances at the relevant time. Accordingly, the statements set out in this Section 8.6 are statements of current intention only, which may change as new information becomes available to HCL or as circumstances change.

### (a) Business continuity and general operational matters

If the Scheme is implemented, HCL intends to continue to operate the DWS business as a going concern. If the Scheme is implemented, HCL intends to conduct a general review of DWS' operations and organisation covering strategic, financial and operational matters. This review may identify opportunities to improve the performance of the DWS business and realise any synergies or future opportunities available to DWS as part of the larger combined group. In addition, part of this review will involve consultation from Danny Wallis as outlined in Section 7.13(b) of this Scheme Booklet.

Based on its current understanding and evaluation of DWS, HCL primarily intends to operate DWS in line with its existing business model. However, there may be the opportunity to combine similar business operations and leverage the existing services offered by HCL to DWS' client base.

If the Scheme is implemented, HCL presently intends to retain DWS' existing principal office locations.

### (b) Board of Directors

If the Scheme is implemented, it is intended that HCL would replace some or all of the members of the DWS Board with nominees chosen at HCL's discretion. The number and identities of the relevant nominees have not yet been identified. Final decisions on the replacement of directors and selection of nominees will be made at the relevant time after considering the circumstances.

### (c) Delisting from ASX

If the Scheme is implemented, it is intended that DWS will be removed from the official list of the ASX.

### (d) Employees

HCL views the DWS employees as an integral part of its business, and currently intends to retain all of the existing employees in their current roles. Following the implementation of the Scheme, HCL will review DWS' business operations and organisational structure to ensure DWS has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue future growth opportunities.

### (e) Limitation on intentions

The intentions and statements of future conduct, and the ability of HCL to implement the intentions that have been set out in this Section 8.6 are subject to:

- ▶ Australian law (including the Corporations Act);
- ▶ the legal obligation of the HCL Directors at the time to act in good faith in the best interests of HCL and consider the best interests of HCL's shareholder; and
- ▶ the outcome of the review processes referred to in this Section 8.6.

## 8.7 | INTERESTS AND DEALINGS IN DWS SECURITIES

As at the date of this Scheme Booklet neither HCL nor any of its Associates has any Relevant Interest in DWS Shares or any voting power in DWS.

## 8.8 | NO DEALING IN DWS SHARES IN PREVIOUS SIX MONTHS

During the six months prior to the date of this Scheme Booklet, other than pursuant to the Scheme Implementation Agreement, Scheme or Deed Poll, neither HCL nor any of its Associates has agreed to provide consideration for any DWS Shares under any transaction or agreement.

## 8.9 | NO PRE-SCHEME BENEFITS TO HOLDERS OF DWS SHARES

During the period of six months before the date of this Scheme Booklet, neither HCL nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- ▶ vote in favour of the Scheme; or
- ▶ dispose of DWS Shares,

where the benefit was not offered to all DWS Shareholders.

## 8.10 NO OTHER MATERIAL INFORMATION

Except as disclosed elsewhere in this Scheme Booklet, ASX's website [www.asx.com.au](http://www.asx.com.au) or DWS' website <https://www.dws.com.au/investors>, the HCL Directors are not, as at the Last Practicable Date, aware of any other information that is material to the making of a decision by a DWS Shareholder in relation to the Scheme.



# 9

## TAX CONSIDERATIONS





Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia

The Board of Directors  
DWS Limited  
Level 4, 500 Collins Street  
Melbourne, VIC, 3000

6 October 2020

## Australian Tax Opinion

Dear Directors

We have been requested to comment on the Australian income tax considerations for DWS Limited as a result of entering into the Scheme Implementation Agreement with HCL Australia Services Pty Limited.

This Tax Opinion provides a general overview of the Australian income tax, Goods & Services Tax and stamp duty implications for Australian resident DWS Shareholders on implementation of the Scheme.

The Tax Opinion has been prepared for inclusion in the Scheme Booklet and abbreviations and defined terms used in the Tax Opinion have the same meaning as they do in the Scheme Booklet. All legislative references in the Tax Opinion are to the Income Tax Assessment Act 1997 (Cth).

The categories of DWS Shareholders considered in the Tax Opinion is limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their DWS Shares on capital account for income tax purposes. The tax comments will also not be applicable to all DWS Shareholders and are not intended to cover DWS Shareholders who:

- a) hold their DWS Shares as a revenue asset (i.e. trading entities or entities who acquired their DWS Shares for the purposes of resale at a profit) or as trading stock;
- b) acquired their DWS Shares pursuant to an employee share plan;
- c) are under a legal disability;
- d) unless stated otherwise, are not Australian income tax residents as determined under Australian income tax law;
- e) are exempt from Australian income tax;
- f) are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their DWS Shares; or
- g) are subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in respect of their DWS Shares.

The Tax Opinion does not consider any taxation implications that might arise in jurisdictions other than Australia. Such DWS shareholders should seek their own advice on the consequences of the Scheme under any relevant foreign tax laws.



The Tax Opinion is general in nature and is not intended to be an authoritative or complete statement of the relevant law or taxation consequences that arise for any particular DWS Shareholder. The Tax Opinion is not intended to consider the specific objectives, situation or needs of each DWS Shareholder, which can affect the tax consequences of the Scheme. DWS Shareholders should not rely on the Tax Opinion and should seek appropriate independent professional advice that considers the taxation implications in respect of their own particular circumstances.

The Tax Opinion is based solely on:

- a) the representations, information, documents and facts that we have included or referred to in the Tax Opinion;
- b) an assumption that all of the representations, information and facts set out in the Scheme Booklet are accurate and not misleading;
- c) an assumption that there will be timely execution, delivery and performance in relation to the Scheme (and subsequent internal restructure) in the manner set out in the Scheme Booklet;
- d) the law, regulations, cases, rulings and other tax authorities in effect as of the date of the Tax Opinion. If there are any significant changes in or to these tax authorities (for which we shall have no responsibility to advise you), such changes may result in our Tax Opinion being rendered incorrect or necessitate (on your request) a reconsideration of the Tax Opinion. Except where expressly mentioned, we have not considered proposed reforms or legislation that have not been enacted; and
- e) your understanding that the Tax Opinion is not binding on the Australian Taxation Office ("ATO") or the courts and should not be considered a representation, warranty or guarantee that the ATO or the courts will concur with our conclusions.

The representatives of Ernst & Young involved in preparing the Tax Opinion are not licenced to provide financial product advice as defined by the Corporations Act. A DWS Shareholder may consider seeking advice from an Australian financial services license holder before making any decision in relation to a financial product. The DWS Shareholder should also note that taxation is only one of the matters that they need to consider when making a decision on a financial product.

## **Taxation treatment for DWS Shareholders**

### ***Disposal of DWS Shares***

A capital gains tax ("CGT") event will occur to the DWS Shareholders on Implementation of the Scheme.

A capital gain will arise where the Scheme Consideration received by DWS Shareholders exceed their cost base of the DWS Shares.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the DWS Shareholder is an individual, complying superannuation entity or trustee, the DWS Shares have been held for at least 12 months and certain other requirements have been met. Where the

CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

Where the DWS Shareholder is the trustee of a trust that has held the DWS Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. DWS Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

DWS Shareholders who are companies are not entitled to the CGT discount.

A capital loss will be realised where the reduced cost base of the DWS Shares exceeds the Scheme Consideration received on Implementation of the Scheme. Capital losses may only be offset against capital gains realised by the DWS Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

#### **Stamp Duty**

No stamp duty should be payable by the DWS Shareholders in relation to the disposal of their DWS Shares under the Scheme

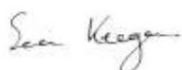
#### **Goods & Services Tax**

No GST should be payable by DWS Shareholders in relation to the disposal of their DWS Shares under the Scheme.

DWS Shareholders may incur GST on costs (such as adviser fees) that relate to the Scheme. DWS Shareholders that are registered, or required to be registered, for GST may not be entitled to full input tax credits for any GST payable on such costs but may be entitled to "reduced input tax credits" (at the rate of 75%) for some acquisitions. This will depend on each Shareholders' individual circumstances

\*\*\*\*\*

Yours faithfully



Sean Keegan  
Partner - Tax



10

**RISK  
FACTORS**

# RISK FACTORS

## 10.1 | INTRODUCTION

The DWS Board considers that it is appropriate for DWS Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, both general and specific, which could materially and adversely affect the future operating and financial performance of DWS and the value of DWS Shares. This may, in turn, affect decisions by the DWS Board in respect to potential distributions to DWS Shareholders if the Scheme is not implemented.

This Section outlines:

- ▶ general risk factors (see Section 10.2);
- ▶ specific risk factors relating to the business and operations of DWS (see Section 10.3); and
- ▶ specific risk factors relating to the Scheme (see Section 10.4).

This Section 10 is a summary only and does not purport to list every risk that may be associated with an investment in DWS now or in the future. There may be additional risks and uncertainties not currently known to DWS which may have a material adverse effect on DWS' financial and operational performance and the value of DWS Shares.

While measures can be taken to mitigate some of these risks, these risks remain either wholly or partially outside the control of DWS, the DWS Group and DWS Directors.

If the Scheme is implemented you will receive the Scheme Consideration, will cease to be a DWS Shareholder and will also no longer be exposed to the risks set out below (and other risks as may be applicable). If the Scheme does not proceed, then you will continue to hold your DWS Shares and will continue to be exposed to the risks and opportunities associated with that investment.

This Section 10 does not take into account the individual investment objectives, financial situation, position, or particular needs of DWS Shareholders or any other person. You should carefully consider the risk factors discussed in this Section 10, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

## 10.2 | GENERAL RISK FACTORS

The market price of DWS Shares, DWS' financial position and performance, and potential future distributions to DWS Shareholders are influenced by a number of factors in each of the countries in which DWS currently operates and in other countries, including the following:

- ▶ changes in investor sentiment and overall performance of the Australian and international stock markets;
- ▶ changes in credit market sentiment;
- ▶ changes in general business, industry cycles (e.g. in IT services, consulting, and recruitment) and economic conditions including inflation, interest rates, exchange rates, commodity rates, employment levels and consumer demand;
- ▶ changes in government fiscal, monetary and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment rules;
- ▶ the nature of competition in the markets in which the DWS Group operates;
- ▶ natural disasters, catastrophes and disease or pandemic

(including the outbreak, escalation or impact of, and recovery from, the COVID-19 pandemic) and other macroeconomic occurrences, including but not limited to geopolitical events such as an outbreak of hostilities, acts of terrorism and declarations of war;

- ▶ accounting standards which may affect the financial performance and position reported by DWS; and
- ▶ loss of key personnel.

## 10.3 | SPECIFIC RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE DWS GROUP

Risks that are specific to the DWS Group operations include the following:

### (a) Reliance on key personnel

The DWS Group is reliant on the expertise, knowledge and specialist skills of its employees and contractors. Failure to retain staff may impair client relationships and the ability to deliver specialised advice may be impacted by the loss of expert staff with unique skill sets. Additionally, the DWS Group growth and profitability may be limited if a significant number of its key personnel leave and DWS is unable to attract new suitably qualified personnel. Key relationships and/or business disruption could result in potentially adverse effects on DWS revenues and profits.

### (b) Staff turnover

Staff turnover may occur due to a range of factors including salary pressure, the performance of the DWS Group and the availability of career progression opportunities. Staff turnover may adversely affect the DWS Group if it is unable to attract new suitably qualified personnel, or by increased recruitment and training costs or even increased compensation costs associated with attracting and retaining personnel.

### (c) Loss of key clients and/or key engagements

The DWS Group operates in a competitive landscape alongside various other IT service providers. The DWS Group financial performance depends in part on its ability to grow its client base and/or its ability to generate revenue from its service offerings, including from its current clients renewing their existing contracts. Sales pipeline and contract wins may decline if the DWS Group fails to move with the market or the DWS Group sales force fails to successfully identify and win new work.

The risk of poor project delivery against contract requirements could lead to the potential loss of a contract or client, financial penalties and associated reputational damage.

The DWS Group is customarily engaged by major clients under MSA's which do not guarantee any specific work engagement or minimum revenue but rather provide the contractual infrastructure under which the DWS Group may be engaged by the client to perform specific projects under separate statements of work. There is a risk that MSA's to which the DWS Group is party do not lead to engagement of DWS under statements of work (whether at all or to the extent which the DWS Group might anticipate or budget for).



Further, in uncertain economic times, there is a risk that existing and potential new DWS Group clients cancel projects or delay, reduce or cancel projects in respect of which they have or may have intended to engage the DWS Group.

### (d) Competitive environment

The DWS Group operates in a highly competitive and dynamic industry. Competition in the industry has intensified in recent years due to the entry of large offshore companies and the expansion of professional services firms into the IT services sector. The intensified competition exposes the DWS Group to a number of risks related to maintaining its market position and pursuing its growth strategy, these risks include:

- ▶ there being a material adverse effect on the DWS Group's business and financial performance as a result of certain pricing, service or marketing decisions made by the DWS Group as a strategic response to structural changes in the competitive environment;
- ▶ other parties developing products or services that compete with the DWS Group or supersede or replace products or services of the DWS Group, or are more competitively priced than the DWS Group's products or services; and
- ▶ there being unexpected changes in customer demands or expectations for the DWS Group's products or services and the DWS Group being unable to meet any changes to service requirements or value expectations.

### (e) Contracted services

The DWS Group's IT solutions capabilities partly rely on partnership agreements, licences and other contractual arrangements with third party software providers and providers of technology-based infrastructure. There is no guarantee that these arrangements will be renewed on terms which are commercially attractive to the DWS Group, or that they will be renewed at all, or that clients will continue to purchase such contracted services through the DWS Group. The loss, non-renewal or renewal on less favourable terms may adversely affect the DWS Group's ability to conduct its business, or to maintain its profitability.

### (f) Cyber security

Any failure by the DWS Group to adequately protect its own data or the data of its clients, or any breach of data privacy, could result in reputational damage to the DWS Group, the loss of clients and/or potential regulatory investigation and penalties.

### (g) Intellectual property

Any failure by the DWS Group to protect project artefacts, know-how, intellectual property and/or related processes could impact its ability to meet its existing contractual obligations or leverage the intellectual property to successfully bid for opportunities with new clients, which may adversely affect the ability of the DWS Group to conduct its business or maintain its profitability.

### (h) Cash flow

As part of the DWS Group's strategic positioning to secure additional annuity revenue, there is a risk that the DWS Group's cash flow may be impacted by reliance on the achievement of milestones or deferred timing of milestone payments on some client engagements. The DWS Group's cash flow may also be impacted by project deferrals and delays by clients across industry sectors.

### (i) Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. DWS Directors are closely monitoring the situation and considering the impact on the DWS Group from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. Restrictions on human movement have at least temporarily affected certain aspects of the DWS Group's sales and distribution operations. The COVID-19 pandemic itself and its economic effects will also likely inform the investment choices, budgetary control and the decision making of firms with respect to IT and digital services and consultancy spend, including current and potential future clients of DWS Group, in the short to medium term. Accordingly, there is a risk that the pandemic could materially impact DWS Group revenue and profitability. The DWS Group has in place business continuity plans and procedures developed to manage and, where possible, mitigate key risks, such as those associated with COVID-19 but recognises that no plans and procedures can fully mitigate the key risks that the DWS Group faces.

### (j) Professional reputation

The capacity of the DWS Group to attract and retain employees and customers depends to an extent upon the brand and reputation of its business. Any decline in the DWS Group's brand and reputation may impact the future profitability and financial position of the DWS Group and negatively impact its ability to win new contracts and to maintain relationships with existing customers, as well as affect its ability to attract key employees. If any of these occur, this could materially adversely affect the DWS Group's business, operating and financial performance.

### (k) Credit risk

Clients are typically invoiced after the provision of services. Credit risk arises to the extent that a client fails to meet its contractual obligations to pay for services delivered by the DWS Group.

### (l) Change in technology

The DWS Group operates in an industry that is constantly evolving and being impacted by new technologies. There is a risk that technologies could be developed which could act as substitutes for the services offered by the DWS Group. To remain competitive, the DWS Group needs to recognise these developments and constantly gain relevant knowledge and expertise regarding new emerging technologies. There is no guarantee that the DWS Group will be able to effectively keep pace with technological developments. Failure to do so could result in the DWS Group finding it increasingly difficult to compete.



### (m) Regulatory risk

Companies operating within the information, communication and technology industries are subject to various laws and regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a material adverse impact on the DWS Group and cause increases in expenses, capital expenditure or costs. Further, changes to relevant laws and regulations can give rise to periods of uncertainty which may negatively impact the DWS Group's business.

### (n) Litigation and disputes

Like any group, the DWS Group may be exposed to potential legal claims, disputes, and litigation in the future, with respect to its operations, suppliers, or customers in the ordinary course of business. Proceedings may result in high legal costs, adverse monetary adjustments and/or damage to the DWS Group's reputation, which could have an adverse effect on the DWS Group and its financial performance. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on the DWS Group's financial performance. Moreover, even when such claims or litigation are covered by insurance, the DWS Group may be adversely affected by the requirement to pay the initial excess or deductible under the policy and potential increases in its future insurance premiums or deductibles.

### (o) Insurance risk

The DWS Group has insurance policies in place with policy specifications and insured amounts that DWS considers appropriate for its business.

Potential losses arising from events such as floods, terrorism or similar catastrophic events, which may also include other force majeure events, may be either uninsurable or, in the judgment of DWS, not insurable on a financially reasonable basis, or may not be insured at full replacement cost or may be subject to higher excesses/deductibles.

In the event that there are insufficient insurance arrangements in place in respect of a particular event, the DWS Group may be exposed to material losses that impact its financial position or performance.

### (p) Accounting risk

The Australian Accounting Standards are set by the AASB and are outside DWS' control. There is a risk that changes to the Australian Accounting Standards issued by the AASB or changes to the interpretation, implementation or enforcement of these standards could materially and adversely affect DWS and the financial position and performance reported in DWS' financial statements.

### (q) Tax risk

Changes to income Tax (including capital gains Tax), goods and services Tax, withholding Tax, payroll Tax, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of the ATO or other practices of Tax authorities may change or adversely affect DWS' profitability and cash flow.

### (r) Future dividends

The payment of dividends on DWS Shares depends on a range of factors including the profitability of the DWS Group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the DWS Directors having regard to its operating results and financial position at the relevant time. There is no guarantee that existing levels of dividends paid, and the payout ratio will be maintained.

## 10.4 | SPECIFIC RISKS RELATING TO THE SCHEME

### (a) The Scheme not becoming Effective

If the Scheme does not become Effective, there will be potential consequences for DWS and to you as a DWS Shareholder. Some of these consequences are outlined in Section 6.7. Please seek your own advice before deciding on how to vote on the Scheme Resolution.

### (b) Tax consequences for Scheme Shareholders

If the Scheme proceeds, there may be Tax consequences for Scheme Shareholders. Scheme Shareholders should seek their own professional advice regarding the individual Tax consequences of the Scheme applicable to them. For instance, as set out in Section 9, a CGT event will occur to the DWS Shareholders on Implementation of the Scheme and a capital gain may arise where the Scheme Consideration received by DWS Shareholders exceed their cost base of the DWS Shares.

Further general information on the Tax consequences of the Scheme is set out in Section 9.

## 10.5 | UNKNOWN RISKS

Additional risks and uncertainties not currently known to DWS may also have a material adverse effect on DWS' financial and operational performance. The information set out in this Section does not purport to be, nor should it be construed as representing, an exhaustive list of all the risks affecting DWS, its business or an investment in DWS.



11

## ADDITIONAL INFORMATION

# Additional Information

## 11.1 | SUMMARY OF THE SCHEME IMPLEMENTATION AGREEMENT

### (a) Overview

On 21 September 2020, DWS and HCL entered into the SIA, under which DWS agreed to propose the Scheme to DWS Shareholders. A summary of some of the key terms of the SIA is set out below.

A full copy of the SIA is attached to the DWS' ASX announcement on 21 September 2020, which can be obtained from the DWS' website at <https://www.dws.com.au/investors>.

### (b) Conditions Precedent

Implementation of the Transaction is subject to the following conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented:

- ▶ **FIRB approval:** HCL receiving written notice under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* ('**FATA**'), by or on behalf of the Treasurer of the Commonwealth of Australia ('**Treasurer**'), advising that the Commonwealth Government of Australia has no objections to the Scheme, either unconditionally or on terms that are acceptable to HCL acting reasonably, or the Treasurer becomes precluded by the passage of time from making an order in relation to the Scheme under the FATA, or where an interim order is made under the FATA in respect of the Scheme, the subsequent period for making a final order prohibiting the Scheme elapses without a final order being made.
- ▶ **OIO approval:** HCL receiving an unconditional direction order, on terms acceptable to HCL, issued under the emergency notification regime contained in the *Overseas Investment Act 2005 (NZ)* (as amended by the *Overseas Investment (Urgent Measures) Amendment Act 2020*) allowing the Scheme to be given effect to under the laws governing foreign investment in New Zealand.
- ▶ **Court Orders:** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition being in effect at the Cut Off Time which prevents or restrains the consummation of any aspect of the Transaction.
- ▶ **No Material Adverse Change:** No Material Adverse Change occurring or becoming apparent to HCL between (and including) the date of the SIA and the Cut Off Time.
- ▶ **No Prescribed Occurrence:** No Prescribed Occurrence occurs between (and including) the date of the SIA and the Cut Off Time.
- ▶ **DWS Shareholder Approval:** The DWS Shareholders approve the Scheme.
- ▶ **Court Approval of Scheme:** The Court approves the Scheme.
- ▶ **Maximum Net Debt Amount:** DWS' Net Debt being less than or

equal to the Maximum Net Debt Amount on each Relevant Date.

The Conditions Precedent relating to "DWS Shareholder approval", "Court approval of the Scheme", "FIRB Approval" and "OIO Approval" cannot be waived. Full details of the conditions and the ability of DWS and HCL to rely on the various conditions relating to satisfaction or waiver of these conditions are set out in clause 3 of the SIA.

In relation to the "FIRB Approval" and "OIO Approval", the Bidder has lodged its applications for FIRB Approval and OIO Approval (on 6 October 2020 and 19 October 2020 respectively). DWS has no reason to believe that the Scheme timetable or the key dates set out in Section 2 of this Scheme Booklet will be delayed on account of the Conditions Precedent relating to "FIRB Approval" or "OIO Approval", but acknowledges that there is a risk that such approvals may not be obtained at all or may delay the Scheme timetable (particular given FIRB's recent extension of timeframes for reviewing applications from 30 days to up to six months).

As at the date of this Scheme Booklet, the DWS Directors are not aware of any reason why these conditions should not be satisfied or waived (where capable of waiver).

### (c) Exclusivity

The SIA contains certain exclusivity arrangements in favour of HCL. These arrangements are summarised as follows:

- ▶ **No current discussions:** DWS represented to HCL, as at the date on which the SIA was executed, that there are no current offers or proposals or expressions of interest that DWS believes are capable of being accepted as a Third Party Proposal. DWS has also represented to HCL as at that date that it is not a party to any current agreement or arrangement that may prevent DWS from complying with the terms of the SIA.
- ▶ **No shop restriction:** During the Exclusivity Period, DWS must ensure that neither it nor any of its Representatives, directly or indirectly, solicits, initiates or invites any enquiries, negotiations, proposals or discussions in relation to, or with a view to obtaining, or which may reasonably be expected to encourage or lead to the making of, any expression of interest, offer or proposal from any person in relation to a Third Party Proposal, or communicate to any person an intention to do any of the foregoing.
- ▶ **No talk:** During the Exclusivity Period, DWS must ensure that neither it nor any of its Representatives directly or indirectly facilitates, enters into, continues or otherwise participates in any negotiations or discussions with any person regarding a Third Party Proposal or which may reasonably be expected to lead to a Third Party Proposal, or communicates to any person any intention to do any of the aforementioned things, or approves or recommends a Third Party Proposal, even if the Third Party Proposal was not directly or indirectly solicited, encouraged or

initiated by DWS or any of its Representatives, or the Third Party Proposal has been publicly announced.

- ▶ **No due diligence:** During the Exclusivity Period, DWS must not and must ensure that its Representatives do not directly or indirectly, solicit, initiate, invite or encourage or facilitate or permit any person other than HCL to undertake due diligence investigations in respect of DWS or any of its Related Bodies Corporate or any of their businesses or operations in connection with or for the purposes of an actual, proposed or potential Third Party Proposal or any circumstance which may reasonably be expected to lead to a Third Party Proposal.
- ▶ **Fiduciary carve-out:** DWS does not need to comply with the “no talk” or “no due diligence” obligations to the extent that they restrict DWS or any DWS Director from taking or refusing to take any action with respect to a Third Party Proposal in relation to which there has been no breach of the “no current discussions” and “no shop” obligations of DWS, provided that the Third Party Proposal is bona fide and made by a person that the DWS Directors reasonably consider is of sufficient commercial standing to implement the Third Party Proposal, and the DWS Directors have determined in good faith (after receiving advice from its external advisers) that the Third Party Proposal is, or may reasonably be expected to lead to, a Superior Proposal and failing to take the relevant action would be reasonably likely to constitute a breach of their statutory or fiduciary obligations.
- ▶ **Notification of approaches:** During the Exclusivity Period, DWS must, as soon as reasonably practicable, and in any event within two Business Days of becoming aware of such matter, notify HCL of any approach, inquiry or proposal to initiate discussions or negotiations that concern, or that may reasonably be expected to lead to, a Third Party Proposal or a request for any information or access relating to DWS in relation to a Third Party Proposal (whether oral or in writing), such notification to be accompanied by material terms and conditions and certain information regarding the relevant proponent. This notification obligation does not require DWS to disclose the identity of a rival proponent or to provide any details or information that would allow HCL, after conducting due and careful enquiry, to identify the proponent.
- ▶ **Matching Rights:** DWS must ensure that each DWS Director does not change their current voting recommendation and does not approve or recommend entering into a Third Party Proposal unless it is determined to result in a Superior Proposal or is a Superior Proposal and if so, only after giving HCL sufficient notice and details of the Third Party Proposal and allowing HCL five Business Days to make a revised proposal including by increasing the amount of consideration to be offered by it. If the DWS Directors determine that the revised proposal would be more favourable, or at least no less favourable, to the DWS Shareholders than the Third Party Proposal, then the DWS Directors must recommend the revised proposal to the DWS Shareholders (and must not recommend the applicable Third Party Proposal).

Any material modification to any Third Party Proposal will be deemed to make that proposal a new Third Party Proposal in respect of which DWS must comply with the notification and matching rights as summarised above. These exclusivity arrangements are set out in full in clause 7 of the SIA.

## (d) Termination Rights

Either DWS or HCL may terminate the SIA with immediate effect by either party giving notice in writing to the other party if:

- ▶ the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the Requisite Majorities and, if the Scheme is not approved by reason only of the non-satisfaction of the Headcount Test, a Scheme Order has not been made within five Business Days of the Scheme Meeting;
- ▶ the Effective Date has not occurred on or before the End Date other than as a result of any breach of the SIA by the party purporting to terminate;
- ▶ the Independent Expert concludes that the Scheme is not in the best interest of DWS Shareholders; and
- ▶ any court or Regulatory Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and either:
  - such decision has become final and is incapable of appeal; or
  - the parties fail to agree on conducting an appeal within five Business Days.

DWS may terminate the SIA by written notice to HCL at any time before the Cut Off Time in additional circumstances including where:

- ▶ an Insolvency Event occurs in relation to HCL or HCL Technologies; or
- ▶ DWS receives a Third Party Proposal which a majority of DWS Directors consider to be a Superior Proposal (as evidenced by a written resolution of those DWS Directors to that effect); or
- ▶ HCL is in breach of any of its material obligations under the SIA at any time before the Cut Off Time (other than any breach of a representation or warranty provided under the SIA) and the breach is either not capable of remedy or where capable of remedy has not been remedied by HCL within three Business Days of receipt by it of written notice from DWS notifying HCL of the breach (or such shorter period ending at 5.00pm on the last Business Day before the Second Court Hearing).

HCL may terminate the SIA by written notice to DWS at any time before the Cut Off Time in additional circumstances including where:

- ▶ a Prescribed Occurrence, Material Adverse Change or Insolvency Event occurs in respect of DWS or any member of the DWS Group; or
- ▶ any DWS Director withdraws his or her recommendation that DWS Shareholders vote in favour of the Scheme Resolution or publicly recommends, promotes or otherwise endorses a Third Party Proposal; or
- ▶ DWS is in breach of any of its material obligations under the SIA at any time before the Cut Off Time (other than any breach of a

representation or warranty provided under the SIA) and the breach is either not capable of remedy, or where capable of remedy has not been remedied by DWS within three Business Days of receipt by it of written notice from HCL notifying DWS of the breach (or such shorter period ending at 5.00pm on the last Business Day before the Second Court Hearing).

### (e) DWS Break Fee

DWS has agreed to pay HCL a break fee of \$1,581,600 (**DWS Break Fee**) if:

- ▶ a Third Party Proposal is made or announced prior to the Second Court Date and, within 12 months from the date of the proposal, the Third Party acquires, Control of, merges with or acquires voting power or economic interest of 50% or more in DWS;
- ▶ HCL terminates the SIA under clause 15.3(a) of the SIA due to the occurrence of a Prescribed Occurrence or under clause 15.3(e) of the SIA due to the breach by DWS of one or more of its material obligations under the SIA;
- ▶ at any time before termination of the SIA under clause 15 of the SIA, DWS enters into a scheme implementation agreement or a scheme process agreement with a Third Party in respect of a Third Party Proposal under which that Third Party and DWS agree to implement such Third Party Proposal;
- ▶ prior to the End Date, any DWS Director:
  - withdraws or adversely changes his or her Recommendation or Voting Intention; or
  - makes any public statement to the effect that the Scheme is not, or is no longer, recommended,
 other than in circumstances where:
  - the Independent Expert concludes either in the Independent Expert's Report or in any written update to that report that the Scheme is not in the best interests of DWS Shareholders, except where the reason for that conclusion is a Third Party Proposal;
  - DWS has terminated the SIA under clause 15.2(c) of the SIA due to the breach by HCL of one or more of its material obligations under the SIA; or
  - a party has terminated the SIA under clause 3.8(a) of the SIA in respect of the FIRB approval condition in clause 3.1(a) of the SIA or in respect of the OIO approval condition in clause 3.1(b) of the SIA.

Provided none of the above payment conditions has occurred, the DWS Break Fee is not payable if the Scheme Resolution is not approved by DWS Shareholders.

### (f) HCL Break Fee

HCL has agreed to pay DWS a break fee of \$790,800 (**HCL Break Fee**) if DWS terminates the SIA under clause 15.2(c) of the SIA due to

the breach by HCL of one or more of its material obligations under the SIA.

Neither the DWS Break Fee nor the HCL Break Fee is payable if the Scheme becomes Effective despite the occurrence of any of the events described above. If an amount has been paid and then the Scheme subsequently becomes Effective, such amount must immediately be refunded by the payee to the payer.

For full details of the DWS Break Fee and the HCL Break Fee, see clause 8 of the SIA.

## 11.2 | STANDSTILL

Under the restated confidentiality deed between DWS, HCL and HCL Technologies dated on or about 19 July 2020, HCL and HCL Technologies are subject to a standstill regime under which, without DWS prior written consent, HCL Technologies must not, and must ensure that its Takeovers Associates (which includes HCL) do not, directly or indirectly, for a period of 6 months after the date of that deed:

- ▶ acquire, purchase or agree or announce an intention to acquire or purchase a Relevant Interest in voting shares in DWS or other securities convertible or exchangeable into voting shares in DWS;
- ▶ enter into any agreement which confers rights the economic effect of which is equivalent or substantially equivalent to the acquisition or holding of voting securities in DWS (including cash-settled derivative contracts, contracts for difference or other derivative contracts);
- ▶ solicit proxies from shareholders of DWS;
- ▶ enter into any arrangements in relation to DWS or any shares in DWS with any person having a Relevant Interest in or holding, directly or indirectly, shares in DWS which results in HCL or any of its Takeovers Associates acquiring a Relevant Interest in shares in DWS; or
- ▶ procure, aid, abet, counsel or induce any other person in doing any of those things.

The standstill arrangements do not prevent HCL from acquiring, or offering or agreeing to acquire or announcing an intention to acquire shares or other securities of DWS resulting from the acceptance of an offer made under a takeover bid to all shareholders of DWS in accordance with section 611, item 1 of the Corporations Act which a majority of the board of directors of DWS has approved or recommended or the implementation, negotiation or entry into of a scheme of arrangement between DWS and its members or a class of its members under Part 5.1 of the Corporations Act. In addition, the standstill arrangements cease to apply if a rival transaction is publicly endorsed, approved or recommended by a majority of DWS Directors.



## 11.3 | CONSENTS AND DISCLAIMERS

The following parties have given and have not, before the date of this Scheme Booklet, withdrawn their written consent:

- ▶ to be named in this Scheme Booklet in the form and context in which they are named; and
- ▶ if applicable, to the inclusion of each statement made by them (and each statement based on statements made by them) (if any) in the form and content in which these statements appear in this Scheme Booklet.

Name	Role
LoftusLane Capital Partners Pty Limited	Financial Adviser to DWS
SBA Law	Legal Adviser to DWS
Grant Thornton Audit Pty Ltd	Auditor of DWS
Boardroom Pty Limited	Manager of DWS Share Register
BDO Corporate Finance (East Coast) Pty Ltd	Independent Expert Report writer
Ernst & Young	Provision of Tax advice

HCL has:

- ▶ accepted responsibility for the HCL Information; and
- ▶ given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the HCL Information in the form and context in which it appears in this Scheme Booklet.

BDO has given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the Independent Expert's Report in the form and context in which it appears in Annexure A and references to the Independent Expert's Report in the form and context in which they appear.

EY has given, and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of Section 9 of this Scheme Booklet and references to the information set out in that Section in the form and context in which they appear.

HCL and each person named in the previous table:

- ▶ does not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section;
- ▶ to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than (to the extent applicable) those statements included in this Scheme Booklet with the consent of that party as specified in this Section; and
- ▶ has not authorised or caused the issue of the Scheme Booklet.

None of DWS or any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the HCL Information or any information contained in the Independent Expert's Report or the Tax opinion in Section 9, except in relation to any information which DWS has provided to the Independent Expert.

None of HCL or any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the DWS Information or any information contained in the Independent Expert's Report or the Tax opinion in Section 9.

## 11.4 | TRANSACTION COSTS

DWS estimates that it will incur approximately \$6.5 million (excluding GST but including disbursements) in external transaction costs which relate to the Scheme. This includes advisory fees (including for DWS' financial and legal advisers), the Independent Expert's fees, registry, Court fees, printing and mailing costs and expenses associated with convening and holding the Scheme Meeting but excludes any insurance premium for the directors' and officers' run-off insurance run-off cover, and all costs associated with any Third Party Proposal. Of this, DWS estimates that it will incur between approximately \$0.5 million – \$1.0 million (excluding GST but including disbursements) in external transaction costs regardless of whether or not the Scheme is implemented, excluding any DWS Break Fee or HCL Break Fee which may become payable.

## 11.5 | STATUS OF CONDITIONS PRECEDENT

As at the Last Practicable Date, none of the Conditions Precedent have been satisfied or waived.

## 11.6 | REGULATORY RELIEF

Regulation 5.1.01(1) and Schedule 8 of the Corporations Regulations prescribe various information that must be included in a draft explanatory statement under section 411(3)(b) of the Corporations Act and in a final explanatory statement under section 412(1)(a) (ii) of the Corporations Act. Pursuant to paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations, the prescribed information includes particulars of any payment or other benefit that is proposed to:

- ▶ be made or given to any director, secretary or executive officer of DWS as compensation for loss of, or as consideration for his or her retirement from, office in DWS or any of its Related Bodies Corporate; or
- ▶ be made or given to any director, secretary or executive officer of any Related Body Corporate of DWS as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in DWS.

ASIC has granted the DWS Group relief by agreeing to exercise its power under Regulation 5.1.01(1) of the Corporations Regulations to modify paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations as it applies to this Scheme Booklet such that DWS is only required to disclose particulars of any payments or benefits that would otherwise be prescribed by that paragraph if those payments or benefits are made in connection with or are materially affected by the implementation of the Scheme.

## 11.7 | NO UNACCEPTABLE CIRCUMSTANCES

The DWS Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any member of the DWS Group that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

## 11.8 | NO OTHER MATERIAL INFORMATION

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any DWS Director, as at the Last Practicable Date, which has not been previously disclosed to DWS Shareholders.

## 11.9 | SUPPLEMENTARY DISCLOSURE

DWS will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- ▶ a material statement in this Scheme Booklet is misleading or false;
- ▶ a material omission from this Scheme Booklet;
- ▶ a significant change affecting a matter in this Scheme Booklet; or
- ▶ a new circumstance has arisen, and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to compliance with any relevant laws and/or obtaining any relevant approvals, DWS may circulate and publish any supplementary document by:

- ▶ making an announcement to the ASX;
- ▶ placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- ▶ posting the supplementary document to DWS Shareholders at their address shown on the DWS Share Register; and/or
- ▶ posting a statement on DWS' website at <https://www.dws.com.au/investors>, as DWS, in its absolute discretion, considers appropriate.



# 12

## **GLOSSARY AND INTERPRETATION**

# GLOSSARY AND INTERPRETATION

## 12.1 | GLOSSARY

Term	Meaning
\$	The Australian Dollar.
AASB	The Australian Accounting Standards Board.
Advisers	In relation to an entity, its legal, financial, and other expert advisers in relation to the Transaction.
All Ordinaries	An index made up of the share prices for the top 500 ASX-listed companies (ASX: XAO).
Annual Report	DWS' annual report.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given in sections 11, 12 and 16 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
ASX Listing Rules	The official listing rules of the ASX.
ATO	The Australian Taxation Office.
Australian Accounting Standards	Set of accounting standards applicable to Australian private and public entities.
BDO	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170).
Boardroom	Boardroom Pty Limited (ACN 003 209 836), the share registrar of DWS.
Business Day	A day on which all banks are open for business generally in Melbourne, Australia, other than a Saturday, Sunday, or public holiday.
Capital IQ	Third party source of financials, statistics, and data.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGT	Capital Gains Tax.
Change of Control Contracts	Each contract agreed between HCL and DWS in writing to be a "Change of Control Contract" prior to the date of the SIA.
Claim	Claim means any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action based in contract, tort (including misrepresentation or negligence), under common law or under statute and includes a claim, demand, legal proceeding or cause of action arising from any breach of warranty or indemnity.
Condition Precedent	A condition set out in clause 3.1 of the SIA.

Term	Meaning
<b>Control</b>	Has the meaning given in section 50AA of the Corporations Act.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	The <i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	The Federal Court of Australia or any other court nominated by DWS.
<b>COVID-19</b>	Refers to the current Coronavirus pandemic.
<b>Cut Off Time</b>	8.00am on the Second Court Date.
<b>Deed Poll</b>	A deed poll in the form of Annexure C or in such other form as agreed by HCL and DWS to be executed by HCL in favour of the Scheme Participants, under which HCL covenants in favour of each Scheme Participant to perform his obligations under the Scheme and the SIA as regards the implementation of the Scheme.
<b>DWS</b>	DWS Limited (ACN 085 656 088).
<b>DWS Board</b>	The board of directors of DWS.
<b>DWS Break Fee</b>	The meaning given in Section 11.1(e). This is a fee which may in certain circumstances be payable by DWS to HCL in accordance with clause 8.2 of the SIA.
<b>DWS Director</b>	Each of the directors of DWS as of the date of the Scheme Booklet.
<b>DWS Finance Documents</b>	<p>(a) the facilities agreement between the DWS (as borrower), other members of the DWS Group (as obligors) and National Australia Bank (as lender) dated 26 April 2017 as varied, amended, restated or replaced from time to time;</p> <p>(b) all guarantees, indemnities and securities granted to National Australia Bank or its security trustee from time to time by any member of the DWS Group pursuant to or in connection with that facilities agreement; and</p> <p>(c) all other documents between any DWS Group member and National Australia Bank or its security trustee from time to time contemplated by or entered into for the purpose of that facilities agreement.</p>
<b>DWS Group</b>	DWS and each of its Related Entities.
<b>DWS Information</b>	All information regarding DWS provided by or on behalf of DWS for inclusion in this Scheme Booklet (and any information derived from, or prepared in reliance on, such information) and any updates to that information prepared by or on behalf of DWS, and all other statements of intention or belief of DWS that relate to the Transaction, and includes all of the information contained in Section 7.
<b>DWS Share</b>	A fully paid ordinary share in the capital of DWS.
<b>DWS Share Register</b>	The register of shareholders of DWS maintained in accordance with the Corporations Act as provided by Boardroom.
<b>DWS Share Registry</b>	Boardroom.
<b>DWS Shareholder</b>	Each person who is registered as the holder of a DWS Share in the DWS Share Register.



Term	Meaning
<b>EBITDA</b>	Earnings before interest, Tax, depreciation, and amortisation.
<b>Effective</b>	The time at which the Scheme Order takes effect pursuant to section 411(10) of the Corporations Act.
<b>Effective Date</b>	The date on which the Scheme becomes Effective.
<b>End Date</b>	21 March 2021 or such later date as HCL and DWS agree in writing.
<b>Excluded Share</b>	A DWS Share held by HCL or any of its Associates or by any person on behalf of it, or for the benefit of, HCL or any of its Associates.
<b>Exclusivity Period</b>	The period from and including the date of the SIA to and including the earlier of the date the SIA is terminated in accordance with its terms, the Effective Date or 31 March 2021.
<b>EY</b>	Ernst & Young (ABN 75 288 172 749).
<b>FIRB</b>	Foreign Investment Review Board.
<b>First Court Date</b>	The first day of the First Court Hearing or, if the First Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
<b>First Court Hearing</b>	The hearing of the application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened.
<b>FY19</b>	The 12 months ended 30 June 2019.
<b>FY20</b>	The 12 months ended 30 June 2020.
<b>Grant Thornton Audit Pty Ltd</b>	Grant Thornton Audit Pty Ltd (ACN 130 913 594).
<b>GST</b>	The meaning given to that term in the <i>GST Act</i> .
<b>GST Act</b>	The <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) in the case of Australia, and the <i>Goods and Services Tax Act 1985</i> in the case of New Zealand.
<b>HCL</b>	HCL Australia Services Pty. Limited (ACN 081 196 983).
<b>HCL Break Fee</b>	The meaning given in Section 11.1(f). This is a fee which may in certain circumstances be payable by HCL to DWS in accordance with clause 8.3 of the SIA.
<b>HCL Director</b>	A director of HCL Technologies.
<b>HCL Information</b>	All information regarding HCL or the merged entity following implementation of the Scheme provided by or on behalf of HCL for inclusion in this Scheme Booklet (and any information derived from, or prepared in reliance on, such information) and any updates to that information prepared by or on behalf of HCL, and all other statements of intention or belief of HCL that relate to the Transaction, and includes all of the information contained in Section 8.
<b>HCL Group</b>	HCL Technologies and each of its Related Entities.
<b>HCL Technologies</b>	HCL Technologies Limited listed on the National Stock Exchange of India and BSE (formerly Bombay Stock Exchange) (Symbol: HCLTECH).
<b>Headcount Test</b>	The requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of DWS Shareholders present and voting, either in person or by proxy.

Term	Meaning
<b>Implementation Date</b>	The third Business Day following the Scheme Record Date, or such later date as ordered by the Court or agreed between DWS and HCL, which date is currently expected to be on or around 08 December 2020.
<b>Independent Expert</b>	BDO, the independent expert appointed by DWS.
<b>Independent Expert's Report</b>	The report in connection with the Scheme to be prepared by the Independent Expert in accordance with the Corporations Act, and ASIC policy and practice, for inclusion in the Scheme Booklet and attached as Annexure A.
<b>Insolvency Event</b>	<p>In relation to a person:</p> <ul style="list-style-type: none"> <li>(a) anything which reasonably indicates that there is a significant risk that such person is or will become unable to pay its debts as and when they fall due, including each of the following: <ul style="list-style-type: none"> <li>(i) a meeting of the person's creditors being called or held;</li> <li>(ii) a step being taken to make the person bankrupt;</li> <li>(iii) an application being presented, or an order made for the sequestration of the person's estate;</li> <li>(iv) a step being taken to wind the person up;</li> <li>(v) a step being taken to have a receiver, receiver and manager, administrator, controller, liquidator, or provisional liquidator appointed to the person or any of its assets;</li> <li>(vi) the person entering into any type of agreement, composition, or arrangement with, or assignment for, the benefit of all or any of its creditors; or</li> </ul> </li> <li>(b) the appointment of a receiver, receiver and manager, administrator, controller, liquidator, or provisional liquidator to the person or any of its assets;</li> </ul>
<b>IT</b>	Information Technology.
<b>Last Practicable Date</b>	Tuesday 27 October 2020, being the last practicable date before finalising information in this Scheme Booklet to which this definition relates.
<b>Last Undisturbed Share Price</b>	The DWS share price at the close of trade on 18 September 2020 of \$0.90, the last full trading day prior to the announcement of the SIA.
<b>LoftusLane Capital Partners Pty Limited</b>	LoftusLane Capital Partners Pty Limited (ACN 620 010 755).
<b>Material Adverse Change</b>	<ul style="list-style-type: none"> <li>(a) Any matter, event, change or circumstance that occurs after the date of the SIA (a 'Relevant Event') whether or not it becomes public, where that Relevant Event has, has had, or could reasonably be expected to have, or could reasonably be expected to have, individually or when aggregated with all other such matters, events, changes or circumstances that have occurred or are reasonably likely to occur: <ul style="list-style-type: none"> <li>(i) the net effect of diminishing the value of the net tangible assets of the DWS Group taken as a whole by \$3 million or more, as compared to the value of the net tangible assets of DWS taken as a whole set out in its consolidated balance sheet as at 30 June 2020, other than as a result of payment of DWS Permitted Dividend;</li> <li>(ii) the net effect of reducing the annualised earnings before interest, Tax, depreciation and amortisation of the DWS Group (before taking into account any significant or</li> </ul> </li> </ul>

Term	Meaning
	<p>extraordinary items, including the impact of any noncash impairment of intangible assets) (EBITDA) taken as a whole as at the end of a financial year, by \$1.8 million or more, as compared to the EBITDA which is set out in DWS' consolidated statement of profit and loss and other comprehensive income (P&amp;L), as at 30 June 2020; or</p> <p>(iii) the net effect of reducing the annualised revenue of the DWS Group as at the end of a financial year, by \$16.85 million or more, as compared to the revenue set out in the DWS Group's P&amp;L, as at 30 June 2020; or</p> <p>(iv) the effect of ceasing or preventing the carrying on of the businesses and operations of the DWS Group in substantially the same manner as those businesses and operations are carried on as at the date of the SIA,</p> <p>other than a matter, change, event, or circumstance:</p> <p>(v) expressly required or expressly permitted to be done or procured by DWS or its Related Entities pursuant to the SIA, the Scheme, or the Deed Poll;</p> <p>(vi) fairly disclosed by DWS to HCL prior to the date of the SIA;</p> <p>(vii) undertaken or occurring with the prior written approval of HCL;</p> <p>(viii) resulting from changes in law or relating to any material adverse change or disruption to the existing economic or business conditions in Australia occurring after the date of the SIA that impact DWS and its Australian competitors in a similar manner;</p> <p>(ix) resulting from changes in generally accepted accounting principles or the interpretation of them;</p> <p>(x) resulting from an act of God, act of war declared or undeclared, public disorder, riot, civil disturbance, insurrection, rebellion, sabotage, cyberattack or act of terrorists, technical failure, cable transmission and/or satellite failure or degradation, accident, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide or adverse weather conditions occurring on or after the date of the SIA; or</p> <p>(xi) resulting from any material adverse deterioration in equity markets or exchange rates that impact DWS and its Australian competitors in a similar manner; or</p> <p>(b) a breach of any representation or warranty given by DWS in Schedule 2 of the SIA (DWS Warranty) which arises or is discovered before the Cut Off Time which is not remedied within 5 Business Days after such breach arises or is discovered or is not remedied by the Cut Off Time (whichever is earlier), and has, has had, or could reasonably be expected to have, individually or when aggregated with all other breaches of a DWS Warranty, the effect on DWS described in paragraph (a)(i), (a)(ii), (a)(iii) or (a)(iv) of this definition;</p> <p>(c) after the date of the SIA, a failure to obtain from each of the Change of Control Contract counterparties:</p> <p>(i) written consent to the change of control or ownership of DWS that will arise from the implementation of the Scheme; or</p> <p>(ii) written confirmation that it will not terminate the Change of Control Contract as a result of the fact that the change of control or ownership of DWS (or a Subsidiary of DWS) will arise from the implementation of the Scheme (and, where the contract provides for termination for convenience or on notice, will not terminate the Change of Control Contract for convenience or with notice prior to, or on, implementation of the Scheme),</p>

Term	Meaning
	<p>in each case, in a form satisfactory to HCL acting reasonably and such consent or confirmation is not withdrawn, cancelled or revoked where that failure, when combined with the effect of any other counterparty to a Material Contract advising DWS or HCL that it does not intend to renew such Material Contract (or that it would only renew on amended terms that are materially adverse to DWS), has (or could reasonably be expected to have) the net effect of reducing DWS':</p> <p>(i) EBITDA as at the end of a financial year, by \$1.8 million or more as compared to the EBITDA which is set out in DWS' P&amp;L, as at 30 June 2020; or</p> <p>(ii) revenue as at the end of a financial year, by \$16.85 million or more as compared to the revenue which is set out in DWS' P&amp;L, as at 30 June 2020,</p> <p>with the amount of such reduction to be determined after having regard to the amount of any EBITDA or revenue (as applicable) that is derived from or attributable to any Replacement Contracts;</p> <p>(d) after the date of the SIA, 10% or more of the employees of DWS at the date of the SIA ceasing to be employed by DWS (or 10% or more of the employees of DWS as at the date of the SIA being subject to a notice that will result in those employees ceasing to be employed by DWS) where those cessations have (or could reasonably be expected to have) the net effect of reducing the DWS':</p> <p>(i) EBITDA as at the end of a financial year, by \$1.8 million or more as compared to the EBITDA which is set out in DWS' P&amp;L, as at 30 June 2020; or</p> <p>(ii) revenue as at the end of a financial year, by \$16.85 million or more as compared to the EBITDA which is set out in DWS' P&amp;L, as at 30 June 2020.</p>
<b>Material Contracts</b>	All contracts, agreements and arrangements that did generate in the 2019-2020 financial year, generate, or are reasonably expected to generate, revenue of at least \$2 million in any subsequent financial year and that could reasonably be considered material to the DWS Group.
<b>Maximum Net Debt Amount</b>	\$62,500,000 (within the definition of Net Debt given in the SIA).
<b>MSA</b>	A Master Services Agreement between DWS and its clients which contains overriding terms and conditions under which DWS provides services to those clients.
<b>Net Debt</b>	Specified Indebtedness less Cash.
<b>Notice of Scheme Meeting</b>	The notice of meeting for the Scheme Meeting attached as Annexure D.
<b>Official List</b>	The official list of entities that ASX has admitted and not removed.
<b>OIO</b>	The Overseas Investment Office of New Zealand.
<b>P&amp;L</b>	Profit and loss statement.
<b>Personal Information</b>	Has the meaning given to that term in the <i>Privacy Act 1988</i> (Cth).
<b>Prescribed Occurrence</b>	<p>Other than:</p> <p>(a) as expressly required or expressly contemplated by the SIA; or</p> <p>(b) as expressly required or expressly contemplated under the Scheme or Deed Poll; or</p> <p>(c) with the express written consent of HCL; or</p>

Term	Meaning
	<p>(d) as fairly disclosed by DWS to HCL prior to the date of the SIA, the occurrence of any of the following:</p> <p>(e) DWS converting all or any of its shares into a larger or smaller number of shares;</p> <p>(f) any member of the DWS Group resolving to reduce, or reducing, its share capital in any way, or reclassifying, redeeming, combining, splitting, or repurchasing directly or indirectly any of its shares;</p> <p>(g) any member of the DWS Group resolving to buy back, or buying back, any of its shares, including by:</p> <ul style="list-style-type: none"> <li>(i) entering into a buy back agreement; or</li> <li>(ii) resolving to approve the terms of a buy back agreement under the Corporations Act;</li> </ul> <p>(h) any member of the DWS Group issuing shares, or granting an option over its shares, or agreeing to make such an issue, other than an issue of ordinary shares following the valid exercise of any options or performance rights on issue at the date of the SIA or any other security convertible into ordinary shares in DWS on issue at the date of the SIA, in all cases, the existence of which has been fairly disclosed to HCL;</p> <p>(i) any member of the DWS Group issuing, or agreeing to issue, securities convertible into shares or debt securities (including any performance rights or options) other than in accordance with any of DWS' existing employee incentive plans, the terms of which have been fairly disclosed to HCL;</p> <p>(j) any member of the DWS Group making or declaring any distribution whether by way of dividend or capital reduction or otherwise and whether in cash or in specie other than by way of a Target Permitted Dividend;</p> <p>(k) other than in the ordinary course of business and consistent with past practice or under any Target Finance Document, any member of the DWS Group creating or agreeing to create, any mortgage, charge, lien, or other encumbrance over the whole, or a substantial part, of its business or property;</p> <p>(l) any member of the DWS Group becoming subject to an Insolvency Event;</p> <p>(m) any member of the DWS Group:</p> <ul style="list-style-type: none"> <li>(i) acquiring, leasing, or disposing of;</li> <li>(ii) agreeing to acquire, lease or dispose of; or</li> <li>(iii) offering or proposing to acquire, lease or dispose of,</li> </ul> <p>any material business, assets (other than trading inventories and consumables acquired, leased or disposed of in the ordinary and usual course of business, or pursuant to any contract or commitment to provide goods or services to a customer of a nature ordinarily provided by that member of the DWS Group, or pursuant to any noncash impairment of intangible assets) or entity, with a value in the aggregate greater than \$500,000, or entering into any joint venture, partnership or similar arrangement (for clarity, the \$500,000 threshold applies in the aggregate in relation to all of the items, matters and arrangements referred to in this paragraph (m));</p> <p>(n) any member of the DWS Group adopting a new constitution or modifying or repealing its constitution or a provision of it or a similar constituent document;</p>



Term	Meaning
	<p>(o) any member of the DWS Group making, or committing to, in aggregate, capital expenditure in excess of \$500,000 on projects not commenced or approved prior to the date of the SIA;</p> <p>(p) any member of the DWS Group entering into any contracts or commitments involving expenditure in the aggregate of more than \$500,000 over the term of such contract(s) or commitment(s), other than:</p> <ul style="list-style-type: none"> <li>(i) in the ordinary course of business and consistent with past practice; or</li> <li>(ii) any contract or commitment to provide services to a customer of a nature ordinarily provided by that member of the DWS Group; or</li> <li>(iii) any contract or commitment in respect of an Adviser engaged by a member of the DWS Group or in respect of any professional engaged to produce the Independent Expert's Report (subject at all times to clause 6.2(i) of the SIA which prohibits the DWS Group from incurring Transaction Costs in excess of \$7 million),</li> </ul> <p>(for clarity, the \$500,000 threshold referred to in this paragraph (p), applies in the aggregate in relation to all contracts or commitments by all members of the DWS Group other than those contracts or commitments contemplated in (i), (ii) and (iii) of this paragraph);</p> <p>(q) any member of the DWS Group:</p> <ul style="list-style-type: none"> <li>(i) waiving any material third party default where the financial impact on the DWS Group of that waiver will be in excess of \$500,000 (in aggregate); or</li> <li>(ii) accepting as a compromise of a matter less than the full compensation due to a member of the DWS Group where the financial impact of the compromise on DWS is more than \$500,000 (in aggregate);</li> </ul> <p>(r) any member of the DWS Group making any change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any member of the DWS Group, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation;</p> <p>(s) any member of the DWS Group failing to pay an amount owing, whether to an employee, vendor or other service provider, where such failure results in an amount remaining unpaid for 7 or more days after the date by which such amount would have been paid in accordance with that DWS Group member's historic payment practices, unless the amount owing is subject to a bona fide dispute in writing;</p> <p>(t) any member of the DWS Group undertaking receivable factoring with recourse;</p> <p>(u) any member of the DWS Group adopting a superannuation, pension scheme or funded health benefit plan to the detriment of DWS; or</p> <p>(v) any member of the DWS Group failing to pay acquired and unpaid pre closing Taxes within the applicable payment period.</p>
<b>Projects Assured</b>	Projects Assured Pty Ltd (ACN 604 114 089) in its capacity as trustee for the Projects Assured Trust.
<b>Regulatory Authority</b>	Any Australian or foreign government or governmental semi-governmental, administrative, fiscal, regulatory, or judicial entity, commission, tribunal agency or authority or any Minister, department, office, or delegate of any government. It includes a self-regulatory organisation established under statute or a stock exchange, ASIC, ASX, the Foreign Investment Review

Term	Meaning
	Board and the Australian Competition and Consumer Commission, the Australian Taxation Office, an Office of State Revenue, the New Zealand Inland Revenue, and the New Zealand Overseas Investment Authority.
<b>Related Bodies Corporate</b>	Has the meaning set out in section 50 of the Corporations Act.
<b>Related Entity</b>	In respect of a party, means another entity which: <ul style="list-style-type: none"> <li>(a) is a Related Body Corporate of the first entity;</li> <li>(b) is in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the party; or</li> <li>(c) the party Controls.</li> </ul>
<b>Relevant Agreement</b>	An agreement, arrangement of understanding: <ul style="list-style-type: none"> <li>(a) whether formal or informal or partly formal or informal;</li> <li>(b) whether written or oral or partly written or oral;</li> <li>(c) whether or not having legal or equitable force and whether or not based on legal or equitable rights.</li> </ul>
<b>Relevant Date</b>	The tenth Business Day before each of: <ul style="list-style-type: none"> <li>(a) the Scheme Meeting; and</li> <li>(b) the Second Court Date.</li> </ul>
<b>Relevant Interests</b>	Has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Replacement Contract</b>	Any new contract, or the extension or variation of any existing contract, entered into by a member of the DWS Group between the date of the SIA and the Cut Off Time for the provision of services to a customer or client that is agreed by the Bidder, acting in good faith and reasonably, to be a "Replacement Contract" for the purposes of the SIA after DWS has provided the Bidder with reasonable details in relation to such contracts (including such details as may be reasonably requested by Bidder for the purposes of paragraph (c) of the definition of Material Adverse Change).
<b>Requisite Majorities</b>	The threshold for approval of the Scheme Resolution set out in Section 6.9(a), being votes in favour of the resolution received from: <ul style="list-style-type: none"> <li>(a) unless the Court orders otherwise, a majority in number (more than 50%) of DWS Shareholders present and voting at the Scheme Meeting (including, by proxy, by attorney or, in the case of corporate DWS Shareholders, by a corporate representative); and</li> <li>(b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.</li> </ul>
<b>SBA Law</b>	DWS' solicitors, SBA Law (ABN 91 880 801 869).
<b>Scheme</b>	The proposed scheme of arrangement between DWS and the Scheme Participants under Part 5.1 of the Corporations Act in the form of Annexure B (or in such other form as agreed by HCL and DWS), subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed in writing by HCL and DWS.
<b>Scheme Booklet</b>	This explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act.
<b>Scheme Consideration</b>	In respect of each Scheme Share held by a Scheme Participant, a cash amount equal to \$1.20

Term	Meaning
<b>Scheme Implementation</b>	The implementation of the Scheme by order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Scheme Implementation Agreement or SIA</b>	The scheme implementation agreement dated 21 September 2020 between HCL and DWS relating to the implementation of the Scheme.
<b>Scheme Meeting</b>	The meeting ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting held either electronically or in person convened following any adjournment or postponement of that meeting.
<b>Scheme Meeting Record Date</b>	7:00pm on 1 December 2020.
<b>Scheme Order</b>	The Order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Scheme Participant</b>	Each holder of DWS Shares as at the Scheme Record Date.
<b>Scheme Record Date</b>	7:00 pm on the second Business Day following the Effective Date or such other date as DWS and HCL agree, which date is currently expected to be on or around 09 December 2020.
<b>Scheme Resolution</b>	The resolution set out in the Notice of Scheme Meeting in Annexure D to agree to the terms of the Scheme.
<b>Scheme Shareholder</b>	A holder of Scheme Shares at the Scheme Record Date.
<b>Scheme Shares</b>	The DWS Shares other than the Excluded Shares.
<b>Second Court Date</b>	The first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
<b>Second Court Hearing</b>	The hearing of the application made to the Court for the Scheme Order.
<b>Section</b>	Each numbered segment of the Scheme Booklet.
<b>Security Interest</b>	A security interest within the meaning of section 12(1) and 12(2) of the <i>Personal Property Securities Act 2009</i> (Cth); and a mortgage, debenture, charge, encumbrance, lien, pledge or other security interest, and any agreement to grant or create any of the above.
<b>Subsidiaries</b>	Has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
<b>Superior Proposal</b>	<p>A publicly announced bona fide Third Party Proposal received or arising after the date of the Scheme Implementation Agreement which the DWS Board acting in good faith and reasonably (after consultation with its external legal and financial advisers) determines:</p> <ul style="list-style-type: none"> <li>(a) is reasonably capable of being completed on a timely basis taking into account all aspects of the Third Party Proposal; and</li> <li>(b) would, if completed substantially in accordance with the offered terms, be more favourable to DWS Shareholders (as a whole) than the Scheme, taking into account, among other things, all legal, financial, regulatory, and other aspects of the Third Party Proposal and the identity of the offeror.</li> </ul>
<b>Symplicit</b>	Symplicit Pty Ltd (ACN 103 134 087).

Term	Meaning
<b>Takeovers Associates</b>	<p>In relation to a person:</p> <ul style="list-style-type: none"> <li>(a) a Related Body Corporate of that party;</li> <li>(b) a person who, in relation to the affairs of another person or voting shares in another person, acts on a direction or resolution of the first person;</li> <li>(c) a person with whom the first person has entered a Relevant Agreement, for the purpose of controlling or influencing the composition of the board of directors of another party;</li> <li>(d) a person with whom the first person is acting or proposing to act in concert in relation to the affairs of another person or voting shares in another person (but excluding, for the avoidance of doubt, any adviser or debt financier to the first person who is acting exclusively in that capacity).</li> </ul>
<b>Target Finance Documents</b>	All finance documents, including all guarantees and security, between the DWS Group and its financier National Australia Bank and/or its security trustee.
<b>Target Permitted Dividend</b>	DWS Permitted Ordinary Dividend and DWS Permitted Special Dividend.
<b>Target Permitted Ordinary Dividend</b>	The fully franked dividend in the amount of \$0.03 per DWS Share, which was paid by DWS on 2 October 2020 in respect of the financial year ended 30 June 2020.
<b>Target Permitted Special Dividend</b>	A special dividend which may be declared and paid by DWS after the date of the SIA and before implementation of the Scheme pursuant to clause 6.3 of the SIA.
<b>Tax</b>	Any Tax, levy, charge, impost, fee, deduction, goods and services Tax (including GST), compulsory loan, deduction or withholding, that is now, or that may be in the future, assessed, levied, imposed or collected by any Regulatory Authority whether in Australia or elsewhere and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above, but excludes Duty.
<b>The Chair</b>	The person chairing the Scheme Meeting.
<b>The Company</b>	DWS.
<b>Third Party</b>	A person other than DWS, HCL and each of their respective Associates.
<b>Third Party Proposal</b>	<ul style="list-style-type: none"> <li>(a) a transaction which, if completed, would result in any Third Party (alone or together with its Associates) directly or indirectly: <ul style="list-style-type: none"> <li>(i) acquiring all or a substantial part of the assets or business of the DWS Group;</li> <li>(ii) acquiring a Relevant Interest in or having a right to acquire a legal, beneficial or economic interest in 50% or more of DWS' voting shares or of the share capital of any Related Body Corporate of DWS; or</li> <li>(iii) entering into any cash settled equity swap or other derivative contract arrangement in respect of 50% or more of the share capital of DWS or of any Related Body Corporate of DWS; or</li> <li>(iv) acquiring Control of DWS;</li> </ul> </li> <li>(b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving DWS and/or its Related Bodies Corporate;</li> </ul>

Term	Meaning
	<p>(c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of, DWS and/or its Related Bodies Corporate; or</p> <p>(d) any agreement, arrangement or understanding requiring DWS to abandon, or otherwise fail to proceed with, the Transaction.</p>
<b>Transaction</b>	The acquisition of the Scheme Shares by HCL through implementation of the Scheme.
<b>Transaction Costs</b>	The Adviser, share registry and other costs payable, management fees, incentives and bonuses for DWS Group employees incurred by DWS in respect of the Transaction calculated on a basis consistent with Australian accounting principles and the policies and practices of the DWS Group adopted in the preparation of its audited financial statements for the financial year ended 30 June 2020, in each case exclusive of GST, but excluding any insurance premia for the directors' and officers' runoff insurance runoff cover described in clause 12(a) of the SIA and all costs associated with any Third Party Proposal.
<b>Treasurer</b>	Treasurer of the Commonwealth of Australia.
<b>US\$</b>	The United States Dollar.
<b>Voting Intention</b>	A statement by each DWS Director that he or she will vote in favour of the Scheme, in respect of all DWS Shares controlled or held by or on behalf of that director in the absence of a Superior Proposal or the Independent Expert changing or qualifying their conclusion that the Scheme is in the best interest of DWS Shareholders.
<b>VWAP</b>	Volume weighted average price.

## 12.2 | INTERPRETATION

In this Scheme Booklet, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a Section or annexure is a reference to a Section of and an annexure to this Scheme Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to time in Melbourne, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.





# ANNEXURE

INDEPENDENT EXPERT'S REPORT



## INDEPENDENT EXPERT'S REPORT DWS Limited

In relation to the proposed acquisition  
of DWS Limited Shares by HCL Australia  
Services Pty Limited via Scheme of  
Arrangement

27 October 2020





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Level 11, 1 Margaret Street  
SYDNEY NSW 2000  
Australia

## FINANCIAL SERVICES GUIDE

Dated 27 October 2020

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd ('BDO Corporate Finance, we, us, our').

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

### FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

### GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$45,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

### REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### COMPLAINTS RESOLUTION

#### Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

#### Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3  
MELBOURNE VIC 3001  
Toll free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

### COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

### CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - [cf.ecp@bdo.com.au](mailto:cf.ecp@bdo.com.au)

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247 420 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability is limited by a scheme approved under Professional Standards Legislation.



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Level 11, 1 Margaret Street  
SYDNEY NSW 2000  
Australia

The Directors  
DWS Limited  
Level 4, 500 Collins St,  
MELBOURNE VIC 3000

27 October 2020

Dear Directors

## PROPOSED ACQUISITION OF DWS SHARES BY HCL AUSTRALIA SERVICES PTY LIMITED VIA SCHEME OF ARRANGEMENT

### INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDO, we, us or our**) has been engaged by the Directors (**Directors**) of DWS Limited (**DWS or the Company**) to prepare an independent expert's report (**Report or IER**), setting out our opinion as to whether the proposed acquisition of DWS Shares by HCL Australia Services Pty Limited (**HCL**) via scheme of arrangement (**Proposed Scheme**), is fair and reasonable and as a result in the best interests of DWS Shareholders (**Shareholders**).

DWS Limited is a professional services company which provides information technology consulting services to large corporate entities and Australian Government agencies. DWS is listed on the Australian Securities Exchange (**ASX**).

HCL is a wholly owned subsidiary of HCL Technologies Limited (**HCL Tech**), an Indian multinational information technology services and consulting company. As part of HCL Tech, DWS will be able to leverage HCL Tech's global resources and expertise to offer an expanded platform to its Australian clients.

If the Proposed Scheme is approved, HCL will acquire 100% of the outstanding shares in DWS. The consideration payable to DWS Shareholders is cash of \$1.20 per share (**Scheme Consideration**). DWS Shareholders also received the dividend of \$0.03 that was announced on 24 August 2020.

Further details of the Proposed Scheme are provided in the scheme booklet that has been prepared for DWS Shareholders by the Directors (**Scheme Booklet**).

All dollar amounts are in Australian dollars (**A\$ or AUD**) unless otherwise indicated.

### PURPOSE OF REPORT

The Directors have engaged us to prepare a Report in relation to the Proposed Scheme to satisfy the requirements of:

- Corporations Act 2001 (Cth) (**Corporations Act or the Act**), specifically Section 411; and
- Australian Securities and Investments Commission's (**ASIC**) Regulatory Guide 60 'Schemes of Arrangement' (**RG 60**).

The regulatory requirements relevant to this IER are summarised below.

### Section 411 of the Corporations Act and RG 60

The Proposed Scheme is to be implemented pursuant to section 411 of the Corporations Act and RG 60. Part 3 of Schedule 8 to the Act prescribes the information to be sent to Shareholders in relation to schemes of arrangement pursuant to section 411 of the Act.

In terms of the provisions of RG 60.74 as well as paragraph 8303 of Schedule 8 of the Act, the Scheme Booklet is to be accompanied by an independent expert report in a situation where any party to the scheme of arrangement has a prescribed shareholding in the company, or where there are common directors in the entities involved in the scheme of arrangement.

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247 420 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability is limited by a scheme approved under Professional Standards Legislation.



HCL does not hold any shares in DWS and there are no common directors, hence an independent expert's report is not specifically required in relation to the Proposed Scheme. However, the Directors of DWS have requested that BDO prepare this Report as if it were an independent expert's report pursuant to section 411 of the Act, and to provide an opinion as to whether the Directors of DWS are justified in recommending the Proposed Scheme in the absence of a superior proposal.

#### APPROACH

In preparing our IER, we have considered the requirements of:

- ASIC Regulatory Guide 111 Content of expert reports (RG 111); and
- ASIC Regulatory Guide 112 Independence of experts (RG 112).

RG 111 establishes guidelines in respect of independent expert reports under the Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness. RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is "fair and reasonable." Further, RG 111 states that even if a proposal was "not fair but reasonable", the expert may conclude that the scheme of arrangement is in the best interests of shareholders should there be sufficient reasons for shareholders to vote in favour of the scheme of arrangement in the absence of a higher offer.

#### Fairness

RG 111.11 indicates that an offer is 'fair' if the value of the Scheme Consideration or consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

- a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

Based on our interpretation of RG111.11, we have compared:

- The fair market value (FMV) of a DWS Share pre-transaction on a control basis (being the value of the securities the subject of the offer, per RG 111.11); and
- The cash consideration of \$1.20 per share.

#### Reasonableness

In accordance with paragraph 60 of RG 111, an offer is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons to accept the offer.

When deciding whether an offer is 'reasonable', factors an expert might consider include:

- the financial situation and solvency of the entity;
- the alternative options available to the entity;
- the entity's bargaining position;
- whether there is selective treatment of any shareholder; and
- any special value of the transaction to the purchaser.

#### SUMMARY OF OPINION

We have concluded that the Proposed Scheme is fair and reasonable, and as a result is in the best interest of the DWS Shareholders at the time of writing this Report.





A summary of our analysis in forming the above opinion is provided below. This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

In undertaking our assessment of fairness, we have had regard to the ASIC RG 111.

The Proposed Scheme will be fair if the Scheme Consideration is equal to or greater than the FMV of a DWS Share prior to the Proposed Scheme, on a controlling interest basis.

We have assessed the FMV of a DWS Share, on a control basis, prior to the Proposed Scheme using the capitalisation of earnings (COE) and quoted market price (QMP) method. All valuations have been performed on an ex-dividend basis.

The Scheme Consideration is cash of \$1.20 per share.

The result of our fairness analysis is summarised below.

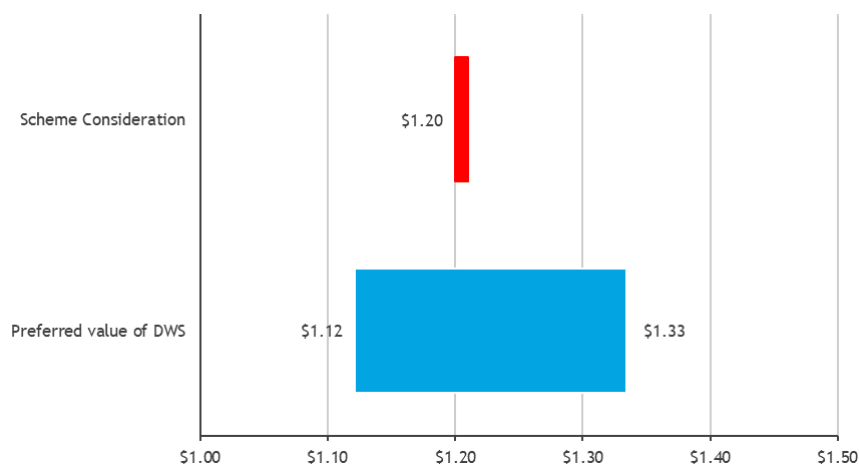
**Table 1: Valuation summary**

\$	Low	Mid	High
Scheme Consideration	1.20	1.20	1.20
Preferred value of DWS, refer Section 8	1.12	1.23	1.33

Source: BDO analysis

As set out above, the Scheme Consideration of \$1.20 falls within the range of our preferred value for DWS of \$1.12 to \$1.33.

**Figure 1: Fairness assessment**



Source: BDO analysis

Based on the above, the value of the Scheme Consideration falls within our preferred value range. As such, the Proposed Scheme is fair for DWS Shareholders.

#### Reasonableness conclusion

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to DWS Shareholders.

We have set out below a summary of reasonableness factors we consider relevant in assisting the DWS Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.



Table 2: Summary of factors considered in the reasonableness assessment

Advantages	
<b>The Proposed Scheme is fair</b>	Our analysis concludes that the Proposed Scheme is fair to Shareholders. RG 111 states that an offer is reasonable if it is fair.
<b>Liquidity</b>	The Proposed Scheme provides liquidity for shareholders. DWS is thinly traded which may make it difficult for shareholders to exit their investment on the ASX.
<b>Premium to ASX Trading Price</b>	The Scheme Consideration of \$1.20 represents a 33% premium to the close price of \$0.90 on 18 September 2020 and a 9% premium to the 52-week high price of \$1.10.
<b>Certainty of cash</b>	The Proposed Scheme provides a DWS Shareholder with timing and the value certainty of cash.
<b>Removal of risk</b>	The Proposed Scheme removes the DWS Shareholders' exposure to risks and uncertainties inherent in the continuing operation of DWS.
Disadvantages	
<b>No longer exposed to risks and rewards of an investment in DWS</b>	If the Proposed Scheme is approved, DWS Shareholders will dispose of their interest in DWS. Depending on the individual, this may diminish or remove their exposure to the IT Consulting industry, eliminate the opportunity to benefit from a superior offer from another party and entitlement to potential future dividend income from DWS.
<b>Possible tax payable</b>	As a result of the Proposed Scheme, investors may be liable for taxes which they would not otherwise be subject to. Shareholders should seek independent income tax advice in relation to the tax consequences of the Proposed Scheme.
Other considerations	
<b>Sale process</b>	DWS engaged Loftus Lane Capital Partners (LLCP) to conduct a sales process for DWS. LLCP engaged with a range of potential purchasers, both in Australia and internationally. Based on our discussion with LLCP, this sales process was extensive, and the offer from HCL was the highest received for DWS.

## OTHER MATTERS

### Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDO has not considered the effect of the Proposed Scheme on the particular circumstances of individual DWS Shareholders. Some individual DWS Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in this IER. Accordingly, individual DWS Shareholders may reach different conclusions as to whether or not the Proposed Scheme is fair and reasonable and in the best interests in their individual circumstances.

The decision of an individual DWS Shareholder in relation to the Proposed Scheme may be influenced by their particular circumstances and accordingly DWS Shareholders are advised to seek their own independent advice.

Approval or rejection of the Proposed Scheme is a matter for individual DWS Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular



circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. DWS Shareholders should carefully consider the Scheme Booklet. DWS Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their professional adviser.

#### **General requirements in relation to the IER**

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated by those persons affected by the Proposed Scheme. In preparing the IER we considered ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the past, between BDO Services Pty Ltd or BDO and any of the parties to the Proposed Scheme;
- the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- we have been appointed as independent expert for the purposes of providing an IER in relation to the Proposed Scheme for the Directors;
- that we have relied on information provided by the Directors and management of DWS (**Management**) and that we have not carried out any form of audit or independent verification of the information; and
- that we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

#### **Current market conditions**

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in light of material information existing at the valuation date that subsequently becomes known to us.

#### **Glossary**

Capitalised terms used in this IER have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out Appendix 4.

#### **Sources of information**

Appendix 1 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by DWS.

Under the terms of our engagement, DWS agreed to indemnify the partners, directors and staff (as appropriate) of BDO Services Pty Ltd and BDO and their associated entities, against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided by DWS which is false or misleading or omits any material particulars, or arising from failure to supply relevant information.

#### **Limitations**

This IER has been prepared at the request of the Directors for the sole benefit of the Directors and DWS Shareholders to assist them in their decision to approve or reject the Proposed Scheme. This IER is to accompany the Scheme Booklet to be sent to DWS Shareholders to consider the Proposed Scheme and was not prepared for any other purpose.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and DWS Shareholders without our written consent. We accept no responsibility to any person other than the Directors and DWS Shareholders in relation to this IER.



This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER with the Scheme Booklet. Apart from this IER, we are not responsible for the contents of the Scheme Booklet or any other document associated with the Proposed Scheme. We acknowledge that this IER may be lodged with regulatory authorities, including ASIC.

#### Summary

This summary should be read in conjunction with the attached IER that sets out in full, the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

#### Financial Service Guide

BDO holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. A financial services guide is attached to this IER.

Yours faithfully

**BDO CORPORATE FINANCE (EAST COAST) PTY LTD**

A stylized, dark ink signature of David McCourt, consisting of several overlapping, sweeping strokes.

**David McCourt**  
Director

A stylized, dark ink signature of Sebastian Stevens, featuring a prominent, looped 'S' followed by a horizontal line.

**Sebastian Stevens**  
Director



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## **1. PURPOSE AND BACKGROUND**

### **1.1. Purpose**

We have been appointed by the Directors to prepare an IER setting out our opinion as to whether the Proposed Scheme is fair and reasonable and therefore in the best interests of the DWS Shareholders, in the absence of a superior proposal.

This IER is to accompany the Scheme Booklet to be provided to DWS Shareholders. It has been prepared to assist and enable DWS Shareholders to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

A summary of the background to the terms of the Proposed Scheme is set out below.

### **1.2. Proposed Scheme**

On 21 September 2020, DWS announced it had entered into a Scheme Implementation Agreement with HCL Australia Services Pty Limited (HCL), a wholly owned subsidiary of HCL Technologies Limited (HCL Tech).

If the Proposed Scheme is approved, HCL will acquire 100% of the outstanding shares in DWS. The consideration payable to DWS Shareholders is cash of \$1.20 per DWS share. DWS Shareholders also received the dividend of \$0.03 that was announced on 24 August 2020. The Proposed Scheme will be 100% cash funded.

As part of HCL Tech, DWS will be able to leverage HCL Tech's global resources and expertise to offer an expanded platform to its Australian clients.

Further details of the Proposed Scheme are provided in the Scheme Booklet.

### **1.3. Conditions precedent**

The Proposed Scheme is subject to a number of conditions precedents including, but not limited to:

- the necessary regulatory approvals, including the approval of the Foreign Investment Review Board;
- approval of the Proposed Scheme by DWS Shareholders;
- Court approval of the Proposed Scheme;
- the Independent Expert issuing a report which concludes that the Proposed Scheme is in the best interests of DWS Shareholders;
- Net Debt (as defined in the Scheme Implementation Agreement) being no greater than \$62.5 million on the tenth business day before both the Scheme Meeting and the Second Court Date.

Further details of the conditions precedent, customary exclusivity provisions and break fee conditions are disclosed in the Scheme Booklet.



## 2. SCOPE AND LIMITATIONS

### 2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Proposed Scheme is fair and reasonable and in the best interest of DWS Shareholders has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved determining the “FMV” of various securities, assets and liabilities. For the purposes of our opinion, the term “FMV” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm’s length.

### 2.2. Summary of regulatory requirements

The Directors have engaged us to prepare an IER in relation to the Proposed Scheme to satisfy the requirements of:

- Section 411 of the Act.
- RG 60 ‘Schemes of Arrangement’.

The regulatory requirements relevant to this IER are summarised below.

#### 2.2.1. Section 411 of the Act and RG 60

The Proposed Scheme is to be implemented pursuant to section 411 of the Corporations Act and RG 60. Part 3 of Schedule 8 to the Act prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act.

In terms of the provisions of RG 60.74 as well as paragraph 8303 of Schedule 8 of the Act, the Scheme Booklet is to be accompanied by an independent expert report in a situation where any party to the scheme of arrangement has a prescribed shareholding in the company, or where there are common directors in the entities involved in the scheme of arrangement.

The HCL does not hold any shares in DWS and there are no common directors, hence an independent expert’s report is not specifically required in relation to the Proposed Scheme. However, the Directors of DWS have requested that BDO prepare this Report as if it were an independent expert’s report pursuant to section 411 of the Act, and to provide an opinion as to whether the Directors of DWS are justified in recommending the Proposed Scheme in the absence of a superior proposal.

Accordingly, the Directors have requested that BDO prepare this IER to accompany the Scheme Booklet required to be provided to the DWS Shareholders to enable them to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

### 2.3. Basis of assessment

In determining whether the Proposed Scheme is fair and reasonable and in the best interest to DWS Shareholders we have had regard to:

- RG 111 ‘Content of expert reports’
- RG 112 ‘Independence of experts’

RG 111 establishes two distinct criteria for an expert analysing a control transaction. The tests are:

- Is the offer ‘fair’?
- Is it ‘reasonable’?

RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is “fair and reasonable”. Further, RG 111 states



that even if a proposal was “not fair but reasonable”, the expert may conclude that the scheme of arrangement is in the best interests of shareholders should there be sufficient reasons for shareholders to vote in favour of the scheme of arrangement in the absence of a higher offer.

The terms fair and reasonable are regarded as separate elements and are not regarded as a compound phrase.

### 2.3.1. Fairness

RG 111.11 indicates that an offer is ‘fair’ if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the offer.

The value of the securities the subject of the offer is determined assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

The Proposed Scheme will be fair if the Scheme Consideration, being \$1.20 per DWS share, is equal to or greater than the value of the securities the subject of the Proposed Scheme, being one DWS Share prior to the Proposed Scheme on a control basis.

Both the Scheme Consideration and the DWS shares have been valued on an ex-dividend basis in our Report.

### 2.3.2. Reasonableness

In accordance with paragraph 12 of RG 111, an offer is ‘reasonable’ if it is ‘fair’. An offer could be considered ‘reasonable’ if there are valid reasons to approve it (in the absence of any higher bid before the close of the offer), notwithstanding that it may not be regarded as ‘fair’.

RG 111.13 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer, including:

- the bidder’s pre-existing voting power in securities in the target;
- other significant security holding blocks in the target;
- the liquidity of the market in the target’s securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

### 2.3.3. General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Proposed Scheme. In preparing the IER we considered the necessary legal requirements and guidance of the Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO Services Pty Ltd or BDO and any of the parties to the Proposed Scheme;
- the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- we have been appointed as independent expert for the purposes of providing an IER for the Scheme Booklet;



- that we have relied on information provided by the Directors and Management of DWS and that we have not carried out any form of audit or independent verification of the information provided; and
- that we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

#### 2.4. Special value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the FMV. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of FMV as it relates to the individual circumstances of special purchasers.

#### 2.5. Reliance on information

This IER is based upon financial and other information provided by the Directors, Management and other representatives of DWS. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Scheme is fair and reasonable and in the best interest of DWS Shareholders in the absence of a superior proposal.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, DWS has agreed to indemnify BDO and BDO Services Pty Ltd, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

#### 2.6. Limitations

We acknowledge that this IER may be lodged by the Directors with regulatory and statutory bodies and will be included in the Scheme Booklet to be sent to the DWS Shareholders. The Directors acknowledge that our IER has been prepared solely for the purposes noted in the Scheme Booklet and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of DWS. We understand that the Directors have been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors or their advisors.

We note that the IER does not deal with the individual investment circumstances of DWS Shareholders and no opinion has been provided in relation to same. Some individual DWS Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in our IER. Accordingly, individuals may reach



different conclusions on whether or not the Proposed Scheme is fair and reasonable and in their best interests. An individual DWS Shareholder's decision in relation to the Proposed Scheme may be influenced by their particular circumstances and, therefore, DWS Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Scheme Booklet or any other document. We have provided consent for inclusion of the IER in the Scheme Booklet. Our consent and the Scheme Booklet acknowledge that we have not been involved with the issue of the Scheme Booklet and that we accept no responsibility for the Scheme Booklet apart from the IER.

## **2.7. Assumptions**

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- assumptions outlined in the valuation sections;
- that matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- information sent out in relation to the Proposed Scheme to DWS Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects;
- publicly available information relied on by us is accurate, complete and not misleading;
- if the Proposed Scheme is implemented, that it will be implemented in accordance with the stated terms;
- the legal mechanisms to implement the Proposed Scheme are correct and effective; and
- there are no undue changes to the terms and conditions of the Proposed Scheme or material issues unknown to us.



### 3. PROFILE OF DWS

#### 3.1. Overview

DWS Limited is a professional services company which provides information technology consulting services to large corporate entities and Australian Government agencies. DWS was established in 1991 and listed on the Australian Securities Exchange on 15 June 2006. DWS currently employs over 750 staff and contractors and has offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.

DWS provide a range of services including:

- IT Consulting Services,
- Managed Application Services,
- Program & Project Management,
- Customer driven innovation,
- Digital Transformation, Data and Business Analytics,
- Strategic Advisory and Productivity, and
- Robotic Process Automation.

DWS operates the following brands:

- DWS,
- Symplicit,
- Phoenix, and
- Projects Assured

#### 3.2. Recent updates

##### 3.2.1. Projects Assured acquisition

DWS acquired Projects Assured Pty Ltd (**Projects Assured**), a Canberra based strategic management and IT consulting business, on 2 July 2018. DWS acquired 100% of Projects Assured for an initial payment of \$30m, and future payments based on EBITDA targets for Projects Assured over a 5 year period. The upfront purchase price of \$30m implied a 5x-6x historical EBITDA multiple.

Projects Assured was purchased for the following key reasons:

- experienced leadership team committed to growing the Projects Assured business within the DWS group,
- increase DWS consultant headcount to over 800 nationally,
- add \$35m-\$40m in revenue and diversify DWS to Canberra based and Federal Government clients, and
- estimated accretion of 3.5 cents earnings per share (EPS) in the first fiscal year.

##### 3.2.2. Object Consulting asset purchase

On 4 October 2019 DWS completed the acquisition of certain assets of the software and services business Object Consulting Pty Ltd (**Object**). DWS acquired Object's;

- rights and obligations under current customer contracts,
- various plant and equipment,
- software products, and
- intellectual property used to provide services to customer contracts.

DWS paid \$3.3m (excluding GST) for the above assets. DWS purchased the assets to further diversify earnings and increase exposure to State Governments.





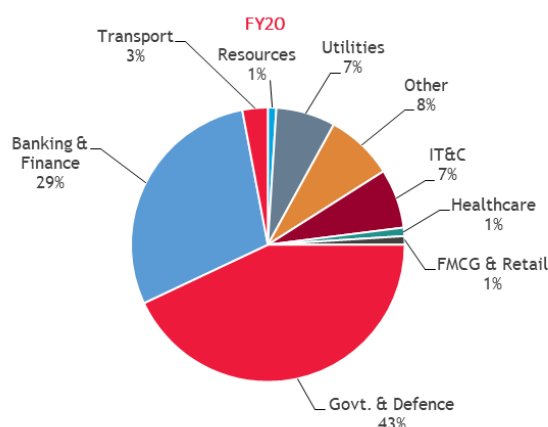
### 3.2.3. DWS divests of Site Supervisor

Following a review of the operations, DWS divested of its investment in Site Supervisor, a construction industry collaboration management start-up, selling its shareholding to its joint venture partner in July 2020.

### 3.3. Company details

DWS revenue by industry segment in FY20 is set out below

**Chart 1: Revenue breakup by industry in FY20**



Source: FY20 Annual Report

Despite the impact of COVID-19 on trading conditions, DWS has grown revenue and underlying EBITDA with growth in Federal Government and State Government client work greater than reductions in Banking & Finance and IT&C client work. We note the Government and Defence segment has increased from approximately 33% of revenue in FY19 to 43% in FY20 as a result of an increase in Federal and State government contracts directly attributable to the acquisitions of Projects Assured and Object Consulting.

The current board of directors and senior management of DWS are set out below.

**Table 3: Executives/Directors of DWS**

Executive/Director	Function
Mr Danny Wallis	Founder, CEO, Managing Director
Mr Martin Ralston	Independent Non-Executive Chairman
Mr Hayden Kelly	Non Executive Director
Mr Danny Gorog	Non Executive Director
Mr Stuart Whipp	CFO & Company Secretary
Mr Campbell Johnston	National Sales Manager
Mr Malcom Sheehan	National Operations Manager
Mr Mark Thomas	General Manager New South Wales
Mr Jason Dreimanis	General Manager South Australia
Ms Sally Cullinane	General Manager of Human Resources
Mr Gerard Murphy	National General Manager - Symplicit
Mr Greg Sly	Executive General Manager of Projects Assured
Mr David O'Rourke	Executive General Manager of Projects Assured
Mr Christopher Lewandowski	Head of IT
Mr Brendan Lawson	Group Financial Controller

Note: Mr Gary Ebeyan resigned as a Non Executive Director of DWS effective 24 September 2020

Source: Management



### 3.4. Historical statement of profit or loss and other comprehensive income

The audited income statements for the financial years ended 30 June 2018 (FY18), 30 June 2019 (FY19) and 30 June 2020 (FY20) are set out below.

**Table 4: Historical statement of profit or loss and other comprehensive income**

\$000s	Notes	FY18	FY19	FY20
<b>Revenue</b>				
Revenue from continuing operations	1	126,098	163,496	167,948
Other income		2,589	719	807
<b>Total revenue from continuing operations</b>		<b>128,687</b>	<b>164,215</b>	<b>168,755</b>
<b>Expenses</b>				
Employee benefit expense	2	(100,442)	(135,518)	(143,426)
Occupancy expense	3	(1,612)	(1,992)	-
Depreciation and amortisation expense	3	(392)	(1,943)	(3,797)
Financing expense		(803)	(3,094)	(2,286)
Other expenses		(3,571)	(4,468)	(4,687)
Share of profit/(loss) from equity accounted investments	4	-	(813)	(701)
<b>Profit before tax</b>		<b>21,867</b>	<b>16,387</b>	<b>13,858</b>
Income tax expense		(5,950)	(6,089)	(6,348)
<b>Profit from continuing operations</b>		<b>15,917</b>	<b>10,298</b>	<b>7,510</b>
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<b>15,917</b>	<b>10,298</b>	<b>7,510</b>

Source: DWS FY19 and FY20 Annual Reports

The audited financial information for the FY18, FY19, and FY20 periods has been represented separately by Management to provide investors with an understanding of a normalised level of operating profit as set out in the table below. The table below calculates EBITDA and separately identifies acquisition costs which have been expensed in the profit and loss.

**Table 5: Management representation of FY18, FY19, and FY20 operating performance**

\$000s	Notes	FY18	FY19	FY20
<b>Revenue</b>				
Revenue from continuing operations		126,098	163,496	167,948
Other income (excl interest)		2,438	633	755
<b>Total revenue from continuing operations</b>		<b>128,536</b>	<b>164,129</b>	<b>168,703</b>
<b>Expenses</b>				
Employee benefit expense		(100,549)	(135,754)	(135,536)
Selling, general & admin expense		(5,129)	(1,940)	(4,687)
<b>Underlying EBITDA</b>		<b>22,858</b>	<b>26,435</b>	<b>28,480</b>
Acquisition costs	5	(54)	(4,520)	(8,019)
<b>EBITDA</b>		<b>22,804</b>	<b>21,915</b>	<b>20,461</b>
Depreciation, amortisation & impairment		(392)	(1,943)	(3,797)
Net interest (expense)/income		(652)	(3,008)	(2,234)
Capitalised product development		107	236	129
Share of loss from equity accounted investments		-	(813)	(701)
<b>Profit before tax</b>		<b>21,867</b>	<b>16,387</b>	<b>13,858</b>
Income tax expense		(5,950)	(6,089)	(6,348)
<b>Net profit after tax</b>		<b>15,917</b>	<b>10,298</b>	<b>7,510</b>

Source: DWS FY19, FY20 Annual Reports and Appendix 4E

We note the following with respect to the profit and loss statements:

1. Revenue from continuing operations increased to \$163.5 in FY19 and \$167.9m in FY20 which was primarily



attributable to the Projects Assured acquisition in FY19.

In FY20, the Company received lower than expected demand in the Banking & Finance and IT&C and Transport segments which was offset by an increase in demand in the Government and Defence sector;

Total chargeable consulting staff declined to 720 in FY20 from 751 in FY19 and average utilisation declined to 78.7% in FY20 from 79.9% in FY19.

2. In FY19, employee benefit expense increased as a direct result of the additional staff from the Projects Assured acquisition. During FY20, the Company managed consultant levels to meet client demand, resulting in redundancies and a lower overall count of chargeable consultants. Employee benefit expense includes one-time termination fees as well as Jobkeeper government assistance. Employee benefit expense also includes \$4.5m in FY19 and \$8.0m in FY20 of earn out expense and bonuses related to the Project Assured acquisition.
3. The Company did not recognise Occupancy expense in FY20 due to the change in lease accounting per AASB 16. The right-of-use asset and its corresponding liability have now been included in the balance sheet and historical occupancy expense is now shown in the increase in depreciation and interest expense.
4. Share of loss from equity accounted investments in FY19 and FY20 represents DWS' investment in Site Supervisor which was historically loss making. DWS has since divested of Site Supervisor.
5. Acquisition costs of \$8.0m in FY20 primarily relate to the acquisitions of Projects Assured and Object Consulting. The acquisition costs of \$4.5m in FY19 relate to Projects Assured.



### 3.5. Historical statement of financial position

The audited statements of financial position of DWS as at 30 June 2018, 30 June 2019 and 30 June 2020 are set out below.

**Table 6: Historical statement of financial position**

\$000s	Notes	30-Jun-18	30-Jun-19	30-Jun-20
<b>Assets</b>				
Cash and cash equivalents		8,128	8,880	14,358
Trade and other receivables		20,285	30,575	24,254
Other current assets		897	1,133	686
<b>Total current assets</b>		<b>29,310</b>	<b>40,588</b>	<b>39,298</b>
Property, plant and equipment		2,061	2,701	2,609
Intangible assets	1	67,839	96,995	98,859
Right-of-use asset	2	-	-	5,425
Investment in associates		-	187	-
Deferred tax assets		3,067	3,673	5,299
Other financial assets	3	-	-	511
<b>Total assets</b>		<b>102,277</b>	<b>144,144</b>	<b>152,001</b>
<b>Liabilities</b>				
Trade and other payables		7,631	17,150	20,898
Current tax liabilities		2,327	3,270	3,083
Provisions		6,876	7,261	8,542
Contract liabilities		2,855	2,472	2,717
Lease liabilities	2	-	-	1,404
<b>Total current liabilities</b>		<b>19,689</b>	<b>30,153</b>	<b>36,644</b>
Interest bearing liability	4	10,000	42,000	39,000
Provisions		443	1,413	3,049
Lease liabilities	2	-	-	4,448
<b>Total liabilities</b>		<b>30,132</b>	<b>73,566</b>	<b>83,141</b>
<b>Net assets</b>		<b>72,145</b>	<b>70,578</b>	<b>68,860</b>
<b>Equity</b>				
Issued capital		34,187	34,187	34,187
Retained earnings		37,958	36,391	34,673
<b>Total equity</b>		<b>72,145</b>	<b>70,578</b>	<b>68,860</b>

Source: DWS FY19 and FY20 annual reports

We note the following regarding DWS's historical statement of financial position:

1. Intangible assets increased to \$98.9m in FY20 as a result of the acquisition payment of \$3.3m paid to Object Consulting on 4 October 2019, offset by \$1.5m of amortisation of customer relationships acquired as part of the acquisition of Projects Assured. The \$29.2m increase in FY19 was attributable to the Projects Assured acquisition. We note the Company's intangible asset base consists primarily of goodwill. Other balances in intangibles consist of software.
2. In FY20 the right-of-use asset and its corresponding liability were recognised in accordance with AASB16. The \$5.4 million balance is calculated as the net present value of future lease payments using a weighted average incremental borrowing rate of 3.17%.
3. Other financial asset represents the investment in Site Supervisor that was divested in FY21.
4. The Company paid down \$3.0m of debt in FY20.

### 3.6. Ownership

As at 27 September 2020, DWS had c.131.8m fully paid ordinary shares on issue. The top 10 shareholders collectively own 54.90% of the equity interest in DWS.

The top 10 DWS Shareholders as at 27 September 2020 are shown below.



Table 7: DWS top 10 shareholders

Shareholder	Shares held	Ownership %
Mr Daniel Wallis	56,305,283	42.71%
Citicorp Nominees Pty Limited	3,654,072	2.77%
Mutual Trust Pty Ltd	2,828,074	2.15%
Neweconomy Com Au Nominees Pty Limited	2,510,321	1.90%
J P Morgan Nominees Australia Pty Limited	1,820,553	1.38%
Sargon Ct Pty Ltd	1,445,097	1.10%
HSBC Custody Nominees (Australia) Limited	1,122,796	0.85%
Brispot Nominees Pty Ltd	1,059,836	0.80%
Morgan Stanley Australia Securities (Nominee) Pty Limited	890,754	0.68%
G Harvey Nominees Pty Limited	740,000	0.56%
<b>Total shares held by top 10 shareholders</b>	<b>72,376,786</b>	<b>54.90%</b>
Other shareholders	59,454,542	45.10%
<b>Total DWS shares outstanding</b>	<b>131,831,328</b>	<b>100.00%</b>

Source: DWS management

### 3.7. Historical share trading analysis

DWS' share price movements for the 12 months to 18 September 2020 are shown below. DWS announced the proposed scheme of arrangement on 21 September therefore 18 September represents the last trading day before the announcement. For a detailed analysis and discussion, please refer to Section 7.

Figure 2: Daily closing share price and trading volume (19 September 2019 to 18 September 2020)



Source: Capital IQ

We note the following key movements from the chart above:

1. DWS' share price reached a 52 week high close price of \$1.10 on 11 November 2019, 5 December 2019, 20 January 2020, 4 February 2020, and 5 February 2020
2. DWS' share price reached a 52 week low close price of \$0.55 on 24 March 2020
3. The largest daily trading volume was 110k shares on 30 April 2020.



#### 4. PROFILE OF HCL TECHNOLOGIES LIMITED

##### 4.1. Overview

HCL Technologies Limited (**HCL Tech**) is an Indian multinational information technology services and consulting company headquartered in Noida, Uttar Pradesh, India. Founded in 1976, HCL Tech is publicly traded on the National Stock Exchange of India Ltd (NSE) under the ticker, HCLTECH.

HCL Tech and its related entities (**HCL Group**) offers its services and products through three business units;

- **IT and Business Services (ITBS)**  
ITBS enables global enterprises to transform their businesses through offerings in areas of Applications, Infrastructure, Digital Process Operations, and next generational digital transformation solutions.
- **Engineering and R&D Services (ERS)**  
ERS offers engineering services and solutions in all aspects of product development and platform engineering.
- **Products & Platforms (P&P)**  
HCL Tech provides modernized software products to global clients for their technology and industry specific requirements.

Through HCL Group's co-innovation labs, global delivery capabilities, and broad global network, HCL Group provides various services and products across industry verticals including, Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences & Healthcare and Public Services.

HCL Australia Services Pty Limited (**HCL**) is a wholly-owned subsidiary of HCL Tech which provides the HCL Tech services in Australia and New Zealand. HCL currently services multiple Australian enterprises across various sectors such as financial, retail, telecommunications, utilities and others.





## 5. FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY

### 5.1. Fairness assessment overview

The Proposed Scheme is fair if the FMV of the Scheme Consideration, being cash of \$1.20 per DWS share, is equal to or greater than the FMV of a DWS Share pre-transaction on a control basis.

Accordingly, we have undertaken an assessment of the value of a DWS Share prior to the Proposed Scheme on a control basis. We have utilised a valuation date of 18 September 2020 for the purposes of our valuation.

We have valued a DWS share on an ex-dividend basis in the section below and have therefore excluded the announced dividend of \$0.03 from the Scheme Consideration.

### 5.2. Valuation methods

Details of common methodologies for valuing businesses and assets are included at Appendix 2. The principal methodologies which can be used are as follows:

- Discount cash flow (DCF);
- Capitalisation of future maintainable earnings (COE);
- Net asset value (NAV); and
- Quoted market price basis (QMP).

Set out below is a discussion of the valuation methods we consider appropriate for the purposes of undertaking our fairness assessment.

### 5.3. Selected valuation method for DWS

In accordance with RG 111.15, we have considered the FMV of DWS on the basis of “a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid”. This approach does not take into account the particular circumstances of any specific transaction, and therefore we have not considered whether there is any premium in value attached to the strategic benefits or gains from synergies that may be inherent in an acquisition by a specific party, e.g. an industry competitor or supplier.

In our assessment of the value of DWS, we have chosen to employ the following methodologies:

- the COE method, which places a value on a business by estimating a likely future maintainable earnings (FME) and applying a market based capitalisation multiple; and
- QMP method, which represents the value that a DWS Shareholder can receive for a share if sold on the market.

We have chosen these methodologies for the following reasons:

- COE is generally considered applicable to profitable businesses with steady growth histories and forecasts;
- The QMP basis is a relevant methodology to consider because DWS shares are listed on the ASX and this reflects the value that a DWS Shareholder will receive for a share sold on market. This means that there is a regulated and observable market where DWS shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities; and
- We do not have long term forecast cash flows for DWS and therefore we do not consider the application of the DCF methodology to be appropriate.

### 5.4. Other valuation considerations

#### 5.4.1. Future events

The businesses of DWS we have considered is that which existed as at the date of this report. Growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of our assessment.

#### 5.4.2. Synergies

The level of synergies that can be derived from a takeover or merger is dependent on the nature of the respective businesses and their geographical and operational overlap.



We have not considered special value in forming our opinion. Accordingly, we have not attributed any value to the potential synergies listed above in our valuation approach beyond those generally observed in the market. These synergies have been reflected in the value of DWS prior to the Proposed Scheme via the inclusion of a premium for control.

#### 5.4.3. Premium for control

Investment fundamentals dictate that the value of 100% of an entity is normally greater than the sum of values attributable to the individual shares of that company based on transactions in minority share holdings.

The difference between the value of 100% of a company and the total value of minority share holdings is referred to as a “premium for control” taking into account control and synergistic benefits for the acquirer.

Control of a company by a shareholder gives that shareholder rights to which minority shareholders are not entitled, including control of the company’s policies and strategies, and use of cash flows of the company.

A premium for control is applicable when an acquisition would give rise to benefits such as:

- the ability to realise synergistic benefits;
- access to cash flows;
- access to tax benefits; and
- control of the board of directors of the company.

Therefore, a transaction premium would typically include a premium for control as well as potential buyer specific synergies.

The level of premium for control paid in a takeover bid will vary across industries and is dependent upon the specifics of the company being acquired. In arriving at an appropriate premium for control to apply, we note that buyers would generally assess the following considerations:

- level of liquidity in the trade of the target’s securities;
- synergistic value;
- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;
- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited; and
- ability to integrate the target into the acquirer’s business.

An acquirer of the Company could potentially reduce corporate overheads and realise synergies through the integration into their business while, at the same time incurring one-off integration expenses.

We have analysed control premiums paid in the IT Consulting industry over the past 3 years as set out in the table below.



Table 8: Control premiums

Closed Date	Target	Buyer	1 Day Premium (%)	1 Week Premium (%)	1 Month Premium (%)
19/02/2020	CSG Limited	Fuji Xerox Asia Pacific Pte Ltd.	31.9	31.9	40.9
19/12/2019	Presidio, Inc.	BC Partners	26.0	27.0	20.9
11/10/2019	Navigant Consulting, Inc.	Guidehouse LLP	16.5	15.8	19.1
18/03/2019	JIEC Co.,Ltd.	SCSK Corporation (TSE:9719)	39.3	33.6	52.4
22/02/2019	SSR Inc. (KOSDAQ:A275630)	-	(42.8)	(39.6)	(32.5)
31/10/2018	Comtec Systems Co.,Ltd. (KOSDAQ:A124500)	Itcen Co., Ltd. (KOSDAQ:A124500)	65.5	83.9	91.4
6/06/2018	Bulletproof Group Limited	Australian Centre For Advanced Computing And Communication Pty Ltd	26.7	21.6	12.6
27/11/2017	Opus International Consultants Limited	WSP Global Inc. (TSX:WSP)	79.8	78.0	78.0
23/10/2017	Cirrus Networks Holdings Limited (ASX:CNW)	-	(11.9)	(15.9)	(11.9)
Average			40.8	41.7	45.0
Median			31.9	31.9	40.9

Note: Average and median calculations exclude negative premia

Source: CapitalIQ

Our results indicate that there is a significant spread in relation to discounts and premiums paid however, the average 1-day, 1-week, and 1-month premia range from 40.8% to 45.0% whereas the median indications range from 31.9% to 40.9%. We note the above transactions include premia paid for acquisition specific synergies therefore, we have adjusted our applied premium to account only for control.

Based on the above, we consider a control premium of 20% to 25% to be appropriate for DWS.

#### 5.4.4. Valuation in accordance with APES 225

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.



## 6. VALUATION OF DWS USING THE COE METHODOLOGY

We have assessed the FMV of DWS on a control basis prior to the Proposed Scheme using the COE method. We assessed historical earnings and considered normalisation adjustments to estimate a level of FME for DWS, as set out in the table below. The selected FME is then capitalised using a market based multiple to conclude on an enterprise value range. To arrive at a per share value, enterprise value is adjusted for cash, debt and debt-like items and the total equity value is divided by the total shares on issue. Set out in the following sections is the valuation assessment of DWS based upon the COE method.

### 6.1. FME of DWS using the COE method

The table below details our assessment of DWS' FME using the FY18, FY19, and FY20 income statements.

**Table 9: DWS FME**

\$000s	FY18	FY19	FY20
<b>Revenue</b>			
Revenue from continuing operations	126,098	163,496	167,948
Other income (excl interest)	2,438	633	755
<b>Total revenue from continuing operations</b>	<b>128,536</b>	<b>164,129</b>	<b>168,703</b>
<b>Expenses</b>			
Employee benefit expense	(100,549)	(135,754)	(135,536)
Selling, general & admin expense	(5,129)	(1,940)	(4,687)
<b>Underlying EBITDA</b>	<b>22,858</b>	<b>26,435</b>	<b>28,480</b>
Acquisition costs	(54)	(4,520)	(8,019)
<b>EBITDA</b>	<b>22,804</b>	<b>21,915</b>	<b>20,461</b>
Depreciation, amortisation & impairment	(392)	(1,943)	(3,797)
Net interest (expense)/income	(652)	(3,008)	(2,234)
Capitalised product development	107	236	129
Share of loss from equity accounted investments	-	(813)	(701)
<b>Profit before tax</b>	<b>21,867</b>	<b>16,387</b>	<b>13,858</b>
Income tax expense	(5,950)	(6,089)	(6,348)
<b>Net profit after tax</b>	<b>15,917</b>	<b>10,298</b>	<b>7,510</b>

Source: DWS FY19, FY20 Annual Reports and Appendix 4E

We have adopted underlying EBITDA as the basis of our FME as it allows comparison of companies with different gearing levels and amortisation/depreciation policies. Underlying EBITDA excludes the impact of acquisition costs which are not expected to be recurring in the long term. Expected acquisition costs have been incorporated into our valuation as a debt-like item. Underlying EBITDA has ranged from \$22.9m in FY18 to \$28.5m in FY20. The Company has made significant acquisitions (Projects Assured in FY19 and Object Consulting in FY20) that have grown revenue to \$168.7m in FY20 from \$128.5m in FY18.

The table below sets out the normalisation adjustments to the historical financials, as provided by Management.

**Table 10: Normalised EBITDA**

\$000s	FY18	FY19	FY20
Underlying EBITDA	22,858	26,435	28,480
Less: Jobkeeper payments	-	-	(417)
<b>Normalised EBITDA</b>	<b>22,858</b>	<b>26,435</b>	<b>28,063</b>

Based on the above observations, we have adopted the normalised EBITDA of \$28.0m in FY20 as the best estimate of DWS' FME.



## 6.2. Selected multiple

We analysed EBITDA multiples based on the share pricing of ASX listed companies operating in the IT Consulting and Consulting industries, as well as trading multiples sourced from targets mergers & acquisitions in the same industries. The results of our analyses are set out in the tables below.

**Table 11: Public company trading multiples**

Company	Ticker	Country	Market Cap (\$m)*	EBITDA Margin LFY-1	EBITDA Margin FY	EBITDA Multiple FY
RXP Services Limited	ASX:RXP	Australia	76	11.8%	9.8%	7.0
PS&C Limited	ASX:PSZ	Australia	26	-1.8%	4.1%	12.1
Cirrus Networks Holdings Limited	ASX:CNW	Australia	32	2.5%	3.2%	9.5
Trimantium GrowthOps Limited	ASX:TGO	Australia	9	-5.5%	-9.9%	n/m
CPT Global Limited	ASX:CGO	Australia	9	6.8%	4.8%	6.1
<b>Average</b>			<b>30</b>	<b>2.8%</b>	<b>2.4%</b>	<b>8.7</b>
<b>Median</b>			<b>26</b>	<b>2.5%</b>	<b>4.1%</b>	<b>8.2</b>

*Note: Market cap calculations have been adjusted using a midpoint control premium of 22.5% as discussed in Section 5.4.3.*

*Source: CapitalIQ and BDO analysis*

The comparable company EBITDA multiples range from 6.1x to 12.1x and median of 8.2x EBITDA. The comparable company market capitalisations have been adjusted to include a 22.5% control premium, the midpoint of the range discussed in Section 5.4.3.

**Table 12: Comparable transaction multiples**

Closed Date	Target Name	Enterprise Value (\$m)	LFY Revenue (\$m)	LFY EBITDA (\$m)	EV/EBITDA
26/03/2020	NTH Consulting Pty Ltd	4.3	6.2	0.8	5.6
1/12/2019	Apis Group Pty Ltd	46.0	31.5	12.4	3.7
20/11/2019	Elton Consulting Group Pty Ltd	13.0	18.4	2.3	5.6
29/07/2019	Phoenix Austec Group Pty Ltd	1.6	N/A	0.4	4.3
15/11/2018	Taylor Byrne Pty Limited	10.3	22.7	2.3	4.5
3/09/2018	Project Management Partners Pty Limited	41.4	86.3	6.8	6.1
6/06/2018	Bulletproof Group Limited	27.1	48.0	3.0	9.1
1/04/2018	NDY Management Pty Limited	60.8	89.9	6.6	9.2
27/11/2017	Opus International Consultants Limited	257.2	439.8	32.9	8.1
23/10/2017	Cirrus Networks Holdings Limited (ASX:CNW)	11.9	60.5	0.4	29.4
<b>Average</b>		<b>47.4</b>	<b>89.2</b>	<b>6.8</b>	<b>6.2</b>
<b>Median</b>		<b>20.0</b>	<b>48.0</b>	<b>2.6</b>	<b>5.6</b>

*Note: The Cirrus Network Holdings Limited transaction has been identified as an outlier and is omitted from the average/median calculations*

*Source: CapitalIQ and Mergermarket*

The comparable transaction multiples range from 3.7x to 9.2x and median of 5.6x EBITDA on a controlling basis. Opus International Consultants Limited has a similar risk profile to DWS and traded at a multiple of 8.1x. Opus International is however a global business that is larger than DWS and the multiple includes buyer specific synergies.

Based on the above public company trading multiples and comparable transaction multiples, and in particular:

- the median public company trading multiple of 8.2x;
- the median comparable transaction multiple of 5.6x; and
- the Opus International Consultants Limited multiple of 8.1x

we consider a range of 7.0x to 8.0x EBITDA to be reasonable for DWS.

	Low	High
Selected EBITDA multiple	7.0	8.0



### 6.3. FMV of DWS based on the COE method

The table below sets out our valuation of one share in DWS based on the assumptions discussed in Section 6.1 and 6.2 above, as well as the adjustments discussed below.

**Table 12: DWS COE valuation**

A\$000	Notes	Low	Mid	High
Concluded FME		28,063	28,063	28,063
Selected multiple		7.0	7.5	8.0
<b>Enterprise value</b>		<b>196,441</b>	<b>210,473</b>	<b>224,504</b>
Plus: Cash	1	14,358	14,358	14,358
Less: Debt	2	(39,000)	(39,000)	(39,000)
Less: Earn out	3	(14,153)	(14,153)	(14,153)
Less: Lease liability	4	(5,852)	(5,852)	(5,852)
Less: Provision for dividends	5	(3,955)	(3,955)	(3,955)
<b>Fair value of equity</b>		<b>147,839</b>	<b>161,871</b>	<b>175,902</b>
Total shares outstanding (#)		131,831,328	131,831,328	131,831,328
<b>Concluded value per share</b>		<b>1.12</b>	<b>1.23</b>	<b>1.33</b>

Source: Management information and BDO analysis

1. As at 30 June 2020, DWS held cash of \$14.4m.
2. As at 30 June 2020, DWS had interest bearing debt of \$39.0m.
3. DWS expects to make earnout payments to the vendors of Projects Assured on an annual basis for the next 4 years. The next payment is due in October 2020 and is equal to \$3.9m. Total payments are expected to be \$15.6 million. After discounting these payments at an estimated cost of borrowing, we have derived a present value of earn outs of \$14.2m.
4. As at 30 June 2020, DWS had lease liabilities of \$5.9m.
5. On 24 August 2020, DWS declared a three cent dividend. This dividend has not yet been paid. As we are valuing DWS on an ex-dividend basis, we have reduced the value of DWS by the amount of dividend payable.

Based on the above adjustments, we estimate the fair value of DWS' equity to range from \$147.8m to \$175.9m, or \$1.12 to \$1.33 per share.

**Table 13: COE conclusion**

A\$000	Low	Mid	High
<b>Fair value of equity</b>	<b>147,839</b>	<b>161,871</b>	<b>175,902</b>
Total shares outstanding (#)	131,831,328	131,831,328	131,831,328
<b>Concluded value per share</b>	<b>1.12</b>	<b>1.23</b>	<b>1.33</b>

Source: Management information and BDO analysis





## 7. VALUATION OF DWS USING THE QMP METHODOLOGY

We have assessed the quoted market price for a DWS share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.69 states that for the quoted market price methodology to be an appropriate methodology, there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- regular trading in a company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- there are no significant and unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active'. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

The Company's share price quoted on the ASX represents a minority level of value.

### 7.1. Trading price

On 21 September 2020, the Company announced the Proposed Scheme of Arrangement with HCL to its shareholders.

Our analysis of the quoted market price of a DWS share is based on pricing prior to the announcement of the Proposed Scheme. This is because the value of a DWS share after the announcement may include the effects of any change in value as a result of the Proposed Scheme.

Therefore, we have analysed DWS's share price movement over the 12 months to 18 September 2020, which was the last trading day prior to the announcement.

**Figure 3: Monthly closing share price and trading volume (From 19 September 2019 to 18 September 2020)**



Source: CapitalIQ

We note the following about the Company's share price and trading volume over the 12 month period to 18 September 2020;

- DWS's share price reached a 52 week high close price of \$1.10 on 11 November 2019, 5 December 2019, 20 January 2020, 4 February 2020, and 5 February 2020.
- DWS' share price reached a 52 week low close price of \$0.55 on 24 March 2020.
- The share price declined by 15% over the 12 month period ended 18 September 2020.



- Daily trading volume averaged 8.7k shares over the period analysed.
- The maximum trading volume over the 52 week period was 110k shares on 30 April 2020.

Set out below is a summary of the Company's price-sensitive announcements in the twelve months prior to 18 September 2020.

**Table 14: Price sensitive announcements**

Date	Announcement	Share price - 1 day before	Share price - 1 day after	Change (\$)	Change (%)
24-Aug-20	2020 Full Year Results Presentation	0.90	1.00	0.10	10.6%
24-Aug-20	2020 Full Year Result Announcement and Appendix 4E	0.90	1.00	0.10	10.56%
12-Jun-20	S&P DJI Announces June 2020 Quarterly Rebalance	0.83	0.82	(0.01)	(1.20%)
18-Mar-20	DWS announces exclusive collaboration with Accela	0.70	0.63	(0.07)	(10.0%)
11-Feb-20	2020 Half Year Results Presentation	1.08	1.08	-	0.0%
11-Feb-20	Company Announcement, Appendix 4D & Interim Financial Report	1.08	1.08	-	0.0%
14-Nov-19	AGM Address to Shareholders and Trading Update for H1 FY2020	1.05	1.10	0.05	4.8%
25-Sep-19	Object Consulting Acquisition	1.03	1.05	0.02	2.0%

Source: ASX website, Capital IQ and BDO analysis

## 7.2. VWAP

The table below summarises trading for the 12 month period leading up to last trading day before the announcement of the Proposed Scheme up to 18 September 2020.

**Table 15: VWAP for the 12 months ended 18 September 2020**

Period	Price (Low) \$	Price (High) \$	Price VWAP \$	Cumulative value \$m	Cumulative volume m	% of Free float	% of issued capital
1 day	0.90	0.91	0.91	-	-	0.0%	0.0%
1 week	0.87	0.94	0.91	0.03	0.03	0.0%	0.0%
12 day*	0.87	0.94	0.90	0.05	0.05	0.1%	0.1%
1 month	0.87	1.03	0.92	0.08	0.08	0.1%	0.1%
3 months	0.78	1.03	0.87	0.35	0.40	0.5%	0.3%
6 months	0.55	1.03	0.77	0.86	1.11	1.5%	0.8%
12 months	0.55	1.10	0.89	1.95	2.19	2.9%	1.7%

### Notes

-Free float has been calculated as the total shares outstanding less Mr Daniel Wallis' 56.3m shares.

-12 day period is the period from 3 September 2020, ex-dividend record date, through 18 September 2020, the last trading day before the announcement

Source: CapitalIQ

The above table indicates that DWS's shares display a low level of liquidity, with only 2.9% of the Company's free float being traded on the ASX over the 12 month period. We note the following with respect to the VWAP over the period;

- The VWAP over the 12 month period analysed was \$0.89.
- In the 12 months ended 18 September 2020, 2.2m shares were traded with a cumulative value of \$2.0m.
- The 12 day period from the most recent ex-dividend date to the last trading day before the announcement (3 September 2020 through 18 September 2020) had a low of \$0.87, a high \$0.94, and a VWAP \$0.90.

We conclude that DWS shares are thinly traded however, the trading does provide a guide as to the value of DWS.



### 7.3. FMV of DWS based on the QMP method

We estimate the fair value of a DWS share per the QMP method to range from \$0.87 to \$0.94 on a minority and ex-dividend basis. As discussed in Section 5.4.3, we have applied a 20% to 25% control premium to conclude on the fair value of a DWS share on a controlling basis.

**Table 16: QMP conclusion**

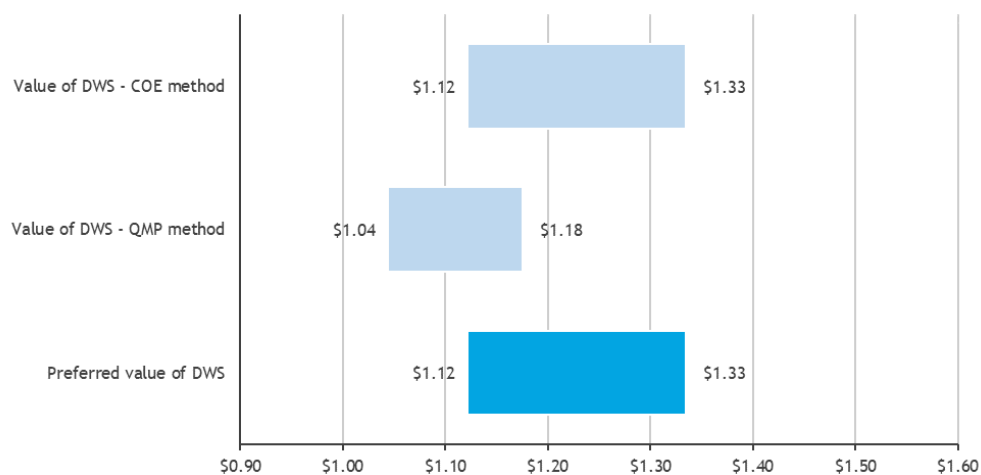
\$	Low	High
Quoted market price (minority basis)	0.87	0.94
Plus: Control premium	20.0%	25.0%
<b>Quoted market price (controlling basis)</b>	<b>1.04</b>	<b>1.18</b>

Source: BDO analysis

## 8. CONCLUSION AS TO THE FMV OF A DWS SHARE

A summary of our valuation is set out below.

**Figure 4: DWS FMV Summary**



Source: BDO analysis

We consider a range of \$1.12 to \$1.33 per share based on the COE method to be appropriate for DWS. Although the QMP method provides a reasonable indication of value, the DWS shares are thinly traded and therefore the market pricing may not accurately reflect the intrinsic value of the business.



## 9. ASSESSMENT OF FAIRNESS

### 9.1. Fairness assessment

In undertaking our fairness opinion, we have had regard to ASIC RG 111.

RG 111.11 indicates that an offer is 'fair' if the value of the Scheme Consideration or consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.
- In relation to the interpretation of RG111.11, ASIC has advised that the appropriate assessment is to compare:
  - The fair market value of a share pre-transaction on a control basis (being the value of the securities the subject of the offer, per RG111.11); and
  - The fair market value of the Scheme Consideration.

The Scheme will be fair if the Scheme Consideration is equal to or greater than the fair market value of a DWS share prior to announcement of the Proposed Scheme, on a controlling interest basis.

We have valued a DWS share on a control basis and on an ex-dividend basis in Sections 6 through 8. We have therefore compared the value of a DWS share to the Scheme Consideration of \$1.20, which also excludes the dividend of \$0.03.

The result of our fairness analysis is summarised below.

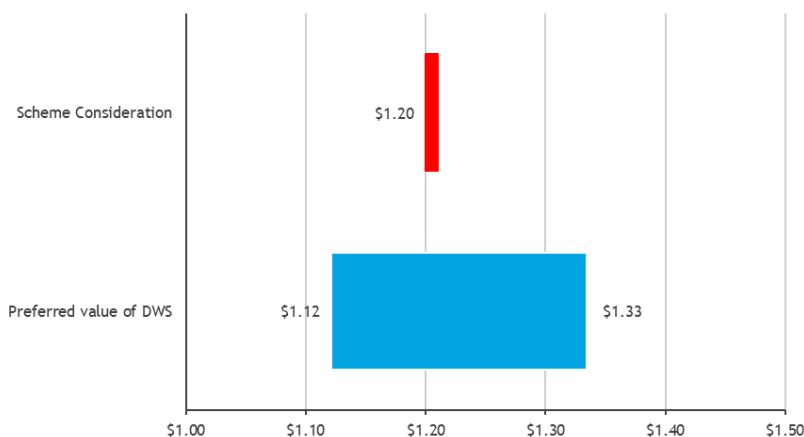
**Table 17: Summary of fairness**

\$	Low	Mid	High
Scheme Consideration	1.20	1.20	1.20
Preferred value of DWS	1.12	1.23	1.33

Source: BDO analysis

As set out above, the Scheme Consideration of \$1.20 falls within the range of our preferred value for DWS of \$1.12 to \$1.33.

**Figure 5: Fairness assessment**



Source: BDO analysis

Based on the above, the value of the Scheme Consideration within our preferred value range. We conclude that the Proposed Scheme is fair for DWS Shareholders.



## 10. ASSESSMENT OF REASONABLENESS

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to DWS Shareholders.

Nevertheless, we have set out below a summary of other factors we consider relevant in assisting the DWS Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

### 10.1. Advantages

#### 10.1.1. The Proposed Scheme is fair

Our analysis concludes that the Proposed Scheme is fair to Shareholders. RG 111 states that an offer is reasonable if it is fair.

#### 10.1.2. Liquidity

The Proposed Scheme provides liquidity for shareholders. DWS is thinly traded which may make it difficult for shareholders to exit their investment on the ASX.

#### 10.1.3. Premium to ASX trading price

The Scheme Consideration of \$1.20 represents a 33% premium to the close price of \$0.90 on 18 September 2020 and a 9% premium to the 52-week high price of \$1.10.

#### 10.1.4. Certainty of cash

The Proposed Scheme provides a DWS Shareholder with timing and the value certainty of cash.

#### 10.1.5. Removal of risk

The Proposed Scheme removes the DWS shareholders' exposure to risks and uncertainties inherent in the continuing operation of DWS.

### 10.2. Disadvantages

#### 10.2.1. No longer exposed to risks and rewards of an investment in DWS

If the Proposed Scheme is approved, DWS Shareholders will dispose of their interest in DWS. Depending on the individual, this may diminish or remove their exposure to the IT Consulting industry, eliminate the opportunity to benefit from a superior offer from another party and entitlement to potential future dividend income from DWS.

#### 10.2.2. Possible tax payable

As a result of the Proposed Scheme, investors may be liable for taxes which they would not otherwise be subject to. Shareholders should seek independent income tax advice in relation to the tax consequences of the Proposed Scheme.

### 10.3. Other considerations

#### 10.3.1. Sale process

DWS engaged Loftus Lane Capital Partners (LLCP) to conduct a sales process for DWS. LLCP engaged with a range of potential purchasers, both in Australia and internationally. Based on our discussion with LLCP, this sales process was extensive, and the offer from HCL was the highest received for DWS.



## 11. QUALIFICATIONS, DECLARATIONS AND CONSENTS

### 11.1. Qualifications

BDO is the licensed corporate finance arm of BDO Services Pty Ltd, Chartered Accountants and Business Advisers. BDO provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr David McCourt, B.Bus, CA, is a director of BDO. Mr McCourt is also a partner of BDO Services Pty Ltd. Mr McCourt has been responsible for the preparation of this IER.

Mr McCourt has over 20 years of experience in a number of specialist corporate advisory activities including company valuations, financial modelling, preparation and review of business feasibility studies, accounting, advising on mergers and acquisitions and advising on independent expert reports. Accordingly, Mr McCourt is considered to have the appropriate experience and professional qualifications to provide the advice offered.

Mr Sebastian Stevens, B.Bus, CPA is a Director of BDO. Mr Stevens is also a partner of BDO Services Pty Ltd.

Mr Stevens is the Director responsible for the review of this IER. Mr Stevens has over 25 years of experience in a number of specialist corporate advisory activities including company valuations advising on independent expert reports, due diligence investigations, preparation and review of business feasibility studies, public company floats, accounting, advising on mergers and acquisitions, preparation of information memoranda and other corporate investigations. Accordingly, Mr Stevens is considered to have the appropriate experience and professional qualifications to provide the advice offered.

### 11.2. Independence

We are not aware of any matter or circumstance that would preclude us from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

We consider ourselves to be independent in terms of RG 112 Independence of experts, issued by ASIC.

BDO was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for DWS in relation to the Proposed Scheme. Further, BDO has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with DWS or the Fund that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Scheme.

### 11.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Shareholders without our written consent. We accept no responsibility to any person other than the Directors and Shareholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by the Directors, executives and management of all the entities.





## 12. APPENDICES

### APPENDIX 1: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

1. DWS Scheme Booklet
2. DWS Annual Reports and Presentations for years ended 30 June 2018, 30 June 2019, 30 June 2020
3. Project Wave Confidential Investment Memorandum
4. ASX announcements
5. Discussions with the directors and management of DWS
6. Information sourced from Capital IQ and MergerMarket
7. ASIC guidance notes and regulatory guides as applicable
8. Other generally available public information



## APPENDIX 2: VALUATION METHODS - BUSINESSES AND ASSETS

In conducting our assessment of the FMV of DWS, the following commonly used business valuation methods have been considered:

### Discounted Cash Flow Method

The discounted cash flow (DCF) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (NPV).

DCF is appropriate where:

- the businesses' earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

### Capitalisation of Earnings Method

This method involves the capitalisation of normalised earnings by an appropriate multiple. Normalised earnings are the assessed sustainable profits that can be derived by the vendor's business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

### Net Asset Value

Asset based valuations involve the determination of the FMV of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business Shares or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- **Orderly realisation:** this method estimates FMV by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV;
- **Liquidation:** this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV; or
- **Going concern:** the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.



The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

#### **Quoted Market Prices**

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.



### APPENDIX 3: Comparable company/ transaction business descriptions

Table 18: Comparable transaction business descriptions

Target Name	Geography	Business Description
Opus International Consultants Limited	New Zealand (Primary)	Opus International Consultants Limited provides infrastructure consultancy and project management services for government and quasi-government sector in New Zealand, Canada, United States, United Kingdom, and Australia. It offers services for the building sector which include architecture; asset management; building; compliance; geotechnical; heritage; landscape architecture and urban design; property; structural design; and surveying services. The company also provides services in the transportation sector, including asset and network management, bridge design, geographic information systems, geotechnical, maritime engineering, procurement and contract management, rail and road design, transport planning, and transportation research services. In addition, it offers environmental training, rural, storm water management, wastewater treatment, water asset management, and water treatment services, as well as environmental management, contaminated land, resource management planning, and archeology services; and infrastructure development and management services. Further, the company provides various services for energy sector in the energy distribution, generation, and management areas, as well as in the oil and gas areas. Additionally, it provides data center, fixed network, and mobile and wireless infrastructure services; research, specialist consultancy, and laboratory services in the areas of buildings, structures, and utilities, as well as in environmental, society and business, and transportation sectors; and test reports, specialist independent consulting, and materials testing and analysis services for engineering construction materials. The company was formerly known as Works Consultancy Services Corporation NZ Limited and changed its name to Opus International Consultants Limited in April 1997. The company was founded in 1870 and is based in Wellington, New Zealand with additional offices in New Zealand, Australia, Canada, United Kingdom, and United States. As of November 27, 2017, Opus International Consultants Limited operates as a subsidiary of WSP Global Inc.
Bulletproof Group Limited	Australia (Primary)	Bulletproof Group Limited provides managed cloud, hosting, and professional services primarily for enterprise customers in Australia, the United States, and New Zealand. The company offers Amazon Web Services (AWS); AWS consulting, delivery, and support services; Microsoft Azure cloud services, such as consulting, delivery, on-going support, security, data protection, DevOps, and cost management services; and Bulletproof Private Cloud services, including right-fit private cloud, security and compliance, future-proof private cloud, and end-to-end cloud services. It also provides professional services comprising DevOps engineering, software engineering, APIs and integration, data science, cloud migration, and cloud security services; and consulting services, including digital strategy, next gen architecture, DevOps and agile enablement, data lake, cloud optimization, application migration, integration and APIs, cloud migration, and cloud foundation services. Bulletproof Group Limited was founded in 2000 and is headquartered in Sydney, Australia. As of June 6, 2018, Bulletproof Group Limited operates as a subsidiary of Australian Centre For Advanced Computing And Communication Pty Ltd.
Cirrus Networks Holdings Limited (ASX:CNW)	Australia (Primary)	Cirrus Networks Holdings Limited, together with its subsidiaries, provides information technology (IT) services and related third-party products in Australia. The company offers business and technology consulting services; and integration services, such as connectivity and communications, data center, collaboration, security, infrastructure, and managed services, as well as, project management and people services. Cirrus Networks Holdings Limited was founded in 2003 and is based in Perth, Australia.



Target Name	Geography	Business Description
NTH Consulting Pty Ltd	Australia (Primary)	NTH Consulting Pty Ltd provides information technology (IT) services, which includes digital transformation, cyber security, and service integration and management (SIAM). The company was founded in 2016 and is based in Australian Capital Territory, Australia. As of March 26, 2020, NTH Consulting Pty Ltd operates as a subsidiary of TNT Cyber Services Pty Ltd.
Phoenix Austec Group Pty Ltd	Australia (Primary)	Phoenix Austec Group Pty Ltd, trading as Phoenix Austec, provides information technology (IT) consulting services. The company was founded in 2007 and is based in Narre Warren, Australia. As of July 29, 2019, Phoenix Austec Group Pty Ltd operates as a subsidiary of Spirit Telecom Limited.
Apis Group Pty Ltd	Australia (Primary)	Apis Group Pty Ltd provides management consulting services. The company was founded in 1999 and is based in Yarralumla, Australia. As of December 2, 2019, Apis Group Pty Ltd operates as a subsidiary of Accenture plc.
Elton Consulting Group Pty Ltd	Australia (Primary)	Elton Consulting Group Pty Ltd, trading as Elton Consulting, provides strategic consulting services to government, private, and not-for-profit sectors. Elton Consulting Group Pty Ltd was incorporated in 1989 and is headquartered in Bondi Junction, Australia. As of November 20, 2019, Elton Consulting Group Pty Ltd operates as a subsidiary of WSP Australia Pty Limited.
Taylor Byrne Pty Limited	Australia (Primary)	Taylor Byrne Holdings Pty Ltd operates as a valuation and property consultancy firm. The company was incorporated in 2007 and is based in Brisbane, Australia. As of October 15, 2018, Taylor Byrne Holdings Pty Ltd operates as a subsidiary of LandMark White Limited.
Project Management Partners Pty Limited	Australia (Primary)	Project Management Partners Pty Ltd, doing business as PM-Partners group, offers advice and support to organizations to run projects and programmes. It offers project management office (PMO) services, including executive briefing, strategy and design, project, programme, portfolio management frameworks, methods, and standards, agile PMO framework facilitation and establishment, enterprise project/portfolio management systems, PMO managed services and operations, business analytics framework and standards, education, training, certification, diagnostic health checks, and maturity assessments. The company also offers transformation advisory services that translate business strategy into an implementable set of objectives. It also offers agile services, portfolio management and governance, organizational change, capability assessments, and business analysis services. In addition, the company offers training services. Project Management Partners Pty Ltd was founded in 1998 and is based in Sydney, Australia with additional offices in Melbourne and Canberra City, Australia; and Singapore. As of September 30, 2018, Project Management Partners Pty Ltd operates as a subsidiary of OUTSOURCING Inc.
NDY Management Pty Limited	Australia (Primary)	NDY Management Pty Limited operates an engineering consulting firm in Australia. The consulting services include acoustics, asset performance, audio visual, building information modelling, commissioning management, controls and integration, electrical, fire engineering, fire protection, hydraulics, information and communications technology consultancy, interiors, mechanical, NDYlight, property consultancy, security, sustainability, and vertical transportation. It serves customers in civic, educational, health, industrial, mission critical, residential and hotels, retail, and transport markets. The company was incorporated in 1959 and is based in North Sydney, Australia. As of June 30, 2018, NDY Management Pty Limited operates as a subsidiary of Tetra Tech, Inc.

Source: CapitalIQ and Mergermarket



Table 19: Comparable company business descriptions

Company Name	Ticker	Country	Business Description
RXP Services Limited	ASX:RXP	Australia (Primary)	RXP Services Limited provides information and communications technology consulting, development, support, and maintenance services in the Asia-Pacific Region.
PS&C Limited	ASX:PSZ	Australia (Primary)	PS&C Limited engages in the provision of information technology services primarily in Australia.
Cirrus Networks Holdings Limited	ASX:CNW	Australia (Primary)	Cirrus Networks Holdings Limited, together with its subsidiaries, provides information technology (IT) services and related third-party products in Australia.
Trimantium GrowthOps Limited	ASX:TGO	Australia (Primary)	Trimantium GrowthOps Limited provides growth services to organizations seeking to acquire and retain new customers, build and launch transformational products, and scale operations.
CPT Global Limited	ASX:CGO	Australia (Primary)	CPT Global Limited, together with its subsidiaries, provides information technology (IT) consultancy services for federal and state government, banking and finance, insurance, telecommunications, and retail and manufacturing sectors in Australia, Europe, North America, and South America.

Source: CapitalIQ





#### APPENDIX 4: GLOSSARY

Term	Definition
<i>A\$ or AUD</i>	Australian dollars
<i>APES 225</i>	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
<i>ASIC</i>	Australian Securities and Investments Commission
<i>ASX</i>	Australian Securities Exchange
<i>AUD</i>	Australian Dollar
<i>BDO, we, us or our</i>	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
<i>COE</i>	Capitalisation of earnings method
<i>Corporations Act or Act</i>	Corporations Act 2001 (Cth)
<i>DCF</i>	Discounted cash flow method
<i>Directors</i>	Directors of DWS
<i>DWS or the Company</i>	DWS Limited
<i>EBITDA</i>	Earnings before interest, tax, interest, depreciation and amortisation
<i>EPS</i>	Earnings per share
<i>EV</i>	Enterprise value
<i>FME</i>	Future maintainable earnings
<i>FMV</i>	Fair market value
<i>FSG</i>	Financial services guide
<i>FYxx</i>	Financial year ended/ing 30 June 20xx
<i>HCL</i>	HCL Australia Services Pty Limited
<i>HCL Group</i>	HCL Tech and its related entities
<i>HCL Tech</i>	HCL Technologies Limited
<i>LLCP</i>	Loftus Lane Capital Partners
<i>LTM</i>	Last twelve months
<i>m</i>	Millions
<i>Management</i>	Management of DWS
<i>MER</i>	Management expense ratio
<i>NAV</i>	Net asset value
<i>NPAT</i>	Net profit after tax
<i>NTA</i>	Net tangible assets
<i>Object</i>	Object Consulting Pty Ltd
<i>Projects Assured</i>	Projects Assured Pty Ltd
<i>Proposed Scheme</i>	Proposed Scheme of Arrangement with HCL
<i>QMP</i>	Quoted market price
<i>Report or IER</i>	Independent expert's report
<i>RG 60</i>	ASIC Regulatory Guide 60: Schemes of arrangement
<i>RG 111</i>	ASIC Regulatory Guide 111: Content of expert reports
<i>RG 112</i>	ASIC Regulatory Guide 112: Independence of experts
<i>Scheme Booklet</i>	DWS's scheme booklet in relation to the Proposed Scheme, on or about the date of this Report
<i>Scheme Consideration</i>	The cash consideration of \$1.20 per share of DWS outstanding
<i>Shareholder</i>	An individual who owns an interest in DWS
<i>Valuation Date</i>	18 September 2020
<i>VWAP</i>	Volume weighted average price
<i>DWS Shareholder</i>	A person registered in the share register of DWS as a holder of a fully paid ordinary share in the capital of DWS
<i>DWS Shares</i>	Fully paid ordinary share in the capital of DWS
<i>YTD</i>	Year-to-date



# B

## ANNEXURE

### SCHEME OF ARRANGEMENT

## Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

DWS Limited  
Scheme Participants

**SBA Law**

Level 15, 607 Bourke Street  
Melbourne, Victoria 3000  
Tel: +61 3 9614 7000  
Fax: +61 3 9614 7100  
DX: 31315 Midtown  
[www.sbalaw.com](http://www.sbalaw.com)

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## Parties

**DWS Limited** ACN 085 656 088 of Level 4, 500 Collins Street, Melbourne, Victoria 3000 ('**Target**')

## Scheme Participants

## Agreed terms

### 1 Definitions and interpretation

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#### 1.1 Definitions

In this document the following definitions apply:

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it;

**ASX Listing Rules** means the official listing rules of ASX;

**Bidder** means HCL Australia Services Pty. Limited ACN 081 196 983 of Level 8, 1 Pacific Highway, North Sydney, New South Wales 2060;

**CHESS** means the Clearing House Electronic Subregister System, which facilitates electronic security transfer in Australia, operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532;

**Corporations Act** means *The Corporations Act 2001* (Cth);

**Court** means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act determined by Target;

**Cut Off Time** means 8.00 am on the Second Court Date;

**Deed Poll** means the deed poll to be executed by Bidder in favour of the Scheme Participants, a copy of which is to be annexed to the Scheme Booklet, under which Bidder covenants in favour of each Scheme Participant to comply with all of Bidder's obligations under the Scheme Implementation Agreement and to perform the actions attributed to Bidder under this Scheme, including to provide the Scheme Consideration in accordance with this Scheme;

**Effective** means the time at which the Scheme Order takes effect pursuant to section 411(10) of the Corporations Act;

**Effective Date** means the date on which the Scheme becomes Effective;

**End Date** means 31 March 2021 or such later date as Bidder and Target agree in writing;

**Excluded Share** means a Target Share held by Bidder or a Related Body Corporate of Bidder;

**GST** means the meaning given to that term in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth);

**Implementation Date** means the third business day following the Record Date or such other date as ordered by the Court or agreed between Bidder and Target;

**Independent Expert** means an independent expert determined by Target;

**Record Date** means 7.00 pm on the second business day following the Effective Date or such other date and time as Target and Bidder agree;

**Registered Address** means in relation to a Target Shareholder, the address shown in the Target Register as at the Record Date;

**Regulatory Authority** means any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial entity, commission, tribunal agency or authority or any Minister, department, office or delegate of any government. It includes a self-regulatory organisation established under statute or a stock exchange, ASIC, ASX, the Foreign Investment Review Board and the Australian Competition and Consumer Commission;

**Related Body Corporate** means the meaning given to that term in the Corporations Act;

**Scheme** means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed in writing by Target and Bidder;

**Scheme Booklet** means the information to be dispatched to Target Shareholders for the purposes of the Scheme Meeting, including the Scheme, explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, an independent expert's report prepared by the Independent Expert, the Deed Poll, any report of an investigating accountant procured by Target and notices convening the Scheme Meeting (together with proxy forms);

**Scheme Consideration** means in respect of each Scheme Share held by a Scheme Participant a cash amount equal to \$1.20 less the cash value of any Target Permitted Special Dividend paid;

**Scheme Implementation Agreement** means the scheme implementation agreement between Bidder and Target dated 21 September 2020;

**Scheme Meeting** means the meeting to be ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

**Scheme Order** means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme;

**Scheme Participant** means each holder of Scheme Shares as at the Record Date;

**Scheme Shares** means all the Target Shares on issue on the Record Date other than the Excluded Shares;

**Scheme Transfer** means for each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares;

**Second Court Date** means the first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard;

**Second Court Hearing** means the hearing of the application made to the Court for the Scheme Order;

**Target Option** means an option to acquire Target Shares;



**Target Register** means the register of members of Target maintained by or on behalf of Target in accordance with the Corporations Act and **Target Registry** has a corresponding meaning;

**Target Share** means a fully paid ordinary share in the capital of Target;

**Target Shareholder** means each person who is registered in the Target Register as the holder of Target Shares;

**Target Permitted Ordinary Dividend** means the meaning set out in the Scheme Implementation Agreement;

**Target Permitted Special Dividend** means a dividend actually paid on Target Shares as a special dividend, pursuant to Target's discretion to do so under clause 6.3 of the Scheme Implementation Agreement; and

**Third Party Account** means an Australian dollar denominated trust account operated by Boardroom Pty Ltd or such other person agreed between the parties from time to time for the purposes of the payment of the Scheme Consideration in accordance with this Scheme.

## 1.2 Interpretation

In the interpretation of this document, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (a) all references to dollars or '\$' are references to Australian currency and all amounts payable are payable in Australian dollars;
- (b) a reference to any law or legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- (c) a reference to a clause or part is a reference to a clause or part of this document;
- (d) a reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time and despite any change in the identity of the parties;
- (e) a reference to a person:
  - (i) includes any company, trust, partnership, joint venture, association, corporation, body corporate or governmental agency;
  - (ii) includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
- (f) where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
- (g) a word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates the other gender;
- (h) a reference to the word 'include' or 'including' is to be interpreted without limitation;
- (i) headings are inserted for convenience only and do not affect interpretation;

- (j) no clause will be construed to the disadvantage of a party because that party was responsible for the preparation of this document or that clause or the inclusion of the provision in the agreement;
- (k) a reference to a holder includes a joint holder;
- (l) a reference to an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
- (m) a reference to a right includes a benefit, remedy, discretion or power;
- (n) a reference to writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions; and
- (o) where Target is obliged to “procure” Bidder to take any action or to refrain from taking any action, that obligation will be fully discharged by Target or its directors or officers taking all reasonable available steps to enforce the Deed Poll against Bidder as the attorney and agent of any Scheme Participant.

### 1.3 Business days and time

In the interpretation of this document, unless the context otherwise requires:

- (a) a reference to time is to the time in Melbourne, Australia;
- (b) a reference to a business day means a day on which all banks are open for business generally in Melbourne, Australia, other than a Saturday, Sunday or public holiday; and
- (c) if the day on which any act, matter or thing is to be done is not a business day, that act, matter or thing may be done on the next business day.

## 2 Preliminary

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### 2.1 Target

- (a) Target is a public company incorporated in Australia and registered in Victoria, having its registered office at Level 4, 500 Collins Street, Melbourne, Victoria 3000.
- (b) Target is a public company limited by shares under section 112(1) of the Corporations Act.
- (c) Target is admitted to the official list of ASX and fully paid Target Shares are quoted on the official list of ASX.
- (d) As at the date of the Scheme Implementation Agreement:
  - (i) 131,831,328 Target Shares were on issue;
  - (ii) no performance rights which may convert into Target Shares were on issue; and
  - (iii) no Target Options which may convert into Target Shares were on issue.

### 2.2 Bidder

- (a) Bidder is a proprietary company incorporated in Australia and registered in New South Wales, having its registered office at the offices of Mitchell and Partners, Suite 3, Level 2 66 Clarence Street, Sydney, New South Wales 2000.

- (b) Bidder is a proprietary company limited by shares under section 112(1) of the Corporations Act and a wholly owned subsidiary of HCL Technologies Limited.
- (c) HCL Technologies Limited is a public company limited by shares, incorporated in India, and has been admitted to the National Stock Exchange of India and to BSE (formerly the Bombay Stock Exchange).

### 2.3 Summary of the Scheme

If the Scheme becomes Effective, but subject to clauses 3.1, 3.5, 3.6 and 3.7, then:

- (a) in consideration of the transfer of the Scheme Shares to Bidder, Bidder will provide to each Scheme Participant the Scheme Consideration in respect of each Scheme Share held by the Scheme Participant;
- (b) subject to Bidder's compliance with its obligations to provide the Scheme Consideration to each Scheme Participant, all of the Scheme Shares and all rights attaching to them as at the Implementation Date (other than the right to receive the Target Permitted Ordinary Dividend and any Target Permitted Special Dividend), will be transferred to Bidder; and
- (c) Target will enter the name and address of Bidder in the Target Register as the holder of the Scheme Shares transferred to Bidder,

in each case, in accordance with and subject to the terms of this Scheme and the Deed Poll.

### 2.4 Scheme Implementation Agreement

Bidder and Target have agreed, by executing the Scheme Implementation Agreement, to implement the terms of the Scheme and to perform their respective obligations under the Scheme.

### 2.5 Deed Poll

This Scheme attributes actions to Bidder but does not itself impose an obligation on Bidder to perform those actions. Bidder has executed the Deed Poll in favour of the Scheme Participants pursuant to which it has covenanted to perform the actions attributed to Bidder under the Scheme, including to provide to each Scheme Participant the Scheme Consideration to which such Scheme Participant is entitled under the Scheme and to carry out its other obligations under the Scheme Implementation Agreement.

## 3 Conditions

### 3.1 Conditions of Scheme

The Scheme is conditional upon, and will have no force or effect until the satisfaction of, each of the following conditions precedent:

- (a) all of the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than the condition precedent in the Scheme Implementation Agreement relating to Court approval of the Scheme) having been satisfied or, if capable of waiver under the Scheme Implementation Agreement, waived in accordance with the terms of the Scheme Implementation Agreement, by the Cut Off Time;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms as at the Cut Off Time;

- (c) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both Target and Bidder;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Bidder and Target being satisfied; and
- (e) the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

### **3.2 Effect of conditions**

The fulfilment of the conditions in clause 3.1 is a condition precedent to the operation of the provisions of clauses 4, 5, 6 and 8.

### **3.3 Certificate**

Target and Bidder must each provide to the Court at the Second Court Date, a certificate authorised by their respective board of directors and signed by at least one of their respective directors (or such other evidence as the Court may request) stating whether or not all the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied, or if not satisfied and capable of waiver, are waived, as at the Cut Off Time.

### **3.4 Conclusive evidence**

The giving of a certificate by each of Target and Bidder in accordance with clause 3.3 constitutes conclusive evidence of the matters referred to in the certificate.

### **3.5 Termination of Scheme Implementation Agreement**

Without limiting rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before the Cut Off Time, Target and Bidder are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

provided that Target and Bidder retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Agreement.

### **3.6 Effective Date**

This Scheme takes effect on the Effective Date.

### **3.7 End Date**

The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

## **4 Scheme**

### **4.1 Lodgement of Court order**

Following the approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, Target will, as soon as possible and in any event by no later than 5.00 pm on the first business day after the Court approves this Scheme, lodge with ASIC

an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act.

#### **4.2 Transfer of Scheme Shares held by Scheme Participants**

On the Implementation Date in consideration of and subject to provision by Bidder of the Scheme Consideration in accordance with clauses 5.1 and 5.2 and subject to Bidder having provided written confirmation thereof to Target, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date other than the right to receive the Target Permitted Ordinary Dividend and any Target Permitted Special Dividend, will be transferred to Bidder without the need for any further acts by any Scheme Participant (other than acts performed by Target as attorney and agent for Scheme Participants under clause 6) by:

- (a) Target delivering to Bidder a duly completed Scheme Transfer executed by Target as attorney for the Scheme Participants for execution by Bidder; and
- (b) Bidder duly executing the Scheme Transfer, attending to any necessary stamping, and delivering the Scheme Transfer to Target.

#### **4.3 Transfer documentation**

As soon as practicable after receipt by Target of the Scheme Transfer duly executed by Bidder as transferee pursuant to clause 4.2(b), but in any event on the Implementation Date, Target must (subject to any necessary stamping) register Bidder in the Target Register as the holder of all of the Scheme Shares.

#### **4.4 Beneficial entitlement by Bidder**

From the time of the provision of the Scheme Consideration to the Scheme Participants in accordance with clauses 5.1, 5.2(a) and 5.2(b), Bidder will be beneficially entitled to the Scheme Shares (together with all rights and entitlements attached to the Scheme Shares other than the right to receive the Target Permitted Ordinary Dividend and any Target Permitted Special Dividend) to be transferred to it under the Scheme pending registration of Bidder in the Target Register as the holder of those Scheme Shares.

#### **4.5 Enforcement of Deed Poll**

Target undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder on behalf of and as agent for the Scheme Participants.

### **5 Scheme Consideration**

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#### **5.1 Entitlement to Scheme Consideration**

In consideration for the transfer to Bidder of the Scheme Shares:

- (a) Bidder will pay the Scheme Consideration in accordance with clause 5.2(a) and 5.2(b); and
- (b) each Scheme Participant will be entitled to receive, the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 5.2(b).

#### **5.2 Provision of Scheme Consideration**

- (a) Bidder must by no later than 5.00 pm on the business day immediately before the Implementation Date deposit in cleared funds an amount equal to the aggregate of the Scheme Consideration payable to all Scheme Participants into the Third Party Account to be held by Target as trustee for Scheme Participants.

- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.2(a), Target must pay or procure the payment from the Third Party Account of the Scheme Consideration to each Scheme Participant based on the number of Target Shares held by each such Scheme Participant as set out in the Target Register on the Record Date.
- (c) The obligations of Target under clause 5.2(b) will be satisfied by Target (in its absolute discretion) taking the following actions on the Implementation Date:
  - (i) where a Scheme Participant has, before the Record Date, made a valid election in accordance with the requirements of Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
  - (ii) otherwise, whether or not the Scheme Participant has made an election referred to in clause 5.2(c)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Participant by prepaid post to their address shown in the Target Register on the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.3).
- (d) To the extent that, following satisfaction of Target's obligations under clause 5.2(b), there is surplus in the amount held by Target as trustee for Scheme Participants in the Third Party Account, that surplus shall be paid by Target to Bidder.

### 5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.2(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Register as at the Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Target Register as at the Record Date or to the joint holders.

### 5.4 Unclaimed monies

- (a) Target may cancel a cheque issued under this clause 5 if the cheque:
  - (i) is returned to Target; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to the Target, Target must reissue a cheque that was previously cancelled under clause 5.4(a).
- (c) The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (Vic)).

### 5.5 Orders of a court or Regulatory Authority

If written notice is given to Target (or the Target Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable or required to be provided or issued to that Scheme Participant by Target in accordance with this clause 5, then Target shall be entitled to procure that provision of such consideration is made in accordance with the relevant order or direction; or
- (b) prevents Target from providing consideration to any particular Scheme Participant in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Target shall be entitled to retain an amount, in Australian dollars, equal to the Scheme Consideration to which that Scheme Participant would otherwise be entitled to under this clause 5 until such time as provision of the consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

## 6 Scheme Participants

### 6.1 Appointment of Bidder as sole proxy

From the Implementation Date until Target registers Bidder as the holder of all the Scheme Shares in the Target Register, each Scheme Participant:

- (a) is deemed to have irrevocably appointed Bidder as its attorney and agent (and directed Bidder in such capacity) to appoint such officer or agent nominated by Bidder to be its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution, whether in person, by proxy or by corporate representative, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 6.1(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder directs.

### 6.2 Appointment of Target as sole attorney and agent

Each Scheme Participant, without the need for any further act, irrevocably appoints Target and each of the directors and officers of Target, jointly and severally, as the Scheme Participant's attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against Bidder;
- (b) executing any document necessary or expedient to give effect to the Scheme (including executing a Scheme Transfer and any instrument appointing Bidder as sole proxy for or, where applicable, corporate representative of each Scheme Participant as contemplated by clause 6.1); or
- (c) doing any other act necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.



### 6.3 Scheme Participant's consent

Each Scheme Participant:

- (a) consents to Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme and Target, as agent of each Scheme Participant, may sub-delegate its functions under this clause 6.3 to any of its directors and officers, severally; and
- (b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to Bidder, in accordance with the Scheme.

### 6.4 Warranties by Scheme Participants

Each Scheme Participant is deemed to have warranted to Target, in its own right and for the benefit of Bidder, and taken to have warranted to Bidder, and appointed and authorised Target as its attorney and agent to warrant to Bidder, that:

- (a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Bidder under the Scheme will be transferred to Bidder fully paid and free from all mortgages, pledges, charges, liens, encumbrances, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind;
- (b) they have full power and capacity to sell and transfer their Scheme Shares to Bidder (including any rights and entitlements attaching to those shares); and
- (c) as at the Record Date, it has no existing right to be issued any other Shares or any other form of Target securities.

Target undertakes that it will provide such warranty to Bidder as agent and attorney of each Scheme Participant.

## 7 Dealings in Target Shares

### 7.1 Determination of Scheme Participants

- (a) For the purpose of establishing the persons who are the Scheme Participants, dealings in Scheme Shares will only be recognised if:
  - (i) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Target Register as the holder of the relevant Scheme Shares at the Record Date; and
  - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before 5.00pm on the day on which the Record Date occurs at the place where the Target Register is kept.
- (b) Target must register registrable transmission applications or transfers of the kind referred to in clause 7.1(a)(ii) by or as soon practicable after the Record Date.
- (c) Target will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Scheme Shares received after 5.00pm on the day on which the Record Date occurs or received prior to that time,

but not in registrable form, other than a transfer to Bidder in accordance with the Scheme and any subsequent transfer by Bidder, or its successors in title.

- (d) If the Scheme becomes Effective, a holder of Target Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target Shares or any interest in them after the Record Date other than in accordance with this Scheme, and any such disposal will be void and of no legal effect whatsoever.

## 7.2 Maintenance of Target Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain the Target Register in accordance with the provisions of this clause 7 and the Target Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of Bidder and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by Bidder and registration of the transfer to Bidder of the Scheme Shares contemplated by clause 4.2, after the Record Date, each entry current at that date on the Target Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

## 7.3 Information to be made available to Bidder

Target will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Participant as shown in the Target Register as at the Record Date are made available to Bidder in such form as Bidder or the Bidder Registry reasonably requires.

## 8 Quotation of Target Shares

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Target will apply for termination of the official quotation of Target Shares on ASX and the removal of Target from the official list of ASX with effect from the business day after the date on which all transfers of the Scheme Shares to Bidder have been duly registered by Target in accordance with the Scheme.

## 9 Notices

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### 9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

### 9.2 Communications by post

Subject to clause 9.3, where a Notice referred to in this document is sent by post to Target, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target's registered office or at the Target Registry.

### 9.3 After hours communications

If a Notice is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

## 10 General

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### 10.1 Target and Scheme Participants bound

The Scheme binds Target and all Scheme Participants (including Scheme Participants who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of Target.

### 10.2 Further assurances

Subject to clause 10.3, Target will execute all documents and do all acts and things (on its own behalf and on behalf of each Target Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Scheme.

### 10.3 Alterations and conditions

Target may, with the consent of Bidder, by its counsel consent on behalf of all Scheme Participants to any modifications or conditions which the Court thinks fit to impose, provided that in no circumstances will Target be obliged to do so. Each Scheme Participant agrees to any such modifications or conditions which counsel for Target has consented to.

### 10.4 GST

Target must pay to the Scheme Participants an amount equal to any GST for which the Scheme Participants are liable on any supply by the Scheme Participants under or in connection with the Scheme, without deduction or set off of any other amount.

### 10.5 Costs

Bidder must:

- (a) pay all stamp duties and any related fines and penalties in connection with the transfer of Scheme Shares under the Scheme; and
- (b) indemnify each Scheme Participant on demand against any liability arising from Bidder's failure to comply with clause 10.5(a).

### 10.6 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in the State of Victoria, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State of Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.



C

# ANNEXURE

DEED POLL

## Deed Poll

HCL Australia Services Pty. Limited

**SBA Law**

Level 15, 607 Bourke Street  
Melbourne, Victoria 3000  
Tel: +61 3 9614 7000  
Fax: +61 3 9614 7100  
DX: 31315 Midtown  
[www.sbalaw.com](http://www.sbalaw.com)

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## This deed poll is made

By: **HCL Australia Services Pty. Limited** (ACN 081 196 983) of Level 8, 1 Pacific Highway, North Sydney, New South Wales 2060 ('**Bidder**')

in favour of: Each Scheme Participant

## Background

- A Bidder and Target have entered into the Scheme Implementation Agreement under which Target agreed, subject to the satisfaction or waiver of certain conditions, to propose the Scheme to Scheme Participants.
- B Under the Scheme Implementation Agreement, Bidder agreed, subject to the satisfaction or waiver of certain conditions, to do all things within its power necessary or desirable on its part to implement the Scheme, including providing the Scheme Consideration.
- C Bidder is entering into this document for the purpose of covenanting in favour of Scheme Participants to perform all of Bidder's obligations under the Scheme Implementation Agreement, subject to the satisfaction or waiver of certain conditions.

## Operative Provisions

### 1 Definitions and interpretation

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#### 1.1 Definitions

In this document the following definitions apply:

**Scheme** means the scheme of arrangement under section 411 of the Corporations Act between Target and the Scheme Participants the form of which is attached to the Scheme Implementation Agreement, subject to any alterations or conditions agreed in writing between Target and Bidder or made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed in writing by Target and Bidder;

**Scheme Implementation Agreement** means the scheme implementation agreement dated 21 September 2020 between Target and Bidder; and

**Target** means DWS Limited ACN 085 656 088.

#### 1.2 Scheme and Scheme Implementation Agreement

- (a) The rules specified in clauses 1.2 and 1.3 of the Scheme apply in interpreting or construing this document, unless the context requires otherwise.
- (b) Words and phrases defined in the Scheme or the Scheme Implementation Agreement have the same meaning in this document unless the context requires otherwise.



## 2 Nature of this deed poll

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Bidder acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Target and any of Target's directors and officers (jointly and each of them severally) as its agent and attorney, inter alia, to enforce this document against Bidder.

## 3 Conditions precedent and termination

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### 3.1 Conditions precedent

The obligations of Bidder in respect of the Scheme pursuant to this document are subject to the Scheme becoming Effective.

### 3.2 Termination

If:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective on or before the End Date,

Bidder's obligations under this document will automatically terminate, unless Bidder and Target otherwise agree in writing in accordance with the Scheme Implementation Agreement.

### 3.3 Consequences of termination

If this document is terminated under clause 3.2 then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Bidder is released from its obligations to further perform this document, except those obligations contained in clause 7 and any other obligations which by their nature survive termination; and
- (b) each Scheme Participant retains any rights, power or remedies it has against Bidder in respect of any breach of this document by Bidder which occurred before termination of this document.

## 4 Scheme Consideration

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### 4.1 Performance of obligations generally

Subject to clause 3, Bidder undertakes in favour of each Scheme Participant to perform the actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme.

#### 4.2 Provision of Scheme Consideration

Subject to clause 3, in consideration of the transfer of each Scheme Share to Bidder, Bidder undertakes in favour of each Scheme Participant to provide or procure the provision of the Scheme Consideration to each Scheme Participant in accordance with the terms of the Scheme.

### 5 Representations and warranties

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Bidder represents and warrants in favour of each Scheme Participant that:

- (a) Bidder is a company validly existing under the laws of the State of New South Wales, Australia;
- (b) Bidder has the corporate power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) Bidder has taken all necessary corporate action to authorise the entry into of this document and has taken or will take all necessary corporate action to authorise the performance of this document and to carry out the transactions contemplated by this document;
- (d) this document is Bidder's valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping; and
- (e) this document does not conflict with or result in the breach of, or any default under:
  - (i) any provision of Bidder's constitution; or
  - (ii) any writ, order or injunction, judgement, law, rule or regulation to which Bidder is subject or by which Bidder is bound,

and Bidder is not otherwise bound by any agreement that would prevent, restrain or restrict Bidder from entering into or performing any of its obligations or undertakings contained in this document.

### 6 Continuing obligations

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This document is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) Bidder has completely performed its obligations under this document; or
- (b) this document is terminated in accordance with clause 3,

whichever comes first.

### 7 Stamp duty

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Bidder will:

- (a) pay all stamp duties and any related fines and penalties in connection with the transfer of Scheme Shares under the Scheme; and
- (b) indemnify each Scheme Participant on demand against any liability arising from its failure to comply with clause 7(a).

## 8 Notices

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### 8.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made to Bidder under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

### 8.2 How to give a Notice

A Notice must be given to Bidder by being:

- (a) personally delivered;
- (b) left at Bidder's current delivery address for notices; or
- (c) sent to Bidder's current delivery address for notices or current registered office by pre-paid ordinary mail.

### 8.3 Particulars for delivery of notices

The particulars for delivery of Notices to Bidder are:

Attention: Legal Team  
 Address: Level 5, 2 Mill Street, Perth, WA 6000  
 Email: geo.legal@hcl.com

With a copy to:

Attention: David Ryan  
 Address: DLA Piper, L22/1 Martin Pl, Sydney NSW 2000  
 Email: david.ryan@dlapiper.com

### 8.4 Communications by post

Subject to clause 8.5, a Notice is given if posted:

- (a) within Australia to an Australian postal address, three business days after posting; or
- (b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten business days after posting.

### 8.5 After hours communications

If a Notice is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

## **8.6 Process service**

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this clause 8 or in accordance with any applicable law.

## **9 General**

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### **9.1 Waiver**

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any person will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other rights, power or remedy provided by law or under this document. A waiver is not valid or binding on the person granting that waiver unless made in writing.

### **9.2 Cumulative rights**

The rights, defences, powers and remedies of Bidder and of each Scheme Participant under this document are cumulative and do not exclude any other rights, defences, powers or remedies provided by contract (including the Scheme Implementation Agreement), law or equity independently of this document.

### **9.3 Amendment**

A provision of this document may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Target; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Target and is approved by the Court,

in which event Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to that amendment.

### **9.4 Assignment**

The rights and obligations of Bidder and of each Scheme Participant under this document are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior written consent of Bidder and Target.

### **9.5 Severability**

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause 9.5 has no effect if the severance alters the basic nature of this document or is contrary to public policy.

### **9.6 Further assurances**

Bidder will execute and deliver all documents and do all acts and things (on its own behalf and on behalf of each Scheme Participant) necessary or desirable to give full effect to this document and the transactions contemplated by it.

**9.7 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in the State of Victoria, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State of Victoria, Australia, and any courts which have jurisdiction to hear appeals from any of those courts, and waives any right to object to any proceedings being brought in those courts.

### Execution and date

Executed as a deed poll in the State of Victoria, Australia.

Date 27 October 2020

Executed by HCL Australia Services Pty.  
Limited ACN 081 196 983 in accordance  
with section 127 of the *Corporations Act 2001*  
(Cth):

  
\_\_\_\_\_  
Signature of director

Prateek Aggarwal  
\_\_\_\_\_  
Name of director (print)

  
\_\_\_\_\_  
Signature of director

S. Sridharan  
\_\_\_\_\_  
Name of director (print)



D

# ANNEXURE

NOTICE OF SCHEME MEETING



## Notice of Scheme Meeting and explanatory notes



**DWS Limited**

ACN 085 656 088

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Date: Thursday, 3<sup>rd</sup> December 2020

Time: 10.00am AEDT

Place: Virtually via  
<https://web.lumiagm.com/395712511>;  
or using the Lumi AGM application

*This Notice of Scheme Meeting and explanatory notes should be read in its entirety. If shareholders are in doubt as to how they should vote they should seek advice from their accountant, solicitor or other professional advisor.*



DWS Limited (ACN 085 656 088) (DWS or Company) hereby gives notice that by order of the Federal Court of Australia (Court) made on 30 October 2020 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (Corporations Act), a meeting of the holders of fully paid ordinary shares in DWS (Scheme Meeting) will be held at 10.00am (Melbourne time) on 3 December 2020.

#### **Purpose of the Scheme Meeting**

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification) a scheme of arrangement proposed to be made between DWS and the holders of its fully paid ordinary shares in relation to the proposed acquisition of DWS by HCL Australia Services Pty Limited (HCL).

#### **Scheme Resolution**

To consider and, if thought fit, to pass (with or without amendment) the following resolution:

‘That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between DWS Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification or conditions as approved by the Federal Court of Australia to which DWS Limited and HCL Australia Services Pty Limited agree).’

#### **Chair of the Scheme Meeting**

The Court has directed that Martin Ralston, or failing him Hayden Kelly, be Chair of the meeting and has directed the Chair to report the result of the Scheme Meeting to the Court.

#### **Arrangements for the Scheme Meeting in light of COVID-19**

As a result of the potential health risks and the Federal and State government’s restrictions in response to the COVID-19 pandemic, shareholders may attend the Scheme Meeting virtually or lodge a proxy in advance of the Scheme Meeting. There will be no physical meeting. Shareholders who wish to attend the Scheme Meeting virtually may do so either online or via the Lumi AGM application, and by doing so, will be able to view the Scheme Meeting live, vote on the Scheme Resolution and ask questions online. Detailed instructions and further information regarding these virtual attendance options is set out in the explanatory notes.

DATED: 2 November 2020

BY ORDER OF THE COURT AND THE DWS BOARD

.....  
Stuart Whipp  
Company Secretary



### Information about the Scheme

Information about the Scheme is set out in the Scheme Booklet, of which this Notice of Scheme Meeting forms part. Terms used in this Notice of Scheme Meeting have the same meaning as set out in the Glossary to the Scheme Booklet, unless indicated otherwise.

### Scheme Meeting and COVID-19

As a result of the potential health risks and the Federal and State government's restrictions in response to the COVID-19 pandemic, shareholders may attend the Scheme Meeting virtually (either online or via the Lumi AGM application) or lodge a proxy in advance of the Scheme Meeting but will not be able to attend the meeting in person. If you wish to appoint a proxy, please follow the steps on your enclosed Scheme Meeting Proxy Form and lodge it by 10.00am (Melbourne time) on 1 December 2020.

### Virtual participation in the Scheme Meeting

Shareholders participating in the Scheme Meeting virtually will be able to vote between the commencement of the Scheme Meeting and the closure of voting as announced by the Chair during the Scheme Meeting.

DWS Shareholders will be able to view the Scheme Meeting live, vote on the Scheme Resolution and ask questions online. More information regarding online attendance is set out in this Notice of Scheme Meeting.

Shareholders who wish to participate in the Scheme Meeting virtually may do so either:

- a. From their computer, by entering the URL into their browser: <https://web.lumiagm.com/395712511>; or
- b. From their mobile device by either entering the URL in their browser: <https://web.lumiagm.com/395712511> or by using the Lumi AGM application, which is available by downloading the application from the Apple App Store or Google Play Store.

If you choose to participate in the Scheme Meeting virtually, you can log in to join and participate in the meeting by entering:

1. Your username, which is your Voting Access Code (VAC), which can be located on the first page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Lumi User Guide (which is available at <http://www.reportonline.net.au/?documentid=7DBF9666CF884FC6AEC8D20DE34B2E43>) for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom Pty Limited on 1300 737 760 or via [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) to obtain your proxy number which must be obtained no later than 24 hours prior to the meeting.

Attending the meeting virtually enables shareholders to join and participate in the Scheme Meeting live and to ask questions and cast direct votes at the appropriate times whilst the meeting is in progress. It is recommended that any shareholders who elect to attend the meeting virtually log in at least 15 minutes prior to the scheduled start time for the meeting.

More information regarding online participation at the Scheme Meeting (including how to vote and ask questions virtually during the meeting) is available in the Lumi User Guide (details above).

**Technical difficulties**

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of DWS shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, DWS shareholders are encouraged to lodge a Scheme Meeting Proxy Form that accompanies this Scheme Booklet by no later than 10.00am (Melbourne time) on 1 December 2020, even if they plan to attend the Scheme Meeting virtually.

**Scheme Booklet**

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this Notice of Scheme Meeting forms part.

**Court approval**

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification or conditions approved by the Court to which DWS and HCL agree) must be approved by an order of the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC. If the Scheme Resolution put to the Scheme Meeting is passed by the required majority (as detailed below under 'Passing the Scheme Resolution') and the other conditions to the Scheme are satisfied or (where applicable) waived in accordance with the Scheme Implementation Agreement, DWS intends to apply to the Court on Friday, 4 December 2020 for the necessary orders to give effect to the Scheme.

**Advertisement**

Where this Notice of Scheme Meeting is advertised unaccompanied by the remainder of the Scheme Booklet, a copy of the full Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from the ASX website at [www.asx.com.au](http://www.asx.com.au) and on DWS' website at [www.dws.com.au/investors](http://www.dws.com.au/investors) or by calling the DWS Share Registry, Boardroom Pty Limited on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).



## **Voting and proxy instructions**

### **YOUR VOTE IS IMPORTANT**

You are entitled to vote at the Scheme Meeting only if you are registered as a shareholder of the Company at 7.00pm (Melbourne time) on Tuesday, 1 December 2020.

### **Voting procedure**

The Chair of the meeting intends to put the Scheme Resolution set out in the agenda to a poll at the Scheme Meeting. Voting results will be announced on the ASX as soon as practicable after the Scheme Meeting.

When the Chair declares the poll open, the resolution and voting choices will appear in the online platform. Press the option corresponding with the way in which you wish to vote. Once the option has been selected, the vote will appear in blue. If you change your mind and wish to change your vote, you can simply press the 'new vote' or 'cancel your vote' option at any time before the Chair closes the poll. Upon conclusion of the meeting the home screen will be updated to state that the meeting is now closed.

The Chair of the meeting intends to vote any undirected proxies in favour of the Scheme Resolution.

### **Passing the Scheme Resolution**

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of DWS Shareholders present and voting at the Scheme Meeting (in person or by representative or proxy); and
- DWS Shareholders holding at least 75% of the total number of votes cast by DWS Shareholders present and voting at the Scheme Meeting (in person or by representative or proxy).

### **Appointing a proxy**

If you are unable to attend the Scheme Meeting, you may appoint a proxy to attend and vote on your behalf by completing the Scheme Meeting Proxy Form that accompanies this Scheme Booklet. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

A shareholder entitled to attend and cast at least two votes at the meeting is entitled to appoint up to two proxies. If a shareholder appoints two proxies, the shareholder may specify the proportion or number of votes each proxy may exercise. If a shareholder appoints two proxies but does not specify on the Scheme Meeting Proxy Form the proportion or number of votes each proxy may exercise, each proxy may exercise half the votes regardless of any proportion stated on any other form. If a member appoints two proxies, each proxy will be entitled to vote on a poll in respect of the number of votes that that proxy may exercise.

The appointment of one or more duly appointed proxies will not preclude a member from attending the meeting and voting personally. The appointment of a proxy is not revoked by the member attending and taking part in the meeting, however, if the member votes on the Scheme Resolution, the proxy/proxies will not be entitled to vote, and must not vote, as the member's proxy on the Scheme Resolution.

For your vote to count, your Scheme Meeting Proxy Form must be received by the DWS Share Registry, Boardroom Pty Limited, no later than 48 hours prior to the commencement of the Scheme Meeting i.e. by 10.00am (Melbourne time) on 1 December 2020.



Proxy Forms must be lodged in accordance with the instructions set out in the Proxy Form accompanying this Notice of Scheme Meeting.

- 1) Online <https://www.votingonline.com.au/dwssch2020>
- 2) By Fax + 61 2 9290 9655
- 3) By Mail Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

Additional or replacement Scheme Meeting Proxy Forms can be obtained from the DWS Share Registry. Further instructions for appointing a proxy are included in the Scheme Meeting Proxy Form.

#### **Default of proxy votes to Chair in certain circumstances**

If:

- a poll is duly demanded at the Scheme Meeting in relation to the Scheme Resolution; and
- a member has appointed a proxy (other than the Chair) and the appointment of the proxy specifies the way the proxy is to vote on the Scheme Resolution; and
- that member's proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution,

the Chair of the Scheme Meeting will, before voting on the Scheme Resolution closes, be taken to have been appointed as the proxy for the member for the purpose of voting on the Scheme Resolution and must vote in accordance with the written direction of that member.

#### **Corporate representatives**

A corporate shareholder, or body corporate appointed as a proxy, may appoint an individual as its representative to attend the Scheme Meeting and vote on its behalf. The appointment may be for this meeting only or for all meetings of the Company, and may set out restrictions on the representative's powers. Corporate shareholders or proxies who appoint a representative must provide the representative with a properly executed notice of appointment, which the representative must bring to the Scheme Meeting for the purpose of registration. An Appointment of Corporate Representative form can be obtained from Boardroom Pty Limited.

#### **Power of attorney**

If the Scheme Meeting Proxy Form is signed by an attorney, the original power of attorney under which the Scheme Meeting Proxy Form was signed, or a certified copy, must be received by the DWS Share Registry or the Company at least 48 hours before the Scheme Meeting i.e. by 10.00am (Melbourne time) on Tuesday, 1 December 2020 (unless it has been previously provided).

#### **Shareholder questions**

If you have any additional questions in relation to this Notice of Scheme Meeting or the Scheme, call the DWS Share Registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Melbourne time).



#### LODGE YOUR PROXY

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** <https://www.votingonline.com.au/dwssch2020>
- In Person:** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia  
During business hours (8:30am to 5:00pm AEDT)
- All enquiries to:**  
(within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## LODGING YOUR PROXY FORM

For your vote to be effective it must be recorded **before 10:00am (Melbourne Time) on Tuesday, 1 December 2020.**

### LODGE YOUR PROXY ONLINE

### BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/dwssch2020>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone  
QR Reader App

## HOW TO COMPLETE AND LODGE THIS PROXY FORM

### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a shareholder of the company. Do not write the name of the issuer company or the registered shareholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's share registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- lodge both forms in accordance with Step 4.

### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, place a mark in one of the boxes opposite the item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of shares are to be voted on the item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses. If you mark more than one box on the item for all your shares your vote on that item will be invalid.

#### CORPORATE REPRESENTATIVES

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission to the meeting. An Appointment of Corporate Representative form can be obtained from the company's share registry.

### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** this form is to be signed by the shareholder.

**Joint Holding:** where the holding is in more than one name, either shareholder can sign.

**Power of Attorney:** to sign under a Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Melbourne Time) on Tuesday, 1 December 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** <https://www.votingonline.com.au/dwssch2020>
- By Fax** +61 2 9290 9655
- By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia  
During business hours (8:30am to 5:00pm AEST)



**DWS Limited**  
ACN 085 656 088

☐

#### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Shareholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your shares using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **DWS Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting as my/our proxy at the Scheme Meeting of the Company to be held **virtually at 10:00am (Melbourne Time) on Thursday, 3 December 2020** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.**

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the requisite majorities.

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

		For	Against	Abstain*
Resolution 1	That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between DWS Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification or conditions as approved by the Federal Court of Australia to which DWS Limited and HCL Australia Services Pty Limited agree).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Shareholder 1 (individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (individual)

Director / Company Secretary (delete one)

Joint Shareholder 3 (individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy of it must be attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020

## CORPORATE DIRECTORY

### Registered office

Level 4, 500 Collins Street  
Melbourne, VIC 3000

### Stock exchange listing

DWS Limited shares are listed on the  
Australian Securities Exchange  
(ASX code: DWS)

### Company website

[www.dws.com.au](http://www.dws.com.au)

### Share registry

#### Boardroom Pty Limited

Level 12/225 George Street  
Sydney, NSW 2000  
1300 737 760 (callers within Australia) or  
+61 2 9290 9600 (callers outside Australia)

### Financial adviser

LoftusLane Capital Partners  
3 Spring Street  
Sydney, NSW 2000

### Legal adviser

SBA Law  
Level 15, 607 Bourke Street  
Melbourne, VIC 3000

### Taxation adviser

Ernst & Young  
200 George Street  
Sydney, NSW 2000